



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

BI ANNUAL REPORT APRIL 2018 TO SEPTEMBER 2018



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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)
GSA	Georgian Shepherds Association
HACCP	Hazard Analysis Critical Control Point
IAAD	International Agricultural
ICCN	International Centre for Conflict and Negotiation
IE	Individual Entrepreneur
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ISF	Investment Support Facility
KTW	Kakhetian Traditional Winemaking

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
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	Samskhe-Javakheti
SME	Small & Medium Enterprise
SPPA	Support Programme for Protected Areas (GFA Consultants Group)
TJS	Transboundry Joint Secretariat (WWF)
TRACES	Trade Control and Export System
UK	United Kingdom
WWF	World Wildlife Fund

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PROGRAMME DESCRIPTION

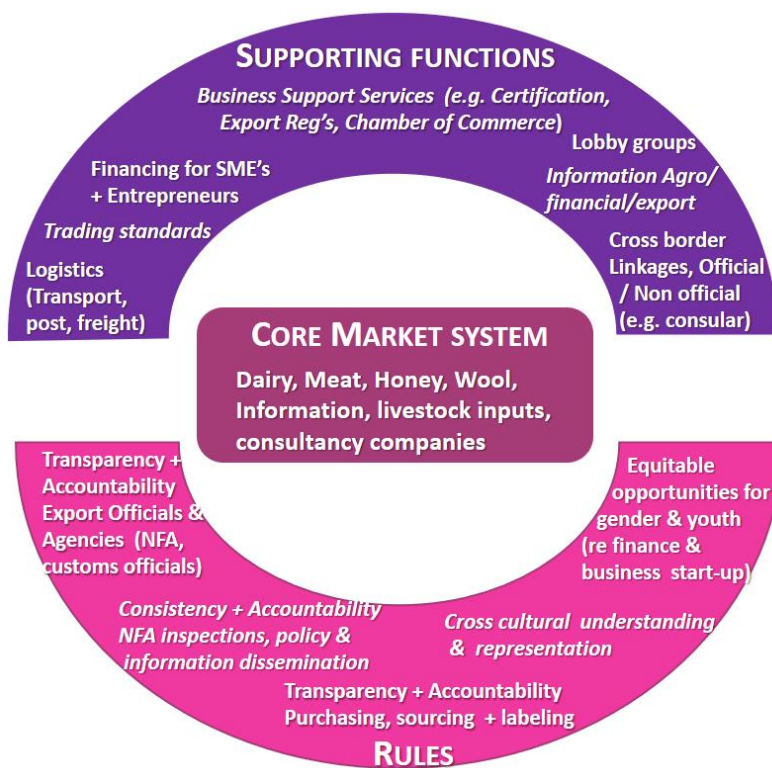
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Caucasus Programme
REGIONAL MARKET ALLIANCES IN THE SOUTH CAUCASUS

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 September 2018, 444,417 income beneficiary HH’s, generated 39.95 million USD (92.94 million GEL) in aggregated net attributable direct and indirect income for farmers, businesses and employees. For more detail go to <http://www.alcp.ge/index.php?cat=2>



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

The ALCP programme 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 20,000 Livestock and Honey Producers in Georgia, Armenia and Azerbaijan generating tangible positive income changes to a value of 8 million GEL direct and 1 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 6.5 million GEL.



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

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 measurement¹.

Estimated ² Impact for ALCP April 2017 to October 2018	
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) (20,000)	21,084 ³ (30% women, 70% men) (105%) 9536
# of LHP's served through crowding in	10,696
# of full time job equivalents (Women/Men) (150)	176 ⁴ (58 Women / 117 Men) (117%)
# of entities crowding in (15)	15 ⁵ (100%)
# of entities expanding their businesses (30)	25 ⁶ (83%)
NAIC value in GEL generated for LHP's (8 million Gel) (1 million indirect)	4,817,792 GEL / 1,890,813 CHF (60%) 621,135 GEL / 237,887 CHF (62%) 622,947 GEL / 244,485 CHF
NAIC value in GEL generated for programme clients (3 million Gel)	5,054,645 / 1,983,770 CHF (124%)
NAIC value in GEL generated by employees (1.5 million Gel)	1,533,962 ⁷ GEL / 602,026 CHF (102%) (403,794 GEL for Women / 1,130,168 GEL for men)
Total NAIC generated by the programme (Farmers, clients, employees direct/indirect) (14.5 million GEL)	13,160,052 GEL / 5,164,856 CHF (91%)

¹ Some of the impact from interventions funded in the previous phase, subject to ongoing measurement as outlined in the RM Manual, are 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.

² 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.

³ In total 69% of the scale and 86% of the income for farmers comes from interventions under the current log frame.

⁴ Veterinary sector (6), Nutrition (18), Machinery (5), Dairy (33), Meat (12), Wool (10), NFA, Women's Rooms and FS&H (92).

⁵ Entities copying the business model from: Agro Trading (2- 2017,2018), Roki's vet pharmacy, Journalists Resource Center, Alali, ABBA (2,2017), Marneuli Library, Women's Rooms, Darts Group, Georgian Wool Company, Marmot (2, 2018), Honey Sector Advisory Committee, Black Sea Eco Academy (BSEA)

⁶ Agro Trading (2, 2017, 2018), GARB, Marmot (2- 2017, 1- 2018), Star Consulting (2- 2017, 2018), Intellect/BDS service in AJ, Dairy in KK Milken, Ori Gio Ltd (2- 2017, 2018), Dairy in AJ Natural Produktsia Ltd, Georgian Wool Company (2- 2017, 2018), WR – village, Roki (2- 2018), Impervet., Samkhretis Karibche, Dairy JTA, Dairy in KK Tsalka +, Darts Group/BDS service in AJ, Matchakhela Ltd, EcoFilms Ltd

⁷ In previous Annual Report the number 1,851,311 Gel / 741,821CHF was reported with an error, the current figure 1,533,962 (CHF 602,026) is correct for NAIC generated by employees

NAIC value in GEL SME financing (2 million)	419,600 ⁸ GEL/ 164,678 CHF (23%)
% Social Return on Investment from Alliances Co-Investments	486 ⁹ (Targeted 40%)
% ROI of Alliances clients' investments	475 (Targeted 20%)
Productivity increase in milk, meat and honey yield of LHP's (10%)	6,728 beneficiary households increased productivity by 10% ¹⁰

MAIN STEERING IMPLICATIONS FOR THE NEXT PERIOD OF INTERVENTIONS

1. *Programme Expansion, Funding Submission and Increased Targets:* The final revised budget from January 2019 to March 2021, revised logframe, organogram and modified map for a further 1.5 million CHF were submitted in September following discussion between the SCO, Mercy Corps Georgia and Mercy Corps HQ. The additional funds will ensure the continued field presence of the ALCP in Batumi, West Georgia and Akhaltsikhe, SJ for the full length of the project, and the opening of an additional office in Telavi, Kakheti from January 2019, with a subsequent expansion/deepening of programming in that region. This period has already seen management driving and steering interventions to accommodate and maximize the synergies of the upcoming expansion. As demonstrated in this report, current logframe targets are largely being reached. Consequently, targets in the revised logframe for the funding submission have been significantly increased, including a 61% increase in scale, 33% in jobs and 34% in total project monetary benefits. The SCO commitment to the ALCP team for the entirety of the programming period has been hugely stabilizing and energizing for the entire team and senior management have continued to elicit the high level of input from staff that the ALCP requires, driving long planned national and regional interventions essential to cementing the impact achieved in the livestock sector.
2. *Programme Development:* The programme is now in full implementation with cross border supporting functions in machinery, milled grain, combined feed and agri information taking off in Armenia. Agri information provides the main potential for impact in Azerbaijan with Baku State University wishing to institute the agri modules. The honey sector has developed a full scope of interventions with main successes being the backing of the MEPA in forming a Honey Committee to promote key sector interests and the formation of an umbrella association, the Georgian Beekeepers Union, to unite the disparate voices of nine honey associations. The process of registering a core group of Jara producers as Bio/organic, and main export of honey by Kakhetian Traditional Winemaking (KTW) group is on the cusp, with samples of honey for testing collected from across Georgia. The dairy and meat sector work gained massive validation following the results of a national survey conducted by CRRC (submitted with this report) of the meat and dairy preferences of urban consumers across Georgia. The survey confirmed that urban consumers are willing to pay more for 'ecologically clean' meat and dairy; i.e meat that is grass-fed and milk that is natural and produced in a healthy and clean environment. The report contained several useful recommendations and work is fully underway with dairies across Georgia, an auditing firm, a marketing company, The National Institute of Intellectual Property 'Sakpatenti' and MEPA to develop, promote and use a Quality assurance mark/brand for natural raw milk, targeting consumers and supermarkets across Georgia. See Section 3.2 for more details.

⁸ A cheese factory, *Tsintskaro + Ltd* got 57,000 Gel low interest governmental loan, *Milkeni* dairy 40,000 gel, and a local wool processor *Matkhlis Sakhli* in Akhaltsikhe got a 5000 Gel loan from Produce in Georgia and also 23,000 Gel loan, *Georgian Wool Company* got low interest governmental loan 144,600 gel. Cooperative *Tanadgoma* got 150,000 Gel for construction of a cheese factory

⁹ 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-2015, Georgian Wool Company, Dairy enterprises from Ajara and KK, "IMPERVET" – Samegrelo

¹⁰ This figure is estimated % of increased productivity due to better livestock feeding practices.

3. *Evolution of Interventions:* The main calibration in programming, includes a shift in anticipated work in supporting functions related to export (specifically Output 3.2 and 3.4). Rather than working directly with supporting functions e.g. customs entities and shipping companies, programming has shifted to working with the rules pertaining to those functions. The programme has discovered that addressing constraints to export requires dealing with the top competent authority rather than entities further down the chain, therefore interventions for Outputs 3.3 and 3.4 have become focused on the National Food Agency and other relevant government agencies. Please see the details of ongoing interventions below:

Logframe Outputs related to Export Supporting functions and Rules	Ongoing Interventions
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.	<ul style="list-style-type: none"> - Facilitate the government to make laboratory services for honey more affordable and user friendly - Facilitate development and dissemination of guidelines for SME's on export procedures for animal-origin products (honey, wool, meat and dairy) + advocacy to relevant government agencies (NFA, MoA, Revenue Service, Enterprise Georgia, Business Ombudsman). - Facilitation of NFA Veterinary Department for key documentation i.e. Veterinary Certificates
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).	<ul style="list-style-type: none"> - Facilitate advocacy initiatives in the honey sector and formation of the Honey Umbrella association and MEPA honey committee with the NFA, the private sector and other key stakeholders to remove barriers to export in the honey sector predominantly the widespread use of antibiotics. - Facilitate the government (MEPA and Ministry of Foreign Affairs) to promote Georgian honey in the international market based on the Georgian wine model (including dissemination of short film to consuls and embassies around the world).

4. *Preparing for Expansion: Kakheti.* All being well with the credit proposal submission, the programme will scout potential office locations and put out job advertisements for Sub Office Coordinator and Theme/Data Officer as well as a driver and cleaner in early December. The Deputy Team Leader, Acting RM Coordinator, and Logistics Operations Officer went to the MOLLI Telavi office to discuss the transition and handover of data and vehicles. Intervention planning is underway, good links with government and good connections with MOLLI private sector actors are or will be established. Expected intervention areas are; integrating MOLLI and other dairy entities into the Quality Assurance Mark initiative, Kakhetian beekeepers being better integrated into the KTW (honey export) intervention as suppliers, slaughterhouse development, capacity building for women's access to decision making and financing for rural women entrepreneurs, animal movement route rehabilitation and upkeep as the route originates from the winter pastures of Kakheti branching to the North and South Caucasus. Potential intervention areas include support to sheep production in terms of winter husbandry and advocacy in the veterinary sector including MOLLI client Invet.

5. *SDC Impact in the Livestock sector, International Profile and Learning:* A TOR was announced for the mapping of amalgamated impact data for SDC projects RED, MOLLI and ALCP. The company GeoLand won the tender. Currently discussions are underway about how to best structure the data. Incompatibility of data with varying levels of attribution are main challenges, however aggregating impact for the design of maps to highlight the impact of ten years of SDC support to the livestock sector will be accomplished by spring next year.

CHAPTER 1 – OPERATIONAL ENVIRONMENT

1.1 UPDATE OF THE STAKEHOLDER ANALYSIS

A broadening of stakeholders in the honey and dairy sector continues, as work in those sectors deepens. New stakeholders include the banks in relation to the recent review of financing for rural women.

Georgia: New stakeholders include the honey/beekeeping associations in Georgia¹¹, Georgian banks (see submitted survey), Elkana and Caucascert, Caucasus Research Resource Centre (CRRC), Advisor of the Minister of Agriculture and Environment Protection, Administration of Tusheti Landscape Protected Area, Government of Tusheti region, dairy product distribution company Iceberg Ltd, Cheese distribution I.E Levan Abashidze. Productive ongoing relationships with the Ministry of Environment Protection and Agriculture, the NFA and the NAITS programme are ongoing. Ongoing relationships are deepening where key figures changed last year e.g. the Governor of Kvemo Kartli, Chairman of Ajara, Minister of Agriculture of Ajara. As part of ongoing interventions, relationships in government entities include; the Agricultural Projects Management Agency, Enterprise Georgia, Head of Produce in Georgia (Export), Chairman of Agency of Cooperatives (Honey Supply), Head of the Laboratory of the Ministry of Agriculture of Georgia (honey export), Ministry of Foreign Affairs of Georgia, the Governor of Kakheti (Sheep sector, Bio Security Points, WEE). *Armenia:* linkages with private sector honey entities (Honey House AM). In agri journalism and information, the relationship with the Media Initiatives Centre has deepened and now also includes the National Agrarian University of Armenia and Vanadzor State University. *Governance & Gender:* Alaverdi Municipality, Lori province, local NGO Association of Lawyers Community, Yerevan State University Center for Gender and Leadership Studies. *Azerbaijan:* Baku State University. *Germany:* Sheep Shearing Specialist Mrs. Stefanie Kauschus. *Ukraine:* QTL Laboratory Belarus: Wool exporter - Ural Company Ltd, *India:* Wool intermediary/exporter: Trans Galactic Trading FZ Ltd, R.N Dalmia Agencies Ltd.

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

General: In April 2018 the Government of Georgia (GoG) launched a new programme ‘Young Entrepreneur’ to support youth to develop their rural start-ups. The project funding is from 10,000 to 60,000 GEL. The state programme provides 20% financing if the proposed project is non-agricultural and 40% financing if it is agricultural. The rest of the budget is covered by the beneficiary. From August 1st 2018, the Enterprise Georgia project ‘Micro and Small Business Development Program’, which is announced twice a year in Spring and in Autumn, increased the maximum amount of funding from 5,000 to 20,000 GEL. In September 2018, the National Food Agency of Georgia hosted the 28th Conference of the OIE¹² Regional Commission for Europe. On May 8 2018 a new Government of Armenia was elected on an anti-corruption and pro-European ticket.

Dairy Sector: The main issue in the dairy sector is still the undifferentiated usage of powdered milk creating an unfair business environment for natural milk processing entities. In June, the new Prime Minister of Georgia proposed an initiative to exempt natural raw milk and dairy products produced from natural raw milk from VAT. A draft version of the Tax Code Law, prepared by the Ministry of Finance is pending parliamentary approval. The NFA has developed a new regulation which will be enforced from January 2019. According to this regulation the dairy processor will be obliged to collect milk from tagged cows. This regulation is a part of Government strategy for improving national animal health control, traceability and the registration process. In 2018 a compulsory Brucellosis vaccination campaign started in Racha-Lechkhumi, Samegrelo, Guria and Imereti regions. By 2019, all livestock in Georgia should be vaccinated.

¹¹ Meskhetian Beekeepers Association, Kakhetian Beekeepers Association, Georgian Beekeepers Union, Georgian Professional Beekeepers Association, Georgian ApiFarmers Association (GAFA), Global Entrepreneurial Network, Western Georgia Beekeeping Alliance, Farmer of Future, Association of Agricultural Cooperatives

¹² World Organization for Animal Health <http://www.oie>.

Honey: A Honey Committee has been created by MEPA, an initiative stemming from the first ALCP Honey Advisory Committee held in June. The meeting is convened in the ministry consisting of key sectoral representatives and is currently focused on tackling high levels of banned antibiotic residues in honey, which limit the development of the honey sector. One meeting has been held thus far, in July.

Veterinary: The FAO/NAITS programme has proposed a new model of contracting private vets to the NFA. To date private vets hired by the state were being paid fixed salaries for six month periods, the new model proposes that the NFA apply a work performance¹³ based payment system hiring vets for a year at a time. The only Veterinary Masters programme, available in Georgia since October 2017 in Agrarian University, was unable to enrol any students this year due to not receiving accreditation for this specific programme. The programme will receive accreditation next year.

1.3 BILATERAL OR MULTILATERAL ISSUES OF NOTE FOR POLICY DIALOGUE

Dialogue with the Banking Sector: the [Current Conditions and Constraints in Financing for Rural Women Entrepreneurs](#) report submitted with this Bi-Annual report analyses the financing patterns of one hundred and forty two women entrepreneurs, who attended the National Business Womens Forum in March in Batumi, one month and six months post fora. It includes a comprehensive review of banks and products as well as applications to *Produce in Georgia* funding; the real life constraints limiting access to financing are identified for women applying for funds for business ideas, start-ups and business expansion. These constraints should inform dialogue with IFI's or government when discussing potential initiatives.

No change from Annual Report: 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.

Disease notification and control remains a key topic in particular in relation to public notification of zoonoses. Safe and compliant disposal of carcasses is a key issue. There is an ongoing need for comprehensive government support to the rehabilitation of the veterinary sector with there still being a serious lack of young large animal veterinarians. Climate-sensitive farming should remain a topic to be welcomed and supported as simple measures of water conservation, conservation agriculture e.g. direct drilling, seed varieties and afforestation would see easy gains for small holders, especially in areas such as Kakheti, which is seeing the worst climate-related effects. 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 the newly amalgamated Ministry of Environmental Protection and Agriculture provides 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.

¹³ E.g. the number of vaccinations and identified/tagged animals

CHAPTER 2 – OUTCOMES ACHIEVED SINCE APRIL 2017

2.1 QUANTITATIVE RESULTS PER OUTCOME

Table 2: Achievements of Outcome¹⁴ Indicators Measured Against Target Values

Note all Outcome impact is only for interventions funded under the current Logframe

OUTCOME 1: Livestock and Honey Producers in Georgia strengthen their position in the market system and increase their income thanks to reliable market access to diversified opportunities from sustainable SME's in the meat, dairy, honey and wool sectors.	
Indicators	Estimated Alliances Programme Results (2017-to date)
# of LHP's generating tangible positive income changes due to sustainable diversified market access and better terms of trade (Women/men) (5000)	2,319 ¹⁵ (46%) (49% women, 51% men)
# of full time job equivalents (Women/Men) (50)	44 ¹⁶ (46 Women / 18 Men) (88%)
# of HoReCa/retailer entities integrating food safety hygiene compliance and good management practices into business management (25)	450 ¹⁷ (1628%)
# of entities crowding in (5)	3 ¹⁸ (60%)
# of livestock and honey sector sustainability advocacy initiatives (16)	6 ¹⁹ (38%)
# of SME obtaining external funds / finances (20/2 million)	5 / 419,600 GEL (25% /21%)
NAIC Value in GEL generated for LHP's with sustainable diversified market access and better terms of trade for LHP's (Women/Men) (4 million)	1,563,277 GEL (39%) (760,592 for women and 802,684 for men)
NAIC value in GEL generated for programme clients (Women/men) (0.8 million Gel)	1,075,955 (134%)

¹⁴ 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.

¹⁵ This figures come from dairy interventions and *Impervet's* shop in Zugdidi.

¹⁶ Dairy enterprises, Imervet Zugdidi and Womens Rooms 44 new FTE Jobs

¹⁷ *Shervasi* provided disinfection service to 290 HoReCa entities and *Start Consulting* trained 160 HoReCa representatives.

¹⁸ Women's Rooms, Darts group, Honey Sector Advisory Committee

¹⁹ Meat Advisory Committee Meeting, Honey Advisory Committee, 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;

OUTCOME 2: Livestock and honey producers increase profitability thanks to stronger regional linkages and cross-border availability of inputs and business	
Indicators	Estimated Alliances Programme Results (2017-to date)
# & % of LHP's generating tangible positive income changes due to enhanced regional linkages and services (women/men) (10,000)	11,942 ²⁰ (119%) (30% women/ 70% men)
# of full time job equivalents (Women/Men) (50)	23 ²¹ (1 Woman / 22 Men) (46%)
# of entities copying &/or crowding in (5)	5 ²² (100%)
# of issue specific cross border initiatives (women/men) (5)	4 ²³ (80%)
# of service providers &/or input suppliers with improved business practices/acumen & outreach to cross border LHP markets (5)	3 ²⁴ (40%)
NAIC value in GEL of cross border LHP's benefitting from supporting functions and compliant processing enterprises (Women/Men) (2 million Gel)	1,238,885 GEL (368,902 GEL Women/ 869,983 GEL Men) (Corresponds 62% of targeted 2 million)
NAIC value in GEL generated for programme clients million)	746,404 GEL ²⁵ (68%)
OUTCOME 3: Growing cross-border trade and export opportunities both within the South Caucasus and the larger region offers more diversified market access and terms of trade to livestock and honey producers	
Indicators	Estimated Alliances Programme Results (2017-to date)
# of LHP's generating tangible positive income changes due to enhanced market access (women/men) (5,000)	6,823 ²⁶ (136%) (24% women/76% men)
# of service providers &/or input suppliers with improved business practices / acumen & outreach to export markets (10)	2 ²⁷ (20%)
# of entities crowding in (5)	2 ²⁸ (40%)
# of full time job equivalents (Women/Men) (50)	22 ²⁹ (3 Women / 19 Men) (44%)

²⁰ These figures come from *Marmot* and *Agro Trade*. Out of it, 5247 farmers are from Armenia.

²¹ 5 FTE jobs created by *Marmot* and 18 by *Agro Trade*

²² *Agro Trade* (2), *Journalists Resource Center* (1), *Marmot* (2)

²³ A meeting with Georgian and Armenian governmental officials to establish Women's Room model in Lori province in Armenia; 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.

²⁴ *Marmot*, *AgroTrade*. JRC

²⁵ This number includes *Marmot Ltd* profit from sales in Armenia and Georgia and profit for machinery service providers

²⁶ Slaughterhouse *Alali Ltd* and Wool collector *Georgian Wool Company Ltd*.

²⁷ One slaughterhouse *Alali* started to export processed meat, one wool collector improved / safeguarded export of wool.

²⁸ *Alali*, *Georgian Wool Company*

²⁹ *Georgian Wool Company* created 10 and *Alali* created 12 new FTE jobs.

NAIC value in GEL of LHP's benefitting from supplying cross border trade and export enterprises (Women/Men) (2 million)	2,015,630 GEL (Corresponds 101% of targeted 2 million) 482,611 Gel Women, 1,533,019 Gel Men
NAIC value in GEL generated for programme clients (1.1 million)	2,837,373 GEL (284%)
Value in GEL of cross border trade products (TBD)	GEL 282, 322/ CHF 110,801
Value in GEL of exported products (TBD)	13,778,658 GEL ³⁰

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

One 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 targets mostly achieved or progressing favourably and increased targets being submitted with the revised budget from January 2019.

2.3 INFORMATION ON UNDEFINED AND UNINTENDED EFFECTS OF PROGRAMME INTERVENTIONS

Note: The title of this segment has been changed from *Information on Direct and Indirect Unintended Effects of Programme Interventions* to the above. This change has been made due to ongoing development in results measurement methodology in the capture of systemic and far reaching changes in the market system. The previous title was ambiguous and difficult to categorize and the programme was able to capture few changes observable in the system that were 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 research³¹. *Behaviour change at farmer, business and sectoral level is detailed in Annex 1 and Systemic Change in Annex 2.*

Exchange of practice/expertise between Georgia and Armenia: The Head of Veterinary Inspection, the Director of the Regional Laboratory of Dangerous Pathogens, the Acting Director of Risk Assessment and Analysis in Food Safety and the Head of the Veterinary Department of Armenia visited the Veterinary Surveillance Point³² in Kvareli, where they had cross-border meetings with Georgian representatives of the National Food Agency. The representatives from Armenia were very impressed and asked the NFA to send them the plan and a budget of the Bio Security points.

Jara Movie Success on the Film Award Circuit: Jara was named as the best feature film at the [Wolves Independent International Film Festival 2018](#) in Lithuania in August, and won the Golden Green Award 2018 at the [Deauville Green Awards International Film Festival](#) in June for the best production in the category of Sustainable Agriculture. The cameraman was awarded the *Best TV Camera Work* award [the Golden Eye 2018](#) from the International Festival of TV and Movie Cameramen. Jara was screened at the [Golden Linden film festival](#) in Stara Zagora, Bulgaria in

³⁰ 4,826,250 Gel value of liveweight of bulls, 7,880,139 Gel value of processed sheep exported and 1,072,268 Gel value of wool exported.

³¹ Particularly as the area of intervention focus and issues surrounding it will have been thoroughly researched in market research on which the programme is basing intervention design. Potential aspects relating to the intervention are therefore recorded and discussed in the form of future outcomes in a favourable environment and not form the direct and immediate changes the intervention must effect and which are recorded in the Investment Plans, results chains and monitoring plans.

³² The NFA petitioned the programme to change the name of the Bio Security Points to Veterinary Surveillance Points in line with their broadened mandate.

June 2018 ; [Borichara Green Film Festival](#) in Colombia in August, and twice at the [Batumi International Art House Film Festival](#). It was also screened at the opening of a Film Club in Shuakhevi municipality, Ajara.

MEPA commitment to Honey was shown by the Minister's full attendance at the ALCP facilitated Honey Sector Advisory Committee (AC) after which MEPA created a Honey Committee, a platform aiming at better coordination between governmental, non-governmental and private sector honey stakeholders. See *Section 3.2* for more details.

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. 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.

Coordination with the FAO/ National Animal Identification and Traceability System (NAITS) programme: In May-July 2018, the ALCP facilitated a comprehensive public information campaign on the animal identification & registration process with the FAO/NAITS programme. Eleven meetings with 199 participants³³ were conducted in KK, SJ, AJ and Tbilisi. In July the facilitation model was shared in a meeting with MOLI to conduct the same campaign in Kakheti.

National Animal Health Programme Steering Group: In May and September 2018 the ALCP, participated as an observer, in two quarterly meetings of the Steering Group on National Animal Health Programme (NAHP) at the MEPA. The programme will apply for full membership to the group for the next meeting planned for February 2018.

Bio Security Points: Veterinary Surveillance Points: In May 2018, the NFA initiated renaming the Bio Security Points, Veterinary Surveillance Points (VSP). The points will be used for monitoring animal health, vaccination/identification and public awareness raising campaigns. In August 2018, the NFA announced a tender for the construction of the sixth point in Bolnisi to fulfil the original agreement between the ALCP, the MOA and the NFA. Construction work will be finished in two months. In the 2018 spring movement 355,099 head of livestock were dipped/showered in all five Bio Security Points. A total a 1.4 million head were dipped/showered between 2016 and 2018.

Coordination with the Georgian Farmers Association/UNDP: In a meeting in July the programme discussed linking mechanisms for the SDC-funded UNDP/GFA Work-Based Learning (WBL) programme with ALCP facilitated clients³⁴. The ALCP is ready to help facilitate placement should it be acceptable to both parties.

UN Women: Handover of National Level Womens Room Development: In June the programme facilitated the first Annual General Meeting of Municipal Women's Rooms in Tskaltubo, Imereti. The managers of twenty-eight rooms from four regions of Georgia (Kvemo Kartli, Samtskhe-Javakheti, Ajara, Kakheti), representatives of three regional governments, local municipality officials from Imereti and Guria who want to open rooms, the Ministry of Regional

³³ The dairy and meat processors, vet pharmacies, ICCs, village reps, Municipal Women's Rooms and DRR Working Groups in KK, SJ, AJ regions and media representatives throughout the whole country

³⁴ Meeting minutes are available on request.

Development and Infrastructure (MRDI), the Gender Equality Committees of the Parliament and the Prime-Minister, the National Association of Local Authorities of Georgia (NALA) and UN Women Georgia attended the meeting. UN Women are now engaged in supporting the sustainability and national expansion of the rooms under their newly started SDC funded UN Women project³⁵ and will also help fully systematize and integrate existing Gender Equality mechanisms³⁶ at National, Regional and local government levels.

Womens Rooms Kakheti: The result of ALCP and MOLI facilitation; eight Women's Rooms have been opened in seven municipalities of Kakheti. The last, ninth Room in Kvareli municipality will be opened in October. The ALCP facilitated capacity building of the managers and focal points at the Governor's office in Kakheti linking them to the other rooms in Georgia, creating a *Women's Rooms Georgia* Facebook page and a closed group for Womens Rooms managers through which they coordinate and support each other. The programme linked the rooms to the Agriculture Projects Management Agency (APMA), which has been organizing trainings for rural entrepreneurs this summer. In September the Public Defender's office started using the WR's Rooms in Kakheti for trainings and meetings.

Armenia Womens Room: The programme has facilitated Alaverdi municipality, Armenia and a local NGO the *Association of Community Lawyers* to establish a pilot Women's Room in Armenia. the MOU and Grant Agreement were signed in September. Renovation work will be started soon. The programme has contracted rt of the Yerevan State University Center for Gender and Leadership Studies; Gohar Shahnazyan to produce Gender Guidelines based on the Georgian model, suitable for local government in Armenia.

Constraints to Financing for Rural Women Entrepreneurs: Following the programme facilitated National Women's Business Forum (NWBF) in Batumi in March 2018 increased entrepreneurial activity has been observed with forty five percent of forum participants applying for some form of financing for rural businesses. The programme surveyed one hundred and forty two rural entrepreneur participants one month and six months post forum to monitor their financing activities. A market survey of all banks in Georgia was also conducted to analyze products, offers and financing conditions for female entrepreneurs. The survey report [*Current Conditions and Constraints to Financing for Rural Women Entrepreneurs*](#) identifies current conditions and key constraints for female led small and medium businesses in accessing financing. The full survey has been submitted with this report. These constraints will form the basis for bi lateral dialogue and be disseminated amongst entities working in the sphere to help inform 'ground-truthed' programming.

Coordination with the SDC funded UNDP Project Strengthening the Climate Adaptation Capacities in Georgia: Coordination is ongoing with the UNDP climate adaptation project. The project conducted an assessment report on practices in six municipalities of Ajara in June, 2018. The ALCP is facilitating the involvement of the municipal DRR WG's in Ajara.

Goderdzi Alpine Garden Sustainability: From August 24th to 15th of September the programme facilitated Helmut Wiesmet, the Munich Botanical Garden's alpinarium specialist to backstop the development of the Alpinarium and to teach three gardeners employed by GAG to continue the work. The construction of the administrative building (wooden building), the beekeeper's house and arrangement of the roads and trails (1500 m²) inside the garden are finished. The Roads Department of Georgia spent 130,000 GEL paving the GAG parking area and 4,486,000 Gel re-surfacing six kilometers of the Goderdzi-Beshumi road this summer. The Tourism Product Development Agency has created a new tourist route Chirukhi-Khikhani-Goderdzi to include the GAG and distributed GAG promotion flyers to tourism agencies. In July, 92 students from the Free University, Tbilisi helped build pathways as a part of their field practice. The GAG Director went on a study tour to Lautaret Alpine Garden (LAG) this June and Pascal Salze their alpinarium specialist will visit GAG in October.

³⁵ According the UN Women, the project will be fully operational mode from November 2018

³⁶ Municipal staff responsible for Gender equality issues, Women's Room and local Gender equality committees.

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 compiled for the Annual Report and will be found in *Annex 2*.

CHAPTER 3: OUTPUTS AND PERFORMANCE PER REPORTING PERIOD 2017

3.1 SUMMARY OF OUTPUT DELIVERY UNDER THE THREE OUTCOMES

Table 4 below provides a breakdown of impact per output. Only outputs where interventions are already ongoing are included. Interventions/activities are being undertaken in 94% of outputs in the LogFrame and will be 100% in the next reporting period³⁷ (as opposed to 71% in the *Annual Report*). Please see Section 3.2 and 2.4 for descriptions of intervention activity in all sectors.

Table 4: Summary of Outputs Against Logframe Indicators

Output 1.2: Increased self-representation, empowerment and advocacy by livestock & honey system processors & manufacturers.	
Indicators	Estimated Programme Results (2017-to date)
Number of advocacy initiatives/groups	5 ³⁸
Number of desired objectives reached by advocacy initiatives/groups	2 ³⁹
Output 1.4: Facilitated leveraging of access to funding and improved business management for SME's	
Indicators	Estimated Programme Results (2017-to date)
Number of SME's leveraging funding from external sources to the programme e.g. IFI's and government schemes	5 ⁴⁰
Value of funding leveraged from external sources	419,600 GEL
Number of SME's where funding has allowed development of business vision.	5 ⁴¹
Output 1.5: Increased value added production and product diversification for SME's.	
Indicators	Estimated Programme Results (2017-to date)
# of SMEs with increased capacity/utilization of meat and milk, honey and wool	5 ⁴²
# of LHPs supplying supported entities (Women/Men)	1,591 (67% Women)

³⁷ Only one output is left in which to commence intervention activities (*Output 1.1 Increased accountability and transparency, in sourcing purchasing and sale practices by retailers. (Supermarkets, mini markets, agro markets, wholesalers)*). Activities will be undertaken as part of the 'natural raw milk' intervention described in the dairy sector section below.

³⁸ Meat Advisory Committee Meeting, 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; Honey Umbrella Association.

³⁹ 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

⁴⁰ Milkeni, Tsinskaro+, Matklis Sakhi, GWC, Tanadgoma.

⁴¹ Milkeni, Tsinskaro+, Matklis Sakhi, GWC, Tanadgoma.

⁴² 5 Cheese factories, Tsalka +, JTA, Tsinskaro+, Milkeni, Natural Produktsia.

Number of value-chain actors in dairy, meat, honey and wool sectors gaining access to diversified markets	9 ⁴³
Output 1.6: Increased equitable (gender, ethnicity and youth) access to and diversification of rural/livestock market system related economic/entrepreneurial opportunities.	
Number of women/youth rural businesses started	40 ⁴⁴
Number of initiatives for women/youth rural business	486 ⁴⁵ (plus 215 men)
Value of financing for women/youth entrepreneurs from external agencies (GEL)	986,200
Number of jobs in diversified women owned enterprises	33 ⁴⁶
Output 1.7: Improved consistency, resilience and reduced risk in livestock market system.	
Number of Bio security initiatives	6 ⁴⁷
DRR Coordination initiatives	5 ⁴⁸
% of households registered their cattle in the NFA	81 ⁴⁹
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)	
# of consultation fora between peer to peer actors to address livestock related cross border initiatives	1 ⁵⁰
% women representatives involved in consultation fora	50% ⁵¹
# of study tours / regional meetings facilitated between cross border stakeholders	1 ⁵²
Output 2.2: Facilitated outreach of inputs and input related services in the meat, honey, dairy and wool sectors in Armenia, Azerbaijan and Georgia.	

⁴³ 5 Cheese factories and one local wool processor in Akhaltsikhe, Georgian Wool Company, Alali, Honey KTW diversified their production

⁴⁴ 3 Women were funded following business forum by *EBRD* (Flower shop, poultry, green-housing). 28 rural women were funded by the *Enterprise in Georgia* through the *Women's Rooms* with total value 221,600 GEL. *Women's Rooms* helped 7 men to obtain the fund (46,100 GEL). *Women's Room* also helped one women 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

⁴⁵ Through *Women's Rooms*: 267 women applied for the state project, *Enterprise in Georgia*, 10 Women got bank loans / grants. 200 Women applied for USAID grants, 8 EMPARDII, 1 IFAD

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

⁴⁷ 3 new Bio Security Points (BSPs) opened, and construction of one new (6th) BSP in Bolnisi has started and will be finished by the end of December; one advisory committee meeting was held to ensure sustainability of the BSPs and one regional meeting with NFA & Kvemo Kartli Governor and local municipalities to discuss construction of the 6th BSPs in Bolnisi and local governments' involvement in the BSPs management.

⁴⁸ 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

⁴⁹ In Georgia 81% of households have already registered their cattle into the *NFA* database.

⁵⁰ Making linkages between Lori municipality in Armenia and Dmanisi Municipalities in Georgia.

⁵¹ 4 persons have been involved in consultation fora in Armenia (2 women and 2 men).

⁵² 13 Armenian journalists and University representatives attended a study tour organized by JRC Agro Journalists Resource Center in Georgia on 25-29 April 2018

# of entities outreached sales in cross border regions	2 ⁵³
Number of customers accessing inputs	11,942 ⁵⁴
Value of sales of inputs / Value of sales to women/Value of sales to LHP (Gel)	1,432,482 GEL
Increased trust towards exported products (from Georgia, Azerbaijan, Armenia)	N/A ⁵⁵
Output 2.3: Facilitated outreach of business support services in the meat, honey, dairy and wool sectors in Armenia, Azerbaijan and Georgia.	
Number of value-chain actors in dairy/ meat/honey and wool sector receiving trainings on food-safety & hygiene/business management	28 ⁵⁶
Number of milk/meat/honey & wool supplier LHP's receiving trainings / information on quality, food-safety, hygiene & business management standards	50,912 ⁵⁷
Number of HoReCa sector actors receiving trainings(and services) on food safety and hygiene	450 ⁵⁸
Number of value-chain actors gaining business management certifications e.g. GMP HACCP (e.g. Global Gap, SALSA)	39 ⁵⁹
Number of value chain actors with business/marketing plans (including for rural tourism)	12 ⁶⁰
Number of value-chain actors gaining BEAT assessment	1 ⁶¹
Output 2.4: Facilitated outreach of agri-information and agri-information initiatives to Armenia, Azerbaijan and Georgia.	
Number of information consumers of products that have agricultural content/Women readership/ LHP's readership	41,163 ⁶²
Number of information channels with agricultural content / of newspapers/of TV programmes/ of internet sites	13 ⁶³
Number of agro reports/programmes on cross border trade /export	6 ⁶⁴
Number of information channels with coverage in cross border regions	3 ⁶⁵

⁵³ Machinery input supplier *Marmot Ltd* and nutrition input supplier *Agro Trading*.

⁵⁴ 347 machinery service providers served 5,247 farmers in Armenia.

⁵⁵ This indicator will be measured through impact assessment surveys.

⁵⁶ 28 meat, dairy, wool, and livestock feed producers were trained by *Star Consulting*. Also, 127 businesses were trained by *Star Consulting* in other sectors (bakery, vegetable, alcohol & mineral drink, nuts production, rabbits, kindergartens).

⁵⁷ 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 49,601 and 37,392 from other countries. Also, *Star Consulting* has 1,311 regular visitors.

⁵⁸ *Shervasi* provided disinfection service to 290 HoReCa entities *Star Consulting* trained 160 HoReCa sector representatives (22 in Tbilisi, 138 in Regions: Batumi, Akhaltsikhe, Rustavi and Kaspi).

⁵⁹ *Star Consulting*: 7 Slaughterhouses, 17 Cheese factory, one animal feed producer, 14 other non-value-chain enterprises

⁶⁰ Business plans for 2 ALCP co-financed wool companies & JRC, APMA 3, private orders 6

⁶¹ *Gergili Ltd* gave BEAT assessment to local wool processor in Akhmeta region.

⁶² Radio listeners. 4 radio stations and one *Roki's Agri Portal (Agroface.ge)*.

⁶³ *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*.

⁶⁴ 6 reports/ programs prepared and aired by Armenian journalists after the agri training

⁶⁵ Local TV's in Armenia aired programs with Agro content prepared with help of JRC: Jam news, Alttv, Agropress.am

# of universities integrating agro journalist study model	13 ⁶⁶
Number of degrees gained with agri journalism content	369
Output 2.5: Facilitated outreach of equitable public goods to Armenia, Azerbaijan and other areas of Georgia	
Number of gender related cross border initiatives	4 ⁶⁷
Number of women using women's room services Number & % of women participants in community meetings ⁶⁸	3,150 ⁶⁹ (1890 women / 1260 men) N/A
Number of women-instigated community/livelihood related initiatives	26 ⁷⁰
Value of women instigated community/livelihood related initiatives	628,000
Output 3.2: Facilitated access to export markets for dairy, meat, honey and wool entities in Georgia, Armenia and Azerbaijan.	
# of processors of meat and milk, wool and honey starting to export	2 ⁷¹
# & % of LHP producers supplying supported entities (Women/Men)	6,823
Value of exported products	13,778,658
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.	
Number of key entities with improved function/business practices	2 ⁷²
Number of representatives of the key export supporting entities trained	N/A
Output 3.4: Improved transparency, accountability, efficiency of function and information transfer to key export related stakeholders to exporting entities in dairy, meat honey and wool value chains.	
Number of information initiatives from stakeholders to exporters.	2 ⁷³
Increased understanding and confidence in job remit.	
Increased transparency of function and information transfer of key exported related stakeholder.	

⁶⁶ Gori, Akhaltsikhe, Batumi, Kutaisi, Telavi, Tbilisi Caucasus & crowding in *Georgian European University of Tbilisi, Tbilisi State University, Georgian Technical University, Alma Mater Grigol Robakidze, Odlar Iurdu University Baku (Azerbaijan), Vanadzor State University, National Agrarian University of Armenia*

⁶⁷ 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.

⁶⁸ This indicator is no longer applicable these were stopped in 2017, 2018 but will resume in 2019 where they will be measured in Kaheti.

⁶⁹ 1710 are from Ajara (RM will finish in March 2019). 1440 from 8 newly opened Women's Rooms in Kakheti region who started operating from July 2018;

⁷⁰ 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*

⁷¹ Alali and Georgian Wool Company

⁷² Improved NFA functions in issuing necessary documentations for honey export; Improved MEPA function through the MEPA Honey Committee

⁷³ Honey Advisory Committee, Honey Umbrella Association,

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 *Transversal Themes Section 2.4* for activities related to WEE, animal disease control and ALCP ‘operational arm’ cooperation.

Georgia and Cross border Supporting Functions: Sales and distribution of *machinery and equipment* in Armenia have considerably increased during the last six months through eight business partners/machinery shops in Armenia and eight machinery equipment shops in Georgia. Forty five trips were made to Armenia by the company’s distribution truck, saving 25,000 Gel in transportation costs. 13,000 hydraulic hoses were sold (65% in Armenia), 426 rakes and mowers (61% Armenia) to a value of 1.6 million Gel (45% Arm). 7,170 farmers were served (60% Arm). The annual qualitative impact assessment for this intervention was conducted in Armenia in September. Entry into the Azerbaijan market is still under negotiation.

The *combined feed producer and exporter Agro Trading Ltd* has successfully exported three tons of bran to Armenia as a first consignment to check customs procedures and other transportation costs in Armenia. Five hundred tonnes of combined feed as well as 3,000 tonnes of milled grain were produced and sold in Georgia in the last six months. Three new shops⁷⁴ have opened in Ninotsminda and Tsalka municipalities.

ALCP facilitated consultancy services in FS&H are having increasing knock on effects nationally: The Head of Star Consulting Ekaterine Burkadze has carried out GMP&GHP assessments in two dairy cooperatives, one slaughterhouse and one wine producing enterprise in Samegrelo; she has established HACCP in two dairy enterprises and in one slaughterhouse, and carried out GMP&GHP assessments for one dairy enterprise in Imereti; she has established HACCP in two slaughterhouses in Guria. She has conducted five FS&H trainings for 50 staff members of Sheraton hotel in Ajara. TBC Bank has signed one-year contract with her to provide FS&H trainings to its HoReCa sector clients. However anticipated expansion to Armenia has not occurred, partly due to the uptick of the business in Georgia and partly to being unable to establish a working partnership.

Cross border development of agri journalism and agri journalism initiatives are ongoing. The Journalism Resource Center (JRC) in partnership with the Media Initiatives Center (MIC) in Armenia, organized an agri media tour and agri journalism training and exchange visit to Georgia, for eight Armenian TV and press journalists and two Armenian university representatives⁷⁵. JRC journalists visited Armenia to report on EU financed agricultural projects and exchange of agri information with Lori TV in Armenia is ongoing. The agri journalism module was introduced to *Odlar Iurdu University* representatives in Baku, who are interested to include the module in the curriculum; *Ukraine Taras Chevchenko State University* has also expressed interest in integrating the agri journalism module. The modules are in the process of being updated and translated and will be shared with the universities shortly. A qualitative review of the use and impact of the modules to date has been completed and forms Annex 7 of the national review of ALCP information interventions submitted with this report please see Section 5.2.

Dairy Sector: In May, the Caucasus Research Resource Centre (CRRC) commissioned by the ALCP, interviewed 1,500 people in urban centers across Georgia producing the *Dairy and Meat Consumer Preferences Research*, providing a representative picture of Georgian urban dairy and meat consumers. The research confirmed assumptions on which log frame outputs, concerned with adding value to raw natural milk dairy products had been based. In a meeting with dairies in September, the research findings were shared and a model of value added production in the dairy sector through a Quality Assurance Mark for natural raw milk products was agreed. Activities to develop, promote and use a ‘natural raw milk’ quality assurance mark/brand are underway

⁷⁴ Gandza village in Ninotsminda, Tsalka city center and Sakdrioni village in Tsalka.

⁷⁵ The parties exchanged agri reporting practices, visited ALCP entities and attended a training given by an international agri journalist. The JRC announced a competition for Armenian media on agri reporting, where the winner will receive technical equipment to improve agri reporting.

Meat: The investment into added-value and product diversification in Alali slaughterhouse for an entrails processing plant, is now complete and the company's new Turkish business partners has also invested in this facility. The company will start the export of frozen sheep intestines to Turkey in addition to China and Iran. The business has been further buoyed by strict monitoring in Kvemo Kartli of meat shops penalizing incompliances, which have included the lack of a Form 2 proving compliant slaughter in a slaughterhouse following the ALCP Meat Advisory Committee meeting held in April. The process is ongoing and strict inspections were made of the meat shops in Kakheti and Mtkheta Mtianeti regions as well.

Wool: *The Georgian Wool Company* considerably expanded operations in the reporting period, opening four new wool collection centres, two in Ninotsminda municipality⁷⁶ facilitated by the programme, and an additional two, one in Kakheti and one in Gardabani⁷⁷, doubling seasonal wool collection to 570 tonnes in the reporting period. The company has started to improve wool sorting at the intermediary level and is also providing sheep shearing services⁷⁸ to sheep farmers in SJ, KK and Kakheti regions to improve wool quality for better pricing. The company has now started exporting to the Republic of Belarus⁷⁹ and has already sent five containers (125 tons of wool) in September. The company is retaining and growing its UK and India markets. The company has agreed with the Belorussian partners to supply four to five containers monthly, which is 1,300-1,400 tons/year, reflecting stable growth of company's export sales and double the annual target of 600 tons stipulated in the agreement with the ALCP.

Honey: Focus is now securely on the core market related to honey export and rules related to the control and monitoring of honey quality parameters nationally.

Core Market: Implementation with KTW to facilitate Georgian honey export is fully underway. Samples of six types of honey were aggregated from beekeepers of seven regions of Georgia for testing on quality and safety parameters. ALCP facilitated the company to receive permanent recognition of its factory from the NFA, based on which the company is eligible for honey export. The Georgian government laboratory still lacks key accreditation on several antibiotics. Comparative analysis of laboratory services and prices in Georgia, Germany, Ukraine and Turkey were made, based on which the ALCP will facilitate Laboratory of Ministry of Environment and Agriculture to offer user-friendly affordable laboratory services to honey producers/aggregators. The company began the first ever commercial systematic purchase of Jara honey from the ALCP aggregated data base of suppliers this September.

Rules: The need for tighter control of banned residues in Georgian honey, the roll out of more user friendly and fit for purpose laboratory testing and the promotion of Georgian honey were the main issues discussed at the first Honey Advisory Committee⁸⁰ held in June with the Minister of Agriculture present throughout. In direct response MEPA created a [Honey Committee](#) at the Ministry with the first meeting of the committee held in July, where the ALCP raised the issue of government support in reducing transaction costs (mainly laboratory testing costs) for Georgian honey export. Unity amongst the myriad honey associations in Georgia created over the years is paramount to being able to represent the interests of the sector, thus the ALCP has been in discussion with these associations to follow up on the motion posited at the advisory committee that an umbrella association be created. The first meeting of all honey/beekeeping associations functioning in Georgia was successfully held in September

⁷⁶ Gorelovka and Poka villages

⁷⁷ Iormuganlo and one in Gachiani villages

⁷⁸ The company works with 12 intermediaries who were trained by the company shear sheep (electric) and sort wool ensuring improved quality. Farmers pay 30 tetri/sheep for it to be sheared (normal rate) with the guarantee sale at 50t/kg to the intermediaries and immediately taken away. Previously farmers pay to shear sheep by hand but were unsure of sales and could keep wool for long periods of time or throw it away.

⁷⁹ Since 2016 March, Belarus has prohibited the import of wool from Georgia, due to detected of murrain disease in Georgia in February, 2018. On the 5th of September, 2018 the Veterinary and Food Inspection Department of the Republic of Belarus issued permission for the import of Georgian wool.

⁸⁰ Consisting of government, private companies and beekeepers

where the associations agreed to unite and form an umbrella association. The organizational structure and charter of the umbrella association, will be discussed at the next meeting in October⁸¹.

Promotion: Professional photos of beekeepers of nine regions of Georgia have been shot and a list of honey flowers have been compiled for the a Georgian honey promotional catalogue⁸². A [short film for Georgian honey promotion](#) to be disseminated through Georgian commercial attaches and consulates has been made by the programme. For Jara movie success and awards see section 5.2.

Jara Honey: The highest value honey is Jara, produced in hollowed logs in trees by captured swarms. A Jara honey specialist created a database Jara producers. Meetings with Jara beekeepers were conducted to introduce BIO standard requirements for the certification of a core group of producers. Preliminary assessments of Jara beekeepers were conducted by Elkana. Based on this assessment, Jara honey is eligible for bio certification. Jara beekeepers will be facilitated to apply the certifying body CaucasCert, implement the standard and receive certification by October, 2019. Jara beekeeper stories were drafted which will feed into a website, which will be designed for the promotion of Jara honey and beekeepers

3.3 IMPLEMENTATION CONSTRAINTS AND WAYS TO OVERCOME THEM

Main constraints remain consistent with other previous phases of the programme and those reported in the Bi-Annual Report. Models and entry points facilitated by the ALCP are still being leveraged by other donors, projects⁸³ and government entities with different *modus operandi* at worst this could diminish sustainability and even disrupt the functionality of a new sector. Managed well by all parties these opportunities can amplify and add to the sustainability of impact and growth. The regulatory focus of the NFA still has gaps, which increase constraints for clients such as insufficient policing of milk powder usage and sale as raw milk and unregistered factories. With regard to external constraints in the operating environment (See 1.2 *Evolution of the Context* and 1.3 *Bilateral and Multilateral Issues of Note for Policy Dialogue*). The SCO backing of the ALCP as an operational arm requires additional effort on behalf of team members and senior management but continues to bear fruit; specifically with SDC partners, but also in general, with a greater and beneficial level of programme inclusion in a broader range of development events and initiatives.

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*.

⁸¹ Just outside the reporting period nine associations signed a charter for the **Georgian Beekeepers Union**.

⁸² Slovenian and Turkish catalogues the product of strong national honey associations and produced with government support were given as examples at the Honey Advisory committee.

⁸³ 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

For the ALCP support lines⁸⁴ as of September 30th 2018, the significant increase in spending up 45%, since the last reporting period reflects the significant increase in implementation momentum see 3.2 *References to Activities Proposed and Actual* for details. The percentage represents the rate for the full four-year phase.

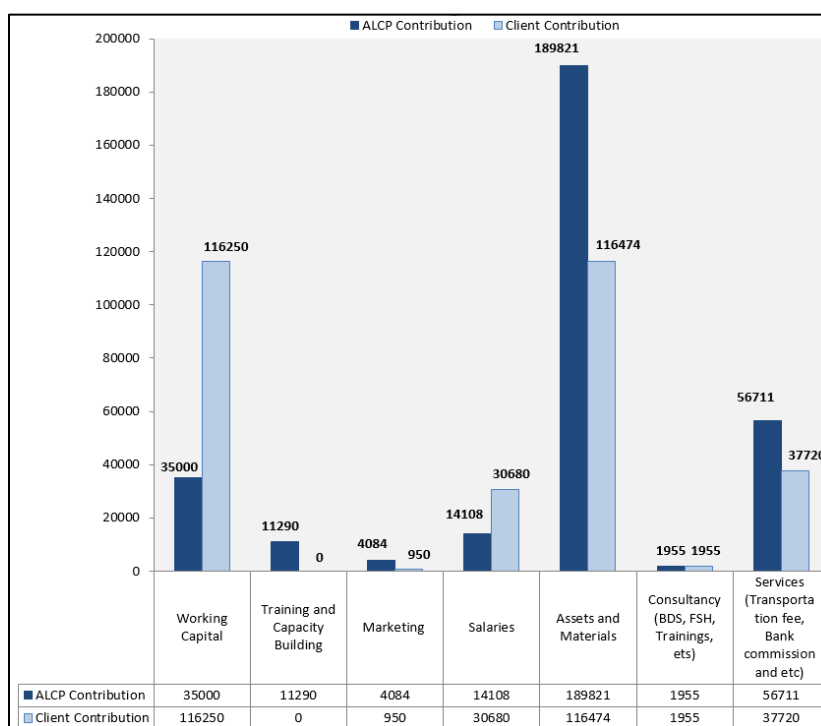
ALCP Support Facilities (CHF)	ALCP
Alliances Investment Support Facility (Including Gender and Governance)	487,336 (64.69% spent)
Technical and Transversal Themes Sub Contractors	14,849 (44.19% spent)

4.2 BUDGET DEVIATIONS AND OUTLOOK FOR THE REST OF THE PHASE

Spending is considerably ahead of the average percentage to be expected at the year and a half mark but which tallies well with the anticipated increase in budget from January 2019. New interventions being brought online outside of the reporting period intend to continue this momentum in expectation of upcoming funds. 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 currently stands at 51 % up from 47% reflecting the financing of interventions on product diversification and cross border trade/export.



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

4.4 HUMAN RESOURCES & TEAM MANAGEMENT

All offices are working successfully and maximizing the geographical synergy of their locations to enhance interventions. Planning is underway for the opening of a new office in Telavi, Kakheti in January which will be run by the Kakheti sub-office coordinator with a Theme/Data officer. The office will offer the opportunity to improve the depth of regional expansion of interventions and capitalize on the work done by MOLI. Job advertisements will be published in early December.

Staff Turnover and Team Rationalization: the ALCP is noted for its low staff turnover retaining members from the outset of all phases of the programme. However, it is also deeply committed to allowing team members to further their educational growth and development particularly when those in question secure scholarships. It is important to ensure that young people who have gone straight into work do not miss out on key stages of their educational development, becoming ‘shipwrecked’ when the programme ends. Thus this year in September; the programme has seen the RM Coordinator Zakaria Tavberidze, leave to study a prestigious masters at Glasgow University, Theme Officer for Transversal Themes in Batumi Meri Shavadze who came on as an intern leave to study a Masters in Tbilisi and Archil Jaiani Senior Theme Officer, Batumi take up a deferred place for a livestock-based MSc in Bern University. As Results Measurement on the ALCP is so specialized⁸⁵ it was impossible to recruit for someone externally within Georgia who would better the internal expertise available. The role has therefore been split between two members of the RM team and who have been promoted from Senior RM Officer to Acting RM Coordinator and from RM Officer (Batumi) to RM Database Coordinator. The programme has decided not to recruit for the two empty positions in the Batumi office, as the new office is coming on line in Kakheti and the slightly rationalized numbers suit the current programming. The new organogram and budget reflecting these changes has been submitted as part of the budget submission for January 1st 2019.

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: Co-facilitation of Womens Rooms in Kakheti with MOLI is ongoing as are discussions surrounding issues pertaining to transition for programme implementation, data and assets on the closure of MOLI’s Kakheti office in November and opening of an ALCP office in Telavi in January⁸⁶. *SCO in Georgia:* Working relations with the NAITS programme are ongoing with their Programme Director speaking at the Veterinary Surveillance Point at the Mercy Corps Global Livestock Summit field visit in September. Coordination with UN Women is ongoing and meetings and coordination undertaken with GFA/UNDP programme representatives on work based learning linkages to the private sector. The Ajara office is helping the contractors⁸⁷ conduct an assessment for the UNDP project *Strengthening the Climate Change Adaption Capacities in Georgia*. The ALCP is facilitating the involvement of the municipal DRR working groups originally initiated by the ALCP in 2014.

Considerable data, technical inputs, facilitation with key dairy clients and discussion are ongoing with the Microinsurance at Milliman consultant, who are backstopping a technical innovation grant for IFAD looking at insurance in the livestock sector for small-scale livestock farmers. The ALCP participated in training courses, which was organized by Caritas, the Czech Embassy and GIZ to teach Tushetian sheep farmers sheep shearing with compliant equipment and wool sorting techniques. *Cross border:* Representatives including ALCP staff and

⁸⁵ In terms of being DCED audited and a thought leader in many aspects of MSD and RM

⁸⁶ Hence the surprise at not being informed of the National Veterinary Conference, particularly as there was some idea of wanting to develop an ‘umbrella association’ and continue advocacy in the sector.

⁸⁷ Black Sea Eco Academy (the Black Sea Eco Academy was facilitated by the ALCP between 2014-2017 to provide local technically able environmental entities in Ajara).

Akhaltshikhe Wool Processor Manana Tsikarishvili went to the SDA facilitated Sheep Shearing Festival in Syunik in June 2018 and to meet to discuss synergies for fulfilling regional objectives. The programme sent a representative to the FAO Dairy Industry Development in Armenia and Georgia workshop held in Tsakhadzor, Armenia on September 11th 2018.

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

External Review: The Springfield Centre for Markets in Development were commissioned, following an invitational tender to conduct a *Case Study/External Review of Alliances Information Interventions from 2008 to 2018*. As a cross cutting constraint treated both overtly with media related interventions and embedded within all interventions since 2008, an assessment of the impact of information interventions provides a broad programmatic review of multiple interventions and the implementation and results measurement of the entire programme. The case study will detail the methodology employed, lessons learned, isolate good practice and examine the wider implications for information programming in MSD programmes globally. The review was commissioned on the back of a national self-review of information impact at sectoral and farmer level [A National Review of Information in Alliances September 2018](#) submitted with this report, which proved significant impact across Georgia at farmer level in terms of the adoption and use of practices and information disseminated by agri media for improved production. It also captured the significant market deepening at sector level and reviewed the progress of the use of the agri-media module in Georgian universities.

Self-Evaluation: A new version of the [Results Manual](#) has been published for use in the programme following SCO review⁸⁸. The manual includes new sections on impact assessment, better mainstreaming of qualitative information measurement and gender in all sections, plus expanded and improved Systemic Change, Gender, and WEE chapters and tools which include the advances the programme has made in developing tools, and methods to capture equitable complex impact.

Collaboration is ongoing with the Jordan branch of the DFID funded multi country Arab Womens Enterprise Fund on developing their WEE programming following their study tour to the ALCP in March, the ALCP profile on the BEAM Exchange website has been updated and new publications added. The Mercy Corps Global Livestock Summit with over thirty senior participants from HQ and livestock programmes across the globe was held in Georgia in September and hosted by the ALCP in the field. It was a fulfilling opportunity to demonstrate and share the impact, experience and key lessons gained under continuous SDC support to the ALCP and was very well received by the participants keen to utilize MSD for livestock programming for use across the agency.

Gender and WEE dissemination: The Team Leader is continuing to teach the course⁸⁹ on integrating gender and WEE into market analysis on the Springfield Training course in Bangkok in November.

CONCLUSION

Working partnerships under the auspices of the operational arm are highly functional. Impact is accruing under the regional vision laid out in the strategic framework of the Alliances Caucasus Programme proposal, with the growth of cross border interventions and considerable sector deepening in Georgia. The team are highly motivated by significant morale boosts in the form of recognition by top Mercy Corps HQ and global personnel of ALCP work during the Global Livestock Summit and the opportunity to discuss in depth and in detail their work as professionals with the Springfield Consultant. The interventions are gaining momentum and motivation both in Georgia and Armenia and enthusiasm to move into Kakheti and ‘join the dots’ of the programme and carry interventions through to their natural conclusion is also high.

⁸⁸ New sections were checked by technical RM backstopper Phitcha Wanitphon DCED consultant.

⁸⁹ Entitled Laying the Foundation for WEE: Conducting a gendered market analysis.

ANNEX 1 MAIN QUALITATIVE FINDINGS PER REPORTING PERIOD⁹⁰

QUALITATIVE IMPACT PER SECTOR March 31st 2018-September 30 th 2018	
VETERINARY	
FARMER WEE	<p><i>Fostering Gender Balance in Veterinary Business</i></p> <p>6. The <i>Farmers of Future</i> Association has increased female members of the association from 375 to 4130</p> <p>7. 46 female vet pharmacy owners have been using <i>Roki's</i> distribution services, from a baseline of 27</p> <p>8. <i>Roki</i> has helped female farmers to attend their organized trainings and encourage them to use their services. The number of female training participants have increased from 10% to 43%</p>
MACHINERY	
FARMER	<p><i>Early signs of positive changes in Armenia</i></p> <p>9. Farmers customers of Marmot in Armenia are increasing their number of livestock, due to improved access to machinery services.</p> <p>10. They are now producing hay and alfalfa for their cattle themselves instead of buying it from others. Respondents stated that over the last two years more land has been cultivated for hay and alfalfa, before they used to cultivate less land due to lack of 'working' machinery services and spare parts.</p> <p>11. The majority of machinery service providers own old machinery and they need frequent repair. Over the last year spare parts have been available in rural machinery shops and they are buying and repairing their equipment on time.</p> <p>12. <i>Sev-Agas Ltd</i> (Marmot's Armenian partner) has started working with MFI <i>Finca (Armenia)</i> to provide interest free loans to customers on all agricultural machinery on the condition that customers pay the loan back in 6 months. <i>Finca</i> agreed to reduce its 9 % base interest rate to 6%, which is fully covered by the company to increase the sales. Thirty customers have taken loans to date at zero interest to buy rakes and mowers.</p>
BUSINESS	<p>13. <i>Mar-Mot Ltd</i> has been supplying mowers, rakes and spare parts at a 15% discount to Armenian partners.</p> <p>14. <i>Distribution to Armenia by Mar-Mot</i> reduces the cost of machinery by 4%.</p> <p>15. Armenia partner machinery retailer <i>Sev-Agas Ltd</i> has already bought 100,000 USD equipment from <i>Mar-Mot</i> from a 500,000 USD amount agreed in a 3-year contract and machinery retailer <i>V&N Ltd</i> (a new Armenian partner) has already bought 60,000 USD equipment out of 100,000 USD, listed in a contract with <i>Mar-Mot</i> in force until the end of 2019. The company is also interested in stocking and selling veterinary inputs and combined feed.</p> <p>16. <i>Mar-Mot</i> has already sold 9000 hydraulic hoses, 60% of which were sold to Armenia.</p>
NUTRITION	
FARMER	<p>17. <i>Agro Trading Ltd</i> now has 25 distribution points/shops throughout Georgia when two years ago it had only one shop in Marneuli.</p> <p>18. <i>Agro Trading Ltd</i> has expanded its distribution to Ninotsminda and Tsalka municipalities is selling 3t of combined feed/ month/shop through three distribution points</p> <p>19. <i>Agro Trading Ltd</i> has established links with an Armenian partner for local distribution in Armenia and has already exported 3 tonnes of bran to Armenia.</p> <p>20. Farmers from border villages in Armenia are buying combined feed from the <i>Agro Trading</i> shop in Marneuli and transporting it in their cars and vans to feed their cows and pigs. After the new government in Armenia, farmers are able to buy more than 50 kg of combined feed/ trip, which was restricted before, as a result of simplified regulations on the Georgia- Armenia border.</p>
HONEY	
BUSINESS	<p>21. This year full sustainability of the <i>Honey Festival</i> was attained, when the <i>Ministry of Agriculture of Ajara</i> officially allocated a budget for the festival with its <i>N(N)LE Agroservice Center</i> as the co-organizer of the festival along with the Ajara Beekeepers Business Association (ABBA) under the Ajara Chamber of Commerce and Industry (ACCI) as the main organizer of the event. This happened after <i>ABBA</i> submitted signatures from beekeepers petitioning for ongoing support to the festival.</p> <p>22. This year, <i>Jara</i> honey, a <i>Jara</i> hive with honeycomb and <i>Jara</i> information banners were present at the <i>Honey Festival</i>, attracting high interest from the visitors. As a result <i>Jara</i> beekeepers were invited by the <i>Agroservice Center</i> to an agricultural products exhibition in the <i>Batumi Botanical Garden</i> and on <i>Batumi Boulevard</i>, and by the <i>Department of Tourism and Resorts of Ajara</i> - to the rural tourism festival <i>Gandagana</i>.</p> <p>23. <i>The Ajara Beekeeping Business Association</i> has distributed bar codes to five member beekeepers for selling honey in a proper packaging under the association label in mini markets, tourism centers and festivals, as demand for labelled honey is growing.</p>

⁹⁰ 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.

	24. After the <i>Honey Advisory Committee Meeting</i> the media has started to report on related topics. Programme representatives and other members of the advisory committee were invited by the <i>Public Broadcaster, TV Pirveli</i> and <i>Radio</i> to speak about the honey sector meeting, honey testing and honey export. Topics that were not in their field of interest before.
DAIRY	
FARMER	25. <i>JTA</i> has improved payments to milk suppliers and has given them plastic cards to monitor their amount of supplied milk via SMS. Before the enterprise used to write supplied amounts in a notebook with lots of mistakes. The milk suppliers are collecting money on their plastic cards which they can now use in the new <i>JTA</i> grocery shop, whilst before they used to have to wait for two weeks to receive their money.
MEAT	
FARMER	<ul style="list-style-type: none"> * Sheep owners, who have used the summer pastures in Ninotsminda, have slaughtered their sheep in <i>Alali Ltd</i> for export instead of slaughtering them in Gardabani and have saved 150 Gel in transportation costs/ 500-600 sheep. Some partial displacement although this business has huge throughput (50,000 refrigerated sheep this year to Iran) and so the displacement effect is negligible. * The sheep owners are satisfied with the quality of <i>Alali's</i> service and throughput. <i>Alali Ltd</i> slaughters 600 sheep in 5 hours, while other slaughterhouses needed more time due to lack of staff. * The sheep farmers are satisfied with the quality of the skins after slaughtering. They get 1 Gel/skin which is their additional income either selling themselves or selling to the slaughterhouse.
WOOL	
FARMER	<p>26. Due to a high demand for wool last winter, some farmers decided to keep about 200 tonnes of autumn wool this year to sell it in winter for higher price.</p> <p>27. The Georgian Wool Company has been negotiating with sheep farmers in Kazbegi, before the wool market in Kazbegi was unstable with low prices.</p> <p>28. Farmers are positive about increased prices for wool, farmers are receiving an additional 0.25-0.30 Gel/kg compared to the same period last year.</p> <p>29. The number of intermediaries employed by the company have increased from five to 30, they earn 0.1 Gel/kg which in total makes 57,000 Gel/30 intermediaries/season</p>
BUSINESS	30. This year <i>Georgian Wool Company Ltd</i> has doubled collection to 570 tonnes of wool. A new channel appeared to Belarus with the demand for 1400 tonnes/year. Belarus, India and the UK have already replaced the Turkish market with more reliable partnerships and better payment and trade conditions. Out of the wool exporting companies now operating in Georgia, the company has exported the largest amount of wool this year, last year it was <i>Beka 2014</i> , who sells lower quality wool to Turkey. Two out of four crowded in wool exporting companies are continuing to export wool. Two closed, one for legal reasons one because of inability forge selling partnerships. <i>Zauri's</i> management skills have improved, he now manages all the negotiations with his clients in English via <i>skype</i> .
SME OBTAINING EXTERNAL FINANCES	
FARMER	Three dairy enterprises and two wool processing companies took agri loans from various banks, these companies which have developed successful businesses and have accurate financial data provision through ALCP support are able to get banks to issue loans more easily. ⁹¹

⁹¹ Growth of the business enabled *Milkeni Ltd* to get 40,000 Gel loan from *Bank of Georgia* to open his own dairy and agri product shop of in Rustavi, also, to invest in packaging; *Tsintskaro+* Ltd got 57,000 Gel from *Credo* for expanding of the cheese company area and increasing milk processing; Cooperative *Tanadgoma* got 150,000 Gel for construction of a cheese factory. *Georgian Wool Company Ltd* got 60,000 USD from *TBC Bank* to acquire the share from another shareholder, as the Director felt more confident to solely lead the company, especially after expanding wool market to the UK; *Matklis Sakhli* got a 23,000 Gel loan.

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 Changes Attribution to the Programme
			Source	Verified/not Verified (& date if verified)					
1	Star Consulting (FS&H Consulting) Eka Burkadze Director	Partial Crowding in	Client/STO	Verified/Sep 2018	Y Indirect Both	Georgia	March 2018	Star Consulting has conducted Good Management Practice (GMP) and Good Hygiene Practice (GHP) assessments for 13 dairy cooperatives throughout Georgia, funded by the Agricultural Cooperatives Development Agency of the Ministry of Environment Protection and Agriculture of Georgia with the help of USAID- Restoring Efficiency to Agriculture Production (REAP). Under this programme Ekaterine Burkadze has also conducted FS&H trainings for management staff of dairy cooperatives. The cooperatives are under construction and are supposed to be open by the end of this year. Ekaterine conducted GMP and GHP assessments for four slaughterhouses in Svaneti, Guria and Racha after the National Food Agency recommended Star Consulting to them.	Eka Burkadze used the programme facilitated assessment models and training materials
		Business Expansion	Client/STO		Y Direct Both		March 2018		

2	Machinery implements and spare parts distribution company <i>Mar-Mot Ltd's</i> Armenian partner, agricultural machinery shop <i>SevAgas LTD</i>	Crowding In Business Expansion	Client	<i>Verified/Sep 2018</i>	Y Direct Both	Gegharkunik Province, Sevan, Armenia	<i>March 2018</i> <i>Sep 2017</i>	Two machinery operators from Sevan town have established their own machinery shops. They are buying implements and spare parts with the wholesale prices from <i>Sevagas</i> and sell with the retail price. <i>SevAgas</i> expanded space in Sevan, moved his shop to a new place and established a warehouse.	<i>SevAgas</i> is buying 15% of his implements and spare parts from <i>Mar-Mot</i> . the two shops suggested to <i>SevAgas</i> to sell them the implements and spare parts with the wholesale price, and <i>SevAgas</i> agreed after <i>Mar-Mot</i> has been supplying mowers, rakes and spare parts with 15% discount, plus 4% cheaper due to distribution to Armenia. After he has started working with <i>Marmot</i> and increased his income by 20%
3	Dairy in KK Tsalka +	Business Expansion	Client/STO	<i>Verified/Sep 2018</i>	Y Direct Both	Tsalka	<i>Dec 2017</i>	<i>Tsalka</i> + opened a new cheese storage space in Batumi and is providing cheese to up to 40 HoReCa entities in Batumi with the wholesale price. He sells six tonnes of Imeruli and Sulguni/month.	The programme client
4	Georgian Wool Company	Business Expansion	Client/STO	<i>Verified/August 2018</i>	Y Direct Both	Tbilisi	<i>August 2018</i>	<i>Georgian Wool Company</i> opened additional two new wool collection centres in Garilovka Village, Ninotsminda and Gachiani Village, Gardabani. The collection of wool is done in these centres and afterwards is sent to Lilo based wool collection centre to sort and bale and from there to export. This year the company has doubled and collected 570 tonnes of wool. It has already sent 125 tonnes of wool to a new partner in Belarus, which has demand for 1,400 tonnes of wool/year.	The programme facilitated the opening of two wool collection centre in Poka Village, Ninotsminda and Dedoplistskaro in Kakheti. After increasing demand for wool from clients in India, Belarus and the UK he decided to invest more money in wool collection centres.
5	Agro Trading (animal nutrition)	Business Expansion	Client	<i>Verified/July 2018</i>	Y Direct Both	Tbilisi	<i>July 2018</i>	<i>Agro Trading</i> has added 3 new distribution points in Gandza Village, Ninotsminda, Sakdrioni Village Tsalka and Tsalka town. To date <i>Agro Trading</i> has 25 distribution points/shops throughout Georgia. 1,100 tonnes of combined feed and 6,000 tonnes of grains have been sold through these distribution points/shops for fourteen months to date.	Programme Client
6	Meat in AJ <i>Ori Gio Ltd</i>	Business Expansion	Client/STO	<i>Verified/July 2018</i>	Y Direct Both	Khulo/AJ	<i>May/2018</i>	<i>Ori Gio Ltd</i> has signed a three months contract with Khelvachauri municipality to supply meat to eighteen kindergartens. It was the only candidate meeting the required standards.	Programme client. <i>Ori Gio Ltd</i> was the only candidate meeting with all of the criteria in terms of service provision, due to proper FS&H standards facilitated by the ALCP programme.
7	Honey Sector Advisory Committee	Crowding in	STO	<i>Verified/July 2018</i>	Y Direct Both	Tbilisi	<i>July/2018</i>	The Ministry of Environment Protection and Agriculture of Georgia created Honey Committee, which is the first platform for better	The <i>Honey Committee</i> was created after one month from ALCP facilitated the first Honey Sector

								<p>coordination between governmental, non-governmental and private sector honey stakeholders.</p> <p>The first result is that by the request from the Minister, the <i>Veterinary Department</i> has drafted an initiative on prohibiting registration of beekeeping vet medicines containing restricted substance - <i>metronidazole</i>, the initiative will be reviewed by the Ministry.</p>	<p>Advisory Committee (AC), copying the model of the committee with the same purposes regarding the honey export and coordination of the honey related topics. 42% of the members (total 21) were chosen from the members of the AC.</p>
8	Black Sea Eco Academy (BSEA)	Crowding in	Client	Verified/ July 2018	Y Direct Both	Tbilisi	Sep/ 2017	<p><i>Georgian University Secondary</i> school in Tbilisi offered <i>Conservative Biology</i> as an elective subject for the students of the 10th grade for a one year.</p>	<p>The school used and modified the <i>Teaching Module for Conservation Education for Schools in Ajara</i>, which was developed by the Black Sea Eco Academy (BSEA) with the ALCP support.</p>
9	Star Consulting (FS&H Consulting) Eka Burkadze Director	Business Expansion	Client/ STO	Verified/ June 2018	Y Direct Both	Tbilisi	June 2018	<p><i>TBC Bank</i> signed a year agreement with Ekaterine Burkadze to provide training for their clients. Twelve <i>TBC Bank's</i> HoReCa clients already attended FS&H training by Ekaterine.</p>	<p>Eka Burkadze used the programme facilitated assessment models and training materials</p>
10	Darts Group/BDS service in AJ	Business Expansion	Client	Verified/ June 2018	Y Direct Both	Batumi/ AJ	April/ 2018	<p>The <i>Darts Group</i> was selected to develop business plans for young rural entrepreneurs supporting programme <i>Young Entrepreneur</i>, implemented by the <i>Agricultural Projects Management Agency (APMA)</i> of the Ministry of Agriculture with financing of <i>Denmark International Development Agency (DANIDA)</i>.</p>	<p>The working experience with the programme was one of the main selection factors above other candidates.</p>
11	Matchakhela Ltd	Business Expansion	Client/ STO	Verified/ June 2018	Y Direct Both	Ajara	April/ 2018	<p><i>Matchakhela Ltd</i> is supplying honey 20-30 kg chestnut and acacia once in two months, according to the season to the largest hotel in <i>Shekvetili, Guria the Paragraph Resort & Spa</i> hotel.</p>	<p>Programme client.</p>
12	EcoFilms Ltd	Business Expansion	Client	Verified/ June 2018	Y Direct Both	Tbilisi	April/ 2018	<p><i>EcoFilms Ltd</i> was hired by the <i>World Wildlife Fund (WWF)</i> to make photo series of farmers while transhumance period in high mountainous Ajara Goderdzi Pass and surrounding area in scope of the eco-corridors programme. Also, the <i>Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)</i> to shoot the documentary about interconnection of wild nature and urban life.</p>	<p><i>WWF</i> and the <i>GIZ</i> became interested in hiring EcoFilms Ltd after seeing the <i>Jara</i> documentary.</p>

APPENDIX 3: LIST OF INTERVENTIONS UNDERTAKEN IN THE REPORTING PERIOD APRIL 1ST TO SEPTEMBER 30TH 2018

Intervention #	Name	Contact	Location	Type	Date	Total Investment & % Contribution		ALCP	Client	3 rd Party	Rating	
						\$	%					
1	1.3/1.5 CRRC/Theme-1 KK-1	Caucasus Research Resource Centre	Dustin Gilbreath	Tbilisi	Dairy and Meat Consumer Preferences Research	16/04/2018	\$	14,617	14,617			Very Good
							%	100%	100%			
2	1.5/3.1/3.2 Georgian Wool Company/Theme-2 KK-1	Georgian Wool Company	Zaur Kulliev	Tbilisi	Wool Exporter Market diversification/Export	04/04/2018	\$	142,192	68,712	73,480		Very Good
							%	100%	48%	52%		
3	1.5.1 Milken/Theme-1KK-1	Milken Ltd	Iveri Gabarauli	Rustavi	Cheese Factory Product diversification	04/06/2018	\$	83,585	44,935	38,650		Very Good
							%	100%	54%	46%		
4	1.5.1/3.2.1 Tanadgoma/Theme-1KK-1	Tanadgoma Cooperative	Amiran Kochalidze	Gardabani	Cheese Factory Market sustainability	13/04/2018	\$	3,910	1,955		1,955	Good
							%	100%	50%		50%	
5	1.5.1/3.2.1 KTW Agro-Keda Ltd / Theme -1 WG-2	KTW Agro-Keda Ltd	Aleko Dadiani	Keda	Honey wine exporter Facilitate access to export markets for honey entities in Georgia	7/26/2018	\$	139,217	49,143	90,074		Good
							%	100%	35%	65%		
6	2.2.1 Mar-Mot /Theme 2 KK-1	Mar-Mot Ltd	Adil Piriev	Marneuli	Machinery Inputs Supplier/ Exporter Cross border trade expansion	11/05/2018	\$	105,165	55,165	50,000		Very Good
							%	100%	52%	48%		
7	2.2.2 Agro Trading/Theme-2 KK-1	Agro Trading Ltd	Lajvardi Shavadze	Marneuli	Combined Feed producer, Grains Importer/Exporter Cross border trade	20/04/2018	\$	85,754	44,804	40,950		Very Good
							%	100%	52%	48%		
8	2.5.1 Alaverdi Municipality/Theme-2 KK-1	Alaverdi Municipality	Sasun Khechumyan	Alaverdi, Armenia	Establishing a Municipal Service Women's Room in Alaverdi, Armenia	14/09/2018	\$	23,268	14,348	8,920		Good
							%	100%	62%	38%		
9	3.2.3 Manana Tsikarishvili / Theme-2 KK-1	IE 'Manana Tsikarishvili'	Tamuna Tsikarishvili	Akhaltshikhe	Participation in Sheep Shearing festival in Armenia, promotion of Georgian Tushuri wool	08/07/2018	\$	318	318			Good
							%	100%	100%			