



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

ANNUAL REPORT APRIL 2017 TO MARCH 2018



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NOTE ON ANNEXES

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

LIST OF ABBREVIATIONS

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

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

<i>Key Contact Points</i>	2
<i>Note on Annexes</i>	2
LIST OF ABBREVIATIONS	3
PROGRAMME DESCRIPTION	6
STRATEGIC REVIEW AND OUTLOOK	8
MAIN RESULTS ACHIEVED	8
MAIN STEERING IMPLICATIONS FOR THE NEXT PERIOD OF INTERVENTIONS	9
CHAPTER 1 – OPERATIONAL ENVIRONMENT	11
1.1 UPDATE OF THE STAKEHOLDER ANALYSIS	11
1.2 EVOLUTION OF THE CONTEXT (IN PARTICULAR POLITICAL RISKS AND OPPORTUNITIES)	11
1.3 BILATERAL OR MULTILATERAL ISSUES OF NOTE FOR POLICY DIALOGUE	13
CHAPTER 2 – OUTCOMES ACHIEVED SINCE APRIL 2017	14
2.1 QUANTITATIVE RESULTS PER OUTCOME	14
2.2 ASSESSMENT OF OUTCOME ACHIEVEMENT AND LIKELIHOOD OF ACHIEVING THE OUTCOMES IN THE CURRENT PHASE	16
2.3 INFORMATION ON DIRECT AND INDIRECT UNINTENDED EFFECTS OF PROGRAMME INTERVENTIONS	16
2.4 INFORMATION ON PROGRESS OF THE IMPLEMENTATION OF SCO TRANSVERSAL THEMES INTERVENTIONS	17
2.5 ILLUSTRATION OF THE PERSPECTIVES OF INVOLVED STAKEHOLDERS	20
CHAPTER 3: OUTPUTS AND PERFORMANCE PER REPORTING PERIOD 2017	20
3.1 SUMMARY OF OUTPUT DELIVERY UNDER THE THREE OUTCOMES	20
3.2 REFERENCE TO INTERVENTIONS/ACTIVITIES PROPOSED AND ACTUAL	23
3.3 IMPLEMENTATION CONSTRAINTS AND WAYS TO OVERCOME THEM	25
3.4 EVENTUAL CHANGES TO MAIN ASSUMPTIONS	25
CHAPTER 4 – FINANCES & OPERATIONS	26
4.1 PERCENTAGE OF BUDGET SPENT VS. PLANNED PER OUTCOME	26
4.2 BUDGET DEVIATIONS AND OUTLOOK FOR THE REST OF THE PHASE	26
4.3 APPRAISAL ON HOW EFFICIENTLY INPUTS WERE CONVERTED INTO OUTPUTS	26
4.4 HUMAN RESOURCES & TEAM MANAGEMENT	27
CHAPTER 5 – GOOD PRACTICE & LESSONS LEARNED	27
5.1 NETWORKING& INTERAGENCY COLLABORATION WITH KEY REGIONAL & NATIONAL PARTNERS, & STAKEHOLDERS	27
5.2 REVIEWS, SELF-EVALUATIONS, RESEARCH AND DISSEMINATION & INTERNATIONAL NETWORKING	27
CONCLUSION	28
ANNEX 1 MAIN QUALITATIVE FINDINGS PER REPORTING PERIOD	29
ANNEX 2 STAKEHOLDER PERSPECTIVES	33
ANNEX 3 SYSTEMIC CHANGE LOG	35
APPENDIX 4: LIST OF INTERVENTIONS UNDERTAKEN IN THE REPORTING PERIOD APRIL 1ST 2017- MARCH 31ST 2018 ..	40

PROGRAMME DESCRIPTION

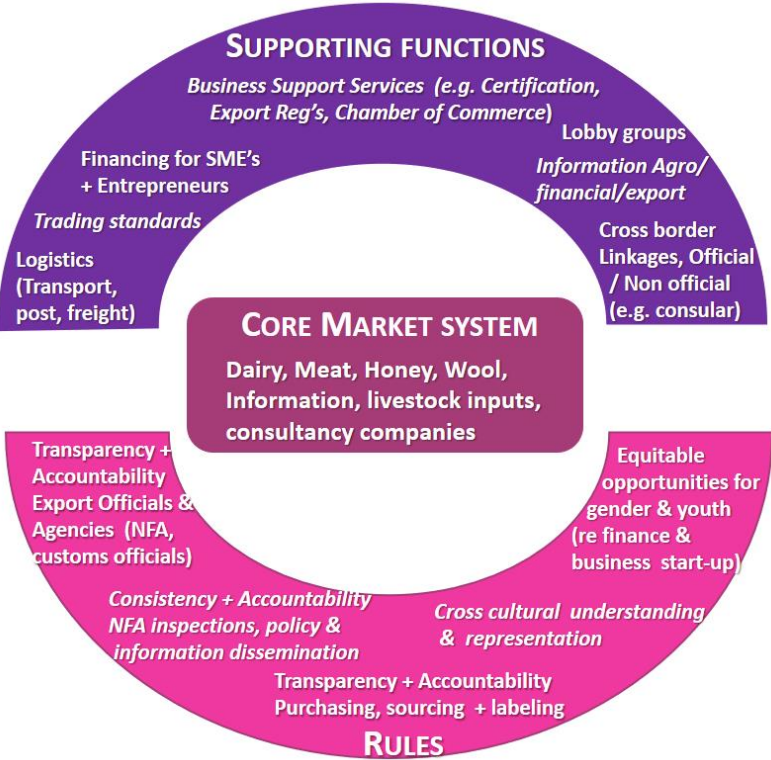
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Caucasus Programme
REGIONAL MARKET ALLIANCES IN THE SOUTH CAUCASUS

The Alliances programme, working in the livestock market system in Georgia, is a Swiss Development Cooperation (SDC) project, implemented by Mercy Corps Georgia and run in strict accordance with the M4P (Making Markets Working for the Poor) Approach, which began in 2008 in Samtskhe Javakheti (SJ), Georgia. Alliances Kvemo Kartli (KK) was opened in 2011 with a second phase awarded to SJ. In 2014, the second phase of an expanded Kvemo Kartli was merged with a new branch of the programme in Ajara and a two year ‘standby phase’ (monitoring and sustainability phase) in SJ to form the Alliances Lesser Caucasus Programme (ALCP). From 2014 under the ALCP, Alliances management, programming and operations were fully harmonized. The programme has achieved substantial scale and systemic change well beyond the initial designated programme areas and targets and devoted itself to learning, excellence and participation in a global community of practice in Market Systems Development (MSD) including being successfully audited by the DCED Standard for Results Measurement (Donor Committee for Enterprise Development). It has furthered learning and practice in Women’s Economic Empowerment and harnessed market systems programming to generate significant impact in transversal themes with a 54% average of female usage and access across all interventions. From October 2008 to March 2017, 403,101 income beneficiary HH’s, generated 34.7 million USD (79.79 million GEL) in aggregated net attributable direct and indirect income for farmers, businesses and employees. For more detail go to <http://www.alcp.ge/index.php?cat=2>



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

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



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

STRATEGIC REVIEW AND OUTLOOK

MAIN RESULTS ACHIEVED

Table: 1 Quantitative Purpose Level Achievements and Progress Against Targets

Note: Targets are calculated only against impact generated by interventions under the current log frame. The blue figure denotes **additional** impact aggregated from interventions from the previous phase still subject to measurement¹.

Estimated ² Impact for ALCP April 2017 to April 2018	
The major target beneficiaries of the programme	Total results (% Against Target)
# of LHP's generating tangible positive income changes due to improved services & markets (Women/Men) (20,000)	12,770 ³ (64%) (39% women) 8514
# of LHP's served through crowding in	9,994
# of full time job equivalents (Women/Men) (150)	161 ⁴ (46 Women / 115 Men) (107%)
# of entities crowding in (15)	11 ⁵ (73%)
# of entities expanding their businesses (30)	16 ⁶ (53%)
NAIC value in GEL generated for LHP's (8 million Gel) (1 million indirect)	3,094,028 Gel / 1,233,471 CHF (39%) 443,530 Gel / 180,290 CHF (44%) 503,679 Gel, 208,132 CHF
NAIC value in GEL generated for programme clients (3 million Gel)	3,998,085 / 1,602,034 CHF (124%)
NAIC value in GEL generated by employees (1.5 million Gel)	1,851,311 Gel / 741,821CHF (123%) (468,934 gel for Women / 1,382,376 gel for men)
Total NAIC generated by the programme (Farmers, clients, employees direct/indirect) (14.5 million GEL)	9,890,633 Gel / 3,965,748CHF (68%)

¹ Some of the impact from interventions funded in the previous phase subject of ongoing measurement as outlined in the RM Manual, are aggregated only on the purpose level, because there are no matching indicators on outcome / output levels in the current logframe. **Measurement of these interventions are all due to end in March 2019** and are all based in Ajara and are: the Roki satellite vets on the high pastures intervention, three slaughterhouses and one beekeeping input shop.

² Estimated impact is impact derived from data, which has not been subject to an impact assessment at farmers' level, but rather from monthly data sheets.

³ In total 60% of the scale and 86% of the income for farmers comes from interventions under the current log frame.

⁴ Veterinary sector (6), Nutrition (18), Machinery (3), Dairy (33), Meat (12), Wool (10), NFA and Women's Rooms (73).

⁵ Entities copying the business model from: Agro Trade, Roki's vet pharmacy, Journalists Resource Center, Alali, ABBA (2), Women's Rooms (2), Agro Trading, Darts Group, Georgian Wool Company (1)

⁶ Agro Trade, GARB, Marmot, Star Consulting, Intellect, Tsalka +, Milkeni (2), Slaughterhouse, Women's Room, Wool, Roki (2), Impervet (1), Samkhretis Karibche, Marmot, Cheese factory JTA.

NAIC value in GEL SME financing (2 million)	234,600 Gel / 94,004CHF ⁷ (12%)
% Social Return on Investment from Alliances Co-Investments	N/A ⁸ (Targeted 40%)
% ROI of Alliances clients' investments	N/A (Targeted 20%)
Productivity increase in milk, meat and honey yield of LHP's. (10%)	2,306 beneficiary household increased productivity by 10% ⁹

MAIN STEERING IMPLICATIONS FOR THE NEXT PERIOD OF INTERVENTIONS

1. *Programme Expansion and Funding Submission:* Discussion was ongoing following the submission of the *Bi-Annual Report* (see Point 6 *Main Steering Implications*) concerning the desire of the SCO to see the field presence of the ALCP retained in Batumi, West Georgia and Akhaltsikhe, SJ for the full length of the project and also to open an additional office in Kakheti from January 2019, thus providing an operational field presence across South Georgia and the Azeri and Armenian borders. Agreement was reached in early spring concerning a submission of a revised budget including a further 1.2 million CHF with an outline of staffing allocation to sectors and interventions. The submission is to be made shortly after the submission of this report. The clarification of the SCO commitment to the ALCP team for the entirety of the programming period, recognizing the importance of the West Georgia office in the honey and meat sectors and Akhaltsikhe in cross border interventions and the wool sector in particular has been hugely stabilizing for the entire team and seen a considerable boost in morale, reduced the danger of the early loss of trained staff and enabled senior management to continue to elicit the high level of input from staff that the ALCP requires. Nevertheless, the ALCP submission also includes a staggered project end ceding staff according to the logical closing of interventions, to emphasize ALCP's commitment to cost effectiveness, efficiently maximize budget and sensibly manage the closing of four offices across the country.
2. *Knowledge Exchange and Regional Networks:* The ALCP was graced with several high profile visits this spring, which have furthered knowledge exchange and enhanced regional and institutional links, which will no doubt enrich future work. These were; the visit of SDC Ambassadors and Mission Directors, an inspiring visit, which promoted open minded and enthusiastic information exchange highlighting similarities and potential for transferal of ideas or clear differences; a study tour arranged for Municipal Government Heads implementing Womens Economic Units in Jordan under the DFID funded Jordan branch of the multi country Arab Womens Enterprise Fund and the visit of the Director General of SDC, which provided an opportunity to demonstrate the relationships and synergistic programming now ongoing or anticipated between the FAO NAITS programme the UNDP VET programme and the ALCP.
3. *Validating the Regional Vision:* The pattern of impact aggregating under the three outcomes is validating the regional vision as laid out in strategic framework of the Alliances Caucasus Programme proposal. One year into the phase steady new beneficiary impact is being observed under Outcome One from Georgian SME's who are becoming more sustainable in diversifying their production and business models. However in line with the roll out of new interventions the main body of impact is currently observable under Outcome Two

⁷ A cheese factory, *Tsintskaro Ltd* got 57,000 Gel low interest governmental loan, *Milkeni* dairy 40,000 gel, and a local wool processor *Matkhli Sakhli* in Akhaltsikhe got a 5000 Gel loan from Produce in Georgia, *Georgian Wool Company* got low interest governmental loan 144,600 gel.

⁸ New interventions are not mature enough to calculate SROI or ROI. They will be calculated for the next biannual report.

⁹ This figure is estimated % of increased productivity due to better livestock feeding practices.

and the expansion of services and inputs into Armenia mainly at this point in agro journalism and machinery thus validating the first step in the vision of cross border development conceived in the proposal. Outcome Three cross border trade and export of core market commodities, meat, dairy, honey and wool is expected to grow and gather momentum as current and near future investments into wool and honey start to gain traction and deeper market intelligence opens up more entry points for cross border trade opportunities. See *Sections 2.4 and 3.2.* for detailed descriptions of interventions and activities.

4. *Honey: Building a Sector:* Great strides are being made in the honey sector and it does not seem overly optimistic to project that the work of the ALCP will result in opening access to a global market for quality Georgian honey that will impact thousands of current beekeepers and see a sizeable expansion in the number of people engaging in beekeeping. The MOEPA are being exceedingly open and it seems that government engagement, where required, will match that seen in the development of the Bio Security network and wool export. This is already being seen in the shape of support now being lent to the process of registering the new ALCP honey client in the TRACES system (the first to do so in Georgia). Georgian honey will require the same backing as that given to Georgian wine and facilitation to date has encompassed a vast new array of market actors see *Section 1.1. Update to the Stakeholder Analysis.* Work in the honey sector can be represented as encompassing all aspects of the doughnut (p7). The previous phase focussed mainly on supporting functions e.g. local promotion, information, an Association and inputs. Focus is now securely on the core market related to honey export and rules related to the control and monitoring of honey quality parameters nationally. It involves huge activity as the programme is in essence building or fixing entire components of a sector as was observed in dairy. Please see *Section 3.2* for details of specific activities.
5. *Coordinated Action on Animal Health:* The programme has been working with the FAO/National Animal Health and Identification System (NAITS) programme to facilitate development of a comprehensive public information campaign on animal identification and the registration process utilizing the extensive ALCP programme stakeholder networks and knowledge (See *2.4 Transversal Themes*). This year in March, the ALCP also became an observer at the Steering Committee for Animal Health. The committee is mainly reserved for donor participants. SDC is a member of the committee, as is the FAO/NAITS programme and others including EU-related programmes and USDA. It has been running for ten years and was initiated by USDA and GIPA. The Committee will be handed over to the Ministry of Agriculture this September. The main function of the committee is to discuss the status and actions concerning animal health in Georgia and of necessity currently includes much discussion of measures associated with EU approximation. The Bio Security Network forms a major cornerstone as does the NAITS programme work. The ALCP's inclusion, plus the strides made in developing a full working relationship with the NAITS programme, sees the most cohesive partnership linking MOEPA and the NFA with the various donor-backed national animal health initiatives since the ALCP started working in the sector.

CHAPTER 1 – OPERATIONAL ENVIRONMENT

1.1 UPDATE OF THE STAKEHOLDER ANALYSIS

Building on the stakeholder analysis submitted in the proposal and *Key Informant Directory* submitted with the *Biannual Report 2017*, this period has seen a deepening of relationships in particular in the agri journalism sphere and a broadening of stakeholders in the honey sector, all other stakeholders remain as reported in the *Biannual Report 2017*.

Georgia: New stakeholders include the *Georgian Api Farmer Association*, the *Georgian Bees Facebook group*, the Wine Agency of Georgia, private laboratories in Tbilisi: *Ekspertiza +*, *Multitest*, *Etaloni* and *Higienis Instituti* and the *Botanical Institute of Georgia*, *Ilia State University* and *National Museum of Georgia*. Productive ongoing relationships with the Ministry of Agriculture, the NFA and the NAITS programme are ongoing. Ongoing relationships are deepening where key figures were changed last year e.g. the Governor of Kvemo Kartli and Mayor of Marneuli, Chairman of Ajara, Minister of Agriculture of Ajara. As part of ongoing interventions, relationships in governmental entities include; the *Agricultural Projects Management Agency*, *Enterprise Georgia*, *Head of Produce in Georgia (Export)*, *Chairman of Agency of Cooperatives (Honey Supply)*, *EBRD* (funding to Womens Business Initiatives), *Head of the Laboratory of the Ministry of Agriculture of Georgia* (honey export), the *Governor of Kakheti* (Sheep sector, Bio Security Points, WEE,).

Armenia: Research into private sector honey entities in Armenia is ongoing. In agri journalism and information, the relationship with the *Media Initiatives Centre* has deepened and now also includes the *National Agrarian University of Armenia* and *Vanadzor State University*.

Azerbaijan: The relationship with *Baku State University* has deepened with a planned study tour in May.

Germany: *QSI Laboratory* (Germany), *Intertek Laboratory* (Germany)

Slovakia: *Medex Ltd*

UK: *Windward Commodities Ltd* (UK)

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

Bilateral linkages for cross border trade and export: Following the deepening of trade ties in April 2017 between Georgia and Iran the market for chilled halal sheep meat for export by registered slaughterhouses in Georgia has continued to grow. From January 2017 to 1 March 2018, ten private exporter companies have exported 369,177 head of chilled halal sheep to Iran, out of which 65,000 (18%) was exported by the ALCP-funded slaughterhouse *Alali*. No further changes have occurred in the reporting period regarding trade between Armenia and Georgia (see *Bi-Annual Report November 2017*)¹⁰ besides the signing of a Memorandum of Understanding (MOU), establishing direct and sustainable collaboration in the spheres of veterinary, phyto-sanitary and food safety aimed at increasing cross border trade. Georgia's aspiration to be a regional export hub continues and following a deepening of trade ties with Saudi Arabia last year (ibid) 40,543 heads of sheep were exported to Saudi Arabia from January 2017 to 1 April 2018. Georgia exhibited grass fed lamb at the Gulf Foods Exhibition in Dubai this year.

Food Safety and Hygiene: Issues in dairy remain consistent with those reported in the Bi Annual report. Lack of transparency in whether cheese is made with raw milk or milk powder is still a major issue. Consumers are unable to make an informed choice due to misleading sales techniques and lack of knowledge of new labelling legislation intended to help solve the situation. For meat since January 2017, in steps to improve food safety, traceability and accountability for consumers, it has been mandatory for slaughterhouses and meat shops to produce traceable and labelled beef and for dairy enterprises and slaughterhouses to apply for and gain recognition from the National Food Agency.¹¹ However, street sale of meat and dairy brought in by intermediaries to agro markets in towns and cities continue to hinder compliance and traceability. Efforts are being made in Batumi and Tbilisi by their City Halls to begin to tackle the issue by transferring control over street sales from the police to the newly created *Departments*

¹⁰ However changes in government which have stated they are more pro-European may herald more changes in the next reporting period.

¹¹ Recognition implies that enterprises are FS+H compliant.

of Street Sales who are mandated to carry out regular inspections on the streets. A law increasing fines has already been approved by the Supreme Council of Ajara and is scheduled to be reviewed by the Parliament of Georgia this summer.

Honey: Prohibited residues were detected in 56% of Georgian honey samples tested for the Residue Monitoring Plan (RMP) a condition of Georgia's presence on the EU third country list for honey. Residues in honey and appropriately accessible laboratory services are key challenges currently under facilitation by the ALCP (*See Section 3.2 Reference to Interventions Proposed and Actual*). Government stakeholders such as the Wine Agency of MOEPA and The Ministry of Foreign Affairs of Georgia have expressed their readiness to support Georgian honey export, especially in contributing to the development of the brand of Georgian honey and promoting it worldwide now that demand for Georgian honey in diverse markets including the EU, Gulf and Asia is clear.

Animal Disease Control: The near completion of the BSP's sees the attainment of a national veterinary control strategy move a step closer. *See 2.4 Transversal Themes Section.* The NFA has stated their intention to build the points into centres for improving national animal health control, traceability and registration being undertaken under the NFA/FAO NAITS programme. Following new regulations, since January 2018 only cattle with an ear tag can be slaughtered at a slaughterhouse, leading to a risk of untagged cattle being slaughtered 'in backyards' while tagging coverage remains incomplete. This regulation is a part of Government strategy for improving national animal health control, traceability and registration. In 2017, compulsory Brucellosis vaccination started in Kvemo Kartli, Samtskhe-Javakheti, Mtskheta-Mtianeti and Shida Kartli regions. In 2018 Racha Lechkhumi, Samegrelo, Guria, Imereti have been covered. By 2019, all livestock in Georgia will have been vaccinated.

*Veterinary Education*¹²: In October 2017, the Parliament of Georgia approved an amendment to the Law on Higher Education. According to the proposed changes, a Diploma¹³ of Veterinary Medicine will be granted after completing 300 credits in a five year Masters programme. This will only be available in Bendukidze University. The graduate will then be a Veterinary Doctor but will have to get a further certificate or license (details currently unclear) to practice or have a vet pharmacy.

Changes in Local Self Government: 2017 was a highly transitional year for LSG, amendments in the LSG code (which included far reaching changes to the administration of LSG's) entered into force in June and July. Changes made in 2015 intending to increase citizen participation in LSG have not yet been successfully implemented at the municipal level. The Government of Georgia stopped the Village Support Programme¹⁴ with the idea that this function would be undertaken by LSG. The two main forms are the petition and General Village meeting, but there is no widespread evidence of their use to date, mainly because the impetus for their use should come from citizens themselves who are unaware of how to use them.

¹² Currently in Georgia veterinary education comprises of: 1. VET Colleges: offering general overview courses of varying length, allowing them to be a veterinary 'helper' performing simple tasks for a qualified vet or helping a salesperson in a Vet Pharmacy. 2. A four year BSc in Veterinary Medicine are available in two private universities. This entitles the graduate to work as a salesperson in a pharmacy or as a veterinary 'technician' e.g. assisting at operations. 3. A two year Masters in Veterinary medicine following which the graduate becomes a fully qualified veterinarian.

¹³ Direct translation

¹⁴ Implemented nationally with funds given direct to municipalities to give to communities based on the priority issues voted for by them.

1.3 BILATERAL OR MULTILATERAL ISSUES OF NOTE FOR POLICY DIALOGUE

No change from Bi-Annual Report: The National Food Agency remains pivotal in relation to the livestock market system and the mainstreaming of the key governance principles in their modus operandi, particularly in improved public information which would aid greatly in facilitating market access for livestock sector actors. Georgia is now on the [Third Country lists](#) for wool and honey. Access to the EU markets requires Georgia to be on the lists to allow enterprises to register in the TRACES system. Being on the third country list also instils confidence in other importer countries outside the EU as to the existence of basic in-country control systems. However much work remains to be done to systematize and operationalize activities at the producer level arising from NFA commitment to requirements such as the Residue Monitoring Plan in the honey sector, which are conditions of being accepted on the list. Another issue of note would be operationalizing the laboratory testing capacities for honey and maintaining a standard of competent management and upkeep of the Bio security points. The main point being ensuring governmental operational support to ongoing maintenance, development and implementation of high level initiatives *in practice*.

Disease notification and control remains a key topic in particular in relation to public notification of zoonoses¹⁵, Safe and compliant disposal of carcasses is a key issue. There is an ongoing need for comprehensive government support to the rehabilitation of the veterinary sector with there still being a serious lack of young large animal veterinarians. Climate sensitive farming should remain a topic to be welcomed and supported as simple measures of water conservation, conservation agriculture e.g. direct drilling, seed varieties and afforestation would see easy gains for small holders, especially in areas such as Kakheti, which is seeing the worst climate related effects. A number of environmental and conservation programmes mainly centred on the national parks are operational, but emphasis needs to remain on how small holder farmers can learn to co-exist, manage and benefit from the environment. The direction agriculture in Georgia will take in the future and the role of the small-scale livestock producer within it in the context of environmental, economic and social sustainability continues to be in need of ongoing debate. Perhaps the newly amalgamated Ministry of Environmental Protection and Agriculture provides an opportunity to place these on the agenda. The lack of accessibility of donor or other funds disbursed through banks for SME's in the livestock and honey value chains is an ongoing issue. A six year IFAD pasture management project is in the pipeline in Georgia for 2019, focussing on infrastructure including roads and value chain development which could have the potential to address systemic constraints to do with the lack of fully qualified veterinarians, land management and access to finance.

¹⁵ A sixty year old man died of Anthrax in Khelvachauri in August and in November in Poti.

CHAPTER 2 – OUTCOMES ACHIEVED SINCE APRIL 2017

2.1 QUANTITATIVE RESULTS PER OUTCOME

Table 2: Achievements of Outcome¹⁶ Indicators Measured Against Target Values

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

OUTCOME 1: Livestock and Honey Producers in Georgia strengthen their position in the market system and increase their income thanks to reliable market access to diversified opportunities from sustainable SME's in the meat, dairy, honey and wool sectors.	
Indicators	Estimated Alliances Programme Results (2017-to date)
# of LHP's generating tangible positive income changes due to sustainable diversified market access and better terms of trade (Women/men) (5000)	2,108 (42%) ¹⁷ (57% women, 43% men)
# of full time job equivalents (Women/Men) (50)	35 (19 Women / 16 Men) (70%)
# of HoReCa/retailer entities integrating food safety hygiene compliance and good management practices into business management (25)	340 ¹⁸ (1360%)
# of entities crowding in (5)	3 ¹⁹ (60%)
# of livestock and honey sector sustainability advocacy initiatives (16)	2 ²⁰ (13%)
# of SME obtaining external funds / finances (20/2 million)	4 / 234,600 Gel (20% /12%)
NAIC Value in GEL generated for LHP's with sustainable diversified market access and better terms of trade for LHP's (Women/Men) (4 million)	902,047 (23%) (514,166 for women and 387,881 for men)
NAIC value in GEL generated for programme clients (Women/men) (0.8 million Gel)	652,058 (82%)
OUTCOME 2: Livestock and honey producers increase profitability thanks to stronger regional linkages and cross-border availability of inputs and business	
Indicators	Estimated Alliances Programme Results (2017-to date)
# & % of LHP's generating tangible positive income changes due to enhanced regional linkages and services (women/men) (10,000)	6,219 ²¹ (62%) (42% women/ 58% men)

¹⁶ Outcome values for NAIC have not been adjusted based on the Impact Assessment they remain a reflection of aggregated data per intervention which does not capture the impact of synergy, information and governance.

¹⁷ This figures come from dairy interventions and *Impervet's* shop in Zugdidi.

¹⁸ *Shervasi* provided disinfection service to 290 HoReCa entities and *Start Consulting* trained 50 HoReCa representatives.

¹⁹ Women's Rooms (2) and Darts group

²⁰ Cheese factory, *Naturaluri Produktsia. Ltd* established dairy association of milk suppliers and *ABBA* created a database of honey producers in Georgia.

²¹ These figures come from *Marmot* and *Agro Trade*. Out of it, 1,442 farmers are from Armenia.

# of full time job equivalents (Women/Men) (50)	23 ²² (1 Woman / 22 Men) (46%)
# of entities copying &/or crowding in (5)	3 ²³ (60%)
# of issue specific cross border initiatives (women/men) (5)	1 ²⁴
# of service providers &/or input suppliers with improved business practices/acumen & outreach to cross border LHP markets (5)	2 ²⁵
NAIC value in GEL of cross border LHP's benefitting from supporting functions and compliant processing enterprises (Women/Men) (2 million Gel)	839,286 (Corresponds 42% of targeted 2 million)
NAIC value in GEL generated for programme clients (1.1 million)	393,555 ²⁶ (36%)
OUTCOME 3: Growing cross-border trade and export opportunities both within the South Caucasus and the larger region offers more diversified market access and terms of trade to livestock and honey producers	
Indicators	Estimated Alliances Programme Results (2017-to date)
# of LHP's generating tangible positive income changes due to enhanced market access (women/men) (5,000)	4,444 ²⁷ (89%) (30% women/70% men)
# of service providers &/or input suppliers with improved business practices / acumen & outreach to export markets (10)	2 ²⁸ (20%)
# of entities crowding in (5)	1 ²⁹ (20%)
# of full time job equivalents (Women/Men) (50)	22 ³⁰ (3 Women / 19 Men) (44%)
NAIC value in GEL of LHP's benefitting from supplying cross border trade and export enterprises (Women/Men) (2 million)	1,350,730 (Corresponds 68% of targeted 2 million)
NAIC value in GEL generated for programme clients (1.1 million)	316,873 (29%)
Value in GEL of cross border trade products (TBD)	N/A
Value in GEL of exported products (TBD)	12,592,920 ³¹

²² 3 new FTE jobs created by *Marmot* and 18 by *Agro Trade*.

²³ *Agro Trade* (2), *Journalists Resource Center* (1).

²⁴ *Business Womens Forum*

²⁵ *Marmot, AgroTrade*.

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

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

²⁸ One slaughterhouse *Alali* started to export processed meat, one wool collector improved / safeguarded export of wool..

²⁹ Slaughterhouse in Kakheti copied the business model from *Alali* (1).

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

³¹ 4,826,250 value of liveweight of bulls, 7,466,769 value of processed sheep exported and 299,900 value of wool exported.

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

One year into the four year phase indications are highly positive of being able to achieve the outcomes in the current phase with the percentage impact against targets reading favourably. As discussed in the *Steering Implications*, the outcome results bear out the implementation strategy outlined in the proposal and expounded in the Log Frame. Impact is clearly accruing in Outcome 2: *Cross border inputs and services* and is set to grow considerably over the next reporting period. Outcome 3 impact (currently derived from meat and wool sectors) will grow in *core market cross border trade and export* as investment is made with the private sector client in the honey sector and wool sector investment in increased supply capacity and quality giving access to more diversified markets pay off.

2.3 INFORMATION ON DIRECT AND INDIRECT UNINTENDED EFFECTS OF PROGRAMME INTERVENTIONS

Signs of growth in export markets: Dairy Products Company Tsezari Ltd has signed an agreement with a distribution company in the USA, *Tamani Co Ltd*, to export 500,000 USD of cheese annually and diversified their export market, sending five types of cheese.

Evidence of sector deepening and competition: Over the last two years, greasy wool export has increased about five times. A new channel to Kazakhstan and the growing interest of India, replacing the Turkish market with better payment conditions which pays 7 tetri more/kg and more reliable partners with pre-paid agreements. Negotiations between the *Georgian Wool Company Ltd* and wool collecting enterprises in India and their visits to Georgia has helped other greasy wool collecting companies in Georgia to shift from Turkey to India. In addition, the ALCP's efforts in helping the National Food Agency to standardize operating mechanisms between institutions, writing official letters and preparing certificates, has contributed to the sector to improve delivery of greasy wool to the export countries.

Positive changes in cheese market: Dairy producers are strengthening and diversifying their position in the cheese market. *Milkeni Ltd* has started distribution to 50 more shops throughout Georgia, among them the upmarket *Euro Product* supermarkets chain in Tbilisi. *JTA Ltd* has increased production from 2.5 tonnes of cheese/month to 4 tonnes of cheese/month, employed two new milk collectors and is distributing to *EconoMix* and *Euro Product* supermarkets chain in Tbilisi. *Tsalka + Ltd* has started supplying 7 tonnes/month from 4t/month to *Carrefour*, where managers and customers are delighted with the high quality natural cheese. *Tsezari Ltd* and *Tsalka +* have started selling combined feed to their milk suppliers, linking it to the programme facilitated combined feed producer. Many of these farmers are shifting to the use of combined feed as well as grass and hay with an increased milk yield of 3 litres per day.

Research into Georgian Honey: Shota Rustaveli Batumi University Laboratory has been awarded 230,000 Gel by the Shota Rustaveli National Science Foundation of Georgia, for a honey research proposal stemming from work with the ALCP on developing a regional honey testing laboratory. The research will do a full analyzes of 100 samples of Georgian honey to develop parameters for regional Georgian honey types according to their glucose, fructose + pollen.

Interest in Jara: A trader from the USA contacted *Matchakhela Ltd* after they saw photos of Jara hives on their *Facebook* page and asked them to send Jara honey for tasting; an Australian trader has contacted Ajarian Jara honey makers, after his partner in Georgia came across the trailer for Jara, preliminary sample test results are positive, these have become the starting point in their negotiation process.

Copying & Crowding in, Adaptation and Expansion in the INGO and NGO sector: The Embassy of the Netherlands in Georgia, in cooperation with *Women Business Council* in Georgia invited Ekaterine Burkadze, as a female entrepreneur, to participate in a 6-month the *Brilliant Entrepreneur Women Entrepreneurship Development Programme Georgia*. *USAID/REAP* project funded the Journalism Resource Centre to announce a competition, *My Story* about agriculture for the students who attended the agri journalism course in Telavi, Tbilisi, Gori and Batumi, four students have been given internships at four regional TVs to work on agri reports. *MOLI Kakheti*

facilitated agri training for regional print and broadcast journalists using the ALCP model and highlighted the ALCP's pioneer activity in agro media. EBRD organized an event *Women in Business-More Opportunities* and copied the model of *Ajara Women's Business Forum*, exhibiting products and art pieces, involving the same stakeholders and inviting the rural women through assistance of *Ajara Business Women Association* and the Women's Rooms; they have also announced a four-day seminar for woman entrepreneurs in Ajara. Up to 70 women attended trainings on early marriage, birth control, perspectives for young mothers taking place at the Women's Rooms in Ajara organized by the local NGO *Institute of Democracy*. The Chairwoman of *The Association for Each Other*, Sopho Bakuridze wife of the Chairmen of the Government of Ajara linked the Ajara Women's Rooms to the Estonian NGO *Women's Studies and Resource Center* to implement activities in preventing domestic violence and improving women's decision-making, entrepreneurship and supporting women's businesses.

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

In a market systems programme transversal themes mainly relate to the Rules section of the doughnut (See P7 ALCP *Market System diagram*). In the ALCP they include facilitation with Government stakeholders and other civil society and private sector actors at National, Regional and Local levels in relation to key governance issues underpinning the livestock sector including food safety and hygiene, regulations, gender related to equitable governance and access to resources and animal disease control. A main mechanism of the governance interventions is the Advisory Committee, where diverse stakeholders, often with intractable views of each other are brought together in working meetings to overcome key constraints in the sector often insurmountable without external impartial facilitation based on existing relationships and market intelligence. They involve meticulous planning and preparation over months.

Meat Sector: During the reporting period the 10th *Advisory Committee Meeting* was planned and conducted just outside the reporting period on April 19th 2018, where the main meat value chain stakeholders were brought together to discuss uncompliant slaughtering and supply and the sale of uncompliant meat entering the food chain. The data on which the meeting was based was provided by national level research carried out by the programme. Preliminary results have been inspections and meetings in Kvemo Kartli organized and carried out by regional NFA and Local Self Government with slaughterhouses and meat shops.

Regional Government Interest in Wool: Facilitation led to the Governor of Kakheti convening a meeting with Tushetian shepherds to combat the issue of gaining access to Tushetian wool (a remote mountainous region where the difficulties of transportation means increased transaction costs). The Governor also promoted Georgian wool export based on ALCP market intelligence in a visit to Minsk, Belarus in February 2018³².

Honey Sector Promotion: The Jara movie is being used to promote Georgian honey. In addition to the National Geographic Georgia magazine article, five hundred DVDs, have been disseminated. The Ministry of Foreign Affairs of Georgia who is responsible for the promotion of Georgia overseas through consulates and embassies, uploaded the movie on its internal database for use in outreach. The Jara movie will be screened in the Golden Linden film festival in Stara Zagora, Bulgaria on 4 June, 2018. The film has been chosen as a contender in the 'Sustainable Agriculture section' of the Deauville Film Festival this summer. The *Journalism Resource Center (JRC)* is facilitating the screening of the movie on Georgian regional TV channels and several TV channels in Eastern

³² One of the biggest wool-felting factories in Belarus became interested in Georgian wool and the Governor's office linked them to the *Georgian Wool Company LTD*, the ALCP client. This link has subsequently not come off as the yield of the wool after washing is not high enough for their needs however a Russian company is buying wool from the company, which is being washed in Belarus a minimum of two containers a month.

European countries. The *Goderdzi Alpine Botanical Garden* purchased 15 bee families and Jara beehives to showcase the traditional *Gejuri* beekeeping at the Alpine Garden

Animal Health and ALCP facilitation with FAO/National Animal Health and Identification System (NAITS) programme: During the reporting period the programme has worked with the FAO/National Animal Health and Identification System (NAITS) programme to facilitate development of a comprehensive public information campaign on animal identification & registration process. ALCP networks are being utilized to help ensure targeted coverage reaching farmers, which include media entities, regional and municipal DRR Working Groups in KK and AJ regions, Municipal Women's Rooms in KK, SJ, AJ and Kakheti regions, dairy and meat processors and the national Roki network veterinary pharmacies. The ALCP is now also an observer member of the Steering Committee for Animal Health (see *Steering Implications*) which is considerably helping facilitate coordinated actions in the sphere.

Animal Movement Route & Bio Security Points (BSPs): Of the six bio security points agreed in the original agreement between the ALCP and MOA (now MOEPA) five have now been built with the last to be completed in summer 2018. In early autumn the fifth BSP was opened by the Minister of Environment Protection and Agriculture in Telavi, Kakheti region. In the 2017, the autumn movement 389,490 heads of livestock were dipped/showered in all 5 Bio Security Points and in total a million head were dipped/showered in 2016 and 2017. Programme staff visited all BSPs to monitor the operation and identify any infrastructural gaps. [A Critical Analysis Report](#) was prepared and presented at the ALCP 9th Advisory Committee Meeting in January where the BSPs' management and sustainability issues were discussed, as well as the construction of the 6th BSP in Bolnisi municipality where a land allocation issue was preventing progress. The State Representative-Governor of Kvemo became involved between the NFA and Bolnisi self-government and solved the land issue in Bolnisi with new land being allocated and given to the NFA to start the construction in summer 2018. The programme will continue to facilitate discussion concerning the involvement of local municipalities in the management of the BSPs for ensuring the infrastructure is maintained, as the veterinary department of the NFA whose priorities are national animal health control struggle with day to day maintenance. *Systemic change:* A special order is now issued twice a year by the Head of the agency which instructs the National Food Agency's regional branches to supervise and control the animals' health during the movement through the BSPs.

Equitable Access to Funds for Rural Start-ups: The ALCP facilitated *The National Women's Business Forum* March, 2018 in Batumi, Ajara, aiming to support the development of small and medium businesses, dispersal and access to funds and motivate women, especially in rural areas, to implement new business ideas. The event was hosted by the Ajara Chamber of Commerce and Industry (ACCI), the Georgian Chamber of Commerce and Industry (GCCCI), the Association of Businesswomen of Ajara (ABWA) and Ajara Ministry of Finance in partnership with the municipal Women's Rooms and EU funded GIZ, CENN and Czech Caritas projects. More than 300 participants, up to 200 women entrepreneurs from all regions of Georgia, 15 public, private and civil organizations which support women's entrepreneurship in Georgia and government programmes; Enterprise in Georgia, Agriculture Programme Management Agency (APMA) and Startup Georgia, as well as the EBRD, Bank of Georgia, TBC Bank and Credo Bank were at the forum.

Post Forum: Early results are promising³³, however it still seems that the government offers a more accessible prospect for funding than the private sector for women entrepreneurs and start-ups. The Adjara Business Womens Association (ABWA) interviewed 150 participants in a follow-up to the forum and discovered that in addition to the motivation provided by the event all of them were in the process of or planning to apply for some form of funding. However, 90% of respondents intend to apply to small government grant schemes rather than mid-size

³³ Women's Rooms business consultations in Ajara have increased by 70%; ABWA has created an online platform on Facebook, a woman entrepreneur from Kobuleti municipality created a new association 'Farmer' under the umbrella of the ACCI; three women were funded by EBRD (flower shop, poultry, green-housing); the Psycho-Neurological Hospital of Ajara an exhibitor at the event received a 23,000 Gel grant from a civil society donor and have opened a bakery.

banking products or the large cheap government loans scheme. They provided the following reasons: funding is in the form of grant rather than loan, EBRD and other banking products are seen as requiring significant co-financing or are provided at still relatively high rates of interest (12%), government schemes are well known and familiar and also include technical assistance. More research will be conducted to further break down funding patterns and available products.

Equitable Governance Armenia: The Head of the Governor of Lori's Administration and the Mayor of Alaverdi, Armenia visited Batumi and Keda Women's Rooms in March 2018 to see the Women's Rooms and to make a final decision for a pilot Women's Room in Alaverdi municipality. They also attended the National Women's Business Forum- 'We are now convinced in importance of this service and are ready to start'.

Equitable Governance Georgia: In January 2018 a meeting was held at the Gender Equality Committee of the Parliament of Georgia through which linkages were established with the Interagency Commission on Gender Equality at the Prime Minister's office. A formal request to support the expansion of the Women's Room model across Georgia was sent to the Chair of the Commission in February. Verbal feedback was received in March, promising that the recommendations will be sent to the relevant governmental bodies. The rooms continue to be self-sustaining³⁴. The ALCP and MOLİ have been continued close coordination on creation of nine municipal Women's Rooms in eight municipalities of Kakheti. The ALCP has facilitated the appointment of managers through the Governor's office and will start peer to peer activities and trainings in May 2018.

Interventions from previous phase: Governance interventions done well mature over time and gather momentum and sustainability. The Goderdzi Alpine Botanical Garden (GAG) which is a major complex multi stakeholder intervention requires has attracted 2,270,00 GEL to date in funding³⁵ and is increasingly seen as an initiative offering great hope and potential to the local population and region as a whole, working synergistically with ALCP interventions with the private sector and local government. Please see the ***Goderdzi Alpine Garden: A Local Economic Development Initiative: Mid Term Evaluation*** submitted with this report for a full current review.

Disaster Risk Reduction: The municipal DRR Working Groups in Ajara are still operational working on a case by case basis, this spring they helped the NFA to carry out preventive measures against the Asian insect *Pharosana* 'Stink Bug'. The NFA used pick-up trucks and equipment purchased by the programme in 2015.

Conservation Education: The Black Sea Eco Academy (BSEA) Teaching Modules developed under the programme and aimed at managing the risk of wild animal attacks on livestock and bolstering local environmental protection and ownership, for use in Ajara schools have been shared with CNF, WWF, SPPA, TGS, GIZ and the Agency of Protected Areas of Georgia. In April, a presentation of the module was held at the Ministry of Education of Ajara. The Minister emphasized the importance of the publications for the development of conservation education. The teaching materials (Teacher's Book and Student's Book) have been delivered to Ajara schools through the

³⁴ *Government Funding:* Keda City Hall allocated 5325 Gel for Women's Room events; the Local Institute of Democracy NGO trained 46 rural women living in the rural municipalities of Ajara through the Women's Rooms; 28 rural women were funded (221,600 GEL) by Enterprise in Georgia through the Women's Rooms, Women's Rooms helped;7 men to obtain funds (46,100 GEL).

³⁵ *Government support for Alpine Botanical Garden Development:* Widespread government support for the Garden continues; the Chairman of Ajara regularly visits the garden to check on progress, in addition to regional government the Prime Minister of Georgia emphasized the importance of the garden in a speech concerning economic development in the Ajara region, The BBG plans to open the Goderdzi Alpine Garden on the *Shuamtoba* celebration which will be held on 4-5 August this year. The construction works for the preliminary buildings will be finished this summer including the administration building and beekeepers house. This year the Roads Department of Georgia has allocated 5 million GEL in the budget for the ongoing rehabilitation works of the Goderdzi-Beshumi road. The Munich Botanical Garden botanist Helmut Wiesment will continue the building of the Alpinarium together with the GAG staff in summer, 2018. The Ajara Government brought an investor with 500,000 USD for the construction of the children's zone with construction to start this summer.

municipal resource centres of the Ministry. The BSEA has started cooperation with the Agency of Protected Areas, which plans to adopt the teaching modules and update for use in other regions of Georgia as well.

2.5 ILLUSTRATION OF THE PERSPECTIVES OF INVOLVED STAKEHOLDERS

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

CHAPTER 3: OUTPUTS AND PERFORMANCE PER REPORTING PERIOD 2017

3.1 SUMMARY OF OUTPUT DELIVERY UNDER THE THREE OUTCOMES

Table 4 below provides a breakdown of impact per output. Only outputs where interventions are already ongoing are included. Interventions are currently being undertaken for 71% of outputs detailed in the LogFrame (as opposed to 50% in the *Bi-Annual Report*). Please see Section 3.2 and 2.4 for descriptions of intervention activity in all sectors.

Table 4: Summary of Outputs Against Logframe Indicators

Output 1.2: Increased self-representation, empowerment and advocacy by livestock & honey system processors & manufacturers.	
Indicators	Estimated Programme Results (2017-to date)
Number of advocacy initiatives/groups	1 ³⁶
Number of desired objectives reached by advocacy initiatives/groups	1 ³⁷
Output 1.4: Facilitated leveraging of access to funding and improved business management for SME's	
Indicators	Estimated Programme Results (2017-to date)
Number of SME's leveraging funding from external sources to the programme e.g. IFI's and government schemes	4
Value of funding leveraged from external sources	234,600 Gel
Number of SME's where funding has allowed development of business vision.	4
Output 1.5: Increased value added production and product diversification for SME's.	
Indicators	Estimated Programme Results (2017-to date)
# of SMEs with increased capacity/utilization of meat and milk, honey and wool	5 ³⁸
# of LHPs supplying supported entities (Women/Men)	1,532 (76%)

³⁶ Meat Advisory Committee Meeting

³⁷ After the Meat Advisory Committee Meeting NFA intensified monitoring of backyard slaughtering and provided information to meat sector representatives in Kvemo Kartli.

³⁸ 5 Cheese factories, Tsalka +, JTA, Tsintskaro, Milkeni, Naturaluri Produktsia.

Number of value-chain actors in dairy, meat, honey and wool sectors gaining access to diversified markets	6 ³⁹
Output 1.6: Increased equitable (gender, ethnicity and youth) access to and diversification of rural/livestock market system related economic/entrepreneurial opportunities.	
Number of women/youth rural businesses started	32 ⁴⁰
Number of initiatives for women/youth rural business	337 ⁴¹ (Also, 111 men)
Value of financing for women/youth entrepreneurs from external agencies (gel)	384,200
Number of jobs in diversified women owned enterprises	5 ⁴²
Output 1.7: Improved consistency, resilience and reduced risk in livestock market system.	
Number of Bio security initiatives	5 ⁴³
DRR Coordination initiatives	2 ⁴⁴
% of households registered their cattle in the NFA	76 ⁴⁵
Output 2.1: Stimulation of cross border linkages (e.g. gender, local government, national government agencies e.g. NFA equivalent, border trade relations, society, media, academia)	
# of consultation fora between peer to peer actors to address livestock related cross border initiatives	1 ⁴⁶
% women representatives involved in consultation fora	50% ⁴⁷
# of study tours / regional meetings facilitated between cross border stakeholders	N/A
Output 2.2: Facilitated outreach of inputs and input related services in the meat, honey, dairy and wool sectors in Armenia, Azerbaijan and Georgia.	
# of entities outreached sales in cross border regions	2 ⁴⁸
Number of customers accessing inputs	6,219 ⁴⁹
Value of sales of inputs / Value of sales to women/Value of sales to LHP (Gel)	815,653

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

⁴⁰ 3 Women were funded following business forum by EBRD (Flower shop, poultry, green-housing). 28 rural women were funded by the Enterprise in Georgia through the Women's Rooms with total value 221,600 GEL. Women's Rooms helped 7 men to obtain the fund (46,100 GEL). Women's Room also helped one women to obtain grant (10,600 GEL) from Innovation and Reforms Center and employed two women (IRC).

⁴¹ Through Women's Rooms: 136 women applied for the state project, Enterprise in Georgia, 3 Women got bank loans / grants. 200 Women applied for USAID grants.

⁴² 28 businesses are newly funded and the results about the employment will be reported in the next bi-annual report.

⁴³ 3 new Bio Security Points (BSPs) opened, one advisory committee meeting was held to ensure sustainability of the BSPs and one regional meeting with NFA & Kvemo Kartli Governor and local municipalities to discuss construction of the 6th BSPs in Bolnisi and local governments' involvement in the BSPs management.

⁴⁴ One meeting with regional and municipal governmental officials to ensure sustainability of DRR working groups and facilitation with NFA & FAO/NAITS to develop a comprehensive public information provision campaign on animal identification & registration.

⁴⁵ In Georgia 76% of households have already registered their cattle into the NFA database.

⁴⁶ Making linkages between Lori municipality in Armenia and Dmanisi Municipalities in Georgia.

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

⁴⁸ Machinery input supplier Marmot Ltd and nutrition input supplier Agro Trade started cross-border trade.

⁴⁹ 113 machinery service providers served 1,028 farmers in Armenia and Agro Trades sales due to expansion in Georgia and Armenia.

Increased trust towards exported products (from Georgia, Azerbaijan, Armenia)	N/A ⁵⁰
Output 2.3: Facilitated outreach of business support services in the meat, honey, dairy and wool sectors in Armenia, Azerbaijan and Georgia.	
Number of value-chain actors in dairy/ meat/honey and wool sector receiving trainings on food-safety & hygiene/business management	11 ⁵¹
Number of milk/meat/honey & wool supplier LHP's receiving trainings / information on quality, food-safety, hygiene & business management standards	24,596 ⁵²
Number of HoReCa sector actors receiving trainings on food safety and hygiene	50 ⁵³
Number of value-chain actors gaining business management certifications e.g. GMP HACCP (e.g. Global Gap, SALSA)	18 ⁵⁴
Number of value chain actors with business/marketing plans (including for rural tourism)	3 ⁵⁵
Number of value-chain actors gaining BEAT assessment	1 ⁵⁶
Output 2.4: Facilitated outreach of agri-information and agri-information initiatives to Armenia, Azerbaijan and Georgia.	
Number of information consumers of products that have agricultural content/Women readership/ LHP's readership	37,382 ⁵⁷
Number of information channels with agricultural content / of newspapers/of TV programmes/ of internet sites	5 ⁵⁸
Number of agro reports/programmes on cross border trade /export	N/A
Number of information channels with coverage in cross border regions	N/A
# of universities integrating agro journalist study model	7 ⁵⁹
Number of degrees gained with agri journalism content	346
Output 2.5: Facilitated outreach of equitable public goods to Armenia, Azerbaijan and other areas of Georgia	
Number of gender related cross border initiatives	2 ⁶⁰

⁵⁰ This indicator will be measured through impact assessment surveys.

⁵¹ 11 meat, dairy, wool, and livestock feed producers were trained by *Star Consulting*. Also, 118 businesses were trained by *Star Consulting* in other sectors (bakery, vegetable, alcohol & mineral drink).

⁵² In this phase web based information channel *Business.org.ge* started working. It includes information related to BDS. Number of unique web-site visitors from Georgia is 23,402 and 21,451 from other countries. Also, *Star Consulting* has 1,194 regular visitors.

⁵³ *Star Consulting* trained 50 HoReCa sector representatives (40 in Batumi, 10 in Tbilisi).

⁵⁴ *Star Consulting*: 7 Slaughterhouses, 10 cheese factory and one animal feed producer.

⁵⁵ Business plans for *Georgian Wool Company* & *JRC* and recommendations for *Marmot*

⁵⁶ *Gergili Ltd* gave BEAT assessment to local wool processor in Akhmeta region.

⁵⁷ Radio listeners. 4 radio stations and one *Roki's Agri Portal (Agroface.ge)*.

⁵⁸ *JRC* produce agricultural programme for four local radio stations in Georgia, *Hereti, Rioni, Tbilisi* and *Argo* radio stations and *Roki's Agri Portal*.

⁵⁹ Gori, Akhaltsikhe, Batumi, Kutaisi, Telavi, Tbilisi Caucasus & crowding in *Georgian European University of Tbilisi*.

⁶⁰ One meeting with Georgian and Armenian governmental officials to establish *Women's Room* model in Lori province in Armenia and Armenian official delegation's visit in Georgia to attend *National Women's Business Forum* and visit *Women's Rooms* in Adjara.

Number of women using women's room services Number & % of women participants in community meetings	1,500 (899 women / 601 men)
Number of women instigated community/livelihood related initiatives	26 ⁶¹
Value of women instigated community/livelihood related initiatives	628,000
Output 3.2: Facilitated access to export markets for dairy, meat, honey and wool entities in Georgia, Armenia and Azerbaijan.	
# of processors of meat and milk, wool and honey starting to export	2 ⁶²
# & % of LHP producers supplying supported entities (Women/Men)	4,444
Value of exported products	12,592,920
Output 3.3: Facilitated improvements to efficiency of outreach of key export supporting functions (freight, shipping, documentation, distribution) in dairy, meat, honey and wool value chains.	
Number of key entities with improved function/business practices	1 ⁶³
Number of representatives of the key export supporting entities trained	N/A

3.2 REFERENCE TO INTERVENTIONS/ACTIVITIES PROPOSED AND ACTUAL

Overview: Please see *Annex 4* for the list of interventions undertaken in the reporting period. Please see *Annex 1 and 2* for detailed impact. As noted in the output section interventions/activities are being undertaken in 71% of outputs.

The next reporting period will see this approach ninety per cent with investment and intervention in the honey sector (see below) due to be made early in the next reporting period. This will lead to more interaction with entities linked to exporting functions and the need to enhance those functions (Output 3.3/3.4). Similarly, once the results of the large-scale consumer survey (dairy and meat) are analysed (see below), work on an added value label will begin which will include engaging with consumer rights entities and retailers (Outputs 1.1 - 1.3). Finally, the opening of a wool collection point in Ninotsminda from July 15 when the second shearing of sheep occurs on the pastures on the Armenian border is projected to stimulate the first cross border trade of a core market commodity. More in depth research is required to determine entry points for dairy cross border opportunities with Armenia, and honey cross border opportunities potentially with Armenia and Azerbaijan (Output 3.1). Please see section 2.4 *Transversal Themes* for a detailed account of interventions and impacts ongoing in interventions connected to key cross cutting constraints in animal health, food safety and hygiene, regulation and gender equity. Otherwise, ongoing, incipient and proposed interventions are outlined in brief per supporting functions and core market sector below:

Supporting Functions: Cross border development of the agri information and agri journalism initiatives are going well with a major study tour for Armenian Journalists and universities taking place just outside the reporting period (April). Sales of machinery and the spread of distribution to a wider range of shops in Armenia is ongoing, bolstered by the turgid market conditions of the EEU and a monopolistic business environment meaning that despite import tariffs the price and choice of machinery implements compare very favourably to that which is normally on offer.

⁶¹ 4 Women instigated community livelihood initiatives in Ajara and funded by 439,000 Gel (a centre for the people with disabilities in Shuakhevi municipality, a kindergarten in Shuakhevi municipality, psycho-neurological hospital and brochures about artisans to promote traditional crafts. Also, 22 women submitted applications for civil budgeting initiatives, out of which 8 were funded with 189,000 Gel.

⁶² Alali and Georgian Wool Company

⁶³ Improved NFA functions in issuing necessary documentations for honey export.

The same is true of combined feed, which is due to be established in Armenia in the next reporting period, the investment having been made into the intervention just outside the reporting period in April. BDS and FS&H consulting are deepening their services with online platforms and services. *First Consulting* BDS is currently constructing export guidelines for Dairy Meat, Honey and Wool entities.

Dairy: Focussed on diversification and added-value production to date, *Section 2.3* describes some of the positive impact of this in the sector. A tender was announced and won by the Caucasus Research Resource Centre (CRRC) to undertake large-scale consumer research into dairy preferences, which will underpin the development of an added value label/standard under a conglomeration of dairies who participate. Work has been underway to develop potential ‘auditors’ of the standard, with one identified. Just outside the reporting period (May) discussion with NAITs backstoppers led to discussion of the potential to pilot traceability as one element of the ‘label’ with the suggestion by the ALCP to trial this in Tsalka and Khulo.

Meat: Added-value and product diversification mean that an investment was made into *Alali* slaughterhouse for an entrails processing plant. Sheep stomachs are frozen and destined for the Chinese market and intestines are sent to Iran. This sees the transition of the business to a highly efficient model and rapid positive ROI. Grass fed halal lamb was promoted at Gulf Food and attention has been placed on closing regulatory gaps in the value chain that see unchecked meat entering formal retail outlets see *2.4 Meat Advisory Committee*.

Wool: Investment has been made just outside the reporting period into improved supply both with electric shearing, and shearing and sorting guidelines and a new collection centre in Ninotsminda (an Armenian area and a big step for an Azeri company) for improving access to higher value markets (UK) as crowding in is observed supplying the India market opened up by the programme.

Honey: Work in the honey sector can be represented as encompassing all aspects of the doughnut. The previous phase focussed mainly on supporting functions to the core market e.g. promotion, information, an Association and inputs. Focus is now securely on the core market related to honey export and rules related to the control and monitoring of honey quality parameters nationally.

Core Market: Investment is about to be made in a private sector client⁶⁴ with the business capacity to engage in honey export (as an experienced wine exporter) and desire to export (the company recently started honey bottling as part of its fruit juice bottling offshoot). Aggregation mapping⁶⁵ has been carried out, networks have been checked and stakeholders engaged. The client is currently involved in the process of registration in the TRACES⁶⁶ system which even applies to the official export of samples, a number of which are due to be sent to a buyer in the UK. The process is ongoing and dependent on the results of the test samples sent to an international laboratory in Germany. The Georgian government laboratory still lacks key accreditation on several antibiotics. NFA authorities have been supportive, making a list of parameters the honey should be tested on to allow for a Health Certificate to be issued, which is needed for honey export to the EU. The client is prepared to collect ten tons of honey this season (June – September, 2018) and to increase the volume if the market allows.

The company has started to actively promote Georgian honey to existing clients for its other products at the international exhibitions in China and Japan, and at agro exhibitions in Dubai and Qatar. The programme has facilitated a re-branding of the clients honey targeted at the high value honey market.

⁶⁴ Following in depth market research including participation at world beekeeping congress Apimondia 2017 analysis of export markets and potential buyers was followed by an in depth business case for a private sector player detailing the process of honey aggregation, testing, packing and exporting to increase confidence and show incentives of honey export. This was used to assess key private sector potential entry points/clients.

⁶⁵ This includes clear definition of the different types of honey produced in Georgia e.g. Alpine Chestnut, Linden see alcp.ge Library and the Honey Market Research for more details.

⁶⁶ [TRACES - Trade Control and Expert System](https://ec.europa.eu/traces/) of European Commission

Jara Honey: The highest value honey is Jara, produced in hollowed logs in trees by captured swarms. A Jara honey specialist has been hired and is creating a database of Jara beekeepers and facilitating creation of Jara Honey Producers' Association under ABBA/ACCI for BIO certification and promotion of traditional beekeeping.

To help support the promotion of Georgian honey now being discussed with the Wine Agency of Georgia, a Honey Flower Map is under development with botanists from the Botanical Institute of Georgia (Tbilisi) to clearly define the rich and diverse floral compositions of Georgian honey types, essential when marketing a high value product. A short video clip on Georgian honey with subtitles is being produced, to be disseminated by embassies and consulates of Georgia abroad (who are already using the Jara film) and in social media to increase awareness of Georgian honey.

Rules: Underpinning export is the need for tighter control of banned residues in Georgian honey and the roll out of more user friendly and fit for purpose laboratory testing and services with producers understanding what testing if any their product requires depending on their end goal for sales. The first honey advisory committee⁶⁷ will be held at the in June focussing on a multi stakeholder effort to control harmful residues and roll out accessible and affordable laboratory services.

Rules: See Section 2.4.

3.3 IMPLEMENTATION CONSTRAINTS AND WAYS TO OVERCOME THEM

The SCO backing of the ALCP as an operational arm requires additional effort on behalf of team members and senior management but is bearing fruit; specifically with SDC partners, but also in general, with a greater and beneficial level of programme inclusion in a broader range of development events and initiatives. It is interesting to observe the effect of the removal of some traditional barriers maintained in the development sector. These include those between what could be considered higher level donor entities as opposed to NGO's and segregated dealings by key entities such as the NFA with separate project. These barriers have sometimes resulted in successful initiatives not being given the coordinated traction they ought to have had or in effort being wasted in circumventing these barriers. SCO's promotion of a sensible and logical approach to facilitating partner implementation efforts should be applauded.

Other main constraints remain consistent with other previous phases of the programme and those reported in the Bi-Annual Report. Models and entry points facilitated by the ALCP are still being leveraged by other donors, projects and government entities with different *modus operandi* at worst this could diminish sustainability and even disrupt the functionality of a new sector. Managed well by all parties these opportunities can amplify and add to the sustainability of impact and growth. The regulatory focus of the NFA still has gaps, which increase constraints for clients such as insufficient policing of milk powder usage and sale as raw milk and unregistered factories. With regard to external constraints in the operating environment (See 1.2 *Evolution of the Context* and 1.3 *Bilateral and Multilateral Issues of Note for Policy Dialogue*).

Regular and rapid change in key political actors at all levels due to elections and sudden replacements being made of key figures can have the effect of temporarily impeding ongoing interventions in which these key figures are involved, requiring a rebuilding of political and social capital. However, in many cases this is mitigated by the strength of interventions themselves coming to the attention of the individuals and then communication and cooperation being naturally reinstated.

3.4 EVENTUAL CHANGES TO MAIN ASSUMPTIONS

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

⁶⁷ Consisting of government, private companies and beekeepers

CHAPTER 4 – FINANCES & OPERATIONS

4.1 PERCENTAGE OF BUDGET SPENT VS. PLANNED PER OUTCOME

For the ALCP support lines⁶⁸ as of March 31st 2018, spending reflects the progress of the number of investments during the first year. In addition, a number of major investments were made in April 2018 just outside the reporting period almost completely spending the allocated budget for the first year. The percentage represents the rate for the full four-year phase.

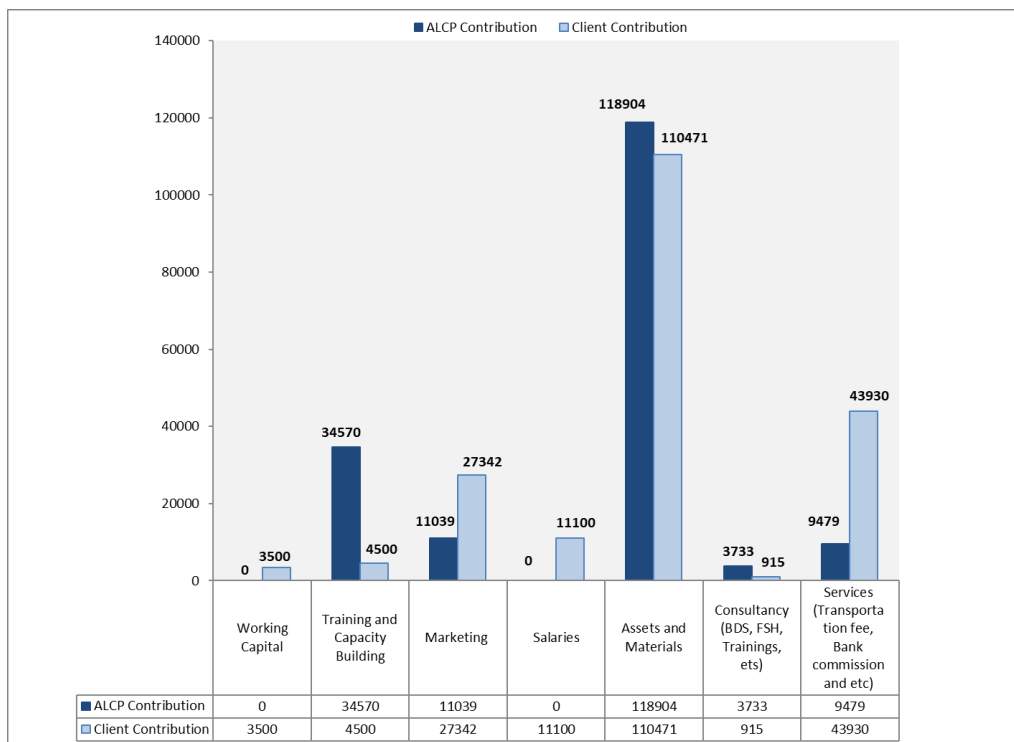
ALCP Support Facilities (CHF)	ALCP
Alliances Investment Support Facility (Including Gender and Governance)	151,065 (20.05% spent)
Technical and Transversal Themes Sub Contractors	5,803 (17.27% spent)

4.2 BUDGET DEVIATIONS AND OUTLOOK FOR THE REST OF THE PHASE

Spending is in line with the emphasis on market research in the first nine months and the first funding of new interventions (particularly given investments made just outside the reporting period in April) see Annex 4.

4.3 APPRAISAL ON HOW EFFICIENTLY INPUTS WERE CONVERTED INTO OUTPUTS

The efficiency of input conversion in outputs is enhanced on the ALCP through the use of the co-investment mechanism. This is currently running at 47% highlighting healthy co-investment by clients.



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

4.4 HUMAN RESOURCES & TEAM MANAGEMENT

The revised team and office structure, which has limited the number of supervisees to four per supervisor, is continuing to be successful and plans to help coordinators to improve their management skills of their own supervisees are underway for 2018/19. The new thematic structure requiring Theme members⁶⁹ to work across offices and outcomes, which initially presented challenges in changing a working model which had been in force for seven years, is now reaping dividends in allowing for lateral flexibility and cross fertilization between team members across locations. All offices are now working successfully and maximizing the geographical synergy of their locations to enhance interventions. Akhaltsikhe office has renewed its commitment to enhanced supply within Georgia and cross-border trade opportunities and has found and is facilitating new opportunities in the wool and honey sectors with an eye to further exploring dairy as well as providing vital field information linking Kvemo Kartli and Ajara.

Budget Resubmission: As mentioned in the *Steering Implications*, news of the SCO commitment to the WG Office for the entirety of the phase has removed unease and the danger of losing highly trained team members early, stabilized the team and allowed for a renewed commitment to the meat and honey value chain work focussed on in West Georgia. The submission being made soon after this report contains notes on the allocation of staff to interventions; intending to show the efficiency of the team input to the objectives outlined under the current logframe *and also contains a staggered closure of offices and staff to maximize logistical and financial efficiency.*

No other issues of note in addition to Bi-Annual report.

CHAPTER 5 – GOOD PRACTICE & LESSONS LEARNED

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

Co-facilitation with MOLLI of Womens Rooms in Kakheti is ongoing and MOLLI was an active and informed participant in the recent Meat Sector Advisory Committee as well as attending the Bio Security Point Advisory Committee. *Cross border:* No new visits have been made to SDA however information exchange continues and plans are underway to send representatives to the SDA facilitated Sheep Shearing Festival in Syunik in June 2018 and to meet to discuss synergies for fulfilling regional objectives now that SDA has set up underway. The Head of the Administration of the Governor of Lori and the Mayor of Alaverdi attended the Business Womens Forum and visited Ajara Womens Rooms as a key part of developing the first plot Womens Room in Alaverdi Municipality. *SCO in Georgia:* Good working relations have also been established with the NAITTS programme, recent work has focussed on maximizing the efficiency of the NAITTS information campaign for farmers. The programme met with UN Women in March to discuss points of contact and a visit is planned in June to introduce the Womens Rooms and demonstrate their relevance to regional initiatives.

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

DCED: The RM Coordinator and Systemic Change Analyst both attended a DCED affiliated Advanced Results Measurement Workshop held in Bangkok in November where they presented and worked on advanced cases of challenges in results measurement including measuring systemic change. The resultant [paper](#) published internationally contains a detailed look at the ALCP's use of the Systemic Change Log tool. The paper joint submitted⁷⁰ to the DCED for the DCED/BEAM seminar held in Nairobi detailing the Outcome Harvesting Trial and the subsequent adoption and use of the method was presented and [published](#).

⁶⁹ Broadly grouped around Outcomes but not exclusively requiring more lateral working across groups.

⁷⁰ RISI Kosovo Team Leader an SDC funded Helvetas implemented Market Systems programme and ALCP RM Coordinator.

Self-Evaluation: A new version of the RM Manual will be finalized in August for use in the programme. As well as taking into account the recommendations from the DCED Audit in January 2017, it includes the new attribution methods for quantitative surveys, improved Systemic Change, Gender, and WEE chapters, which include the advances the programme has made in developing tools, and methods to capture equitable complex impact. In-depth measurement of systemic change across Georgia this year has included; a comprehensive attempt to understand the impact of agri information programming at the farmer level, the report of which is due to come out in August, triangulating the Roki figures nationally, in depth surveys on [access to finance](#), [jobs](#) and bio security point management and practices.

Gender and WEE dissemination: The Team Leader developed and taught a course⁷¹ on integrating gender and WEE into market analysis on the Springfield Training course in Bangkok in November and April. This is the first time gender has been specifically included as a training topic. The Information Coordinator who attended a Mercy Corps Gender Minimum Standards ToT in Dubai has trained all Mercy Corps Georgia staff.

CONCLUSION

The regional vision laid out in the strategic framework of the Alliances Caucasus Programme proposal is becoming a reality, as evinced by the pattern of impact aggregating under the programme to date, and indications are that this is set to grow and be further realized. The designation by the SCO of the ALCP as their ‘operational arm’ is also coming to fruition with true working partnerships developing, which are enhancing the likelihood of achieving SCO objectives and regional vision.

⁷¹ Entitled Laying the Foundation for WEE: Conducting a gendered market analysis.

QUALITATIVE IMPACT PER SECTOR APRIL 2017-MARCH 31 ST 2018	
VETERINARY	
FARMER LEVEL	<ul style="list-style-type: none"> * Farmers are positive about the quality of bio-medicines and vitamins they use, antibiotics are being bought less than before. Overuse of antibiotics was widespread before the start of the intervention * Over the last year 70 vets and 80 vet pharmacists have been trained to be a reliable source of veterinary information while providing consultations for farmers, they all highlighted Roki's pioneer role in helping them learn about new medicines and new treatment methods * 10% of apifarmers (beekeepers) of the <i>Impervet</i> shop in Zugdidi (Samegrelo Region) are from Imereti and Guria Region inputs sell for the same price as in Tbilisi (cheaper). Beekeepers used to visit to Tbilisi or Kutaisi shops, have saved time and money and would like more beekeeping inputs shops within their region * 12% of the shop customers are female beekeepers, who emphasize the affordable price and accessibility of the shop. Before they had to ask others to buy beekeeping inputs in Tbilisi or Kutaisi. * Farmers can access low interest credit for veterinary inputs and other farm hardware e.g. milking machines at 30 vet pharmacies.
BUSINESS	<ul style="list-style-type: none"> * <i>Roki</i> is improving its products thanks to the new laboratory with improved production formulas. Turkmenistan and Azerbaijan have found the new anthelmintic produced by <i>Roki Ltd</i> much more effective than the older versions. * <i>Roki Ltd</i> has increased the number of vet medicines registered in Armenia from two to five (medicines must be registered individually to get a distribution license to sell in Armenia). * <i>Roki's</i> laboratory has already produced six new innovative veterinary medicines work-helping animals to feed properly and gain weight. * <i>Roki's</i> laboratory is now able to conduct analysis of up to six samples in 3 hours before one sample took the whole day. * <i>Roki Ltd</i> and 30 supported vet pharmacies are offering micro loans with 3% interest rate for farmers to buy veterinary inputs.
MACHINERY	
FARMER	<ul style="list-style-type: none"> * Machinery Service providers in Armenia buy equipment from <i>Mar-Mot Ltd</i> partners in Armenia which is at least 10% cheaper than in other shops in Armenia. * Demand for machinery implements and spare parts is high in Armenia even outside the main machinery season. In December alone, they bought 127,000 gel of spare parts, mowers and rakes from <i>Marmot's</i> partner shops in Armenia. The sales were also high in March when the machinery season started; the machinery service providers purchased 130,000 Gel spare parts, mowers and rakes. 700 new hydraulic hoses, a product now produced in Georgia by have been sold in Armenia, 25-30% cheaper than the one imported from China. * These machinery service providers (Armenia) are positive about the quality of machinery equipment and choice they have related to new modern equipment.
BUSINESS	<ul style="list-style-type: none"> * A 19-year-old student from the Department of Economics at the Georgian Technical University has been employed by <i>Marmot</i> as a sales manager in Armenia. He is Armenian by origin and will work on finding new markets in Armenia. * The Armenian partners are shifting from importing from Russia, Ukraine and China to Georgia and started buying from <i>Marmot</i> due to cost and better service. * <i>Marmot's</i> provision of delivery and informal credit (word of mouth guarantee by Armenian partners) are crucial for the machinery shops in Armenia. * <i>Marmot</i> covers the cost of distribution at 885 Gel/trip. * The machinery shops have bought 172 rakes and 39 mowers.

⁷² Note: Qualitative Data is measured annually. However not all occur at the same time. This report includes all those interventions which were due for their annual qualitative impact assessment in the reporting period,

	<ul style="list-style-type: none"> * <i>Marmot</i> has employed two drivers and one sales manager for distribution in Armenia with a salary 100 USD /trip and two employees on production of hydraulic hose with a salary 600 Gel/month. <i>Marmot</i> distributes to Armenia on average 5 times a month * In Armenia, demand for spare parts is higher than in Georgia, due to there being more old tractors and equipment.
NUTRITION	
FARMER	<ul style="list-style-type: none"> * <i>Agro Trading Ltd:</i> entered the Ajara market. Three shops from Adjara are buying 3t of milled grain/month/shop and four t of combined feed (CF)/month/shop, and more farmers are now feed their cattle with CF and milled grain. Two shops are in Khulo center and one in Didadjara Village. 50% of farmers are feeding young male calves for better weight gain and 50% of farmers are feeding cows to increase milk yield. * <i>Combined feed is replacing bran</i> the price of bran has increased from 8 Gel/sack to 11,5 Gel/sack compared to the same period last year and the price of combined feed Universal is 13.50 Gel/sack, so farmers are switching to buying CF, farmers are getting 3 extra litres/day and 0.3 kg/day after regular use of CF. * <i>Farm diversification</i> Farmers say that demand for meat has increased throughout Georgia and majority of farmers have bought young male calves to feed them with CF and sell when they are 10 months old * 50 farmers from cross border villages in Armenia are buying about 9t of combined feed/month to feed their cows and pigs, transporting it in their cars and vans. There is no combined feed producer or distributor in Armenia with local access for these farmers. Farmers see benefits in milk yield after feeding their cows combined feed bought from <i>Agro Trading</i> and increased meat weight of their pigs. Armenian farmers can presently only buy 50 kg of combined feed/trip due to border restrictions. * Female farmers are the main decision makers in using combined feed for milking cows because they are involved in milking and see the difference in milk yield.
BUSINESS	<ul style="list-style-type: none"> * <i>Agro Trading</i> now has 22 distribution points/shops throughout Georgia when two years ago they had only one shop in Marneuli. * <i>Agro Trading</i> has increased its turnover 3 times from 2016 to 2018. * <i>Agro Trading</i> has established links with an Armenian partner for local distribution in Armenia.
BDS and FS&H	
BUSINESS	<ul style="list-style-type: none"> * <i>First Consulting Company</i> and <i>Star Consulting Ltd</i> have improved outreach through establishing websites and Facebook pages. * <i>First Consulting Company's</i> BDS website www.business.org.ge is providing information on how to decrease risks while managing a business and how to increase profit. A month after sharing the web portal on Facebook, 10 companies called the company and they have already started writing business plans for three of them. The web portal has been operating since November 2017 and has had 44,000 visitors, 21,000 of whom were visitors from other countries, USA, Russia, India, China and Ukraine, the foreign users see articles about how the investors can invest in Georgia, what kind of businesses exist in Georgia, statistics, market review and how they can benefit. * Rustavi 2 TV's popular morning programme <i>Dila Mshvidobisa Sakartvelo</i> invited Eka Burkadze head of <i>Star Consulting</i> to talk about rules and procedures when consumers buy cheese and meat. The producer of the TV programme found out about Eka through her Facebook page. * 27 young people running businesses in agriculture in the west of Georgia attended Eka Burkadze's two-day training on FS&H. * <i>Star Consulting</i> have been conducting FS&H training once a month since October 2017. The trainings are announced on their Facebook page. 86 people have attended to date of whom 56 were female participants. Participants pay 30gel/person; photos of the trainings have been published on their Facebook page helping the company attract more customers. * Since 2017 to date <i>Star Consulting</i> has conducted: a Good Management Practice (GMP) assessment for 1 cheese factory in SJ ; HACCP for 2 cheese enterprises in Kakheti, 2 cheese enterprises in SJ, 2 cheese enterprises in KK; and 1 slaughterhouse in KK, 1slaughterhouse in Svaneti and 1 slaughterhouse in Kazbegi; and 1 Combined feed producer in KK.
DAIRY	
FARMER	<ul style="list-style-type: none"> * Milk suppliers in the drought last summer started buying combined feed to combat the lack of grass; many of these farmers are shifting to the use of combined feed as well as grass and hay with an increased milk yield of three litres per day.

	<ul style="list-style-type: none"> * 70% of <i>Tsalka +</i> and <i>Tsintskaro +</i> milk suppliers are keeping calves for milking. * In <i>Tsalka</i>, <i>Ninotsminda</i> and <i>Aspindza</i> municipalities where farmers are selling milk they feed their cows with combined feed for increasing milk yield and supplying more milk to dairy enterprises * 15% of <i>Tsintskaro +</i> milk suppliers in <i>Dmanisi</i> are investing money in renovation of cowsheds and fixing water points in cowsheds (<i>Tsintskaro +</i> has only been fully open in the new factory since September 2017). * Female farmers who own more than 10 cows are buying milking machines to save time for doing other activities. Over the last year 340 farmers have bought milking machines from <i>Roki Ltd</i>, 60% of them through the low interest credit offered in the vet pharmacies and 500 farmers have bought milking machines from <i>Marmot Ltd</i> with free interest rate, out of 840 milking machines 55% are through credit. Female farmers are now saving more than an hour per/five cows. It now takes 20 minutes/five cows before it took an hour and a half.
BUSINESS	<ul style="list-style-type: none"> * <i>Tsalka+</i> has doubled the number of its employees from 15 to 30, after they moved to a new building and saved 1,500Gel/month of operational cost which has been invested in hiring more people * <i>Tsalka +</i> has increased salaries of its employees from 350 to 450 Gel/month and Cheese Products Company <i>Tsezari Ltd</i> from 500 to 600Gel/month * <i>Tsalka +</i> has employed 2 additional milk collectors to collect milk from 50 more HHs * <i>Tsalka +</i> has invested 3,000 USD in car-refrigerator for cheese distribution to <i>Batumi</i> * <i>Tsalka+</i> has started supplying 7t /month from 4 t/month to <i>Carrefour</i> and to 22 <i>Machakhela</i> restaurants from 15 before. * <i>Milkeni Ltd</i> has started distribution to 50 more shops throughout Georgia, among them the upmarket <i>Euro Product</i> supermarkets chain in <i>Tbilisi</i>. <i>Milkeni</i> has been producing butter for 3 months and <i>Euro Product</i> has an exclusive right to sell <i>Milkeni's</i> butter in their shops. * <i>JTA Ltd</i> has increased production from 2.5 tonnes of cheese/month to 4 tonnes of cheese/month, employed two new milk collectors and is distributing to <i>EconoMix</i> and <i>Euro Product</i> supermarkets chain in <i>Tbilisi</i>. * <i>Tsezari Ltd</i> has signed an agreement with a distribution company in the USA <i>Tamani Co Ltd</i> to export 500,000 USD cheese annually and diversified their export market after sending five types of cheese due to increased demand. * <i>Tsintskaro +</i> has started supplying one t/month of <i>Imeruli</i> and <i>Sulguni</i> to three <i>Zghapari</i> shops.
MEAT	
FARMER	<ul style="list-style-type: none"> * Farmers are positive about increased price on sheep. One live weight sheep 30-35kg costs 80 Gel more than the same weight last year (160 Gel), 70% of farmers are investing in sheep health buying vitamins and anthelmintic, call vets more often for vaccination and preventive treatment and are planning to buy more sheep. * Over the last year, <i>Roki Ltd</i> has increased its sales of vet medicines for sheep care by 20%. * Over the last year shepherds' salaries have been increased from 400 Gel/month to 800 Gel/month * Over the last year local governments in <i>Dmanisi</i> and <i>Tsalka</i> have increased pastures rental/season from 23 Gel/ha to 32Gel/ha, In <i>Tsalka</i> from 23 Gel/ha to 26 Gel/ha
BUSINESS	<ul style="list-style-type: none"> * In December 2017, <i>Alali</i> exported 9 tonnes of sheep by-products to <i>China</i>, ensuring all part of the animal are utilized for maximum profit.
WOOL	
FARMER	<ul style="list-style-type: none"> * Crowding in the greasy wool market has affected the wool price in Georgia, farmers receiving an additional 0.2 Gel/kg compared to the same period last year. * In 2015 and 2016 wool collectors used to collect wool stored for two, three years as they only bought infrequently, and the market was unstable they now collect newly sheared wool as the market is regular and wool in more demand. * 77 tonnes of wool has been collected in <i>Iormughanlo</i> wool collection center since it opened in April 2017, farmers save 0.2 Gel/kg when using <i>Iormughalno</i> center due to its location for farmers, who can sell direct without intermediaries. * The number of intermediaries increased from five to 18, Intermediaries earn zero, 1 Gel/ kg of collected wool.

	<ul style="list-style-type: none"> * Farmers from 13 villages in three municipalities of SJ are supplying wool to the <i>Georgian Wool House</i> company and the number of farmers supplying wool has been increased to six to 70. These have sold 7 tonnes of wool in 2017 which is 7 times more than in 2015
BUSINESS	<ul style="list-style-type: none"> * Over the last two years, greasy wool export has increased five times. * There has been an increased amount of exported wool to India from 57 Tonnes in 2016 to 458 tonnes in 2017, replacing the Turkish market with better payment conditions 0.07 Gel/kg and more reliable partners with pre-paid agreement. * In 2017, three new wool collection enterprises (crowding in) were registered and entered the wool market selling mainly to India and Turkey, thus occupying the lower end of the market. The <i>Georgian Wool Company Ltd</i> was the first wool collection enterprise who opened a regular channel to India. The first container was sent to <i>Allied International</i> in India in 2016. Negotiations between <i>Georgian Wool Company Ltd</i> and wool collecting enterprises in India and their visits to Georgia has helped other greasy wool collecting companies in Georgia to shift from Turkey (unstable/lower price) to India. * The ALCP's efforts in helping the National Food Agency to standardize operating mechanisms between institutions to write official letters and prepare certificates, contributed to improving the delivery of greasy wool to 4 countries. (India, Kazakhstan, Turkey and Ukraine). * Challenges: The quality of the wool supplied to the enterprise could be improved to minimize costs and improve access to more diversified markets. * <i>Georgian Wool House</i> has increased its turnover 8 times since 2015, it was 20,300 USD in 2017 * Now it has seven full time employees while in 2015 it had only 2. * The company has diversified its production and is making pillows, linen, bedclothes, pillows designed for beehives. * Since December 2017, <i>Georgian Wool House</i> has been testing the market for the wool mattresses in Belgium. An order for 12 mattresses is ready, which will be sent to Belgium at the beginning of May.

ANNEX 2 STAKEHOLDER PERSPECTIVES

Business expansion

Crowding in

Insights from the Field Highlighting Sectoral Impact

Sector growth

Sustainability

Cross border trade

BENEFITS OF CROSS BORDER TRADE THROUGH GEORGIAN MACHINERY

INPUT SUPPLIER: 'I have an agricultural equipment shop in Gavar town where up to 80% of machinery service providers own old equipment. Arsen, a machinery shop owner in Sevan, told me about *Marmot Ltd*. For me benefit was that he sells equipment and spare parts on credit and its prices are better than the existing prices in Armenia. I have already purchased equipment for 40 000 USD which includes the delivery service and I am selling it in my shop with 10-15% lower price compared to prices in other two shops in my town.' **Garik Vardanyan, the machinery shop owner in Gavar, Armenia**



CROSS BORDER TRADE OPPORTUNITIES THROUGH GEORGIAN COMBINED

FEED PRODUCER: 'I used to sell milled grains, maize, wheat and barley which were imported. I stopped because my partner had frequent delays delivering the product. I started to negotiate to buy grains from *Agro Trading Ltd* in Georgia, as price is affordable. I am also planning to start selling combined feed in Noyemberyan, as nobody produces it here. My customers are seven nutrition shops in Noyemberyan town and several large farms. I currently sell 60 tonnes of grain/month.' **Isak Bagiyany, Bagratashen Village, Noyemberyan municipality, Armenia**



FARMERS BENEFIT FROM USING COMBINED FEED: 'I always used to feed my cows with bran as combined feed was very expensive. This year, the price of bran has increased from 8 Gel/sack to 11.5 Gel/sack, whereas combined feed costs 13.5 Gel/sack. Due to the small difference between the prices, I have replaced bran with combined feed which has increased milk yield by 20%.' **Emzar Shavadze, Male Farmer from Teleti Village, Gardabani municipality**



POSITIVE IMPACT OF IMPROVED BREED BULL SERVICES: 'After seeing my neighbour's improved breed calves, which seemed stronger and grew faster than the local breed calves, I used an artificial insemination service for my cows instead, as the bull service was no longer available. I am happy that I did it. Before I was skeptical about using AI, but it works well.' **Iamze Bolkvadze, Female farmer from Didajara**



JARA INSPIRES: 'The National Geographic Magazine in Georgia had an idea to create an article on bees and honey in Georgia, but our editors needed some clues to make it happen. I was invited to the premiere of Jara and we have found the storyline which we were looking for. Nika Tsiklauri took photos of Jara hives in Shuakhevi and we have this beautiful story covering practically all aspects related to the Caucasian Gray Bee and the honey beekeepers produce.' **Natia Khuluzauri, the Chief Editor of the National Geographic Magazine Georgia**



INCREASED TRUST TOWARDS AGRO INFORMATION: 'I watch local agri programmes *Agri News* and *Perma* on the Public Broadcaster. The most interesting topics for me are about veterinary medicines and how to avoid livestock diseases. My cows often got sick, until I started using the new vet medicines mentioned in the TV programmes. Disease in my cattle have been reduced.' **Beradze Nodari, Male Farmer from Kitskhi Village, Imereti.**



IMPROVED OUTREACH OF BDS SERVICES: 'Companies and services have started developing web portals. Businesses collect/obtain a lot of information online, they check various web sites and make decisions according to that. After observing this tendency, I saw the need for a web portal for my business. www.business.org.ge provides information on how to decrease risks while managing a business, how to make right decision and bring more profit to enterprises. In a month after sharing our web portal on Facebook, 10 companies called us and we have already started writing business plans for 3 of them.' **George Gigolashvili, the First Consulting Company.**



EXPANDED BUSINESS AROUND VETERINARY SERVICES: 'I am the only Artificial Insemination service provider in Tsalka. Last year, I moved from Ajara to Tsalka due to my kid's health problem caused by humidity in Ajara. I have relatives here, and livestock husbandry is the main income for them and I have started providing an artificial insemination service, as for 5 years I used to work at a local Agro Service Centre in Ajara as an AI specialist. Last year, I provided 32 services and this year I have already inseminated 50 cows and have more orders. In addition, I have established a vet pharmacy and *Roki Ltd* is distributing 80% of the medicine. Most of my customers are milk suppliers who are planning to keep improved female calves for milking.' **Zeburi Abuselidze, AI specialist in Tsalka**

MORE MILK COLLECTORS SUPPLY TO DAIRY ENTERPRISES: ‘Four months ago I started collecting milk from three Azerbaijani villages in Dmanisi municipality and supplying it to *Tsintskaro+*. At first, I visited the enterprise and once I found out that the enterprise was a new factory, I made the decision to supply milk to them. I also took photos of the enterprise and showed them to my milk suppliers to obtain their trust.’ **Magomed Mamedov, dairy factory Tsintskaro +’s milk collector from Dmanisi municipality.**



EXPANDING LIVESTOCK BUSINESS IN KHULO: ‘I am helping farmers to apply *Produce in Georgia* grants. Last year, 60% of the business ideas were about livestock husbandry, particularly about purchasing milking cows. The demand was especially high from Ghordjomi and Dioknisi communities where milk and meat production is higher.’ **Resan Chogadze, representative of Khulo Information-Consultation Center, on farmers applying for the grant**



BENEFITS OF EXPORT OF CHEESE TO THE USA: ‘I have recently signed a contract with a key distributor company in the USA *Tamani Co Ltd* to export 500,000 USD cheese annually. We diversified our export market few months ago by sending different types of cheese to the USA, and the demand has increased. We are increasing our production and milk collection from farmers in Tsalka. A month ago, we increased salaries to our employees’ from 400 Gel to 600 Gel/month.’ **Tsezari Kakhadze, the owner of Dairy Products Company Tsezari LTD.**



FARMERS BENEFIT FROM SLAUGHTERING SERVICE IN THEIR VILLAGE: ‘We are very lucky to have the *Ori Gio* slaughterhouse in our village, as otherwise we would have to sell meat at the agrarian market in Batumi for 2 Gel less/kg, or fail to sell it at all. After the slaughtering subsidy programme, I am saving about 35 Gel/ per cow and am investing in buying improved breed calves from Akhaltsikhe market to get stronger cows with more meat and milk yield.’ **Temur Mikeladze, male farmer from Ghordjomi community**



WOOL EXPORT BENEFITS: ‘We have exported 432 tonnes of wool to the UK, Ukraine, India, Kazakhstan and Italy since 2015. This year we are going to double production capacity via establishing wool collection centers in Ninotsminda, Tianeti and Shirazi and focus more on sheep shearing practice trainings for farmers. As a result, we will get more and better quality wool, farmers will gain more income and the new wool collection center will source directly from farmers by paying them 0,20 GEL per kg more than they were paid previously.’ **Zaur Kuliev, Georgian Wool Company.**

WOMEN’S BUSINESS FORUM INSPIRING ITS PARTICIPANTS: ‘I am very happy that I participated in such a great event as the Women’s Business Forum. I was listening to amazing women speakers and I was dreaming to be in their place. I love to work and I know that I can do more, so I am planning to apply for *Produce in Georgia* grant and other programmes. And one day I will also be successful like the women at the forum.’ **Marika Sakandelidze, owner of a guesthouse and Women’s Business Forum participant from Keda Municipality**

GODERDZI ALPINE GARDEN POSITIVELY INFLUENCES RURAL DEVELOPMENT IN THE REGION: ‘The Alpine Botanical Garden will attract more tourists and I am planning to open a guesthouse and arrange a small farm for dairy production. My grandson has developed a business plan and helped me to apply for a loan at the Bank of Georgia. Now, we are waiting for a final decision.’ **Nodar Dzirkvadze, male farmer from Dioknisi, Khulo**

‘Construction and development of the Goderdzi Pass surrounding area and the Goderdzi Alpine Garden infrastructure is one of the priority projects for us aimed at rural development of the regions and we have huge plans in 2018.’ **Zurab Pataradze, Chairman of the Ajara Government, on the Goderdzi Alpine Garden**

BSP CRUCIAL TO LIVESTOCK MOVEMENT MANAGEMENT AND THEIR HEALTH: ‘We are conducting complex works for supporting sheep and cattle sector development and one of the most important components of this work is the identification & registration of the official Animal Movement Route and proper management of it. We now have five Bio Security Points and this helps us to manage the movement of the livestock and control their health.’ **Levan Davitashvili, the Minister of Agriculture of Georgia.**



ANNEX 3 SYSTEMIC CHANGE LOG

#	Programme Client's & Intervention Name	Type of Systemic Change	Verification		Impact Calculation added to system (Y/N) (Direct/Indirect/Quant/Qual/Both)	Location (Region, Municipality)	Starting Date	Business Description & Stability	Systemic Change Attribution to the Programme
			Source	Verified/not Verified (& date if verified)					
1	Roki Ltd (veterinary inputs)	Crowding in	BDO/Client	Verified/January 2018	Y Indirect Both	Khelvachauri / AJ	October/2016	Nato Zakaradze opened a vet pharmacy in Akhalsopeli, Khelvachauri municipality.	Nato Zakaradze used to work for a programme facilitated vet pharmacy and decided to open her pharmacy after seeing benefits of the pharmacy.
2		Business expansion	Client/BDO	Verified/November 2017	Y/Qual	Batumi, AJ	November/2017	A vet pharmacy owner in Batumi was awarded 5000 Gel from <i>Produce in Georgia</i> , to purchase a lacto-scan to check milk for local farmers and dairy product producers, mainly in Khelvachauri municipality. The vet bought the equipment in Bulgaria and will start working in May.	The vet participated in <i>Women's Business Forum</i> in January, 2017 (programme facilitated) in Batumi where she was introduced to the grant programme and was motivated to apply.
3	Roki Ltd (Laboratory)	Business expansion	Client/BDO	Verified/January 2018	Y/Direct Both	Tbilisi	January/2018	Roki's laboratory is starting to do honey acidity testing. They have tested honey of beekeepers, the laboratory will be certified and be able to give certificates in June.	The laboratory was co-financed by the ALCP and honey put forward as an additional sphere for testing ⁷³
4	Impervet Ltd (beekeeping inputs supplier)	Business Expansion	Client/BDO	Verified/December 2017	Y/Direct Qual	Zugdidi, Samegrelo	October/2017	The <i>Impervet</i> shop has started purchasing <i>Solidago</i> honey from about 40 local beekeepers 500 kg in total to produce Kandi, a bee feed at a reduced cost. <i>Solidago</i> is cheaper honey, which crystalizes easily thus it, is not in high demand. The honey did not generate income before.	<i>Impervet</i> was collecting honey before in Samegrelo, but as it did not have a collection point, transaction costs were higher and limited purchase. The ALCP co-financed shop provides this point.
5	Agro Trading (animal nutrition)	Partial Crowding in	BDO/Client	Verified/October 2017	Y Indirect Both	Marneuli-Armenia highway	August/2017	Vilaiaad Usubov from Muganlo Village, Marneuli opened a new livestock nutrition shop on the Marneuli – Armenia highway. They have in stock 20 tonnes of maize and 30 tonnes of wheat and on average 5 to 10 farmers are buying the milled grain per day, 5 sacks/person.	The owner of the shop received information from Agro Trading about profitability of the business, price, processing line and also he bought some product for his shop from Agro Trading.

⁷³ At this stage, from 13 qualitative indicators for honey, Roki's laboratory can provide only determination of honey acidity service.

6		Business	BDO/ Client	<i>Verified/ March 2018</i>	Y Direct Both	Bolnisi/K K	<i>May/ 2017</i>	Agro Trading now has 20 new distribution points/shops throughout Georgia, Agro Trading owner approached them and gave information about the product.	Programme client
7		Partial Crowding in	BDO/ Client	<i>Verified/ July 2017</i>	Y Direct Both	Khulo/AJ	<i>February/ 2018</i>	A farmer from Didajara Village, Khulo municipality opened a distribution point of combined feed and is distributing 1 t of CF/week, 1 t of maize/week, 700 kg of wheat/week from Agro Trading	He left his job at a local government due to start a business in agriculture; he was linked to Agro Trading through his relative in Tsalka after seeing increased demand for the feed in Tsalka.
8	Journalist Resource Centre (Agri journalism)	Crowding in	BDO/ Client	<i>Verified/ September 2017</i>	Y Indirect Both	Tbilisi	<i>September/ 2016</i>	<i>European University of Georgia</i> in Tbilisi added the agri journalism course to the journalism curriculum in September 2016. 25 students have already gone through the course and showed their interest in continuing agri reporting after their graduation from university.	The head of the journalism department at the university was a member of the working group on agri journalism study module creation as a representative from Telavi university, Kakheti.
9	GARB (Agro-info)	GARB- business expansion radio stations- crowding in	BDO/ Client	<i>Verified/ July 2017</i>	Y Direct Both	Tbilisi	<i>January/ 2016</i>	<i>The Journalism Resource Centre</i> TV agro programme <i>Agro News</i> has been aired through 4 radio stations – Hereti station in Kakheti, Tbilisi Station-Tbilisi, Harmonia station in Photi, Rioni station in Kutaisi. For the radio stations it is the first agro programme.	ALCP facilitated the TV agro programme
10	1.4 Samkhretis Karibche (Agro-info)	Business expansion	Client/ BDO	<i>Verified/ December 2017</i>	Y/Qual	SJ	<i>June/ 2016</i>	Since June 2016, the radio <i>Samkhretis Karibche</i> has been airing the <i>Samkhretis Karibche</i> TV's agricultural Programme <i>Meurne</i> every week. The host has undergone trainings and courses on agriculture to be more qualified.	The programme facilitated the newspaper supplement <i>Meurne</i> . The radio programme was developed on the basis of this supplement and took the same content.
11	Agricultural Machinery Shop Mar- Mot	Business expansion	BDO/ Client	<i>Verified/ July 2017</i>	Y Direct Both	Georgia and Armenia	<i>July/ 2017</i>	Mar-Mot started distribution of agricultural machinery and spare parts to 8 machinery shops in Armenia. Mar-Mot signed an agreement with two of them: SevAgas Ltd (for 500,000USD/year) in Sevan and V&N Ltd (for 100,000USD/by the end of 2019) in Kirovakan. Mar-Mot has been supplying mowers, rakes and spare parts to both of them with 15% discount.	Mar-Mot helped its client with sorting out all the documentation for exporting machinery equipment in Armenia. Delivery service facilitated by the programme was crucial for the buyers from Armenia to sign the contract.
12		Business expansion Adil Piriev Owner	Client/ BDO	<i>Verified/ January 2018</i>	Y Direct Both	Georgia and Armenia	<i>March- April/2018</i>	In November, Mar-Mot expanded space in its Marneuli warehouse to start production of hydraulic hoses of tractors and high pressure hose of water. The owner, brought 60,000 USD of raw materials from China and started producing. The product is 25-30% cheaper in Georgia and Armenia than the one imported from China.	Marmot found market for hydraulic hoses of tractors after programme facilitation He has already sold 700 hydraulic hoses in Armenia and 100 ones in Georgia..

13	Star Consulting (FS& H Consulting) Eka Burkadze Director	Business Expansion	BDO	April/2018	Y Direct Both	Tbilisi	April/2018	The Embassy of the Netherlands in Georgia, in cooperation with <i>Women Business Council</i> in Georgia invited Eka among 15 women as a female entrepreneur to participate in a 6-month <i>the Brilliant Entrepreneur Women Entrepreneurship Development Programme Georgia</i>	Working experience with the ALCP programme, training for female milk suppliers was crucial for the embassy to choose Ekaterine Burkadze for the programme.
				Verified/ August 2017			April/2017	Eka had her first business trip to Kyrgyzstan invited as a trainer on <i>Global Gap</i> by IFC for conducting training for 5 people at Janart Group which owns fruit gardens and one mushroom processor in Armenia gained Global Gap certificate.	Star Consulting used the programme facilitated assessment models and training materials
14	The National Food Agency	Negative/ Displacement	BDO/ Client/ BSP research	Verified/ July 2017	Y direct Both	Kvemo Kartli and Kakheti regions	May/2016	Two private sheep dipping facilities were closed in Iormughanlo Village and one in Akhalsopeli due to the NFA BSP's. The private sheep dipping facilities' owners lost income from renting of their dipping facilities.	Opening of the new BSPs was initiated by the ALCP Programme.
15	Intellect/BDS service in AJ	Business Expansion	Client	Verified/ June 2017	Y Direct Both	Batumi/ AJ	April/2017	The EU granted <i>Intellect</i> 50, 000 Euro to provide BDS on the DCFTA and its regulations and export opportunities for rural people in Ajara municipalities. The meetings were held in the municipalities and soon small grants will be announced for starting up small businesses. The <i>Conrad Adenauer Fund</i> granted <i>Intellect</i> 45,000 Euro to work on the capacity building of the local NGOs in Ajara region in writing business plans, advertising, etc. The project is financed by the EU and Federal Ministry for Economic Cooperation and Development..	The working experience with the programme was a main selection factor above other candidates. Intellect was chosen from 4 other candidates. 2 trainings were provided for NGOs in Ajara and Guria
16	Darts Group / BDS	Crowding In	Client/ BDO	Verified/ January 2018	Y/Indirect Both	Batumi / Ajara	November/2017	A new business consulting company <i>Growider Ltd</i> has been established in Ajara. It will focus on the provision of business consulting services in the region.	The company was set up by 4 employees of the <i>Darts Group</i> . They saw demand and decided to open their own business. They have copied the ALCP facilitated model and are using experience and knowledge gained while working for Darts Group.
17	Dairy in KK Milkeni	Business Expansion	BDO/ Client	Verified/ April 2018	Y Direct Both	Gardabani /KK	December-February 2018	Over the last 6 months Milkeni has started distribution to 50 more shops throughout Georgia. Among them are 11 <i>Euro Product</i> shops, 8 <i>Universami</i> shops, <i>Nikora's</i> and <i>Sarpi</i> shops in Batumi, Bakuriani, Borjomi, Telavi, Gurjaani and <i>Ori Nabiji's</i> shops in Tbilisi. Milken's sales have increased by	Programme Client The success of and growth of the business enabled Milkeni to get the loan.

								20%. Milkeni has been producing butter for 3 months and <i>Euro Product</i> has an exclusive right to sell Milkeni's butter in their shops	
				<i>July 2017</i>			<i>June/ 2017</i>	The owner of the enterprise took a loan of 40,000 Gel from <i>Bank of Georgia</i> to open his own shop of dairy and other agri products in Rustavi.	
18	Dairy in KK JTA- Anzor Khinikadze	Business expansion	Client/ BDO	<i>Verified/ January 2018</i>	Y/ Direct Both	Tsalka	<i>November/ 2017</i> <i>February/ 2018</i>	Dairy factory owner Anzor Khinikadze opened a grocery shop in Tsalka centre, investing 46 000 Gel. The shop allows suppliers to use their milk credit to buy oil, sugar, bread, etc. From May, Anzor is going to give his dairy suppliers plastic cards, where they will collect points, which they can exchange for money or use in the shop. He invested 5000 Gel in the software and he is going to open similar shops in Jinisi and Arsarvani villages.	The former client is responding to a growing need to improve services to suppliers encouraging loyalty in a competitive market. Anzor Khinikadze is paying his dairy farmers once every two weeks, now farmers can exchange their milk for product in grocery shop on a more regular basis.
19	Meat in KK Alali Ltd.	Crowding in	BDO/ Client	<i>Verified/ September 2017</i>	Y Indirect Both	Lagodekhi /Kakheti	<i>August/ 2017</i>	Gugi Slaughterhouse Ltd in Lagodekhi, Kabali Village was established 3 months ago. The enterprise slaughters on average 450 cattle/month and 150 pigs/month and supplies to Tbilisi supermarkets and restaurants <i>Carrefour, Fresco, Nikora</i> and <i>Tsiskvili</i> restaurants network. The owner buys cattle and pig from farmers, on average from 350 farmers/month. The owner has 20 years of working experience in this business. Before, he used to slaughter in other slaughterhouses.	The programme client Alali Ltd had slaughtered Gugi Ltd's cattle before they established their own slaughterhouse. The owner got information about necessary equipment, where to buy it, how to build a slaughterhouse and the whole processing line from Alali Ltd.
20	Meat in AJ Ori Gio Ltd	Business Expansion	Client	<i>Verified/ April 2017</i>	Y Direct Both	Khulo/ AJ	<i>January/ 2017</i>	Ori Gio Ltd has signed a 6 month contract with Keda municipality to continue supplying meat to 15 new kindergartens, in total it supplies to 46 kindergartens in Keda, Shuakhevi and Khulo. It was the only candidate meeting required standards.	Programme client.
21	Dairy in AJ Natural Produktsia Ltd	Business Expansion	BDO/ Client	<i>Verified/ April 2017</i>	Y Direct Both	Khulo/ AJ	<i>February/ 2017</i>	The Director of Natural Produktsia Ltd founded the Ajarian Milk Suppliers Business Association from up to 220 members of his regular milk suppliers. It aims to advocate milk suppliers' interests, provide them with capacity building and information on legislation	The client used the programme facilitated linkages with the Ajara Chamber of Commerce and Industry (ACCI) to get information about the specifics of the association.

22	Georgian Wool Company	Wool Business Expansion	BDO/Client	Verified/ July 2017/April 2018	Y Direct Both	Iormughanlo Village, Kakheti	April 2017	Georgian Wool Company opened a new Wool Collection Centre in Iormughanlo Village, Kakheti. The collection, sorting and baling of wool is done in this centre and afterwards will be sent to Lilo based wool collection centre and from there to the client.	Programme client To date Iormughanlo Wool Collection center has collected 77 tonnes of wool and employs 6 people
23	Ajara Beekeepers Business Association	Crowding in	BDO/Client	Verified/ April 2017	Y Direct Both	Batumi/AJ	April/ 2017	<i>The Association of Development of the Organic Aquaculture under the Ajara Chamber of Commerce and Industry (ACCI) organized a Fish and Sea Products Festival in Batumi, with the support of the ACCI and the Agro Service Center of the Ministry of Agriculture of Ajara Autonomous Republic.</i>	The success of the programme facilitated Honey Festival was a reason for the Head of ACCI to copy the model and initiate this festival. The organizers used its boards and tables.
24	Support & strengthening of women's access	Crowding in	BDO/Client	Verified/ April 2017	Y Indirect both	Marneuli	March/ 2017	Marneuli Local Government opened a new municipal library. It has a reading space, conference room, computer space, toilet and a children's corner. In the reading space they have an agriculture corner. 8 people are employed. The library is adapted for people with disabilities.	They copied some services from the WR, the children's corner, helping rural people with filling applications, looking for funds or jobs, sending documents, printing. The head of the library and the Women's Room Manager are working together to ensure rural women's visits to the library,
25		Crowding in	BDO/Client	Verified/ May 2017/ April 2018	Y Indirect Both	Kakheti region	October/ 2017	In October the <i>HEKS/EPER</i> South Caucasus Office, Mercy Corps and Governor in the Kakheti region agreed on the Memorandum of Understanding, which aims to establish 9 Women's Rooms operating in Summer 2018.	Participation at the programme facilitated EEG conference was crucial wanting Kakheti region, + the Governor, + LSG's to copy the model of women's rooms to Kakheti region.
26		Business Expansion	BDO/Client	Verified/ May 2017	Y Indirect Both	Agmamedlo Village, Marneuli	May/ 2017	A group of women from Agmamedlo Village opened a space for women in Agmamedlo Village, Marneuli municipality.	Nargiz Mamedova from Agmamedlo Village, a manager of the space, is one of the visitors of the Marneuli WR. The WR helped her to open the same space
27	Association of Business Women in Ajara (ABWA)	Partial Crowding In	Client/BDO	Verified/ December 2017	Y/Indirect Qual	Batumi, AJ	December/ 2017	<i>EBRD</i> organized an event for women in Ajara within the framework of <i>Small and Medium Business Support Programme</i> . It presented their loan and grant programmes, specially developed for women entrepreneurs, to those willing to start up or expand their businesses.	EBRD copied the model of the Ajara Women's Business Forum facilitated by the ALCP, exhibiting products and art pieces, involving the same stakeholders and inviting the rural women through assistance of ABWA and the WRs.
28	Georgian Wool Co	Crowding in	Client/BDO	Verified April 2018	Y/Direct/ Both	Sagarejo Kakheti	January 2017	<i>Beka 2014 Ltd</i> started exporting greasy wool in January 2017 from Sagarejo exporting first to Turkey and then to India. 200t of wool from 1624 farmers for NAIC 180,366 Gel/ 74,840CHF	He learned about the business from Zauri owner of GWC. Zauri invited the owner to a meeting of Indian business men. Improvement in the sector and opening of export markets generally due to facilitation of GWC also allowed the enterprise to flourish.

APPENDIX 4: LIST OF INTERVENTIONS UNDERTAKEN IN THE REPORTING PERIOD APRIL 1ST 2017- MARCH 31ST 2018

Intervention #	Name	Contact	Location	Type	Date	Total Investment & % Contribution	ALCP	Client	3 rd Party	Rating	
1	1.5.1 Alali-2015 /Theme-2 KK-1	Alali-2015 Ltd	Levan Khagulashvili	Marneuli	Slaughterhouse/ Cattle & Processed Sheep Exporter	22/06/17	\$ 33,148	16,048	17,100		Very Good
							% 100%	48%	52%		
2	1.5.1 Tsalka+ /Theme-1 KK-1	Tsalka+ Ltd	Valeri Kakhadze	Tsalka	Cheese Factory product diversification	26/06/17	\$ 37,454	18,054	19,400		Very Good
							% 100%	48%	52%		
3	1.5.1 J-T-A /Theme-1 KK-1	J-T-A Ltd	Tamar Mikeladze	Tsalka	Cheese Factory product diversification	31/08/17	\$ 29,893	14,443	15,450		Very Good
							% 100%	48%	52%		
4	1.5.1 Alali-2015 /Theme-2 KK-2	Alali-2015 Ltd	Levan Khagulashvili	Marneuli	Slaughterhouse/ Cattle & Processed Sheep Exporter Product diversification	01/12/17	\$ 54,646	28,586	26,060		Very Good
							% 100%	48.40%	51.60%		
5	2.1.1 Ajara Beekeeping business Association/Theme-1 WG-1	Non Commercial legal entity Ajara Beekeeping Business Association	Roland Kezheradze	Batumi	Business Association Apimondia 2017	22/09/17	\$ 12,074	8,689	1,612	1,773	Very Good
							% 100%	72%	13%	15%	
6	2.2.1 Mar-Mot /Theme 2 KK-1	Mar-Mot Ltd	Adil Piriev	Marneuli	Machinery Inputs Supplier/ Exporter Regional expansion Armenia	11/05/17	\$ 81,354	38,114	43,240		Very Good
							% 100%	47%	53%		
7	2.3.1 Star Consulting/ Theme-1 KK-1	Star Consulting Company Ltd	Tamar Burkadze	Tbilisi	FS+H Consulting Company regional expansion	31/07/17	\$ 24,859	16,870	1,677	6,312	Good
							% 100%	68%	7%	25%	
8	2.3.5 First Consulting Company/ Theme-1 KK-1	First Consulting Company Ltd	George Gigolashvili	Tbilisi	Business Consulting Company regional expansion	31/07/27	\$ 28,617	17,761	7,466	3,390	Good
							% 100%	62%	26%	12%	
9	2.4.1 Journalism Resource Centre/Information KK-1	Non Commercial legal entity Journalism Resource Centre	Natia Kuprashvili	Tbilisi	Media organization agri journalism outreach Armenia and Azerbaijan	21/12/17	\$ 71,651	43,601	28,050		Good
							% 100%	61%	39%		
10			Beka Gonashvili	Tbilisi		09/02/18	\$ 27,636	2,343	4,786	20,507	

	3.2.3 Georgian Shepherds Association/Theme-2KK-1	Georgian Shepherds Association			Shepherds Association participation/promotion grass fed lamb (meat sector) Gulf Food 2018		%	100%	9%	17%	74%	Good
Service Contracts												
11	SIMPLE SERVICE CONTRACT MCG/BAT/2017/SSC/00003 David Slabinski	David Slabinski	David Slabinski	Tbilisi	Assessment of cheese section to comply with FS&H (Batumi Agri Market)	21/12/17	\$	198	198			
							%	100%	100%			
12	MoU ⁷⁴ National Women's Business Forum	Ajara Business Women Association	Makvala Kvirikadze	Batumi	Facilitate multi stakeholder business fora to encourage women entrepreneurs	8/2/18	\$	25375	2510	5599	17266	25375
							%	100%	9.89%	22.07%	68.04%	100%
In April 2018 just outside the reporting period two major interventions were signed with the Georgian Wool Company for product diversification and regional expansion of supply and Agro Trading Ltd for regional expansion to Armenia of combined feed. The ALCP co-investment for both was 113,516 CHF at a co-investment percentage of 50%.												

⁷⁴ The MoU was signed by eight parties: SDC funded Mercy Corps Georgia Alliances Caucasus Programme (ALCP), Association of Businesswomen of Ajara (ABWA), Ministry of Finance and Economy of Autonomous Republic of Ajara (MOFEA), Georgian Chamber of Commerce and Industry (GCCCI), Ajara Chamber of Commerce and Industry (ACCI), SME Development and DCFTA in Georgia Project (SME DCFTA GE), Caritas Czech Republic in Georgia (CCRG), Caucasus Environmental NGO Network (CENN)