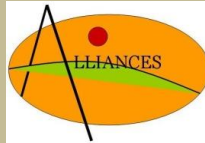


ALLIANCES KVEMO KARTLI

MARKET ALLIANCES AGAINST POVERTY IN THE KVEMO KARTLI REGION OF GEORGIA

WITH THE FINANCIAL SUPPORT OF THE SWISS AGENCY FOR DEVELOPMENT AND COOPERATION (SDC)



INTERMEDIATE REPORT: SEPTEMBER 15TH 2012- MARCH 14TH 2013

SUBMITTED MAY 15TH 2013



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC



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BASIC INFORMATION

Who we are: Alliances- KK is a Swiss Agency for Development and Cooperation market development project implemented by Mercy Corps Georgia working in the dairy, beef and sheep sub-sectors in three municipalities of the Kvemo Kartli region, a region in the South East of Georgia highly dependent on livestock production. The programme works in Dmanisi, Tsalka and Tetrtskaro municipalities.

Project Time Frame: The programme inception phase began in February 15th until September 14th 2011 with the implementation phase beginning on September 15th 2011. The first phase of the project is set to run until February 15th 2014. This report covers the first six months of the second year of implementation from September 15th 2012 until March 14th 2013.

Our Partners: The programme works in partnership with two Georgian NGO's the International Association of Agricultural Development (IAAD) and the International Centre on Conflict and Negotiation (ICCN) who provide locally grounded technical expertise in livestock and Gender, Governance and DRR respectively.

The Goal of Alliances-KK is to contribute to poverty alleviation and the transition to a durable market economy for the livestock sector in the Kvemo Kartli by creating sustainable changes in the dairy, beef and sheep market systems for the ultimate equitable benefit of small, poor farmers, regardless of gender or ethnicity.

The programme is run according to the **Market Development Approach** which *facilitates* key market players in the relevant value chains through co-investment, advice and linkages, to address key constraints in core markets and supporting functions such as transport and veterinary services to exploit pro poor opportunities for growth. Sustainability is built in through a minimum co-investment of 35% from the market players with whom it invests.

Our Target is to reach 4,000 households which is 20% of poor households in the programme area, who will benefit directly and indirectly through improved services & markets, with increased income from sales, reduced production & transaction costs, increased net worth and employment. 90% of Alliances-KK supported business will still be operating without programme support by the end of the programme and 8,000 households will have improved awareness of local Disaster Risk Reduction (DRR) directly related to livestock production.

The Facilitation Approach: Access to services, products and information for these farmers that could improve small farmer's production and terms of trade in these market systems is limited, difficult to obtain and expensive. The businesses that do provide these services are also often poor and constrained in the same ways. Larger businesses are often unaware of the market potential that exists in accessing small farmers and do not know how to develop it. Alliances-KK identifies and works with businesses large, medium or small, who have the best potential to generate changes that are economically beneficial for the small farmers who are their clientele or suppliers. Alliances also works with local and national government and other key organizations to help influence regulations and rules which relate to the business environment in which the businesses function. This results in changes that are economically advantageous to the businesses with whom it works and others who see the benefits and copy them. The economic, social and political advantages generated for local and national government provide the incentive to make the changes in the regulatory environment necessary to continue them. For more information please go to: www.allianceskk.ge

Main Results Achieved and Implementation Performance of the Programme

Table: 1 Results achieved and implementation performance of the programme

The major target beneficiaries of the programme			
	Farming HH's ¹	SSLP Women	SSLP HH's
Total # of beneficiaries served	9,435	2400	5651
Net attributable income generated for programme beneficiaries ²	354,970	57,911	250,835
The programme clients (service providers and input suppliers)			
# of programme clients and supported entities ³			61
Net attributable income generated for the programme clients			119507

Purpose Level Achievements:

- 5,651 SSLP HH's in the project area have benefited through improved services, markets & access to relevant information – *exceeding targeted 4000 SSLP HHs by 41%*
- 0.60% (or 0.94% if time saved is included) increase in monthly income (for those 5,651 SSLP HH's who has already benefited financially from sales, reduced production & transaction costs, increased net worth and employment) - *out of targeted 10% increase in income*
- 4,320 SSLP HH's (exceeding the target 1000 by 332%) have saved up to an hour and a half per month each (over the last 18 months) - *20% of targeted 5 hours*; and out of these 4320 SSLP's, 718 SSLP HH's *corresponding to 72% out of target 1000*, have saved 10 hours per month (*twice more than targeted 5 hours*)
- 95% (18 out of 19⁴) of Alliances-KK supported entities to date, where revenue exceeds costs for new/improved practices by the end of the program, or where there are indications that they are likely to over a realistic timeframe – *exceeding the targeted 90%*
- Approximately 22,500 households have improved awareness of local Disaster Risk Reduction, in programme area – *exceeding 3 times the targeted 8,000*.
- Most interventions have not started generating positive SROI yet, due to the short running time.⁵
- *Note: 43 full time jobs/full time job equivalents created (22 men and 21 women).*⁶

¹ The term farming households includes all farmers reached by the interventions in the programme area. The majority; up to (70%) of farmers in the regions are small scale livestock producers (owning up to 5 milking cows), the rest are medium scale livestock producers (18%) owning up to 10 milking cows and larger scale livestock producers (12%) owning more than 10 milking cows (mostly up to 25). The % of what would be described as commercial farmers is very low at around 1-2%. The programme has noted a shift in the number of livestock owned by people in villages where a market opportunity such as a Milk Collection Centre, retaining cows or buying more rather than selling them.

² These figures for NAIC reflect data generated during the low season of the agricultural year.

³ Programme clients 18 in total: LTD "ROKI", "Caucasus Genetics", bull owners (7, from pilot intervention), LTD "GeoStat", Entrepreneur: Ednari Antadze, Newspaper: "Trialetis Expressi", LTD "Star consulting", Slaughterhouse "Shula", CPC "Sakdrioni", CPC "BMB", CPC "Cheese Mania; LTD "Ravil & Partners", Programme supported entities 43 in total: Vet Pharmacies (10), AI service providers (6), bull owners (19, from "GeoStat" intervention), MCC in Tsinskaro village Tetrtskaro Municipality, Slaughterhouse "Orientali", Cheese Producing Centres (3), Municipalities DRR working Groups (3);

⁴ One client EcoMilk ceased trading however one of the directors of the company founded another CheeseMania.

⁵ SROI values will be given in the annual report per intervention with SROI projections for two years following project completion. Projections will also be provided for other main indicators.

⁶ Although not a purpose level indicator/target this is a significant impact.

Main Steering Implications for the Next Period of Interventions

1. The effect of the elections on October 1st slowed down programme work related to all levels of government, due to the personnel changes in local self governing bodies, regional government and national institutions. In local government particularly this was accompanied by in some cases attendant conflicts and stalemates with a resultant effect on programme activity. Potentially more political unrest is expected this year with the presidential elections and the re-forging of new relationships with key governmental players. The maintenance of a stable working environment and maintaining momentum will continue to be a programme priority.
2. A new upcoming decree⁷ for Local Self Governance which plans to devolve more power to municipalities will be monitored closely but does not contradict and is at the very least in line with programme initiatives with local municipalities.
3. Government initiatives targeting farmers including the provision of agricultural vouchers for ploughing, cultivation and inputs are being monitored by the programme.
4. The Advisory committee⁸ which was planned for during but held just after the reporting period, will continue to prioritize key livestock related issues, notably the Feasibility Study for the animal movement route where the committee is providing a forum for organising input and key stakeholder involvement into the development of the study. The committee will also continue to be a forum for the discussion of animal disease notification and control, facilitating interaction and information exchange between relevant national, regional and local stakeholders from the public and private sectors.
5. The focus until the end of the phase will be on maximizing programme implementation for potential achievable scale of existing interventions as well as maximizing opportunities and strategy for leading into and providing a springboard for Phase II which will include⁹ confirmed expansion in Kvemo Kartli as well as a possible further expansion into Adjara and mechanisms for merging Alliances into a single entity. In dairy and meat priority has been placed on active coordination with the Danish government/SDC funded RED programme for leveraging maximum beneficial synergy. Going forward this includes ongoing knowledge of symbiotic activities and the compilation of potential beneficiaries more suited to respective strategies with very close working partnerships between programme officers and local managers on the ground to ensure this works in practice.
6. Access to Finance has become a priority with various large governmental and development initiatives unfolding in 2013. It will be a programme priority to ensure that market actors who can generate the most impact for the target group i.e. agri businesses access these credit opportunities as well as the programme target group.
7. The increasing importance of more advanced Business Development Services has been recognized and addressed and opportunities to leverage more scale will be sought in 2013.
8. Women's Economic Empowerment remains a priority with a large quantitative survey planned for summer 2013. The capacity building of village representatives¹⁰ for inclusion of women in community meetings with the open Women's Rooms as a focal point will be ongoing.
9. The programme will be undergoing the full DCED audit in November 2013.
10. In governance developing the capacity of the local DRR Working groups will be a priority to enable them to maximize linkages with the National Food Agency on work surrounding Animal Disease Notification and Control and The Animal Movement Route.

⁷ The Decree of the Government of Georgia Concerning the Main Principles of Decentralisation of the Government and Self Governments Development Strategy 2013/14.

⁸ The 4th was planned for during but held just after the reporting period, it was late due to the political situation reported in point one.

⁹ Based on the most recent coordination meeting of the programme with SDC in March to discuss the issue.

¹⁰ This will include widespread distribution of the *Guidelines for the Incorporation of Gender Equality in Local Self Governance* produced by the programme and partner organisation ICCN.

Description of the Programme and its Intervention Strategy

Alliances- KK is a market development programme working in the dairy, beef and sheep sub-sectors in three municipalities of the Kvemo Kartli region, a region in the South East of Georgia highly dependent on livestock production. It is run in accordance with the M4P approach. Stringent market analysis is used to identify key constraints and pro poor opportunities for growth which the programme leverages through the facilitation of key market actors including local and regional government. The programme inception phase began in February 15th until September 14th 2011 with the implementation phase beginning on September 15th 2011. The first phase of the project is set to run until February 15th 2014.

Update of the Stakeholder Analysis

In relation to the elections (see number 1 *Steering Implications*), many existing stakeholders have been changed and these relationships are being re-forged primarily including the National Food Agency, Ministry of Agriculture, local government representatives and regional government representatives. Staffed since March 2013 New Agricultural Consultation Centres have been established in each municipality, offering a new leverage point in local government with whom to engage. In addition the Rural Development Agency of Kvemo Kartli an initiative of a GIZ project is open for business and currently coordinating with the programme on exploring joint initiatives. The UNDP/SDC VET programme will afford coordination and leverage opportunities for the programme in agricultural training opportunities. Several donors have calls for proposals for agricultural programmes which may come to the region including USAID and the EU. The programme continues to monitor new initiatives and stakeholders in the livestock sector.

Evolution of the Context (in particular political risks and opportunities)

Agriculture has become a government priority. Vouchers for ploughing and inputs have been distributed up to 700,000 farmers from February 2013. From March 2013 farmers and agri business will have access to low interest loans¹¹. The rehabilitation of irrigation systems is top of the agenda with large projects planned to commence in 2013¹². The new municipal Agricultural Consultation Centres provide a new local government focal point for agriculture with whom to engage. Amendments have been made to the Food Safety and Hygiene Code, an agricultural land registration scheme has been launched and national vaccination campaigns¹³ and disease surveillance campaigns¹⁴ will be ongoing. The rapidly evolving context seems in the main to offer opportunities or at least a more facilitative environment for the programme to operate in. Sustainability may however become an issue in the case of the voucher scheme and there are indications that the dissemination of information concerning these opportunities may hinder access particularly of ethnicities and more remote rural inhabitants and women.

Strategic Link to Outcomes of Cooperation Strategy at Country Level

Farmers and rural entrepreneurs acquire the knowledge and capacities to make more informed and efficient use of resources and market channels: A key founding principle of the programme with all interventions aimed at improving the acquisition and transfer of appropriate knowledge, including technical knowledge in key livestock related services, improved market information and legislation pertaining particularly to Food Safety and Hygiene and DRR in the form of animal disease. The importance of Business Development Services for rural business has been increasingly recognized by the programme with opportunities sought to

¹¹ The project began in March, 2013. The loans will be dispersed through all banks. Information on how to apply for the loans has not to date been widely circulated. Farmers will be able to access three types of loans. Loans up to 5000 GEL. Interest free loans for agricultural inputs. Farmers may obtain all necessary materials and inputs and pay the loan back by the end of agrarian season. 2. Small and medium farmers may obtain loans from 5000 to 100 000 GEL at a 7-8% interest rate per year. 3. Loans with 3% interest rate per year to support small enterprises. The maximum loan amount will be 1 mln GEL.

¹² Including 64.4m Gel allocated in the budget and a \$50m World Bank Project.

¹³ Anthrax and FMD

¹⁴ Brucellosis

leverage greater scale and linkages. A Tbilisi based company has been contracted to provide these services to programme clients and linked with EBRD. Ongoing support is being made for the expansion of regionally available consultancy services in FS and H, BDS and environmental assessment. These services are embedded in the facilitation process.

Principles of disaster risk reduction with emphasis on prevention and reduction of vulnerability are applied at local level. Capacity building of the DRRWG's now they are established in each target municipality is a 2013 priority. BEAT assessments continue to be carried out with service provider clients mainstreaming the environmental 'Do No Harm' approach of the programme. Programme SP's also operate within mainstreamed DRR principles embedded into their delivery.

Interaction between target groups and local self-government is enhanced through institutional capacity building and participatory decision-making: The Access to Decision making for Women intervention continues to strengthen community links with local government for men and women. The Advisory Committee provides the forum for regional players representing national, local and regional government, civil society and the private sector to tackle key issues in a participatory venue.

Bilateral or Multilateral Issues of Note for Policy Dialogue

Within the scope of the programme the most pertinent multilateral issue remains that of disease notification and control. Capacity building undertaken by the EU of the NFA remains focused on the central level and the FAO and other international bodies could help bolster international efforts to improve notification and control and as such increase the protection afforded to livestock owners and the public. The recent coordination of the programme with the FAO over Swine Fever prevention and control measures highlighted the importance of implementing all disease control through the NFA. The lack of transparency in the privatization of State owned pasture has led to high profile conflict in certain areas of Georgia between local residents and buyers from countries including Iran and India which could be a matter for dialogue. In addition 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 in despite of increased focussed prioritization on farmers.

Outcome Indicators Measured Against Target Values for September 15th 2012 to May 14th 2013**Table: 2 Achievement of Outcome Indicators Measured Against Target Values**

OUTCOME Level: Key Scalable Indicators and Log Frame Indicators Progress to Date	
OUTCOME:	Progress to Date <i>against targets</i>
<p><i>Outcome 1:</i> Increased outreach, information dissemination and quality of target services to SSLP's; increasing access and enabling SSLP's to make informed decisions on animal health, breeding and nutrition</p>	<p><i>Universal Impact Indicators¹⁵ (Scale, Income & Jobs):</i> 7,535 farming HH's (of whom 4,068 are SSLP HH's) have benefitted through supporting functions and have generated 170,362 Gel as NAIC (or 256,708 Gel with time savings included) with the creation of 5 female and 9 male jobs in supported entities.</p> <p>100% (out of all 66) of communities covered by target services – <u>exceeding the targeted 20% of villages 5 times;</u></p> <p>157% average increase in number of SSLP's (average across all interventions) accessing target services & information (Men 74%/Women 26%) - <u>exceeding the targeted 50% by 107%;</u></p> <p>46¹⁶ service providers with improved business practices/acumen & outreach to SSLP markets in programme area - <u>corresponding to 92% out of targeted 50.</u></p>
<p><i>Outcome 2:</i> Market Access & Terms of Trade are made more advantageous for small-scale livestock producers.</p>	<p><i>Universal Impact Indicators (Scale, Income & Jobs):</i> 1,900 farming HH's (of whom 1,583 are SSLP HH's) have benefitted through supporting functions and have generated 184,608 Gel as NAIC (or 300,175 Gel with time savings included) with the creation of 15 female and 13 male jobs in supported entities.</p> <p>178,754 Gel saved through reduced transaction¹⁷ costs, approximately a 2.5 % increase in monthly income corresponding to <u>2.5% of the targeted 10%</u></p> <p>17 % increase in volume & 17% increase in value of trade, for SSLP's through supported/compliant entities in the dairy, meat & wool sectors; <u>corresponding to 17% out of targeted 20%</u></p> <p>13 processing & intermediary entities integrating food safety compliance into business planning & practices - <u>exceeding targeted 10 service providers and intermediaries by 30%;</u></p>
<p><i>Outcome 3:</i> Local government has enhanced capacity to support the growth of a robust and durable agricultural sector which is more resilient to natural disasters.</p>	<p><i>Universal Impact Indicators (Scale, Income & Jobs):</i> 1 female job created in supported entity. Approximately 22,500 Farming HH's have increased awareness of DRR;</p> <p>6¹⁸ joint public/private sector agricultural initiatives <u>corresponding to 300% of target;</u></p> <p>66 village representatives have increased awareness of local DRR mechanisms- <u>corresponding to 132% out of targeted 50;</u></p> <p>11¹⁹ quality disaster risk monitoring & outreach (preparedness & mitigation) measures implemented - <u>corresponding to 92% out of targeted 12;</u></p>

¹⁵ The two main key scalable indicators for Alliances KK are: (Scale) Number of farmers reached through activities and (Income) NAIC. Net Attributable Income Change i.e. the change in income at SP and SSLP level attributable to programme activities. Note : Job creation is recorded by the programme but is negligible in the agricultural sector compared to scale and NAIC

¹⁶ 7 AI technicians +7bull owners (from pilot intervention) +19 bull owners (from GeoStat intervention) + 1 Newspaper+ 1Brewers Grains+10Vet pharmacies + 1 medicine input supplier Roki;

¹⁷ milk processing and marketing +cattle transportation and marketing costs

¹⁸ 4 Advisory Committee Meetings plus two initiatives as a result, leaflet distribution by NFA/Roki and Animal Movement Route Feasibility Study.

¹⁹ Imprescon, 3 DRR Working Groups, 3 BEAT Assesments.3 Advisory Committee Meetings.

Assessment of Outcome Achievement and Likelihood of Achieving the Outcomes in the Current Phase.

The programme continues on track to achieving the Outcomes in the current phase. Second year facilitation to maximize opportunities for scale in Outcome 1 and 2 are in process with more mature interventions. All outputs of Outcome 1 now have interventions which have commenced with many having a second phase expansion. The dairy strategy for achieving Outcome 2 is beginning to generate the broad impact and opportunities for achieving scale planned for in the strategy. Entry points and linkages are being developed and maximized in the meat sector. Entry points have finally been achieved in the sheep value chain with two wool interventions, one for wool collection started in the reporting period and one for carpets, in process. Outcome 3 continues to develop and mature despite the hiatus caused by the change in government as the deeply comprehensive interventions, groundwork laid and relationships developed over the implementation period have stood the programme in good stead.

Information on Direct and Indirect Unintended Effects of Programme Interventions

Under Outcome 1 access for SSLPs to appropriate information on agricultural practices, the programme facilitated *Trialetis Expressi* the only newspaper distributed in the programme area originally only in Tsalka municipality and with no agricultural content. At the end of January 2013, a competing newspaper started distribution in Tetrtskaro municipality which also contains agricultural content. Two of the new vet pharmacies in Tsalka established under the veterinary supporting functions intervention by Roki Ltd, were designated as outlets for agricultural inputs that hundreds of local farmers are buying through the Government Voucher scheme. In addition MFI Credo is offering one of these vet pharmacies which now has a machinery show space offering the hire purchase product, a competing product offering credit for the purchase of machinery a product new to Credo in Tsalka. Also under Outcome 1 the programme facilitated 9 local service providers in target communities to run profitable natural improved bull schemes. Seeing the profitable market, 19 new service providers were interested to provide improved bull services and in Phase 2 of the pilot intervention their co investment increased by 10% and was 60% rather than the 50% in Phase 1.

Under Outcome 2 a seminar on the “Importance of clean milk” was held in Sakdrioni Village of Tsalka Municipality. It was organized for milk supplier women involved in cheese production. Among the participants were teachers of Biology, who took the informative brochures and illustrated materials regarding the rules of hand washing and hygiene observance to share/show their pupils at schools.

Under Outcome 3 a municipal service the Women’s Room was established in Dmanisi municipality. In March of this year it started its work so actively that it became the organizer of a charity event held in April to raise money for a 3 year old boy who has serious health problems and needs treatment overseas²⁰. The Advisory Committee is still generating more widespread traction than anticipated and in the latest advisory committee held just outside the reporting period, members of the old and new government showed that they could work together on the issues raised.

Information on Progress of the Implementation of SOC Transversal Themes

The engagement of the national, regional and local government in conjunction with the private sector and civil society continues, on tangible transversal issues which provide a productive platform for successful engagement specifically the AMR, disease notification and control and women’s access to decision making in local self government ²¹.

Gender is mainstreamed through *gender sensitized interventions* and programme efforts have been ongoing to improve the feedback mechanism between results and implementation. There has been an ongoing emphasis on developing the efficacy of the qualitative monitoring system which is important for capturing

²⁰ The event which was broadcast on television raised 4.200 GEL to pay for the travel expenses of the boy’s mother to accompany him for treatment.

²¹ As noted by Springfield in the last backstopping report and in the previous annual report the tangibility of governance / DRR/ gender challenges faced provides an incentive for market players to address them.

behavioural change in women and men and a large planned survey with statistically significant results to generate data on issues related to Women's Economic Empowerment such as time saved, control over resources, access to services etc which have hitherto been collected through focus groups. Please see Annex 1 for key scalable gender disaggregated results with interpretation as to their meaning. Guidelines for village representatives which give practical directions for the organisation of gender equitable community meetings will spread the principles of gender equality in decision making to grass roots level. Trainings to date have been enthusiastically received and the Women's Rooms are now open and functional although their success is very much dependent on the attitude of the local municipality towards gender and the women who are recruited for managing the rooms. Progress will be carefully monitored in-line with monitoring the efficacy of focussing on strategic in addition to practical gender needs. The programme held its Annual Gender Workshop the report of which contains information in detail concerning the programme gender activities²².

Governance: Transparency and participation remain the foremost governance principles both within the programme operational structure and without. However accountability came increasingly to the fore through the Advisory Committee in relation to the government's role in regulating and coordinating efforts around the AMR and disease notification and control, and the principle of equality through the aforementioned gender intervention. Information dissemination taking into account language, cultural and political issues continues to be a major issue which the programme monitors and it becomes increasingly important in light of new government initiatives which will afford opportunities to those who can access them.

DRR and the 'do no harm' principle remains mainstreamed into relevant interventions with the BEAT assessment tool. Capacity building of the Local DRRWG's is a priority for 2013 as activities currently undertaken or lead by the programme need to be increasingly undertaken by the groups who continue to be the participatory instrument in each municipality and will become increasingly involved in the increasingly structured activities for improved local government responses to animal disease notification and control including the dispersal of funds to each group for planned local DRR activities.

Illustration of the Perspectives of Involved Stakeholders

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

CHAPTER 3: OUTPUTS AND PERFORMANCE ACCORDING TO YEARLY PLAN OF OPERATIONS 2012

Summary of Output Delivery and Their Contribution to Outcomes

As mentioned in the previous report the traction gained in setting up the supporting functions according to the outputs under Outcome 1 and the strategy of facilitating compliant mid tier dairy enterprises under the two outputs of Outcome 2 is now coming to fruition in Year 2 with all three dairy enterprises (see Annex 4) which have been facilitated to date, starting operations in November, one definite and one potential entry point in beef with future potential in the meat sector due to linkages to the breeding output in particular. In addition two wool based interventions have been facilitated (one inside and one outside the reporting period), finally gaining access to the wool value chain. The impact shown in the report reflects that garnered at the low point of the agricultural year therefore a significant increase in impact is expected by the next report. Outcome 3 interventions are gaining more traction and increased outreach to the community level through the village representatives network and the detailed process of planning key infrastructural activities related to DRR and continuing improvement in relationships between market actors and local government through initiatives related to the advisory committee. Table 3 below provides a breakdown of impact per output.

²² <http://www.allianceskk.ge/index.php/en/downloads.html> Alliances KK Reports *Annual Gender Workshop 2012*

Table 3: Summary of Outputs Against Logframe Indicators

OUTPUTS²³	
1.1: Facilitated improvements to business practices and outreach of animal health service & input providers to access wider SSLP markets with affordable, appropriate and quality products.	All 66 communities served by an animal health service provider 231,939 Gel value of sales of animal health services 8,984 Gel value of sales to women ²⁴ 71,903 Gel value of sales to SSLPs
1.2: Facilitated improvements to business practices and outreach of livestock breeding service providers to access wider SSLP markets with affordable & appropriate products.	29 communities served by breeding service providers 4,360 Gel value of sales of breeding service providers 340 Gel value of sales to women 2,130 Gel value of sales to SSLPs
1.3: Facilitated improvements to business practices and outreach of nutritional input & service providers to access wider SSLP markets with affordable & appropriate products.	16 communities served by nutrition input & service providers 123,014 Gel value of sales of nutrition input service providers 31,212 Gel value of sales to women 64,821 Gel value of sales to SSLPs
1.4: Facilitated improvements to access of SSLPs to appropriate information on agricultural practices, market prices, DRR and local self-government.	6 information channel with agricultural content 2,570 information consumers of products that have agricultural content with 1,285 women readership and 900 SSLP readership
1.5: Facilitated improvements to access to financial services for Dairy & Meat value-chain SMEs & SSLPs.	<i>To date: 5 Machinery SP's using programme facilitated financial service (hire Purchase) to buy machinery for the 2013 hay season²⁵</i>
2.1: Increased awareness & adherence of value-chain actors to food-safety, hygiene and management standards and best practices facilitated.	13 value-chain actors actively taking measures that will lead them to food-safety law compliance
2.2: Increased volume and value of trade and efficient and cost-effective access to meat and dairy products for intermediaries and processors from SSLPs facilitated.	5 (3 milk/ 1 meat/1 wool) enterprises with increased capacity/utilization of milk and meat & wool ²⁶ 28 % of producers directly engaging with supported entities are women 84 % producers engaging with supported entities are SSLP's
3.1: Development of capacity in local government and civil society representatives to support identification of DRR priorities and embed the process of preparation & planning for, and mitigation of natural disasters facilitated.	3 active DRRWGs (1 per municipality) 24 % female representatives engaged in DRRWG activities
3.2 Development of improved relationships between market actors and local government in promoting growth in agricultural value chains facilitated.	4 quarterly planned consultation fora held between local government & agricultural market actors to address agricultural sector priorities, are already held (consultation fora are planned and held with Alliances KK facilitation) 22 % women representatives involved in consultation fora

²⁴ *Errata:* The last report contained a typo for this figure it should have read 3,768 Gel and in fact read 33,768. This figure is low and requires more qualitative explanation. From preliminary investigation it seems that women are not making the larger purchases, their repeat visit rate is also lower than that of men suggesting that their visits are more ad hoc and infrequent than those of men. This will be investigated in more detail.

²⁵ This is not yet an impact indicator as the machinery has not yet been used for providing services as it is too early in the season, impact will be observable in the next report.

4,790kg of liveweight of cattle, 584,416l of raw milk and 8362 kg of wool (1 months data for wool).

²⁶ 4,790kg of liveweight of cattle, 584,416l of raw milk and 8362 kg of wool (1 months data for wool). One of the supported entities: LTD "Ravil & Partners" is not milk or meat processor but it processes wool which is most closely related to milk and meat processing and is market access intervention.

Implementation Constraints and Ways to Overcome Them

Following the change in government there was a hiatus in outreach from the NFA which affected certain interventions particularly the slaughterhouse intervention. However this has recently improved with inspections and regulation recommencing if not improving. During this period the programme maintained contact with the NFA offering on the ground information. The meat value chain is still proving to be more opaque than the dairy value chain with entry points higher up the value chain more difficult to access or enter into appropriate facilitation given monopolistic tendencies within the industry and lack of transparency in business operations. However entry points have become apparent with one slaughterhouse an existing intervention, who now seeks to expand and sell meat rather than just provide a service and opportunities may become apparent as the breeding intervention generates increasing impact.²⁷ The political situation has been documented hitherto and the programme will rely on relationship building and consistency to mitigate any instability. Extreme weather events and animal disease remain serious constraints which the programme attempts to mitigate through increasing resiliency and DRR activities under Outcome 3.

Eventual Changes to Main Assumptions

The programme has seen a continuing validation of the M4P approach with the response of farmers to improved services proving that ‘the bottom of the pyramid’ is truly a viable market. The log frame assumptions remain viable. Some uncertainty remains in 2013 over the political environment as the presidential elections will be held this year and political stability remains critical to providing the conditions which determine the success, failure and general workability of the operational environment. Environmentally it is hoped that after a mild winter sufficient rain will fall to prevent a poor hay yield. Animal disease continues to underscore the vulnerability of the sector to external influence and the narrow tolerance to shocks for the target group in the programme area. A main critical assumption of the programme was that access to financial services of agricultural sector actors does not deteriorate, in fact with a general drive in the direction of lower interest loans for the agricultural sector from government and development programmes new opportunities for leveraging market development initiatives could yet unfold. The programme is harnessing this environment with work on providing alternatives in financial products i.e. Hire purchase.

CHAPTER 4 – FINANCES AND MANAGEMENT

Percentage of Budget Spent vs. Planned per Outcome

As of 14 March 2013 Mercy Corps Alliances KK has spent 332,261.27 CHF, 55% of the Implementation Phase budget of the support line of the *Alliances Investment Support Facility* (Outcome 1 and 2), 24,637.91 CHF, 28% of the support line of the *DRR, Gender and Governance Support facility* (Outcome 3). For the support line²⁸ spending should be 62% for this period.

Budget Deviations and Outlook for the Rest of the Phase

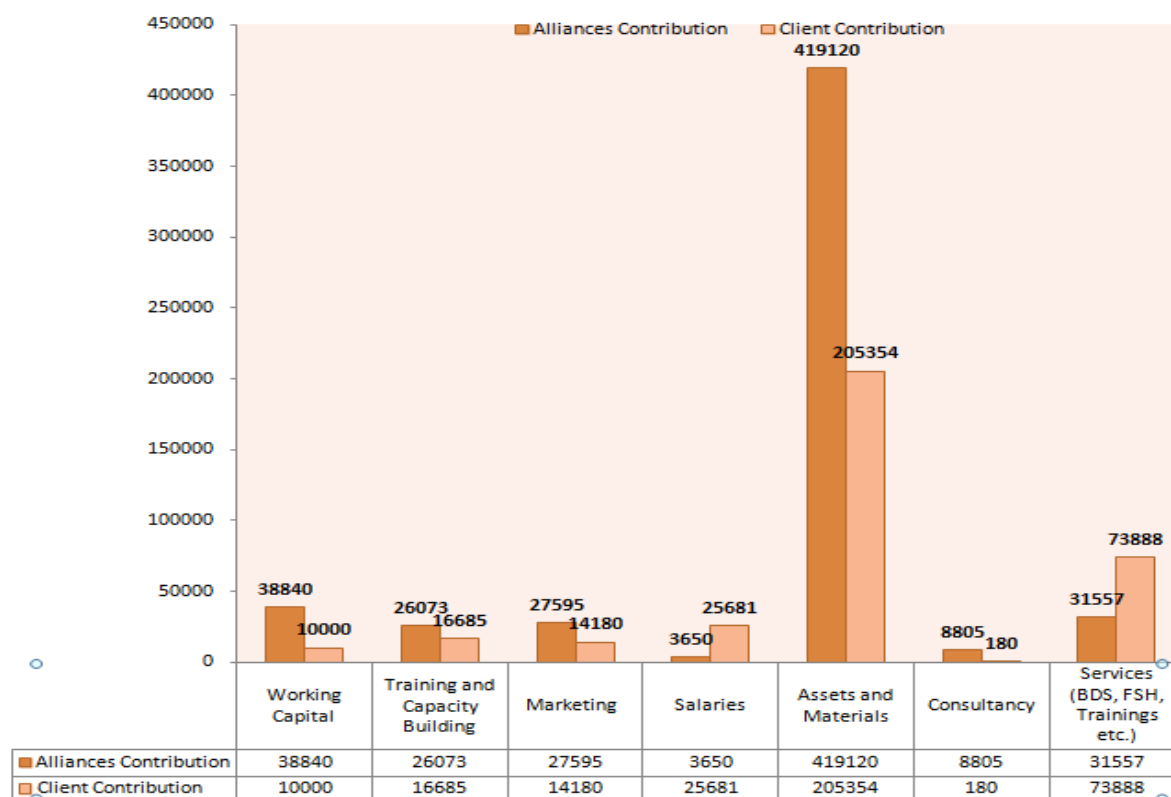
Spending is on track for both of the support facilities. For the larger *Alliances Investment Support Facility* spending has been projected until the end of the phase for all proposed co-investments with expenditure to date continuing in line with these projections for 2013. The spending rate of *the DRR, Gender and Governance Support Facility*, now standing at 28% as opposed to 6% in the previous report reflects the expenditure planned and executed under the gender component (Women’s Rooms). Projections have been made for the rest of the facility budget according to prospective activities; i.e. expenditure for infrastructural investments in DRR and in training and advocacy activities in governance which will be effected in the next reporting period.

²⁷ Please see Annex 5 for the Natural Bull Service Results to date.

²⁸ I.e. The Investment Support Facility and DRR, Gender and Governance Support Facility

Appraisal on How Efficiently Inputs were Converted into outputs

The efficiency of input conversion in outputs is enhanced on the Alliances programmes through the use of the co-investment mechanism. The programme operates on leveraging a minimum of 35% co-investment from the clients with whom it co-invests. This is currently running at an average of 38.4% slightly up on last year's 38% across all the interventions. Work is ongoing to lower the Alliances KK co-investment of 100% of the cost of external consultancy for Food Safety and Hygiene consultations and environmental (BEAT) service²⁹, and FS&H now stands at 87%. The breakdown of the use of the Alliances KK investments for clients and the contribution of clients is shown in Figure 1 below, the main point of note being that 75.4% of the Alliances KK co-investment is directed to assets and materials vital in allowing the enterprises in question to function, be compliant, expand and upgrade with the next largest inputs being for working capital 6.9%³⁰ and Business Development Services, FS and H and Environmental services at 5.7%.



Reference to Activities/Interventions Proposed and Actual

Intervention activities are on target as reported in the annual report (September 2012), all those in development in the previous reporting period were undertaken and Phase 2 stages commenced in existing interventions in veterinary, information, breeding, dairy and meat sectors. The access to finance intervention, hire purchase for hay making machinery, is a rolling investment offering great potential for impact and scale. Entry points were finally found into the wool sector with a wool buying enterprise and carpet enterprise interventions commencing and in process under market access and terms of trade. The coordination activities of Alliances KK in animal disease control are bearing fruit in a consolidated body of knowledge allowing an ongoing knowledge of a complex issue which allows the programme to be in an advocacy position with key stakeholders regarding critical issues particularly the AMR and disease control. The programme published the in depth land research which highlighted the need for legislative clarity concerning the leasing of municipally owned pasture land and the need for land brokerage services- two

²⁹ A fundamental part of the programme strategy but not yet supported by a strong market for these products as enforcement of FS and H laws and environmental laws are still weak.

³⁰ This will as structured in the grant agreements will be reinvested in the enterprises when they recoup the costs.

potential entry points being investigated by the programme. See Annex 3 for Scalable Indicators per Actual Intervention and Annex 4 for a full presentation of proposed versus actual activities.

Human Resources Issues on the Organization Level that Affected the Management of the Project

No new staff have been hired to the programme since the assistants hired in the previous period including the ethnic Azeri M and E assistant whose hire was approved by SDC during the reporting period and a BDO assistant hired to help with grant agreements and procedural work, freeing the female BDO previously doing this work to concentrate on her portfolio. These arrangements have improved the efficiency of the programme and the management of the increased work load where interventions have expanded. In the last reporting period the programme in its coordination role in activity related to the AMR and disease control saw the current Gender Governance and DRR Officer becoming coordinator across relevant SDC projects and the SDC approved hiring of an assistant. This arrangement has worked well and has greatly facilitated the efficacy and outreach of related activities.

CHAPTER 5 – LESSONS LEARNT

Good Practice and Innovations Working with Key Partners, Beneficiaries, Interagency Collaboration, Including Obstacles and Difficulties

Risk Management: An interesting lesson emerging as the programme progresses is the use of multi phase co-investment to manage risk. Increasingly the first phases of interventions are structured to enable, kick start or remove barriers to operation and following the proof of the successful operation of the business at this level³¹, Phase 2 interventions then allow the programme to consider expansion and outreach, improvements to the enterprise for further efficiency/capacity or diversification activities. A further innovation was the realisation that despite work done to support BDS in the region the level of service on offer was not sufficient as the business of the programme clients were developing. A tender was announced for a high quality BDS provider who has been hired to work with programme clients. In addition to help maximize business opportunity and efficiency through planning, management and marketing it is another programme initiative to further build risk management into the programme facilitation. *Developing Synergy:* In continuing to attempt to increase advocacy and momentum for the Women's Rooms Mercy Corps and ICCN have been invited to submit a proposal to USAID on the basis of their concept note for enhancing the educational, career and economic opportunities for girls and women in KK and SJ. A key concept of the proposal is building the capacity of the Women's Rooms, expanding outreach to 10 further municipalities and linking and outreach with the private sector to schools and the women's rooms. In *coordination* the programme has prioritized the development of a working model for cooperation with the Danish government/SDC funded RED programme which includes ongoing knowledge of symbiotic activities and the compilation of potential beneficiaries more suited to respective strategies with very close working partnerships between programme officers and local managers on the ground to ensure this works in practice. The relationship with CFNA Farmer to Farmer continues with consultants being placed in clients' enterprises, and the programme is closely monitoring progress with an eye to leveraging opportunities with various new development sector initiatives including EU ENPARD, USAID REAP and UNDP/SDC VET programme. Contact was maintained with Springfield³² the DCED, and the SDC E+I networks.

Important Findings from Reviews and Self-Evaluations

The Mercy Corps Regional Meeting³³ was held in November focussing on M4P training and the DCED standard with a one day field trip to Alliances KK. This allowed the programme to develop learning materials and the capacity of staff to publicly explain the core M4P concepts at the heart of each intervention as well as the importance of the M and E in management, leading to higher overall capacity and clarity

³¹ However even first phase investments are usually delivered in tranches each tranche being released as the activities under each section are completed.

³² Particularly on matters relating to WEE

³³ Country Directors from the five countries of the region to which Georgia belongs attended in addition to MCHQ staff.

within the programme for the achievement of the programme outcomes. The Annual Gender Workshop was held in December 2012 in Signagi and allowed the programme to see the progress achieved in terms of both personal capacity development and programme management and impact. Comprehensive analysis and planning was undertaken for the next year's gender activities. Much emphasis was placed on impact assessment, intervention calibration and WEE. The Monitoring Action Plan meetings instituted following the Monitoring Workshop held in August 2012, continue to help improve cohesion between programme and M and E allowing for monthly review and feedback into both impact assessment and the management of interventions, addressing the disconnect that had led to the development of the MAP mechanism.. In addition taking advantage of the tender process for assessing change conducted by Alliances SJ the programme hired BCG Consulting who was a close runner up in the tender process, to provide capacity building to staff and help develop, strengthen and systematize the collection of qualitative data per intervention which is integral to assessing behaviour change³⁴. The survey of hay with statistically significant results and literature review of all extant research pertaining to hay and pasture land in Georgia was finalized and placed on the programme website³⁵ completing a suite of research into key areas surrounding land including a report into land ownership and the development of a land market in Georgia report³⁶. The research serves to build upon and verify the Remote Sensing Survey³⁷ undertaken in the inception phase, underpin interventions and offer verifiable guidance to future entry points. SDC has disseminated much of this information more widely to other livestock programmes and key stakeholders.

Conclusion

In conclusion the programme strategy continues to bear fruit. The supporting functions under Outcome 1 (nutrition, breeding, information, veterinary services and access to finance) are undergoing expansion now they are established, the regionally appropriate FS and H services, and rules based facilitation with local, regional and national government under Outcome 3 begins to generate outcomes that can underpin the work done with meat and milk and wool processors in the core market under Outcome 2. The businesses facilitated by the programme are growing which has led to the programmes recognition of the need for even greater development of Business Development Services, which in turn in providing a greater level of support for the developing business reduces the risk for the programme. Many targets particularly those of scale have been exceeded with financial targets due to be fulfilled in 2013 as the market access interventions enter into the peak agricultural season with expanded capacity and more efficient operations. Spending is fully in line with programme strategy and the development of interventions. The programme maintains its focus on coordination, learning and information dissemination with diverse players, locally, nationally and internationally to maintain forward going momentum and the maximization of the proof positive of the efficacy of the market development approach.

³⁴ This includes plugging qualitative data collection into the monitoring system as a whole by developing a qualitative Monitoring Plan MP2 which is linked to the boxes in the log frame and respective indicators as is the quantitative monitoring plan. The work being done includes developing ways to ensure that information gathered is categorized and utilized for maximum benefit to programme and in reporting.

³⁵ <http://www.allianceskk.ge/index.php/en/downloads.html> *The Characteristics of Hay Production in Dmanisi, Tetrtskaro and Tsalka*

³⁶ <http://www.allianceskk.ge/index.php/en/downloads.html> *Land Ownership and the Development of the Land Market in Georgia*

³⁷ <http://www.allianceskk.ge/index.php/en/downloads.html> *A Remote Sensing Survey into the Rangeland Condition of Kvemo Kartli and Samstikhe Javakheti*

LIST OF ABBREVIATIONS

AI	Artificial Insemination
AMR	Animal Movement Route
BDS	Business Development Services
BEC	Business and Economic Centre
CG	Caucasus Genetics
CPC	Cheese Producing Centre
DRR	Disaster Risk Reduction
DRRWG	DRR Working Group
EC	European Commission
E+I	Employment and Income Network (SDC)
FFI	Flora and Fauna International
FS&H	Food Safety and Hygiene
GDCI	Growth Development & Continuous Improvement of your business (name of a company)
GEL	Georgian Lira (currency)
IAAD	International Agricultural
ICCN	International Centre for Conflict and Negotiation
ISF	Investment Support Facility
KK	Kvemo Kartli
LLC	Limited Liability Company
M4P	Make Markets Work for the Poor Approach
MC	Mercy Corps
MCC	Milk Collection Centre
MFI	Micro-Finance Institution
MIA	Ministry of Internal Affairs in Georgia
MOU	Memorandum of Understanding
MOA	Ministry of Agriculture
MRD	Ministry for Regional Development
NFA	National Food Agency
SCCSF	Support Centre for Civil Society Formation
SDC	Swiss Agency for Development and Cooperation
SJ	Samtskhe-Javakheti
SME	Small to Medium Enterprise
UN	United Nations
UK	United Kingdom

Gender mainstreaming results based on key scalable indicators with meaningful interpretation of implications

Outcomes and related assumption:	Indicator and progress to date:
<p>Outcome 1: Concerns interventions which generate income through supporting functions. The gender disaggregated results show who is buying the livestock related inputs and services.</p> <p>Assumption: <i>Women who are buying livestock related services and products (AI, Veterinary services, medicines etc.) have some control over expenditure regarding livestock.</i></p>	<p>1,952 beneficiary HHs with women with some measure of control regarding HH expenditure budgeting regarding livestock;</p> <p>20% of the income for beneficiaries generated through proper usage of veterinary services/AI/nutritional input for the livestock is by women.</p>
<p>Outcome 2: Concerns interventions which generate income through improved market access and the gender disaggregated results give the picture of who has directly received money for dairy products or meat they have sold.</p> <p>Assumption: <i>Women who are receiving cash from MCCs traders and/or intermediaries have some measure of access to cash generated as revenue on livestock related HH activities</i></p>	<p>In 448 beneficiary HH's women are receiving cash from MCCs traders and/or intermediaries and have some measure of direct access to cash generated as revenue on livestock related HH activities;</p> <p>A 25% share of the income generated through improved access to market is directly accessible to women.</p>
<p>Outcome 3: Concerns interventions which generate non-financial benefits; good governance, gender equity and increased awareness of local DRR issues. The gender disaggregated results for this Outcome give an indication of the social and political empowerment of women.</p> <p><i>Assumption 1:</i> Women actively involved in community and municipality level meetings are more likely to take part in decision making process at public and HH levels which could lead to more control over livelihood related strategies.</p> <p><i>Assumption 2:</i> Women's involvement in the DRRWG's and as recipients of DRR related information will be able to make informed decisions regarding the health of their animals which affect the productivity of their livestock and protect their livestock based assets.</p>	<p><i>Under generation in reporting period</i> % of community meeting representatives are women and take part in decision making processes leading to more involvement and possibly control over livelihood related strategies³⁸.</p> <p>49 women who have been equipped with information and support for their role in decision making processes on HH level which will include decision related to livelihoods³⁹</p> <p>24% DRR WG meeting participants are women.</p>

³⁸ This intervention is underway but the first meetings have taken place just outside the reporting period.

³⁹ This primarily relates to the Gender and Governance "Women's Room's" the rooms have only recently come into use.

Outcome 1, Output 1.1: Activity 1.1.1: Co-financing of Roki Ltd to expand its distribution networks and wider services supply to Dmanisi, Tsalka and Tetrtskaro Municipalities.

Perspectives of a Tbilisi based nationally focused veterinary inputs, training and services supply company representative Rusudan Gigashvili on intervention outcomes: ‘Since 2006 we have been one of the largest Tbilisi based providers of veterinary inputs and services, in particular in Adjara, Kakheti, Shida Kartli and Imereti Regions. As for Kvemo Kartli, we had a strategic plan concerning entering this region as well however we never determined a date for it. As a result of cooperation with the “Alliances KK” Programme this process went much faster, and now we believe that we have appeared at the right place at the right time. The best result is that in one year of working is that we see demand for our services in the local villages as well as the towns and we have opened 5 new vet pharmacies based in those villages that are far from the municipality centers and where there also are transportation problems. The most important thing is that we see great opportunities for expansion.’

Perspective of a female SSLP Dali Beridze from Trialeti Village (Tsalka) on intervention outcomes: ‘Trialeti Village is only 6 km away from Tsalka Town however it is much easier to travel in Tbilisi than to Tsalka Center because the only transport from our village goes only to Tbilisi and we do not have any municipal private or public transport. The opening of a Vet Pharmacy in the village is very important. Until now I have been asking various people to buy vet drugs for me. Now I can go to the Vet Pharmacy and select vet drugs by myself. For me it is more important to go myself as the vet pharmacy shop assistant provides me with consultation concerning animal disease prevention and also new vet drugs. I see that there are many new vet drugs that I had no information about before.’

Outcome 1, Output 1.2: Activity 1.2.2 Facilitation of local service providers in target communities to run profitable bull replacement scheme.

Perspective of a Gantiadi Village (Dmanisi) local service provider Phiruz Tcikhelashvili on intervention outcomes: ‘When I bought the Caucasus Brown Breed Bull to my village it was followed by high interest from the villagers. Now cows are being brought from nearby villages as well, farmers pay 10GEL/insemination. The interest concerning the service has been increasing since the new breed calves were born, as the results are amazing. There are already 9 new breed calves in the village weighing from 30 to 45kg at birth while the local new born calves do not exceed 25kg at birth. Farmers are asking me to bring more breeding bulls. I think I will increase the price of the service from 10 to 15Gel/insemination as I feel that farmers are more ready to pay now they see excellent results.’

Perspectives of a female SSLP Jujuna Phertviashvili from Gantiadi Village (Dmanisi) on intervention outcomes: ‘My new born calf looked more like a 1 month old at 40kg at birth. A calf like this has never been born in my family. I have three more cows and unfortunately last year I could not crossbreed them with an improved breed bull because they had already been inseminated in the herd; their calves weighed only 20kg at birth. I have already used the service once more this year. I will also keep my other cows from herd bulls when they are on heat, I will only use the improved breed bull service from now on.’

Outcome 1, Output 1.3: Activities 1.3.1: Co-investment with I.E. Ednari Antadze to increase the accessibility and supply of a quality livestock feed Brewer’s Grain and Combined Nutrition to farmers in the Project Area.

Perspectives of a Tetrtskaro based service provider Ednari Antadze on intervention outcomes: ‘It is already the second year since I started supplying farmers with cheaper and better quality brewer’s grain because I have a truck which does not lose the liquid part of the grains and I am able to carry twice as much brewer’s grain from the breweries. The number of my customers has increased from 40 to 287 farmers. Despite the success I cannot supply farmers with brewer’s grain for 3 months in winter as the breweries don’t have it then but when however demand from farmers is high. So I made a decision to provide farmers with combined nutrition that can be supplied to them in winter. I have studied the market and I have concluded that there is a demand for such kind of nutrition and am now selling one which contains maize, oats, bran

and oilcake. Farmers will have more choice when buying nutrition. As for me, I will have the opportunity to supply farmers with nutrition throughout the year.’

Outcome 1, Output 1.4: Activities 1.4.1: Engage with a local newspaper to facilitate improvements to the access of SSLPs to appropriate information on agriculture.

Perspective of a Dmanisi based Journalist Tamar Tetradze on intervention outcomes: “Trialetis Expressi” is the first local newspaper in Dmanisi Municipality and its success will depend on how it will suit the local environment. It is noteworthy that one of the priorities of the newspaper is articles concerning livestock and agriculture because almost everybody in Dmanisi is involved in these activities. I have already written articles concerning new born improved breed calves, successful farmers and problems concerning the ownership of agricultural lands that is one of the most severe problems for farmers in Dmanisi. It is important that the Azeri population of Dmanisi Municipality is getting news in their language. I think the newspaper will succeed in Dmanisi.’

Perspective of a male SSLP Gurgen Gurchiani from Dmanisi on intervention outcomes: ‘I was very happy when I saw the newspaper with the local news in it. As regards to the Farmers Supplement, nowadays the Ministry of Agriculture is very active with new schemes and it is very important for us to receive all the information on how to be involved in these programmes. It is very good, that the Newspaper follows this news, however I would like to advise journalists to pay extra special attention to small farmers, to show their problems, to indicate their positions, in order to send their messages to the people who are able to make decisions. For instance, we have learned that with the Agro Loans of the Government, that those people who apply for 5 000 GEL are liable to repay this amount of money in a 6 month period. Why is there such a short period of time to do so? This term should be longer, because the people who will apply for such loans basically are small farmers who need a longer period to start and develop their business. I hope that the newspaper can bring the perspectives of small farmers like these to the Ministry of Agriculture. I can really see the development of the newspaper and it will help us. I am going to buy it always.’

Outcome 1, Output 1.5: Activities 1.5.1: Co-investment with a national leasing company to provide leasing services through a machinery outlet (Bolnisi Agro) for small scale machinery services providers/input suppliers.

Perspective of a Bolnisi based machinery outlet Bolnisi Agro representative Ioseb Lazaresvili on the intervention: ‘We had clients who could buy machinery only if they could pay the full amount of money. As a result of cooperating with the leasing company, we are working with clients who do not have enough cash to cover the full amount of the machinery up front but whose businesses cannot develop without new equipment. We are also going to offer services of other leasing companies to customers. The programme provides help on nutrition making equipment for hay and we are also linking other machinery service provider customers who provide other kinds of agricultural services to farmers such as ploughing with the leasing companies. Additionally we will soon open a sales point in Tsalka where there is no other machinery outlet for farmers and local machinery service providers can see the products on offer and gain access to hire purchase or credit for leasing services in Tsalka rather than having to come all the way here or to Tbilisi.’

Outcome 2, Output 2.2: Activity 2.2.3: Co-investment with L.T.D “Ravil and partners” to upgrade Infrastructure and Equipment to commence wool collection from Dmanisi, Tsalka and Tetrtskaro municipalities based Farmers.

Perspectives of a Marneuli based wool collection center owner Zaur Kulievi on intervention outcomes: ‘I have been purchasing wool from the Kakheti region for 7 years. The programme introduced the idea of collecting wool from Kvemo Kartli Region and I opened a collecting center a month ago in Marneuli. I did not know that Dmanisi Municipality has got such a great potential for wool. I have made linkages with small distributors of wool and I am collecting wool from them. Yesterday I purchased 1, 200kg of wool from one of the distributors. It normally takes over 2 weeks for him to sell this much wool at the Marneuli Market. Farmers from Kvemo Kartli Region brought 2 and 3 years old wool. They were going to throw it away but they have already learned about my wool collection center. Turkish businessmen would like to purchase 20t of wool/week from me. I have also made linkages with new clients who will buy and take wool from site.

The new market will allow me to collect more wool. Also, I am very interested to buy sheep skins and cattle leather and I am seeking those farmers who want to sell it.'

Perspectives of a male Farmer Iashar Kamranovi from Mtisdziri Village (Dmanisi) on intervention outcomes: 'I own 200 heads of sheep. Each year I take over 500kg of wool, I used keep 50kg for myself and give the rest to neighbours or throw it out because nobody wanted it. 1 year ago Turks came to me and took some wool on loan. They never came back to pay and I do not trust them. A new client (Zaur Kulievi as above) came to me on 19th of March and purchased 280kg of wool, he paid immediately and accordingly I trust him. I also know that he is willing to purchase wool permanently, so it is good that I won't have to throw it out from now on.'

Outcome 2, Output 2.2: Activities 2.2.3: Co-investment with I.E Tsezari Kakhadze for construction of a new compliant cheese production building & upgrading equipment.

Perspectives of a Sakdrioni Village based (Tsalka) Cheese Producing Company Manager Cezari Kakhadze on intervention outcomes: 'Before I could not use whey but with the new premises and equipment now I can process whey and make cottage cheese, which is an additional profit for me. I can now also produce plaited Sulguni cheese which is also more profitable. Increased profit and reduced expenses allow me to pay 0,05 GEL more to farmers for 1L of milk. I have hired four new female workers and they work in clean and safe environment. The solar panels we installed have resolved our hot water problem (for washing and cleaning) and is a great advantage. Farmers feel they have a guarantee that they will never have milk selling problems when they see this enterprise. For me it means a stable supply and a successful business.'

Perspective of a female SSLP Guliko Bolkvadze from Sakdrioni Village (Tsalka) on intervention outcomes: 'This enterprise does not belong to one family only but to the entire village. First of all it is a pleasure to take milk to the enterprise as we can see how well organized it is and how clean the staff of the enterprise are in their uniforms. They are proud to work at the enterprise with the new equipment. It is a great hope that the enterprise owner also has a grocery shop near it and we can exchange milk for various products. Before I had financial problems and I had to sell a cow. Currently I have 2 cows and I am going to buy one more because I know that I can always sell the milk.'

Outcome 2, Output 2.2: Activity 2.2.3: Co-investment with BMB L.T.D in upgrading transport and equipment to get on line a 10 000 litre/day capacity cheese factory while complying with FS & H regulations.

Perspectives of Cheese Producing Company BMB's Laboratory Assistant on intervention outcomes: 'We were producing milk in household conditions and then we moved into the factory in October 2012. As a laboratory assistant I have to be aware of necessary standards for the enterprise. The programme gave me this opportunity through trainings, consultations and new equipment that allows us to meet standards. I even did not know that the washing of hands, that is now highly required at the enterprise, was so important. We have improved hygiene conditions at the enterprise now, however it is necessary to increase our work with farmers as well because the issue concerning dirty milk is still problematic. They have had some training but I am also going to train the milk collectors who bring milk to the factory because they work with and are the direct link to the farmers.'

Outcome 2, Output 2.2: Activities 2.2.2: Facilitate commencement of operations of a small/ medium scale licensed local slaughter house.

Perspective of a Marneuli based slaughter house owner Zaza Chokhoniidze on intervention outcomes: 'I opened a slaughterhouse a year ago and it now fully meets Food Safety Standards. One year of experience of working in this field has assured me that my business cannot solely depend on cattle brought to me by meat intermediaries. I have made the decision to purchase cattle from farmers myself, slaughter them and distribute meat at my meat shops which I will open in Marneuli, Bolnisi and Dmanisi. It will offer the farmers another choice for sale besides the livestock market and traders who are coming to their villages from time to time. Working with me the farmers will sell from their door and not have to take them to market and my transport will be free and I will offer a better price per kilo, I can do this because I do not have to

make profits on only one stage of the chain as intermediaries do. My business is moving forward, I have had excellent business consultancy and I am sure of my plans. At the end of April I will put this into action.’

Outcome 3, Output 3.2: Activities 3.2.3: Facilitation with local government for improving the participation of women in community and municipal level decision making.

Perspective of a Dmanisi based Women’s Room Coordinator Megi Ediberidze on intervention outcomes:

‘Local self-government is trying to show women that their participation in the decision making process is a high priority issue for the municipality after establishing of a Municipal Service for them. Representatives of the municipality want to show women that they can come there, ask questions, get information, express their opinion concerning various important issues and find ways to solve their problems instead of sending men because they believe that this is a men’s priority to go to the municipality. Establishing a similar service in those municipalities where women’s participation in decision making process is as low is very important. The Women’s Room has the function of a waiting room as well where women can wait and rest, read books, ask question and find out more about state and local programmes and feel more informed, also they can entertain children in a children’s corner. 21 visitors, who wanted to get more information concerning various programmes, visited the room in the first 4 days of its opening. They received recommendations concerning how to use various municipal services; some of them brought children and used books from the local library.’

Outcome 3, Output 3.2: Activity 3.2.3: Establishment of the Advisory Committee to provide a degree of external accountability.

Perspective of The Ministry of Agriculture representative Rati Mekvabishvili Dmanisi on intervention outcomes:

‘The Advisory Committee has sped up the process of problem solving around the Livestock Movement Route. Technical and Economic documentation has been prepared. Stakeholders exchange information at the Advisory Committee meetings. As representatives of the Ministry of Agriculture, we take recommendations from the committee and indeed take them into account.’

ANNEX 3: SCALABLE INDICATORS PER ACTUAL INTERVENTION

Intervention	Intervention Budget		Key Scalable Indicators	
	Total Cost	Alliances contribution	Indicator	Progress to date (cumulative)
ROKI	105,820	61,709	<ul style="list-style-type: none"> • # of SSLP having access to service (to date) • # of women SSLP having access to service (to date) • # of farmers having access to service (to date) • NAIC generated for the client (to date, Gel) • NAIC generated for SSLPs (to date, Gel) • NAIC generated for women SSLPs (to date, Gel) • NAIC generated for farmers (to date, Gel)⁴⁰ • # of new FT job places generated for men (to date) • # of new FT job places generated for women (to date) <p><u>Systemic Changes (Crowding in):</u></p> <p><i># of new vet pharmacies opened in villages due to improved infrastructure, enabling environment created by the intervention</i></p>	<p>2,737</p> <p>567</p> <p>4,317</p> <p>17,409</p> <p>7,489</p> <p>132</p> <p>30,345</p> <p>6</p> <p>5</p> <p>3</p>
Caucasus Genetics	40,494	26,010	<ul style="list-style-type: none"> • # of SSLP having access to service (to date) • # of women SSLP having access to service (to date) • # of farmers having access to service (to date) • NAIC generated for the client (to date, Gel) • NAIC generated for SSLPs (to date, Gel) • NAIC generated for women SSLPs (to date, Gel) • NAIC generated for farmers (to date, Gel) 	<p>29</p> <p>2</p> <p>44</p> <p>7,631</p> <p>841</p> <p>16</p> <p>2,934</p>
Breeding	27,225	15,975	<ul style="list-style-type: none"> • # of SSLP having access to service (to date) • # of women SSLP having access to service (to date) • # of farmers having access to service (to date) • NAIC generated for the client (to date, Gel) • NAIC generated for SSLPs (to date, Gel) • NAIC generated for women SSLPs (to date, Gel) • NAIC generated for farmers (to date, Gel) 	<p>116</p> <p>14</p> <p>198</p> <p>8,470</p> <p>13,693</p> <p>2,539</p> <p>24,349</p>
GeoStat	49,122	20,794	<ul style="list-style-type: none"> • # of SSLP having access to service (to date) • # of women SSLP having access to service (to date) 	<p>27</p> <p>2</p>

⁴⁰ These figures for NAIC do not include benefits of time savings. If monetary values of time saved would be added the figures would be as follows: 62,242 NAIC generated for SSLPs), 11,479 (NAIC generated for women SSLPs) and 116,691 (NAIC generated for farmers).

			<ul style="list-style-type: none"> • # of farmers having access to service (to date) • NAIC generated for the client (to date, Gel) • NAIC generated for SSLPs (to date, Gel) • NAIC generated for women SSLPs (to date, Gel) • NAIC generated for farmers (to date, Gel) • # of new FT job places generated for men 	<p>59</p> <p>(N/A)</p> <p>(N/A)</p> <p>(N/A)</p> <p>(N/A)</p> <p>1</p>
Brewers Grains	74,620 (56,900)	48,040 (36,690)	<ul style="list-style-type: none"> • # of SSLP having access to service (to date) • # of women SSLP having access to service (to date) • # of farmers having access to service (to date) • NAIC generated for the client (to date, Gel) • NAIC generated for SSLPs (to date, Gel) • NAIC generated for women SSLPs (to date, Gel) • NAIC generated for farmers (to date, Gel) • # of new FT job places generated for men (to date) 	<p>259</p> <p>82</p> <p>347</p> <p>13,185</p> <p>84,291</p> <p>18,737</p> <p>112,734</p> <p>2</p>
Trialetis Exspress	36,505 (14,550)	28,392 (9,850)	<ul style="list-style-type: none"> • # of SSLP having access to service (to date) • # of women SSLP having access to service (to date) • # of farmers having access to service (to date) • NAIC generated for the client (to date, Gel) 	<p>900</p> <p>1,285</p> <p>2,570</p> <p>3,140</p>
“Star Consulting”	13,163	11,123	<ul style="list-style-type: none"> • # of SSLP having access to service (to date) • # of women SSLP having access to service (to date) • # of farmers having access to service (to date) • NAIC generated for the client (to date, Gel) • # of new FT job places generated for women 	<p>1,709</p> <p>1,211</p> <p>2,360</p> <p>N/A</p> <p>1</p>
Shula	68,411	31,311	<ul style="list-style-type: none"> • # of SSLP having access to service (to date) • # of women SSLP having access to service (to date) • # of farmers having access to service (to date) • NAIC generated for the client (to date, Gel) • NAIC generated for SSLPs (to date, Gel) • NAIC generated for women SSLPs (to date ,Gel) • NAIC generated for farmers (to date, Gel)⁴¹ • # of new FT job places generated for men • # of new FT job places generated for women 	<p>1,100</p> <p>244</p> <p>1,466</p> <p>30,714</p> <p>98,8651</p> <p>23,970</p> <p>131,820</p> <p>9</p> <p>1</p>

⁴¹ These figures for NAIC do not include benefits of time savings. If monetary values of time saved would be added the figures would be as follows: 132,759 (45,999) (NAIC generated for SSLPs), 29,502 (10,222) (NAIC generated for women SSLPs) and 177,012 (61,332) (NAIC generated for farmers).

EcoMilk	38,999	25,050	<ul style="list-style-type: none"> • # of SSLP having access to service (to date) • # of women SSLP having access to service (to date) • NAIC generated for the client (to date, Gel) • NAIC generated for SSLPs (to date, Gel) ⁴² 	<p>85</p> <p>7</p> <p>7,631</p> <p>10,796</p>
Tsezar Kakhadze	126,975	88,383	<ul style="list-style-type: none"> • # of SSLP having access to service (to date) • # of women SSLP having access to service (to date) • # of farmers having access to service (to date) • NAIC generated for the client (to date, Gel) • NAIC generated for SSLPs (to date, Gel) • NAIC generated for women SSLPs (to date ,Gel) • NAIC generated for farmers (to date, Gel) ⁴³ • # of new FT job places generated for women 	<p>383</p> <p>153</p> <p>385</p> <p>4,806</p> <p>6,561</p> <p>2,696</p> <p>6,691</p> <p>2</p>
BMB	77,450	46,650	<ul style="list-style-type: none"> • # of SSLP having access to service (to date) • # of women SSLP having access to service (to date) • # of farmers having access to service (to date) • NAIC generated for the client (to date, Gel) • NAIC generated for SSLPs (to date, Gel) • NAIC generated for women SSLPs (to date ,Gel) • NAIC generated for farmers (to date, Gel) ⁴⁴ • # of new FT job places generated for women (to date) 	<p>66</p> <p>37</p> <p>70</p> <p>24,708</p> <p>12,516</p> <p>6,779</p> <p>13,448</p> <p>3</p>
CheeseMania	145,514	102,300	<ul style="list-style-type: none"> • # of SSLP having access to service (to date) • # of women SSLP having access to service (to date) • # of farmers having access to service (to date) • NAIC generated for the client (to date, Gel) • NAIC generated for SSLPs (to date, Gel) • NAIC generated for women SSLPs (to date ,Gel) • NAIC generated for farmers (to date, Gel) ⁴⁵ • # of new FT job places generated for women (to date) 	<p>184</p> <p>54</p> <p>185</p> <p>-195</p> <p>14,935</p> <p>3,845</p> <p>15,999</p> <p>5</p>

⁴² These figures for NAIC do not include benefits of time savings. If monetary values of time saved were added the figures would be as follows: 17,171 (NAIC generated for SSLPs), 1,414 (NAIC generated for women SSLPs) and 17,171 (NAIC generated for farmers).

⁴³ These figures for NAIC do not include benefits of time savings. If monetary values of time saved were added the figures would be as follows: 44,861 (NAIC generated for SSLPs), 17,996 (NAIC generated for women SSLPs) and 45,191 (NAIC generated for farmers)

⁴⁴ These figures for NAIC do not include benefits of time savings. If monetary values of time saved were added the figures would be as follows: 19,116 (NAIC generated for SSLPs), 10,479 (NAIC generated for women SSLPs) and 20,448 (NAIC generated for farmers).

⁴⁵ These figures for NAIC do not include benefits of time savings. If monetary values of time saved would be added the figures would be as follows: 33,335 (NAIC generated for SSLPs), 9,245 (NAIC generated for women SSLPs) and 34,499 (NAIC generated for farmers).

Ravil & Partners (Wool)	36,505	28,392	<ul style="list-style-type: none"> • # of SSLP having access to service (to date) • # of women SSLP having access to service (to date) • # of farmers having access to service (to date) • NAIC generated for the client (to date, Gel) • NAIC generated for SSLPs (to date, Gel) • NAIC generated for women SSLPs (to date ,Gel) • NAIC generated for farmers (to date, Gel) • # of new FT job places generated for men (to date) 	<p>18</p> <p>9</p> <p>45</p> <p>2,008</p> <p>848</p> <p>307</p> <p>5,853</p> <p>4</p>
Women's Rooms	63,022	308,702	<ul style="list-style-type: none"> • # of farmers having access to service (to date) • # of women having access to service (to date) • # of new FT job places generated for women (to date) 	<p>66</p> <p>49</p> <p>1</p>

Table 4: Summary of Development of Actual Versus Proposed (End of Inception Phase) Interventions:
Note: New interventions in the reporting period in bold.

Outcome 1: Increased outreach, information dissemination and quality of target services to SSLP's; increasing access and enabling SSLP's to make informed decisions on animal health, breeding and nutrition.	
MAJOR ACTIVITIES⁴⁶ (Proposed Opening Interventions)	EXISTING ACTIVITIES Actual Interventions
Output 1.1: Facilitated improvements to business practices and outreach of animal health service & input providers to access wider SSLP markets with affordable, appropriate and quality products.	
1.1.1 <i>Investigate potential for the strengthening of information to veterinary medicine suppliers and linkages to vaccination services.</i>	1.1.1 <i>Co financing of Roki Ltd a Tbilisi based nationally focused veterinary inputs, training and services supply company to expand its distribution networks and wider services supply to Dmanisi, Tsalka and Tetrtskaro Municipalities.</i> 1.1.1 Phase II: Catalysing Outreach: Roki: Establishing 5 satellite pharmacies in remote villages in the Programme Area and a veterinary point in Marneuli Livestock Market.
Output 1.2: Facilitated improvements to business practices and outreach of livestock breeding service providers to access wider SSLP markets with affordable & appropriate products	
1.2.1 <i>Strengthen Caucasus Genetics' AI services including their business management (with an emphasis on the inclusion of women) and diversification into beef and sheep improvement.</i>	1.2.1 <i>Ongoing Pilot Activity under development during reporting period: Facilitation of local service providers in three target communities to run profitable bull replacement scheme which also offers AI as a subsidiary service through linking to local AI technicians, and sourcing inputs and training services from Caucasus Genetics.</i> 1.2.2 Pilot Improved Bull Intervention Phase II: 22 bulls placed with old and new bull service providers. Identification of potential improved bull growers in each municipality to source and supply breeding bulls growing them from improved bull calves, to current and potential bull service providers at a lower than current market price due to the age/weight selling point. BDS consultancy ongoing and to be provided
Output 1.3: Facilitated improvements to business practices and outreach of nutritional input & service providers to access wider SSLP markets with affordable & appropriate products.	
1.3.1 <i>Analysis of grassland feed resources i.e. grazing and hay, including assessment of hay market, and investigate and facilitate links to machinery service providers.</i>	1.3.1. <i>Co-investment with I.E. Ednari Antadze to purchase a second hand 13 ton capacity dump truck with an hermetic body in order to improve the capacity and efficiency of the transportation of Brewers Grains from Natakhtari and Castel breweries, increasing the accessibility and supply of a quality livestock feed to farmers in</i>

⁴⁶ The activities listed in the Logframe are otherwise known in Alliances KK as 'Proposed Opening Interventions' as expounded in the *Alliances KK Final Strategy Document*. Proposed opening interventions represent the current 'best bet' entry points for systemic and sustainable market change to impact the constraints identified in the survey and analyses conducted in the Implementation Phase; including factors such as the 'best bet' market actors in existence to work with and maximum leverage for impact in the current situation. Some such as those dependant on government roll out of anticipated policies e.g. 2.1.2/2.1.3 may not occur should the government cancel/postpone the activities. Other 'activities/interventions will be added as initial interventions provide the platform to build upon and enhance systemic change. However in-line with M4P practice the 'activities' are not overly prescribed, one main factor being that negotiations cannot be entered into with stakeholders/clients before the Inception phases is secured and programme timeframe confirmed. In a meeting with SDC Cooperation Office South Caucasus it was agreed that Logframe activities may be revisited at appropriate intervals and re-written in-line with ongoing programme strategy and direction based on the market conditions on the ground as the programme progresses.

	<p><i>the Project Area.</i></p> <p><i>1.3.2 In depth hay and nutrition survey and literature review with statistically significant undertaken and being used to underpin nutrition interventions.</i></p> <p><i>1.3.2/1 Hay and nutrition survey completed and published on Alliances KK website. Wider distribution/presentation to be pursued.</i></p> <p><i>1.3.3. Under development during reporting period, market analysis of feed mills in programme area and exploration of potential entry points and linkages see 1.5.1.</i></p> <p><i>1.3.1/2 Phase II : Combined Feed: To improve I.E. Ednari Antadze's Year Round Distribution and Outreach: Supply of combined feed at an accessible price point all year around improving cash flow and increasing distribution & outreach.BDS Consultancy provided.</i></p>
<p>Output 1.4: Facilitated improvements to access of SSLPs to appropriate information on agricultural practices, market prices, DRR and local self-government.</p>	
<p>1.4.1 <i>Engage with local newspapers and online resources to assist them in identifying demand for, and improvement of, agricultural offerings with possible linkage to Southern Gates newspaper in SJ.</i></p>	<p>1.4.1 <i>Co-financing to enhance the newspaper Trialetis Expressi's quality and relevance to the local rural population of the newspaper and SSLP's through; the development of agricultural content shaped by market research, translation of content into Armenian and Azeri and the expansion of distribution networks.</i></p> <p><i>1.4.1/2 Phase II: Trialetis Expressi: Extension of Outreach. Development of sales points and development of newspaper in Dmanisi for greater outreach. BDS consultancy provided.</i></p>
<p>Output 1.5: Facilitated improvements to access to financial services for Dairy & Meat value-chain SMEs & SSLPs.</p>	
<p>1.5.1 <i>Facilitate expansion of MobiPay into Kvemo-Kartli.</i></p>	<p><i>1.5.1 Co financing with Alliances Group Holdings a micro finance organization with focus on the rural poor to develop a hire purchase product for machinery Service Providers in the programme area in conjunction with Bolnisi Agro (machinery centre).</i></p> <p><i>1.5.1/2 Rolling investment Ongoing in Hire purchase of Hay Machinery. Product sales anticipated largely outside the reporting period. Opening of machinery show space in Tsalka and provision of HP services there.</i></p> <p><i>1.5.2 Under development in reporting period, co-investment to facilitate targeted market research and product development for a gender specific bank product targeted at rural women with Alliances Group Microfinance Organization. Research suspended pending new developments in low interest government and development loans for farmers on the market. Focus shifting to ensuring information provision and accessibility for target groups to access new opportunities & need to conduct more market analysis.</i></p>

Outcome 2: Market Access & Terms of Trade are made more advantageous for small-scale livestock producers.	
MAJOR ACTIVITIES (Proposed Opening Interventions)	EXISTING ACTIVITIES Actual Opening Interventions
Output 2.1: Increased awareness & adherence of value-chain actors to food-safety, hygiene and management standards and best practices facilitated.	
2.1.1 Facilitate the outreach of GDCI's GMP & GMP-lite products for dairy value-chain actors with manual & software support.	2.1.1 3 GMP assessments carried out by GDCI one cheese producer and two local slaughterhouses. Tender issued to attempt to stimulate market representation of a FS&H representative aimed at the rural SME processor and MCC market and to develop new training materials for processors and MCC's to address milk hygiene at the grass roots level i.e. women SSLP's. See 2.1.4 Publicity event held with GDCI to promote the FS and H manual developed by GDCI under Alliances SJ
2.1.2 Work with NFA & PS to assist in the development and expansion of cattle registration.	2.1.2 The NFA conducted cattle registration as part of a national FMD vaccination campaign. Worked with the NFA under the DRR component in disseminating information regarding the campaign.
2.1.3 Work with NFA & Local govt to define "traditional" cheese production & develop & disseminate a set of guidelines for these producers with GDCI.	2.1.3 Under review pending government activity during reporting period. 2.1.3/2 Developed a review document of the draft amended Food Safety and Hygiene Codex detailing all new proposed amendments and deletions. To form the basis of discussions with NFA on producing guidelines for producers once Codex is finalized.
	2.1.4. Facilitation and co-investment with Star Consulting (winner of the competitive tender (see 2.1.1) product development and roll out of trainings under development in reporting period. TOT Trainings for Alliances KK clients begun in the reporting period. 2.1.4/2 Facilitate the outreach of Star consulting through linkages with Alliances SJ clients, RED programme clients and advertising. 4 GMP assessments carried out. Evaluations and recommendations provided to three enterprises for the renovation/construction existing buildings, in compliance with sanitary norms and conditions. 5 trainings carried out for MCC and CPC staff members, and 4 for women milk suppliers. (Tsalka - 2, Tetrtskaro-1 and Dmanisi -1 municipality)
	2.1.5 Tender announced and candidate chosen First Consulting Company (Tbilisi) to provide advanced business consulting services for Alliances KK clients. Development of in depth ongoing business plans to augment preliminary Investment Plans development with the programme/client and local BDS providers. Including cash flow projections, marketing strategies, sustainability planning, management, distribution and mentoring.
	2.1.6 Ongoing use of BEAT Assessments provided by Gergili Ltd for environmental management plans for Alliances KK clients.

<p>2.2: Increased volume and value of trade and efficient and cost-effective access to meat and dairy products for intermediaries and processors from SSLPs facilitated.</p>	
<p>2.2.1 <i>Improve coordination & welfare of livestock supply through support to village-based intermediaries (transport, holding, quarantine).</i></p>	<p>2.2.1 <i>Under review pending further market analysis and the attempt to identify potential entry points. Livestock supply to form part of Shula Slaughterhouse Intervention Phase II see below.</i></p>
<p>2.2.2 <i>Facilitate commencement of operations of small/medium scale licensed local slaughter house and conduct a feasibility study into small-scale halal sheep abattoir.</i></p>	<p>2.2.2 <i>Co-invested in upgrading infrastructure and equipment for slaughterhouse Shula in order to increase the efficiency of the slaughterhouse increasing throughput and stimulating demand, creating viable competition to monopolistic and more expensive slaughterhouses and safeguard its continuing operation through improved food safety and hygiene and waste management standards.</i></p> <p>2.2.2/2 Phase II: Shula Slaughterhouse: Under development in reporting period. New Model. Source to Sale. Sourcing direct from farmers with improved price/kg liveweight offered and reduced transaction costs, slaughtering and selling in network of shops. BDS consultancy provided.</p> <p>2.2.2/Orientali Slaughterhouse Tsalka. GMP conducted, premises deemed unsuitable for slaughterhouse enterprise. Owner unwilling to change design.</p>
<p>2.2.3 <i>Co-invest in upgrading transport and processing infrastructure of key dairy processors and intermediaries.</i></p>	<p>2.2.3/EcoMilk <i>Conducted: Co-invest with EcoMilk to purchase second hand truck-refrigerator with cooling system for fresh milk transportation from Dmanisi and Tsalka municipalities to Rustavi based factory. Ongoing facilitation to attempt to solve supply chain issues through identifying new milk supply in Tetrtskaro under development during reporting period. Company renamed CheeseMania, facilitation and co-investment to further develop product and packaging, distribution car and upgrading of factory equipment.</i></p> <p>2.2.3: CheeseMania Ltd: Improved Supply and Distribution. <i>Ensuring a stable supply of clean milk and ensuring option for winter cash flow. Linkages established for supply of milk from Karabulakhi and MCC in Gomareti village (Dmanisi municipality), in order to expand production capacity and daily collection/processing of raw milk from Dmanisi to Rustavi based factory. BDS consultancy services provided for improved distribution and business sustainability going forward.</i></p> <p>2.2.3./ Sakdrioni: <i>Co-invest with I.E Tsezari Kakhadze (Sakdrioni village), for construction of a cheese production facility with upgraded compliant infrastructure and equipment, systems, working practices and supply. Opening anticipated in November 2012. Implementation of last tranche of first phase funding installation of solar panels, waste water separator, and ventilation system. Factory operational throughout winter.</i></p> <p>2.2.3/Ratevani: <i>Co-invested with BMB Ltd (Ratevani Village) in</i></p>

	<p>upgrading transport and equipment to get on line 10 000 litres/day capacity cheese factory on line while complying with FS & H regulations and expand production capacity. Opening anticipated in October.</p> <p>2.2.3/Ratevani Phase II: Expansion and Stabilization of Supply: Conditional on successful operation of factory, co-investment for installation of milk cooler in village location and purchase of second hand cars for milk transportation.</p>
	<p>2.2.4 Ravil and Partners: Providing Access to the Wool and Sheepskin Market for Sheep owners in Dmanisi, Tsalka and Tetrtskaro Municipalities. Facilitated linkages & co-investment of Ravil & Partners for purchase of wool baling machine to enable sale to Turkey.</p>
	<p>2.2.5 Under development in reporting period: Dry Bridge Ltd (Carpets): Stimulating Demand and Providing Access to the Wool Market for Sheep Owners in Dmanisi, Tsalka and Tetrtskaro. Advertising & promotion for increased sales and co-financing of equipment for shaving and washing carpets to increase efficiency and expand production.</p>
<p>Outcome 3: Local government has enhanced capacity to support the growth of a robust and durable agricultural sector which is more resilient to natural disasters.</p>	
<p>MAJOR ACTIVITIES (Proposed Opening Interventions)</p>	<p>EXISTING ACTIVITIES Actual Opening Interventions/Ongoing Activities</p>
<p>Output 3.1: Development of capacity in local government and civil society representatives to support identification of DRR priorities and embed the process of preparation & planning for, and mitigation of natural disasters facilitated.</p>	
<p>3.1.1 Support the establishment & capacity building of DRRWGs & their coordination with the Regional EMD</p>	<p>3.1.1 3 municipal DRR working groups established and AMR and animal disease specifically anthrax outbreak subject of debate at the 2nd and 3rd Advisory Committee Meetings. DRRWG's to become focus of capacity building for local government related to animal disease prevention and control. Ongoing recruitment (including more women members) for groups, development of strategy for local disease control system at municipality level, capacity building for autonomous coordination, data collection and development of budget for infrastructure.</p>
	<p>3.1.2. DRR Coordinator established and assistant hired to coordinate AMR and animal disease control related activities across the SDC livestock value chain portfolio in Kvemo Kartli, Kakheti and Samstkhe Javakheti. Anthrax outbreak tracked and information disseminated on donor and public body levels. 2 coordination meetings held in reporting period focussing on reviewing DRR activities and ongoing data collection for status report. Agreement to meet quarterly and collect data quarterly.</p>
	<p>3.1.3 Coordination with the NFA to increase the coverage and penetration of the national FMD and Anthrax vaccination campaign leaflet campaign. Ongoing coordination and proposal to support ongoing activities for information dissemination when requested.</p> <p>3.1.4 Ongoing discussions regarding incinerators for disposing of animal carcasses. Facilitated linkages between NFA and local engineering enterprise (facilitated by programme, design produced will participate in international tender issued by NFA) to manufacture incinerators in country.</p>

Output 3.2 Development of improved relationships between market actors and local government in promoting growth in agricultural value chains facilitated.	
3.2.1 <i>Work with Association for Protection of Land-Owners Rights to Improve Land Cadastre Outreach to SSLPs Via Regional, Municipal & Village Level Government & Media.</i>	3.2.1 <i>Research conducted and report produced into legal history of land use and privatization from the communist period to the present day. Stakeholder and market analysis continuing to be recalibrated following election. Research report published and disseminated and summary report produced. Ongoing preliminary stakeholder analysis of potential services for facilitation of brokerage service.</i>
3.2.2 <i>Conduct a Remote Sensing Survey to estimate the impact of overgrazing and the historical quality of rangeland to inform pasture management & planning.</i>	3.2.2 <i>Conducted. Results synthesized to summary paper and translated for non scientific audience. Research conclusions and implications expounded at presentation given in UNDP DRR Working Group. Research used to underpin strategy development in nutrition and pasture access interventions. Hay research survey (including hay and pasture land literature review) finalized, triangulating the results of the remote sensing survey.</i>
	3.2.3 <i>Establishment of Advisory Committee: Initially intended to provide a degree of external accountability the Advisory Committee is proving itself a key forum in the development of improved relationships between market actors and local, regional and national government. 4⁷ meetings held to date with increasing practical results on the specific issue the AMR, the feasibility study being conducted for infrastructure development and management of the route and disease control. Facilitated SDC involvement with MOA, facilitated inclusion of local information and workshop for stakeholder feedback. 5th committee meeting planned for further review.</i>
	3.2.4 <i>Facilitation with local government for improving participation of women in community and municipal level decision making. Co-financing with local government for the renovation and staffing of the 'Women's Rooms'. Guidelines on gender equity for municipalities and community representatives under development in the reporting period. Opening of rooms anticipated in November/December 2012. Women's Rooms open and functional, promotion of services ongoing, guidelines for village reps printed and training ongoing, record keeping and data collection capacity building ongoing⁴⁸.</i>
	3.2.5 <i>Women's Economic Empowerment Related Activities⁴⁹: Planning, research, development and final draft of Women from Kevmo Kartli⁵⁰, planning & testing of quantitative WEE gender survey, Annual Gender Workshop December 2012</i>

⁴⁷ Fourth meeting planned for during reporting period and held just after, briefing material provided for SDC, local DRRWG's facilitated to provide feedback.

⁴⁸ This is a excellent opportunity for qualitative data collection, reasons for using the room include, access to the internet, use of the library, use of the children's corner, focal point for organising family related charity events, consultation and advice service.

⁴⁹ Not reported in last year's report as a discrete set of activities but more as part of the programmes operating environment, WEE based activities have generated the momentum of interventions during this reporting phase.

⁵⁰ In depth portraits of Women from Kvemo Kartli to highlight ethnicity and gender and bring the livelihoods and issues they face in their lives of rural women in an accessible format to the attention of a wider audience as well as further informing and underpinning programme interventions.

PILOT BULL INTERVENTION YEAR 1 AND 2

This Intervention sits under Outcome 1, Output 1.2: Facilitating improvements to business practices and outreach of livestock breeding service providers to access wider SSLP markets with affordable & appropriate products

In the Alliances KK Focus Group Survey cattle breeding improvement was named as the first priority for farmers among 3 main priorities by all communities in the Alliances-KK focus group survey. The Pilot Bull Replacement Scheme Phase 1 facilitated local service providers in target communities to run profitable bull replacement schemes. The intervention included:

- Facilitating the placement of nine improved breed bulls with farmers paying 50% of the cost Yr 1 & 60% of the cost Yr 2 of the bull.
- Ensuring the payment for each service was well regulated. 10 GEL/service Yr 1, 15 GEL Yr 2
- Ensuring the service was well-advertised and professionally managed.
- Training for local service providers with facilitation for their roll out to farmers included heat detection and included the inclusion of women in breeding management.
- Data collection and farm recording was seen of paramount importance and was integrated into the business model for better management.

Attention!

Cattle Breed Improvement through, Crossbreeding with Caucasus Brown Breed Bull!

Crossbred Calves of the Caucasus Brown Breed Bull and the Local Cow are born 10 to 12kg heavier than the Local Breed calves. Milking capacity increases by at least 2 L/day which means up to 3t of milk/year!

Crossbreeding with 1 cow costs 15GEL

Please Call: **577 498 605**

Nodar Antadze, Khareba Village, Tsalka Municipality



More Meat! More Milk! Get More Just For 15 GEL !



The Breed History and Characteristics: The Caucasus Brown is a Beef and Dairy Breed, which was bred in Georgia and in the Caucasus, was approved in 1960 through crossbreeding of the local cattle breed with the Brown Swiss and Kostroma Breeds. The breed was approved in 1960. The Crossbred Cow of the Caucasus Brown Breed Bull gives 2 L /day more milk than the local breed and its annual milking capacity is up to 3t. The weight of the crossbred calf at birth is from 10 to 12kg more than a Local Breed Calf and its daily weight gain is from 200 to 300gr/day more than the local breed.

“We crossbred our cow with the Caucasus Brown Breed Bull in our village and our new born calf looked like a month old calf. The Calf was 40kg at birth. Additionally, the calf gains weight and grows very fast. As a result all my neighbors became interested in breeding their own cows and they all have contacted the bull owner.

I am very happy that I have made the right decision. Soon I will use this service again”.

Zhuzhuna Kvaliashvili, Gantiadi Village, Dmanisi Municipality.

The Year 1 pilot breeding activities generated good results and positive feedback from farmers who liked the scheme and most of whom were willing to pay for the service. From December 2012, Alliances KK facilitated the ***Pilot Bull Replacement Scheme Phase 2*** aimed at expanding outreach i.e. facilitating the placement of 22 bulls on the model of Phase 1, identifying individual entrepreneurs in the programme area to become as a stable improved bull suppliers and forward planning to find strategies and identify ways of removing the subsidy. The increased outreach and number of bulls was a response to ***an increasing demand from farmers*** now that results were apparent in the villages and also in response to wanting to invest in breeding in villages where Alliances KK had facilitated local dairies and farmers felt a secure livelihood in which to invest had become accessible to them.⁵¹

Table #1: Results of the Pilot Alliances KK Breeding Intervention

Pilot Bull Intervention		
	Year 1- 2012	Year 2 -2013 to Date
# of Services	239	120
# of Farmers	180	95
# of Born Calves to Date	130	-
# of Born Female Calves to Date	67	-
# of Born Male Calves to Date	63	-
# of Breeding Bulls	7	22
# of Bull Owners	7	19

Table #2: Average Difference (kg) between Non Improved Breed Calves Birth Weight (Control) and Improved Breed Calves Birth Weight based on data to date.

Results to Date Pilot Bull Intervention			
	Control Local non improved breed calves (kg)	Intervention Results Improved Breed Calves	Average improvement on birth weight (kg)
Female	18.7	32	14
Male	20.3	34.2	13.9
Total Sample size	20	130	-
Sample Size by sex	10 male, 10 female	67 female, 63 male	-

WHY CALL IT A PILOT?

The intervention is considered a pilot as the project has not been able to entirely facilitate a market player to take over all functions of the intervention. However as the programme wished to test the viability of natural service by improved bulls based on indications from Alliances SJ that this was a model that could work and was preferred by farmers and given the time lag inherent in breeding activities to obtain results, the programme has continued with pilot phase 1 and 2 activities and the results are justifying this decision. The programme also continued to instil best practice in terms of working with local service providers, gaining co-investment from them with a decreased programme contribution from Yr 1 to 2 and looked for and is now facilitating a client who will provide a source of improved bull with attendant services.

⁵¹ This has been very clearly demonstrated in Sakdrioni village where Alliances KK facilitated a dairy factory.