



ALLIANCES LESSER CAUCASUS PROGRAMME
MARKET ALLIANCES IN THE LESSER CAUCASUS REGION OF GEORGIA

ANNUAL REPORT

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Swiss Agency for Development
and Cooperation SDC



LIST OF ABBREVIATIONS

ADA	Austrian Development Agency
AI	Artificial Insemination
AJ	Ajara
ALC	Alliances Lesser Caucasus Programme
AMR	Animal Movement Route
BDS	Business Development Services
BEC	Business and Economic Centre
CG	Caucasus Genetics
CPC	Cheese Producing Centre
DCFTA	Deep and Comprehensive Free Trade Agreement
DRR	Disaster Risk Reduction
DRRWG	DRR Working Group
EC	European Commission
E+I	Employment and Income Network (SDC)
EUAA	European Union Association Agreement
FFI	Flora and Fauna International
FS&H	Food Safety and Hygiene
GDCI	Growth Development & Continuous Improvement of your business (name of a company)
GSA	Georgian Shepherds Association
GEL	Georgian Lira (currency)
GMP	Good Management Practice (FS&H assessment)
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
LCP	Lesser Caucasus Programme (official SDC name for ALC)
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
MSD	Market Systems Development
NFA	National Food Agency
OPA	Outside Programme Area
RC's	Results Chains
SCCSF	Support Centre for Civil Society Formation
SDC	Swiss Agency for Development and Cooperation
SCO	Swiss Cooperation Office
SJ	Samtskhe-Javakheti
SME	Small to Medium Enterprise
UK	United Kingdom

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The Alliances Lesser Caucasus Programme (ALCP) is a Swiss Agency for Development and Cooperation market development project implemented by Mercy Corps Georgia working in the dairy, beef, sheep and honey sub-sectors in the Kvemo Kartli (KK), Samtskhe Javakheti (SJ) and Ajara (AJ) regions in Southern Georgia, regions all highly dependent on livestock production. The programme has been audited according to the Donor Committee for Enterprise Development (DCED) Standard and is committed to the successful implementation and measuring of Women's Economic Empowerment.

Project Time Frame: The ALCP began on March 1st 2014 and is set to run until February 28th 2017, This report covers the second year of the ALCP from March 1st 2015 until February 29th 2016.

Our Partners: The programme works in partnership with the International Association of Agricultural Development (IAAD) and has scope to contract locally grounded technical expertise through sub contracts for Gender, Governance and DRR.

The Goal of the ALCP is to contribute to poverty alleviation and the transition to a durable market economy for the livestock sector in the selected regions of KK, SJ and AJ, by creating sustainable changes in the dairy, beef, sheep and honey market systems for the ultimate equitable benefit of small, poor farmers, regardless of gender or ethnicity. The programme is run according to the **M4P (Making Markets Work for the Poor Approach)** a market systems development approach which *facilitates* key market players in the relevant value chains to address key constraints in core markets and supporting functions to exploit pro poor opportunities for growth. Sustainability is built in through a minimum co-investment of 35% from the market players with whom it invests.

Targets: The previous phases of the Alliances programme have considerably exceeded their targets, impact which is now being bolstered by the appearance of crowding in. **The ALCP Target** is to reach 24,000 households which is 20% of poor households in the programme area, who will benefit directly and indirectly through improved services, markets and operating environment, with increased income from sales, reduced production & transaction costs, increased net worth and employment. 90% of ALCP supported business will still be operating without programme support by the end of the programme and 49,000 (41%) households will have improved awareness of local Disaster Risk Reduction (DRR) directly related to livestock production.

The Facilitation Approach: The ALCP will amplify the successes of the Alliances programmes to date in access to quality inputs, improved market access terms of trade and an improved operating environment, promoting scale and long term behaviour change. The ALCP will continue to work with businesses large, medium and small, who have the best potential to generate changes that are economically beneficial for the small farmers who are their clientele or suppliers. The ALCP will also continue to scale up interventions with all levels of government and other key organizations to help influence the operating environment in which the businesses function and farmers exist. Crowding in, copying and sectoral changes already apparent will proliferate to generate long term and lasting change in the lives of small farmers in Georgia. For more information please go to: www.alcp.ge

STRATEGIC REVIEW AND OUTLOOK

MAIN RESULTS ACHIEVED AND IMPLEMENTATION PERFORMANCE OF THE PROGRAMME

Note on Annexes: Due to space restrictions, the tables in the main body of the report contain only quantitative indicators. Quantitative indicators alone cannot fully describe programme impact. Qualitative indicators, stakeholders perspectives, systemic change and info graphics contain essential information to provide a full picture of programme impact and are found in Annex 1,2,3 &4. Annex 5 lists each intervention carried out in the reporting period. Further annexes contain important in depth information on key programme interventions.

Table: 1 Results achieved and implementation performance of the programme

The major target beneficiaries of the programme		Actual ¹ Alliances Finalized Programme Results (SJ I & II phases: 2008- 2014 & KK I phase: 2011-2014)	Estimated ² ALCP Achievements (SJ stand by phase: since Jan 2015, KK II phase: since March 2014, AJ: since March 2014)	Alliances & ALCP Programme Aggregated Results (SJ since: 2008, KK since 2011, AJ: since 2014)
Scale: Number of beneficiaries served (direct beneficiaries & outside programme area & export)	Rural households served ³	44,726 ¹ (SJ: 26,786 (1 st phase:11,424; 2 nd Phase: 15,362); KK: 17,940)	418,538 (SJ: 2,411; KK: 45,720; AJ: 27,657; OPA ⁵ : 321,027; EXP ⁶ : 21,723)	463,264 (SJ: 29,197; KK: 63,660; AJ: 27,657; OPA: 321,027; EXP: 21,723)
	Average % of Rural households with women members served (average across all interventions)	40% (SJ: 39% ⁷ ; KK: 42%)	41% ⁸ (40% for the programme area) (SJ: 35%; KK: 39%; AJ: 41%; OPA: 41%)	41% (40% for the programme area) (SJ: 39%; KK: 40%; AJ: 41%; OPA: 41%)
	Number of rural individuals ⁹	207,614 (SJ: 125,090; KK: 82,524)	2,053,234 (SJ: 11,333; KK: 210,310; AJ: 152,113; OPA: 1,573,035; EXP: 106,443)	2,260,848 SJ: 136,423; KK: 292,834; AJ: 152,113; OPA: 1,573,035; EXP: 106,443)

¹ Based on Impact Assessments (IA) except in the case of Alliances SJ 1st Phase see footnote 4 below.

² Based on monthly data and multipliers from impact assessments (for scale).

³ The number of individuals in a Rural HH is 4.7 in SJ, 4.6 in KK, 5.5 in AJ and 4.9 Outside of programme area. These numbers are taken from the IA's and Baseline Survey. These will be triangulated with the new National Statistics Census in April 2016. (The current national figures are from 2002).

⁴ Taken from the End of Phase Report (EPR) for SJ 2011. No IA was conducted for the first phase of Alliances in SJ. The recall bias for scale and NAIC would be too large given the time period to use IA assessment data from the IA conducted in February 2015 to cover this period thus the data based on monthly data sheets and collated into the EPR for Phase 1 is being reported. The IA data for scale and NAIC is being utilized for the period from 2011-14.

⁵ Here and all across the report OPA stands for Outside Programme Area. These figures are captured through the systemic change log and verified case by case and by analyzing sales figures and client data.

⁶ Export figure is currently based on veterinary export to Azerbaijan (Roki). For capturing the number of farmers, Roki's export sales are divided by the average paid for Roki's vet medicines per farmer.

⁷ Average benefit across all intervention by women solely or in conjunction with another HH member is 39%. In the last report the figure of 78% representing total access was mistakenly quoted for SJ meaning that, in 78% of beneficiary HH's, women or women in conjunction with other HH members had used at least one of the programme services

⁸ This is based on service provider data, impact assessment data will in likelihood be higher. (See Phase 1 and 2 of KK and SJ based on impact assessments)

⁹ Based on HH multiplier listed in footnote 3 the number of individuals served has been estimated based on the assumption that one customer or supplier belongs to one HH.

Net attributable income generated for programme beneficiaries - GEL ¹⁰	For all Households served	21,321,198 (<i>SJ: 11,095,951¹¹; (1st phase: 5,262,684; 2nd Phase: 5,833,267); KK: 10,225,247</i>)	15,581,696 ¹² (<i>SJ: 1,467,077; KK: 5,567,252; AJ: 364,568; OPA: 8,182,799</i>)	36,902,894 (<i>SJ: 12,563,028; KK: 15,792,499; AJ: 364,568; OPA: 8,182,799</i>)
# of programme clients		70 (<i>SJ: 46; KK: 24</i>)	47 (<i>SJ: 1; KK: 22; AJ: 24</i>)	117 (<i>SJ: 47; KK: 46; AJ: 24</i>)
# of programme supported entities ¹³		387 (<i>SJ: 336; KK: 51</i>)	203 (<i>KK: 133; AJ: 70</i>)	590 (<i>SJ: 336; KK: 184; AJ: 70</i>)
Net attributable income generated for the programme clients		3,918,535 (<i>SJ: 3,089,547; KK: 828,988</i>)	4,001,138 (<i>SJ: 1,341,225; KK: 1,913,323; AJ: 165,413; OPA: 549,055; EXP: 32,122</i>)	7,919,673 (<i>SJ: 4,430,772; KK: 2,742,311; AJ: 165,413; OPA: 549,055; EXP: 32,122</i>)
# FT Job equivalents		231 (<i>SJ: 150: 61 women / 89 men; KK: 81: 37 women / 44 men</i>)	232 (<i>SJ: 26: 9 women / 17 men; KK: 146: 53 women / 93 men; AJ: 60: 32 women / 28 men</i>)	463 (<i>SJ: 176: 70 W / 106 men; KK: 227: 90 W / 137 men; AJ: 60: 32 W / 28 men</i>)
NAIC generated for employees		795,132 (<i>SJ: 516,320; KK: 278,812</i>)	1,120,568 (<i>SJ: 160,299; KK: 752,128; AJ: 208,141</i>)	1,915,700 (<i>SJ: 676,619; KK: 1,030,940; AJ: 208,141</i>)
Indirect Benefits of the Interventions: # of entities ¹⁴		37 (<i>SJ: 15; KK: 22</i>)	38 (<i>SJ: 17; KK: 21</i>)	75 (<i>SJ: 32; KK: 43</i>)
Indirect Benefits of the Interventions: # of rural households served		9,232 (<i>SJ: 3,747; KK: 5,485</i>)	69,544 (<i>SJ: 18,212¹⁵; KK: 51,332</i>)	78,776 (<i>SJ: 21,959; KK: 56,817</i>)
Indirect Benefits of the Interventions: SSLPs' NAIC		293,232 (<i>SJ: 173,475; KK: 119,757</i>)	1,669,372 (<i>SJ: 681,413; KK: 987,959</i>)	1,962,604 (<i>SJ: 854,888; KK: 1,107,716</i>)

¹⁰ Total NAIC for farmers is calculated based on the impact assessments, while NAIC per intervention is calculated based on the monthly collected data.

¹¹ NAIC for 2014 is calculated from the impact assessment and previous years NAIC comes from monthly collected data.

¹² This number is estimated figure and it will be adjusted during the impact assessments.

¹³ Vet pharmacies, bull service providers (SP's), machinery (SP's) and information (SP's).

¹⁴ Refers to systemic change and entities crowding in captured see Annex 1 Qualitative Information and Annex 3 Systemic Change Log. The number is broken down per outcome in the outcome level indicator tables.

¹⁵ There is a high overlapping ratio between indirect beneficiaries and direct beneficiaries within the regions.

Table 2: Purpose Level Achievements:

*Note: % achievement against target only refers to KK and AJ regions as targets were only set for these regions.

Purpose Level Achievements		
Actual Alliances Finalized Programme Results <i>(SJ I & II phases: 2008-2014 & KK I phase: 2011-2014)</i> All targets in both regions have been met	To date Alliances Programme's & ALCP Results Estimated ALCP Progress against targets ¹⁶ <i>(SJ stand by phase: since Jan 2015, KK II phase: since March 2014, AJ: since March 2014)</i>	Alliances & ALCP Programme Aggregated Results <i>(SJ since: 2008, KK since 2011, AJ: since 2014)</i>
Outreach		
44,726 SSLP's with access to target services & markets (40% women / 60% men) <i>(SJ: 26,786; KK: 17,940)</i>	418,538 (75,788 in the programme area) new SSLP's accessing target services & markets (41% women / 59% men) <i>Exceeding targeted 24,000 by 206%¹⁷ (SJ: 2,411; KK: 45,720; AJ: 27,657; OPA: 321,027; EXP: 21,723)</i>	463,264 SSLP's accessing target services & markets (41% women / 59% men) <i>(SJ: 29,197; KK: 63,660; AJ: 27,657; OPA: 321,027; EXP: 21,723)</i>
28,842 SSLPs generating tangible positive income changes due to improved services & markets (40% women / 60% men) <i>(SJ: 19,154; KK: 9,688)</i>	258,857 (43,769 in the programme area) new SSLPs generating tangible positive income changes due to improved services & markets (41% women / 59% men) <i>Exceeding targeted 20,000 by 110% (SJ: 1,724; KK: 24,690; AJ: 17,355; OPA: 201,457; EXP: 13,631)</i>	287,699 SSLPs generating tangible positive income changes due to improved services & markets (41% women / 59% men) <i>(SJ: 20,878; KK: 34,378; AJ: 17,355; OPA: 201,457; EXP: 13,631)</i>
32,178 SSLPs with access to local public goods (DRR, decision making) facilitated by the programme <i>(SJ: 9,678;¹⁸ KK: 22,500)</i>	63,208 ¹⁹ of SSLPs with access to local public goods (DRR, decision making) facilitated by the programme <i>Corresponding 73% out of targeted 49,000 (SJ: 9,250; KK: 24,973; AJ: 10,992; OPA: 17,993;)</i>	95,386 of SSLPs with access to local public goods (DRR, decision Making) facilitated by the programme <i>(SJ: 18,928; KK: 47,473; ; AJ: 10,992; OPA: 17,993)</i>
Value for money – Farmers benefits		
18% increase in monthly income (from sales, reduced production & transaction costs, time saved & increased net worth and employment) of households from livestock production) <i>(SJ: 16%; KK: 22%)</i>	19% ²⁰ increase in monthly income (from sales, reduced production & transaction costs, time saved & increased net worth and employment) of households from livestock production) <i>Corresponding 18% out of targeted 20% (SJ: 14 %; KK: 23%; AJ: 10%; OPA: 4%)</i>	N/A ²¹

¹⁶ Outside of Program Area (OPA) impact is not counted against the targets.

¹⁷ All across the report targets are calculated only against the results of Kvemo Kartli and Ajara.

¹⁸ 7,773 use new & renovated bridges, 1,262 use watering points and 642 use renovated kindergartens.

¹⁹ DRR working groups, AMR Tsintskaro (villagers & shepherds) and Namtvriani fencing, Women's Rooms visitors, kindergartens and community meeting women participants, and animal registration by NFA are included.

²⁰ This is estimated figure and it will be adjusted from the next impact assessment end of 2016.

²¹ This number will be aggregated from the next impact assessment.

21,321,198 NAIC value in Gel Generated for SSLPs (8,528,479 for HH with women access / 12,792,719 for men) (SJ: 11,095,951; KK: 10,225,247)	15,581,696 ²² (7,398,897 in the programme area) NAIC value in Gel Generated for SSLPs (6,388,495 for HH with women access / 9,193,201 for men) <i>Exceeding targeted 2,6 million by 128%</i> (SJ: 1,467,077; KK: 5,567,252; AJ: 364,568; OPA: 8,182,799)	36,902,894 (28,720,095 in the programme area) NAIC value in Gel Generated for SSLPs (14,916,974 for HH with women access / 21,985,920 for men) (SJ: 12,563,028; KK: 15,792,499; AJ: 364,568; OPA: 8,182,799)
Sustainability Business Profitability		
3,918,535 NAIC value in Gel Generated for programme clients (SJ: 3,089,547; KK: 828,988)	4,001,138 (3,419,961 in the programme area) NAIC value in Gel Generated for programme clients <i>Exceeding targeted 450,000 by 362%</i> (SJ: 1,341,225; KK: 1,913,323; AJ: 165,413; OPA: 549,055; EXP: 32,122)	7,919,673 NAIC value in Gel Generated for programme clients (SJ: 4,430,772; KK: 2,742,311; AJ: 165,413; OPA: 549,055; EXP: 32,122)
231 full time job equivalents (98 women / 133 men) (SJ: 150: 61 women / 89 men; KK: 81: 37 women / 44 men)	232 full time job equivalents (94 women / 138 men) <i>Exceeding targeted 185 by 11%</i> (SJ: 26: 9 women / 17 men; KK: 146: 53 women / 93 men; AJ: 60: 32 women / 28 men)	463 full time job equivalents (192 women / 271 men) (SJ: 176: 70 W/ 106 men; KK: 227: 90 W/ 137 men; AJ: 60: 32 W/ 28 men)
94% of Alliances supported entities where revenue exceeds costs (SJ: 93%; KK: 95%)	100% of Alliances supported entities where revenue exceeds costs <i>Exceeding targeted 90% by 10%</i> (KK: 100%; AJ: 100%)	96.5% of Alliances supported entities where revenue exceeds costs (SJ: 93%; KK: 98.5%; AJ: 100%)
-15% ROI of programme clients' investments for Outcome 1 and Outcome 2 (SJ: -7%; KK: -35%)	-9% ROI of programme clients' investments for Outcome 1 and Outcome 2 (SJ: NA; KK: 31%; AJ: -84%)	5% ROI of programme clients' investments for Outcome 1 and Outcome 2 (SJ: 31%; KK: 5%; AJ: -84%)
370% SROI of programme investments for Outcome 1 and Outcome 2 (SJ: 264%; KK: 587%)	129% SROI of programme investments for Outcome 1 and Outcome 2 (SJ: NA; KK: 288%; ²³ AJ: -67%)	303% SROI of programme investments for Outcome 1 and Outcome 2 (SJ: 308%; KK: 436%; AJ: -67%)
Note this indicator was not in the logframe in Phase 1 but was monitored in the KK30% Impact Assessment and found to be 30%	% of SSLP's investing in livestock production ²⁴ due to an improved sense of opportunity/confidence in the agricultural sphere (Note the measurement of this indicator is taken from the mid and end of phase impact assessments.)	

²² This number is an estimated figure and it will be adjusted during the impact assessments.

²³ Outside programme area impact is not included here, because targets are set for only inside the programme area. However, it is the result of KK intervention and if we include the SSLP's benefits from OPA, SROI in KK would be 844% in the 2nd phase and 714% aggregated.

²⁴ I.e. to something other than the service/enterprise to which they have been directly linked through programme facilitation

Determining the Direction for Alliances Post February 2017: Determining what will happen next for Alliances post February 2017 when the current phase of the ALCP ends, is now of paramount importance. The programme has demonstrated scale, quality and value for money which underline the importance of continuing to faithfully use the market development approach in the region and to consolidate, recognize and capitalize upon the investment, impact and potential that SDC has effected in the agricultural sector in Georgia through Alliances and what it can effect in the future in the region. The steering implications laid out below all refer to this need:

1. *Planning:* Originally the ALCP was set to run until end of February 2019, with one more year of active implementation in Ajara and one year standby phase and a two year standby phase in KK.

- *The SJ Standby phase:* has now demonstrated what this would have looked like in KK the programme can confirm that as well as monitoring the impact of the SDC's investment, interventions may be undertaken which add to the sustainability of ongoing programming or to support it. This was anticipated and the proposal for the ALCP was created as a five year programme in the knowledge of the outcomes which could be accomplished in the following two years.
- *Ajara:* The curtailing of the next two years is of particular consequence in Ajara which was planned with four years of active implementation with a one year standby phase, based on the experience of more than five years of previous programming which proved that sustainable interventions need more than three years to set and achieve real scale and systemic change. This is something which the funding cycles of SDC so sensibly support and a factor which has been recognized in global MSD learning networks as essential to successful and sustainable outcomes. In the planning of any new phase the need for the Ajara team as it currently stands to continue working on its existing interventions is of paramount importance.
- *Global Networking:* the ALCP is a globally recognized programme, standing in the top seven programmes in the world in terms of audit results for the DCED audit. It is one of the most mature M4P programmes in the world and as such has a clear mission and commitment to contributing to global knowledge and learning in market systems development. Lessons learned are shared and fed into networks for developing new tools and improved programming for SDC, BEAM, DCED and others which has recently included input into the SDC Guidelines for [SDC's Monitoring and Measuring Results in Private Sector Development Good practices for SDC to ensure that their implementing partners comply with the DCED Standard for Measuring Results.](#) and the inclusion of the ALCP The Road film example to be included in SDC's Communication for Development publication.
- *Monitoring:* to maintain quality, the programme must now plan the DCED audit of Ajara and Kvemo Kartli as well as a number of impact assessments and studies to further understand and feed into the global pool of knowledge. However until the future of the programme is clear it seems unwise to plan DCED audits which consume considerable programme resources and time. Impact assessments must be a priority. Indeed the scale of results is such that a detailed plan for when impact assessments may be done must soon be developed. If the programme is to continue beyond February 2017 then impact assessments and qualitative studies may be better staggered and DCED audits conducted in November as initially planned. In addition should the programme be ongoing the decision must be made about ongoing monitoring of interventions which are still viable for the accruing of impact to SDC.

2. *Logistics:* The breadth of interventions at all levels worked on by Alliances is truly noteworthy. Due to this breadth and the speed and complexity of Alliances the sooner the direction for the future is clarified the more efficient the mobilization of resources Human, Financial and Strategic can be in terms of laying the foundation for the next programme, ensuring a smooth transition that can generate results immediately. Interventions are ongoing in wool, meat, honey, information, veterinary, governance which can be calibrated to support outcomes derived from the new SDC Regional Strategy for the Caucasus once it is finalized.

3. *Impact:* The amalgamation of programme impact from the three regions of the ALCP and the work done on formalizing the mechanisms of the monitoring and evaluation system including conducting impact assessments from Samtskhe Javakheti has allowed for a clear picture of the impact of Alliances from 2008 to emerge. Value for money, choice of sector and the use of the market systems development (M4P) approach have all been validated. At this stage of the current phase of the programme (two thirds of the way through) all targets have been met with most considerably exceeded in the programme area. (see Table 2) It is important to note that only figures from KK and AJ are counted towards the targets set in the log frame. Other figures are being generated in SJ and outside the programme area but are not included in the progress towards targets. That the targets have been exceeded to such an extent only from counting the impact of two regions, demonstrates the scale of the achievement of the programme. The numbers from SJ which are considerable, are worthy of note as they demonstrate the sustainability of the approach. Interventions were screened meticulously at the beginning of the SJ Stand By phase to ensure that monitoring ceased when appropriate and that impact was not ascribed to the programme once the time since facilitation had passed a point which would make the link untenable. The new beneficiaries being added are therefore *bone fide* numbers from interventions which are still live in terms of attribution. The NAIC of clients and beneficiaries is considerable and clearly demonstrates the ongoing accrual of benefit from the programme in the SJ region. The numbers from outside the programme area demonstrate the value to be derived when interventions become systemic and generate impact and benefit above and beyond the value of the initial investment. In very basic terms; total funding of all Alliances programmes from 2008 totals 15.3 million the total benefits generated by the programme are 25.5 million CHF, in terms of beneficiaries, the total number of target beneficiary HH's from 2008 is 43,000 target beneficiaries HH's, Alliances has reached to date 542,040 HH's.

4. *Resources and Efficiency:* The teams as they stand are now peopled by active, enthusiastic and experienced staff many of whom can rightly be called experts in their spheres of influence. These include dairy and meat sector equipment specialists, honey specialists, sheep sector, information, Food safety and hygiene, local governance, gender etc. These staff members have a network of contacts built up over the years in key businesses, sectors and agencies which mean that when an intervention/entry point is floated following it up becomes an immediate reality and the time efficiency for the setting up of interventions which ensue is considerably reduced. In addition as the programme in spite of low visibility has developed a reputation for solid and innovative work with a staff committed to see practical action translated to results, key figures in the Georgia livestock sector have brought their own ideas to the programme allowing for a constructive, naturalistic and iterative way of working that results in true collaboration in the movement of ideas for interventions which in turn results in greater work efficiency and value for money.

5. *Momentum:* Clear directions for developing agriculture in Georgia and the region are now unmistakably apparent based on evolving entry points and 'green shoots' of growth, innovation and change, many developed through and stemming from changes in the sectors worked with by the

programme. These general directions will include export, development, diversification and formalization of the business support environment and the facilitation of an environment that will enable transition for farmers and development both in quotidian sectors as suppliers and producers but also for innovative start-ups and green growth in the agricultural sector for young entrepreneurs. Market research is ongoing in the current phase on issues related to potential sectors of intervention in the next phase, including in the honey sector, rural tourism, sustainable agriculture, meat sector, wool and value added options to the dairy sector. Team members are already honing their expertise in these areas based on the natural transitions that have occurred in their interventions e.g. in the sheep sector the move to export and the consequent exploration and learning ongoing in international wool markets and the constraints to export within Georgia. The programme is very well placed to take this development further following the end of the present phase with live entry points, ongoing facilitation, motivation, traction and forward thinking on developing trends in full flow. The recently conducted [cheese research](#) clearly outlined the huge development impact supported by SDC through Alliances, the transformation in fact of a whole sector, sustainably designed to be inclusive of small scale suppliers and yet be reflexive and competitive in today's market. The same is becoming true of the meat sector, information provision including Food Safety and Hygiene. The foundation is set to help Georgia and the region develop a model of agricultural development that will best harness its competitive advantages and see it sustainably and profitably into the future.

CHAPTER 1 - INTRODUCTION

DESCRIPTION OF THE PROGRAMME AND ITS INTERVENTION STRATEGY

The ALCP is a market development programme working in the dairy, beef, sheep and honey sub-sectors in the Kvemo Kartli (KK), Samtskhe Javakheti (SJ) and Ajara (AJ) regions in Southern Georgia all highly dependent on livestock production. It is run in accordance with the M4P approach. Stringent market analysis is used to identify key constraints and pro poor opportunities for growth which the programme leverages through the facilitation of key market actors including local and regional government. Monitoring and evaluation is structured to comply with the DCED Standard (by which two of the Alliances programmes have been audited) and is committed to the successful implementation and measuring of Women's Economic Empowerment. The ALCP began on March 1st 2014 and is now set to run until February 28th 2017²⁵.

UPDATE OF THE STAKEHOLDER ANALYSIS

The stakeholder analysis has not markedly changed from the last reporting period. As in the previous reporting period this period has been relatively stable and has not witnessed a high turnover of local, regional and national levels of government which continues to have positive ramifications for programme interventions as relationships deepen. National and regional relationships with the NFA continue to thrive with valuable initiatives ongoing²⁶. Relations with the MOA continue productive with ongoing collaboration on the AMR going well and the Minister publicising the work nationally (see *Transversal Themes*). The programme is now also engaged with facilitation with the Ministry of Environment over the AMR. The programmes relationship with the MRDI has finally regained traction after years of successive administrations and work for national governmental outreach of the Gender interventions is proceeding accordingly. In Kvemo Kartli relationships with the regional administration and the KK Regional

²⁵ Previously set to continue until February 2019 with mainly standby phases, this has been changed in line with SDC priorities for the new 4 year strategy for the Caucasus from 2017 and includes a discussion concerning a new regionally and export focussed programme.

²⁶ AMR, NFA/producer public information meetings, animal registration and interactions involving clients.

Development Agency continue to strengthen. In Ajara key relationships continue to develop, the relationship with the Ajara Chamber of Commerce in particular and the organisations they represent²⁷ being particularly fruitful in terms of leveraging key entry points in programming. The efficacy and drive of the DRRWG's in Ajara was proved by their collection of the only viable statistics available on wildlife attacks on livestock for the ALCP commissioned *Human Wildlife Interface Report*²⁸ and their lauded response to the flooding and landslide disasters in late November. The Chairman of Ajara just outside the reporting period lent his support to the development of a regional DRRWG Coordination mechanism replicating that in Kvemo Kartli although progress in the formation is slow. The programme will use the aforementioned report to deepen coordination with environmental and conservation programmes in Ajara, Georgia and the Caucasus region as part of its leveraging of rural tourism. The programme has also deepened its relationship with *Adjaristkali LLC*²⁹ (AGL) who will become a member of the working group of the Goderdzi Alpine Botanical Garden (GABG) and view the initiative thus: '*AGL considers the project of the Alpine Botanical Garden as one of important projects for development of the upper Ajara region*'. AGL also asked ALCP to meet one of its key backers the IFC to share key insights on the region and beneficiaries, highlighting our facilitation and discussion to date. The Ajara Bee Keepers Business Association now has a functional office in the Chamber of Commerce and is bringing in members from other regions of Western Georgia (Guria and Samegrelo). The Honey Festival in August which will be held again in 2017 cemented ties to MOAA and the Department of Tourism. The programme also has strong relationships and works with and through the MOAA Information Consultation Centres.

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

The context has not markedly changed from the last reporting period. The main development in the donor sphere has been the clarification of the remit of ENPARD 2 which will focus on rural development based on Local Action Groups (LAGS) in regional municipalities and sustainable environmental management. The call for concept notes has been released outside the reporting period in April. In Georgian policy, tax exemptions for businesses from mountainous regions have the potential to boost rural businesses in many of the areas the programme operates in. The *Law on the Development of Mountainous Regions* was adopted in summer 2015 and came into force in January 2016. Eligible ALCP clients are being helped to register by the programmes BDS service provider and information on the scheme is being spread through the programmes information networks on TV and newspapers. It will include certain income tax exemptions for certain domiciled individuals and operating enterprises registered in mountainous regions. The EUAA & DCFTA and policy dialogue concerning an informed and supportive approach by the government toward harmonization continues to be an issue of note³⁰ and ALCP interventions venturing into or with the goal of export in wool and honey, have revealed the extent to which capacity building and technical input to develop the necessary mechanisms within Georgia to access the potential of export to the EU are necessary. The ALCP's efforts to help the client export wool have revealed in detail weaknesses within the system including in customs, logistics, postal systems not to mention in connectivity and shared understanding and standardized operating mechanisms between different institutions. The ALCP wool client and an enterprise in Tusheti have however been registered in the

²⁷ Ajara Women's Business Association, Adjara Beekeepers Business Association, Association of Hotels, Restaurants and Cafes, to name three with whom the programme is working with the Batumi Women's Room, 1st Honey Festival and advocacy with the NFA and HoReCa FS&H trainings. Membership of all three associations has strengthened since facilitation began.

²⁸ Black Sea Eco Academy won the tender for this report and represent a stakeholder themselves in the form of a local NGO with capacity to work in a growing sector.

²⁹ responsible for construction the hydro dam in Khulo & Shuakhevi municipalities and is searching for ideas for sustainable social improvements for people in the municipalities affected by the damn construction

³⁰ E.g. as illustrated in *Harmonize But do not Harm* Eric Livny ISET blog February 2015, where doing no harm is preferable to hastily implemented measures towards harmonization with the EU which must be undone.

TRACES³¹ systems mainly through the efforts of the NFA's chief veterinarian, however the framework conditions or (functions and rules) necessary for registering enterprises into the system need to be mainstreamed within the market system rather than only being able to be achieved through the personal intervention of key individuals. The NFA does however continue to pursue a largely pragmatic approach towards production enterprises and the meat, dairy and honey meetings convened by the NFA for producers in KK and AJ facilitated by the programme, have been replicated in other parts of Georgia, showing an increase in the NFA's understanding and attitude towards the dissemination of key information e.g. HACCP requirements, honey producer requirements to build towards third country registration, to key stakeholders. The positive trend in government support to agriculture in Georgia as noted in the previous report seems to be ongoing, with a well-organized Donor Meeting in February, showing cohesive understanding and planning of sectors by the MOA. In a discussion with MOA Deputy Levan Davitashvili in September, a planned new classification of farmers to include anyone whose main activity is based on farming seems a sensible move which will be inclusive of the rural population. Concerning Brucellosis, the NFA with the FAO have developed a final version of a Brucellosis Control Strategy which according to the plan, will start mass vaccinations in Kakheti, SJ, and KK in 2016. The ALCP/MOLI Pilot Animal Registration with the NFA started in December 2015 (see Annex 6). This will be built on by the SDC/ADA financed FAO implemented project to develop a fully comprehensive national system projected for 2016. The rapid depreciation of the Georgian lari noted in the last reporting period has stabilized with the current exchange rate (April) at 2.27.

STRATEGIC LINK TO OUTCOMES OF COOPERATION STRATEGY AT COUNTRY LEVEL

Farmers and rural entrepreneurs acquire the knowledge and capacities to make more informed and efficient use of resources and market channels: All interventions aim to improve the acquisition and transfer of appropriate knowledge for SSLP's through key livestock related services and information dissemination concerning market information and legislation pertaining particularly to FS&H & animal disease. Increasingly efficacious consultancy services to businesses are providing increasingly expert advice. The national level intervention working to develop the sphere of agro journalism with the Georgian Association for Newspaper Journalists and Georgian Association of Television Journalists and the UNDP VET programme is boosting the depth and scale of the dissemination of information concerning supporting functions, market access and rules and behaviour change as a result is being increasingly documented. The programme is also tapping into social media as a means of further disseminating quality information.

Principles of disaster risk reduction with emphasis on prevention and reduction of vulnerability are applied at local level. The capacity building of the DRRWG's in each target municipality has resulted in the development of increasingly self-determined functions, including a target land use function, animal movement route monitoring and the human wildlife interface in Ajara. The programme is now seeking scale & sustainability through regional level backing of the function and the replication of the groups in Ajara. This is a priority as self- government comes increasingly to the fore in Georgia and local capacity will be sorely tested. BEAT assessments continue to be carried out with service provider clients mainstreaming the environmental 'Do No Harm' approach of the programme.

Interaction between target groups and local self-government is enhanced through institutional capacity building and participatory decision-making: The Access to Decision making for Women intervention continues to strengthen community links with local government for men and women. Increased participation of women in community voting on municipal priorities is leading to women led needs being fulfilled e.g. kindergartens, running water. The Advisory Committee provides the forum for regional players representing national, local and regional government, civil society and the private sector to tackle key issues in a participatory venue.

³¹ Trade Control and Expert System an online system that makes it easier for importers and exporters to provide health certification and track consignments of animals or animal products.

Access to the EU markets requires Georgia to be on the [Third Country lists](#) for animal products and animal by products for or not for human consumption to allow them to register in the TRACES system. Two wool collection enterprises have been recently registered in the TRACES system (see evolution of the context) but this is more due to individual effort and continued programme facilitation rather than the fruit of a standardized system. Capacity and acknowledgement on behalf of the competent authorities of what steps are required, the development of a road map for key products and informed dissemination to the public of what this entails, following the media frenzy on open markets and opportunity for Georgia on signing the DCFTA, which marked the public debate are still required. 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 would aid in supporting potentially painful transitions for livestock sector actors. Increasingly, climate sensitive farming will come onto the agenda with an IFAD climate sensitive farming initiative in the pipeline. This is to be welcomed and supported as simple measures of water conservation, conservation agriculture 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. In Ajara a number of environmental and conservation programmes mainly centred on the national parks are coming on line, but emphasis needs to remain on how the small holder farmers can learn to co-exist, manage and benefit from the environment. The above noted ramifications of the EUAA & DCFTA and policy dialogue concerning an informed and supportive approach by the government toward harmonization continues to be an issue of note. The ongoing need for comprehensive government support to the rehabilitation of the veterinary sector was stated as a major point for policy dialogue in an SCO consultation on the matter. Disease notification and control remains a key topic in particular in relation to farmer notification and public notification of zoonoses, the government strategy on Brucellosis and safe and compliant disposal of carcasses are key issues. The direction agriculture in Georgia will take in the future and the role of the small scale livestock producer and the transition of a proportion of them to more commercial style agro enterprises within it in the context of environmental, economic and social sustainability continues to be in need of ongoing debate.

CHAPTER 2 – OUTCOMES ACHIEVED SINCE 2014

*Note: % achievement against target only refers to KK and AJ regions as targets were only set for these regions.

Table: 3 Achievements of Outcome³² Indicators Measured Against Target Values

OUTCOME1: The livestock market system functions more effectively in support of small scale livestock producers' access to target services, enabling their decision-making for improved productivity.		
Actual Alliances Finalized Programme Results <i>(SJ I & II phases: 2008-2014 & KK I phase: 2011-2014)</i>	To date Alliances Programme's & ALCP Results	
	Estimated ALCP Progress against targets <i>(SJ stand by phase: since Jan 2015, KK II phase: since March 2014, AJ: since March 2014)</i>	Alliances & ALCP Programme Aggregated Results <i>(SJ since: 2008, KK since 2011, AJ: since 2014)</i>
All targets in both regions have been met		
100% out of all 143 of communities covered by target services <i>(SJ: 77 out of 77; KK: 66 out of 66)</i>	114 out of all 114 new communities covered by target services: <i>Exceeding target 88% by 12% (KK: 52 out of 52; AJ: 62 out of 62)</i>	257 communities covered by target services: <i>(SJ: 77 out of 77; KK: 118 out of 118; AJ: 62 out of 62)</i>

³² 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.

43,030 SSLP's accessing target services & information (33% women / 67% Men) (<i>SJ: 25,870; KK: 17,160</i>)	414,214 (71,463 ³³ in the programme area) SSLP's accessing target services & information (40% women / 60% Men) <i>Exceeding target 14,000 by 394%</i> (<i>SJ: 2,250; KK: 41,790, AJ: 27,424; OPA: 321,027; EXP: 21,723</i>)	457,244 SSLP's accessing target services & information (39% women / 59% Men) (<i>SJ: 28,120; KK: 58,950; AJ: 27,424; OPA: 321,027; EXP: 21,723</i>)
7,202,209 Gel generated as a NAIC due to more effective livestock market system functions for SSLPs (2,376,729 for HH with women access / 4,825,480 for men) (<i>SJ: 4,878,173; KK: 2,324,036</i>)	12,375,090 Gel (4,299,757 Gel in the programme area) generated as a NAIC due to more effective livestock market system functions for SSLPs (4,950,035 for HH with women access / 7,425,055 for men) <i>Exceeding target 1.3 million by 167%</i> (<i>SJ: 832,106; KK: 3,167,026; AJ: 300,624; OPA: 8,075,334</i>)	19,577,299 Gel generated as a NAIC due to more effective livestock market system functions for SSLPs (7,326,764 for HH with women access / 12,250,535 for men) (<i>SJ: 5,710,279; KK: 5,491,062; AJ: 300,624; OPA: 8,075,334</i>)
342 of service providers &/or input suppliers ³⁴ with improved business practices/acumen & outreach to SSLPs markets (<i>SJ: 287; KK: 55</i>)	208 new service providers &/or input suppliers with improved business practices/acumen & outreach to SSLPs markets <i>Exceeding target 150 by 39%</i> (<i>KK: 131; AJ: 77</i>)	550 of service providers &/or input suppliers with improved business practices/acumen & outreach to SSLPs markets (<i>SJ: 287; KK: 186; AJ: 77</i>)
26% Increase in total value of sales of services and inputs of programme facilitated service providers (<i>SJ: 29%; KK: 21%</i>)	60% Increase in total value of sales of services and inputs of programme facilitated service providers <i>Exceeding target 20% by 43%</i> (<i>SJ: 47%; KK: 69%; AJ: 36%</i>)	44% Increase in total value of sales of services and inputs of programme facilitated service providers (<i>SJ: 41%; KK: 52%; AJ: 36%</i>)
32 entities crowding in (<i>SJ: 13; KK: 19</i>)	22 entities crowding in <i>Corresponding 50% out of targeted 30</i> (<i>SJ: 7; KK: 15</i>)	54 entities crowding in (<i>SJ: 20; KK: 34</i>)
# of entities starting to export <i>N/A</i>	1 entity starting to export (<i>Roki exported 217,320 Gel worth of vet pharmacies in Azerbaijan.</i>) (<i>KK: 1</i>)	1 entity starting to export (<i>Roki exported 217,320 Gel worth of vet pharmacies in Azerbaijan.</i>) (<i>KK: 1</i>)
OUTCOME 2: The livestock market system and Adjarian tourist market provide enhanced market access and terms of trade for small scale livestock producers		
Actual Alliances Finalized Programme Results (<i>SJ I & II phases: 2008-2014 & KK I phase: 2011-2014</i>) All targets in both regions have been met	To date Alliances Programme's & ALCP Results	
	Estimated ALCP Progress against targets (<i>SJ stand by phase: since Jan 2015, KK II phase: since March 2014, AJ: since March 2014</i>)	Alliances & ALCP Programme Aggregated Results (<i>SJ since: 2008, KK since 2011, AJ: since 2014</i>)
100% out of all 143 of communities covered by target services	56 out of all 114 new communities covered by target services:	199 communities covered by target services

³³ The aggregated figures for scale in Table 1&2 are corrected for overlap i.e. one person accessing interventions from Outcome 1&2&3 figures are here reported as the number of individuals who have accessed the service.

³⁴ Clients and entities

<i>(SJ: 77 out of 77; KK: 66 out of 66)</i>	<i>Exceeding targeted 20% by 29% (KK: 43 out of 52; AJ: 13 out of 62)</i>	<i>(SJ: 77 out of 77; KK: 109 out of 118; AJ: 13 out of 62)</i>
22,665 SSLP's with improved market access and better terms of trade (64% women / 36% Men) <i>(SJ: 14,345; KK: 8,320)</i>	15,124 SSLP's with improved market access and better terms of trade (45% women / 55% Men) <i>Corresponding 99% out of targeted 14,000 (SJ: 1,248; KK: 13,098; AJ: 778)</i>	37,789 SSLP's with improved market access and better terms of trade (56% women / 44% Men) <i>(SJ: 15,593; KK: 21,418 AJ: 778)</i>
2,255,936 Gel generated as a NAIC due to improved market access and better terms of trade for SSLP's (1,443,799 for HH with women access / 812,137 for men) <i>(SJ: 1,073,388; KK: 1,182,548)</i>	3,206,605 Gel generated as a NAIC due to improved market access and better terms of trade for SSLP's (1,442,972 for HH with women access / 1,763,633 for men) <i>Exceeding targeted 1.3 million by 90% (SJ: 634,970; KK: 2,400,226; AJ: 63,944; OPA: 107,465)</i>	5,462,541 Gel generated as a NAIC due to improved market access and better terms of trade for SSLP's (2,886,771 for HH with women access / 2,575,770 for men) <i>(SJ: 1,708,358; KK: 3,582,774; AJ: 63,944; OPA: 107,465)</i>
<i>N/A</i>	114 processing, intermediary & HoReCa ³⁵ entities integrating food safety compliance and good management practices into business planning <i>Exceeding targeted 30 by 237% (SJ: 13; KK: 45; AJ: 56)</i>	114 processing, intermediary & HoReCa entities integrating food safety compliance and good management practices into business planning <i>(SJ: 13; KK: 45; AJ: 56)</i>
<i>N/A</i>	55 ³⁶ of HoReCa entities serving compliant products ³⁷ <i>Exceeding targeted 9 by 500% (SJ: 7; KK: 14; AJ: 40)</i>	55 of HoReCa entities serving compliant products <i>(SJ: 7; KK: 14; AJ: 40)</i>
33% increase in volume & value of trade of dairy products through supported/compliant entities <i>(SJ: 50%; KK: 21%)</i>	89% increase in volume & value of trade of dairy products through supported/compliant entities <i>Exceeding target 20% by 66% (SJ: 91%; KK: 96%; AJ: 29%)</i>	68% increase in volume & value of trade of Dairy products through supported/compliant entities <i>(SJ: 71%; KK: 74%; AJ: 29%)</i>
<i>N/A</i>	3% ³⁸ share of exported products out of total increase in volume & value of trade of SSLP's through supported/compliant entities <i>Corresponding 100% out of targeted 3% (KK: 3%)</i>	3% share of exported products out of total increase in volume & value of trade of SSLP's through supported/compliant entities <i>(KK: 3%)</i>
5 entities copying &/or crowding in <i>(SJ: 2; KK: 3)</i>	16 entities copying &/or crowding in <i>Corresponding 18% out of targeted 33 (SJ: 10; KK: 6)</i>	21 entities copying &/or crowding in <i>(SJ: 12; KK: 9)</i>

³⁵ Hotels, Restaurants Catering Sector.

³⁶ There is an overlap between regions, because some cheese factories from Samtskhe-Javakheti and Kvemo Kartli supply cheese to the same HoReCa entities.

³⁷ This indicator includes big supermarket chains as well.

³⁸ 65,800 Gel worth of wool exported: 21 tones in Ukraine and 19 tones in India.

OUTCOME 3: Small scale livestock producers' benefit from a more efficient and resilient operating environment.		
Actual Alliances Finalized Programme Results (<i>SJ I & II phases: 2008-2014 & KK I phase: 2011-2014</i>) All targets in both regions have been met	To date Alliances Programme's & ALCP Results	
	Estimated ALCP Progress against targets (<i>SJ stand by phase: since Jan 2015, KK II phase: since March 2014, AJ: since March 2014</i>)	Alliances & ALCP Programme Aggregated Results (<i>SJ since: 2008, KK since 2011, AJ: since 2014</i>)
11 joint public/private sector agricultural initiatives (<i>SJ: 3; KK: 8</i>)	16 ³⁹ joint public/private sector agricultural initiatives <i>Exceeding target 10 by 60%</i> (<i>KK: 10; AJ: 6</i>)	27 joint public/private sector agricultural initiatives: (<i>SJ: 3; KK: 18; AJ: 6</i>)
106 village representatives with increased awareness of the needs of women taking part in local decision making (<i>SJ: 81; KK: 25</i>)	334 ⁴⁰ village representatives with increased awareness of the needs of women taking part in local decision making <i>Exceeding target 140 by 86%</i> (<i>SJ: 73; KK: 118; AJ: 143</i>)	440 village representatives with increased awareness of the needs of women taking part in local decision making (<i>SJ: 154; KK: 143; AJ: 143</i>)
66 ⁴¹ quality disaster risk monitoring & outreach (preparedness & mitigation) measures implemented (<i>SJ: 50; KK: 16</i>)	19 ⁴² quality disaster risk monitoring & outreach (preparedness & mitigation) measures implemented <i>Exceeding target 12 by 58%</i> (<i>KK: 9; AJ: 10</i>)	85 quality disaster risk monitoring & outreach (preparedness & mitigation) measures implemented (<i>SJ: 50; KK: 25 AJ:10</i>)
New Indicator	% of SSLP's with sense of increased support by public services ⁴³ N/A	% of SSLP's with sense of increased support by public services N/A

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

All targets have been met or exceeded for the target beneficiaries clearly indicating that outcomes are being successfully achieved. Scale up is proceeding with national outreach in veterinary, information, FS&H, BDS, dairy, wool, meat, gender and DRR. Export is occurring in veterinary and wool interventions. Following the pattern of previous phases, Outcome 1 supporting functions are being rolled out and the support services for Outcome 2 i.e. BDS, FS&H, technical consultancy and engineer, are fully supporting the production enterprises opened in Kvemo Kartli and Ajara in this year. HoReCa sector interventions are now gaining serious traction. Outcome 3 Governance interventions in gender and DRR are maturing with advocacy at a national level and local/regional/national linkages and initiatives strengthening. In Ajara maturing entry points at all levels of government linking into the momentum of

³⁹ KK 1 advisory committee meeting, 4 KKRDA information & consultation meetings, 3 regional DRRWG meetings, AMR 2 Projects, AJ 2 advisory committee meetings, honey festival and 2 botanical garden initiatives, Roki meeting with MOAA Information Centers.

⁴⁰ Also, 9 regional coordinators from Ministry of Regional Development and Infrastructure trained about the needs of women taking part in local decision making. Impact will be reported for the next reporting period.

⁴¹ Imprescon, 6 DRR Working Groups, 46 BEAT Assessments, 13 Advisory Committee Meetings.

⁴² New DRR WG's 7 KK, 5 AJ; Free hotline service in 5 municipalities in AJ and 2 municipalities in KK.

⁴³ This indicator will be measured during the next impact assessment

the wider governance interventions in DRR and Governance, with context specific emphasis on issues linked to the rural tourism market are well underway.

INFORMATION ON DIRECT AND INDIRECT UNINTENDED EFFECTS OF PROGRAMME INTERVENTIONS

As the programme has grown the direct and unintended effects have multiplied. The programme captures both through its systematic qualitative monitoring system. Please see a full description of both in *Annex 1, 2 & 3*. In addition to the programme level effects on service providers and farmers described in Annex 1, some diverse impacts of note are being observed.

The impact of the ALCP is being seen in diverse sectors. *At the service provider level:*

Cheese Producers: The ALCP programme facilitated dairy producers have reinforced their positions in cheese market supplying 53% of the branded cheese in supermarkets in Georgia. According to new programme market research⁴⁴ on the cheese market *Milken* takes the second place in Georgia in supplying the greatest number of supermarket chain outlets with branded cheese (after *Sante*), supplying 8 chains (from 2). *Cheese Company Tsezari* supplies the second largest amount of cheese in Georgia supplying 9 tonnes a week to Carrefour and Batumi HoReCa markets compared to the 1.8 tonnes/week baseline. The effect of the Government Agri Credit to programme facilitated dairy producers is huge, 9 dairy producers in SJ borrowed 467,000\$ and 3 in KK, 76,000\$, the process of legalization and registration undergone under Alliances including the development of the business plans enabled them to access the loans. Considerable impact is also being observed on the farmer level in dairy in time saved, shifts to earlier milk production thus having milk outside glut periods and in enterprises shifting to all year milk production please see Annex 1.

Signs of Growth in Export Markets: The *Georgian Wool Company* has been registered in the TRACES system and EU 3rd countries` list to export Raw/Untreated wool into the EU. The company has already exported 38 tons of wool in 2016 to India and the Ukraine, replacing the Turkish market with better payment conditions and more reliable partners. The Slaughterhouse *Alali 2015* has found partners in Iraq and Iran, demand from Iraq is 200 adult bulls per 2 weeks and from Iran 1500 tons of beef per 6 months, following HACCP requirements and livestock registration process facilitated by the programme allowed the business to compete in government sponsored negotiations with these countries.

Deepening functions and stability within sectors: Due to the demand from farmers to save time and cost, *Momavlis Fermeri/ Farmers of the Future* association (under the Agro Development Group to which *Roki* belongs) has started offering eLearning to farmers from February 2016, resulting in 26 farmers registering in the first month. Batumi Agrarian Market started renovating the meat section in accordance with FS&H standards independently after the ongoing programme facilitated cheese section renovation. *Mosavali* cooperates with one of the most popular information websites www.gurianews.com and marketing website www.kar.ge to better reach the audience with their short technical videos which are developed for social media. Both of the programme facilitated BDS consultancy firms *Intellect* and *First Consulting* are contracted government suppliers writing business plans for applicants under the ‘Project of Co-financing of Agro Processing Enterprises’ of the Management Agency of the Ministry of Agriculture; and *Black Sea Eco Academy* started implementing a project for the World Wildlife Fund (WWF) Caucasus to initiate ecological land use practice in Khulo Municipality ecological corridor, in all three cases working experience with the programme was decisive in their selection.

⁴⁴ The Cheese Market Research was conducted in 39 supermarkets branches out of 313 located in Tbilisi, Marneuli, Akhaltsikhe, Batumi and Tbilisi cities.

In the government sector: Both local and national governments are reacting to new practices/behaviours. The NFA has developed its delivery of information to dairy and meat business operators based on the programme model and uses programme contacts to deliver timely news which helps the businesses to avoid fines when previously businesses were often fined through inadequate and late transfer of the latest regulations. Tsalka Municipality government copied the model of Tsintskaro by-pass and fenced the Animal Movement Route in Samadlo Village, learning about the case at the programme facilitated Regional DRR Working Group meeting. The Adjara government announced the hotline number of the DRR Working Groups through the TV that was used by more than 400 people during flood and heavy rain in November 2015. The Department of Tourism has for the first time cooperated with the NFA Ajara office and initiated a training centre for information consultancy services in FS&H for HoReCa sector following the initial facilitated programme trainings.

In the INGO sector: The ALCP facilitated the Georgian Association of Regional Broadcasters is to participate as a panellist in *Using Mass Media to Educate Farmers* at National Extension Forum of USAID project 'Modernizing Extension and Advocacy Services (MEAS)' highlighting agro journalism as a pioneer activity in agro media extension. Rusudan Gigashvili from *Momavlis Fermeri* & Eka Burkadze FS&H consultancy provider are conducting information meetings with farmers under the *EUGeorgia.info* project supported by the UK Embassy and European Union. USAID/REAP hired *Momavlis Fermeri* to train farmers in SJ on FS&H and veterinary issues. The European Union supported the NFA to publishing guides for nomadic farmers during the livestock movement

INFORMATION ON PROGRESS OF THE IMPLEMENTATION OF SCO TRANSVERSAL THEMES⁴⁵

Transversal Themes and M4P:

The push for sustainability: The main emphasis for Outcome 3 and DRR, Gender and Governance in the reporting period still has been to streamline and synthesize activities in terms of leveraging maximum effect, impact and sustainability. The ALCP DRR, Gender and Governance Coordination Meetings in the reporting period have been held every month using Skype calls and been coordinated by the programme DRR, Gender and Governance Coordinator. Now the main activities under the Outcome 3 are carried out simultaneously in all three regions particularly in relation to the programme's work at National Level stakeholders.

New Key Governance Stakeholders with Outputs: Kvemo Kartli Regional Development Agency is now providing business operators in KK with the necessary information and recommendations regarding Food Safety & Hygiene. The Agency held four information and advocacy meetings between National Food Agency and private sector (farmers, meat and dairy sector business operators), developed FS&H page on its official [Web Site](#), and created a Hot Line service.

Batumi Botanical Garden: Facilitation with Batumi Botanical Garden to create a Goderdzi Alpine Botanical Garden which will create a tourist hub at the top of the Goderdzi Pass, feed into community ownership of environmental assets and stimulate the market for livestock products for Ajara and Samtkhe Javakheti is well underway (see Annex 7 for key steps and dates). Hydropower company Ajaritsquali is verbally committed to co-financing the project and Munich Botanical Garden is committed with an MOU to technically backstopping the garden and capacity building the newly appointed manager.

Advisory Committee: The programme uses Advisory Committee meetings where diverse stakeholders from all levels of government, government agencies, the private sector and civil society are brought

⁴⁵ As noted by Springfield in the last but one backstopping report and in the previous annual report the better the tangibility of governance / DRR/ gender challenges issues addressed the better the incentive for market players to address them.

together in a facilitated meeting on key governance interventions. The Meetings have always yielded unexpectedly good results and allowed for complex multi stakeholder issues to move forward through direct lines of communication to key actors, which to date include the Animal Movement Route, DRR in regional and local government and the initiating the renovation of the cheese and meat sections of the Batumi Agri Market. Currently work is ongoing on the preparation of three separate Advisory Committee meetings on: Goderdzi pass road rehabilitation; Batumi Agrarian Market (ongoing), and Promotion of the Regional & Municipal DRR mechanism created and facilitated by the programme.

AMR: After months of intensive construction work and four and a half years of multi-stakeholder advocacy the first two Bio Security Points on the AMR were opened in December. The ALCP continues to facilitate the NFA for ensuring that by the next transhumance season spring 2016 the country will have proper infrastructure for ensuring systematic health control of the livestock in place. This includes work with the Ministry of Environment with waste management issues.

DRR: Municipal DRR WGs in all municipalities are working. In December DRR WG members from all five AJ municipalities were key participants at an ‘Integrated Risk Management’ training organized by the SCO DRR project in Ajara contributing the DRRWGs capacity to deal with extreme nature hazards and implement preventive measures. In November DRRWGs in Shuakhevi and Kobuleti conducted vaccination for Brucellosis. All DRRWG’s in KK and AJ have already purchased equipment for imposing effective quarantines during animal disease outbreaks. For ensuring the sustainability of these municipal groups the ALCP started facilitating the appointment of DRR focal points in each municipality and plans to support their capacity building with trainings as well as with producing definitive DRR guidelines for municipalities. In Ajara moves to develop a Regional DRRWG as in KK are underway following official government approval for its inception. Black Sea Eco Academy: A service contract was signed with Black Sea Eco Academy the local NGO who conducted the Human Wild Life Interface Report which is forming the ground work of their current project to develop understanding of the value of their environment amongst the rural population and develop local environmental champions. The project includes developing modules on local wildlife for teachers and students.

Work on Women’s Economic Empowerment: Spring village meetings, which are held every year in all 65 municipalities of Georgia, are the main fora for the rural people to participate in LSG and to influence local decisions. The ALCP continue to work at all levels of government to include women in these meetings. Trainings were completed in all 3 regions of the programme with Village Reps on including women in the meetings. The programme has also been seeking scale with national roll out and the Ministry of Regional Development and Infrastructure and after considerable facilitation with successive administrations has re-engaged in the initiative. In February the programme provided a Gender Workshop for the Ministry’s 9 Regional Coordinators who will instruct all relevant LSG staff to ensure women’s participation in village meetings, based on the MRDI adopted *Guidelines* produced by the Alliances KK in 2013. Updated guidelines to include new modes of community participation as laid down in the 2014 Code for Local Self Government are going to press at the end of April. Media outlets facilitated by the programme promoted the importance of women’s participation in these meetings including a national news slot, Ajara agro magazine programme *Me Var Permeri* and other online outlets, ahead of the meetings. . In Ajara the Annual Strategies of local governments’ priorities has been disaggregated by gender for the first time. A new municipal service Women’s Room was opened in Khulo and grant agreements were signed with Shuakhevi and Keda municipalities to establish two more. Women’s participation in community meetings in the reporting period resulted in 18 women instigated community/livelihood related projects which have been included in municipal plans and spending. 6 of them have already been financed by the LSGs and 12 will be financed in the second part of 2016⁴⁶.

⁴⁶ These initiatives include funding for kindergardens, transport for school children, watering points, access roads to kindergardens and schools.

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*. As the programme grows and impact through crowding in and sector wide behaviour change increases so does the diversity of these statements and the stakeholders who have uttered them, including people from outside the programme area and direct programme remit.

**CHAPTER 3: OUTPUTS AND PERFORMANCE ACCORDING TO YEARLY PLAN OF OPERATIONS
2015**

SUMMARY OF OUTPUT DELIVERY AND THEIR CONTRIBUTION TO OUTCOMES

Table 4 below provides a breakdown of impact per output.

Table 4: Summary of Outputs Against Logframe Indicators

Output 1.1: Facilitated improvements to business practices and outreach of animal health service & input providers to access wider SSLP markets with affordable, appropriate and quality products.		
Actual Alliances Finalized Programme Results <i>(SJ I & II phases: 2008-2014 & KK I phase: 2011-2014)</i>	Estimated ALCP Achievements <i>(SJ stand by phase: since Jan 2015, KK II phase: since March 2014, AJ: since March 2014)</i>	Alliances & ALCP Programme Aggregated Results <i>(SJ since: 2008, KK since 2011, AJ: since 2014)</i>
100% out of all 143 of communities covered by target services <i>(SJ: 77 out of 77; KK: 66 out of 66)</i>	114 out of all 114 new communities covered by target services: <i>(KK: 52 out of 52; AJ: 62 out of 62)</i>	257 communities covered by target services: <i>(SJ: 77 out of 77; KK: 118 out of 118; AJ: 62 out of 62)</i>
1,340,406 Gel value of sales of animal health services: <i>562,971 Gel value of sales to women</i> <i>1,273,386 Gel value of sales to SSLPs</i> <i>(SJ: 612,444; KK: 727,962)</i>	11,564,560 Gel value of sales of animal health services: <i>4,654,764 Gel value of sales to women</i> <i>10,986,332 Gel value of sales to SSLPs</i> <i>(SJ: 382,758; KK: 662,219; AJ: 149,457; OPA: 10,152,806; EXP: 217,320)</i>	12,904,966 Gel value of sales of animal health services: <i>5,217,735 Gel value of sales to women</i> <i>12,259,718 Gel value of sales to SSLPs</i> <i>(SJ: 995,202; KK: 1,390,181; AJ: 149,457; OPA: 10,152,806; EXP: 217,320)</i>
Output 1.2: Facilitated improvements to business practices and outreach of livestock breeding service providers to access wider SSLP markets with affordable & appropriate products.		
122 communities served by breeding service providers <i>(SJ: 63; KK: 59)</i>	42 communities served by breeding service providers <i>(KK: 19; AJ: 23)</i>	164 communities served by breeding service providers <i>(SJ: 63; KK: 78; AJ: 23)</i>
55,088 Gel value of sales of breeding service providers: <i>11,018 Gel value of sales to women</i> <i>52,334 Gel value of sales to SSLPs</i> <i>(SJ: 39,644; KK: 15,444)</i>	46,720 Gel value of sales of breeding service providers: <i>7,962 Gel value of sales to women</i> <i>44,384 Gel value of sales to SSLPs</i> <i>(SJ: 12,250; KK: 27,630; AJ: 6,840)</i>	101,808 Gel value of sales of breeding service providers: <i>18,980 Gel value of sales to women</i> <i>96,718 Gel value of sales to SSLPs</i> <i>(SJ: 51,894; KK: 43,074; AJ: 6,840)</i>

Output 1.3: Facilitated improvements to business practices and outreach of nutritional input & service providers to access wider SSLP markets with affordable & appropriate products.		
108 communities served by nutrition input service providers <i>(SJ: 77; KK: 31)</i>	93 new communities served by nutrition input service providers <i>(KK: 93)</i>	201 communities served by nutrition input service providers <i>(SJ: 77; KK: 124)</i>
3,698,665 Gel value of sales of nutrition input service providers: <i>612,213 Gel value of sales to women</i> <i>3,421,193 Gel value of sales to SSLPs</i> <i>(SJ: 3,450,741⁴⁷; KK: 247,924)</i>	486,412 Gel value of sales of nutrition input service providers: <i>131,331 Gel value of sales to women</i> <i>462,091 Gel value of sales to SSLPs</i> <i>(SJ: 58,797; KK: 427,615)</i>	4,185,077 Gel value of sales of nutrition input service providers: <i>743,544 Gel value of sales to women</i> <i>3,883,284 Gel value of sales to SSLPs</i> <i>(SJ: 3,509,538; KK: 675,539)</i>
2 different nutritional inputs sold	1 new type of nutritional input sold	3 different nutritional inputs sold
3 municipalities covered by crowding in results outside of programme area	3 ⁴⁸ new municipalities covered by crowding in results outside of programme area	6 municipalities covered by crowding in results outside of programme area
Output 1.4: Facilitated improvements to access of SSLP's to appropriate information to support use of target services and decision making related to improved and more secure productivity		
38 information channels with agricultural content ⁴⁹ of newspapers/of TV programmes/ of internet sites <i>(SJ: 19; KK: 19)</i>	21 ⁵⁰ new information channels with agricultural content of newspapers/of TV programmes/ of internet sites <i>(KK: 18; AJ: 3)</i>	59 information channels with agricultural content of newspapers/of TV programmes/ of internet sites <i>(SJ: 19; KK: 37; AJ: 3)</i>
21,176 information consumers of products that have agricultural content <i>19,058 Women readership/access</i> <i>20,117 SSLP's readership/access</i> <i>(SJ: 7,838; KK: 13,338)</i>	258,041 information consumers of products that have agricultural content <i>234,857 Women⁵¹ readership/access</i> <i>245,180 SSLP's readership/access</i> <i>(KK: 61,095; AJ: 28,347; OPA: 125,094; Online: 43,505)</i>	279,217 information consumers of products that have agricultural content <i>253,915 Women readership/access</i> <i>265,297 SSLP's readership/access</i> <i>(SJ: 7,838; KK: 74,433; AJ: 28,347; OPA: 125,094; Online: 43,505)</i>
Output 1.5: Facilitated improvements to access to financial services for livestock market system SMEs & SSLP's.		
6 SME's & SSLP's using financial services in agricultural related transactions <i>0 women among SMEs and SSLP's gaining access</i> <i>(KK: 6)</i>	289 new SME's & SSLP's using financial services in agricultural related transactions <i>109 women among SMEs and SSLP's gaining access</i> <i>(KK: 274; AJ: 15)</i>	295 SME's & SSLP's using financial services in agricultural related transactions <i>65 women among SMEs and SSLP's gaining access</i> <i>(KK: 280; AJ: 15)</i>
1,560 of SSLP's served by SME's, or SSLP's using machinery and equipment bought through financial services <i>(KK: 1,560)</i>	4,280 of SSLP's served by SME's, or SSLP's using machinery and equipment bought through financial services <i>(KK: 4,196; AJ: 84)</i>	5,840 of SSLP's served by SME's, or SSLP's using machinery and equipment bought through financial services <i>(KK: 5,756; AJ: 84)</i>

⁴⁷ In case of SJ, the results of the machinery intervention is included in Output 1.3.

⁴⁸ Zugdidi, Ozurgeti & Sagaredjo

⁴⁹ DRR WG (6), Women's Rooms (3), Vet Pharmacies (23), Newspapers "Trialetis Exspress" & "Samkhretis Karibche", TV Programme "Chveni Ferma", Farvana TV, Imperia TV, "Evreka TV"

⁵⁰ GRMA & GARB regional media associations.

⁵¹ Independently or together with other HH members (88% in case of newspaper and 92% in case of TV). We can make the footnote to explain that this figure includes HHs where women used the service independently or together with other household members.

Output 2.1: Increased awareness & adherence of value-chain actors to food-safety, hygiene management standards and best practices facilitated.		
N/A	53 supermarkets & HoReCa sector actors making changes to inspection procedures & sourcing practice (AJ: 53 ⁵²)	53 supermarkets & HoReCa sector actors making changes to inspection procedures & sourcing practice (AJ: 53)
N/A	10 advocacy initiatives to/from consumer/producer groups towards government, supermarkets and media (SJ: 2; KK: 6; AJ: 2) ⁵³	10 advocacy initiatives to/from consumer/producer groups towards government, supermarkets and media (SJ: 2; KK: 6; AJ: 2)
Output 2.2: Increased access to FS&H, business & tourism consultancy support services for SME's s supplied by SSLP's facilitated.		
49 value-chain actors actively taking measures that will lead them to food-safety law compliance (SJ: 35; KK: 14)	192 ⁵⁴ new value-chain actors actively taking measures that will lead them to food-safety law compliance (SJ: 19; KK: 62; AJ: 111)	241* value-chain actors actively taking measures that will lead them to food-safety law compliance (SJ: 54; KK: 76; AJ: 111)
76 CPC staff were trained on FS&H topics (SJ: 21; KK: 55)	56 new CPC staff were trained on FS&H topics (SJ: 8; KK: 25; AJ: 23)	132 CPC staff were trained on FS&H topics (SJ: 29; KK: 80; AJ: 23)
2,969 of milk supplier SSLP's receiving trainings on food-safety, hygiene management standards (SJ: 1,297; KK: 1,672)	3,799 milk supplier SSLP's receiving trainings on food-safety, hygiene management standards (2,393 women/1,406 men) (SJ: 420; KK: 2,235; AJ: 1,144)	6,768 of milk supplier SSLP's receiving trainings on food-safety, hygiene management standards (SJ: 1,717; KK: 3,907; AJ: 1,144)
N/A	90 HoReCa sector actors receiving trainings on food safety and hygiene (KK: 10; AJ: 80)	90 HoReCa sector actors receiving trainings on food safety and hygiene (KK: 10; AJ: 80)
29 of value-chain actors taking GMP assessment (SJ: 21; KK: 8)	16 new value-chain actors taking GMP assessment (SJ: 1; KK: 10; AJ: 5)	45 of value-chain actors taking GMP assessment (SJ: 22; KK: 18; AJ: 5)
11 enterprises have received BDS services on business/marketing plans (including for rural tourism) (KK: 11)	18 new enterprises have received BDS services on business/marketing plans (including for rural tourism) (SJ: 1; KK: 9; AJ: 8)	29 enterprises have received BDS services on business/marketing plans (including for rural tourism) (SJ: 1; KK: 20; AJ: 8)
47 enterprises have been through BEAT assessment (SJ: 40; KK: 7)	17 enterprises have been through BEAT assessment (SJ: 1; KK: 11; AJ: 5)	64 enterprises have been through BEAT assessment (SJ: 41; KK: 18; AJ: 5)
2 enterprises/ value-chain actors receiving HACCP trainings (KK: 2)	7 enterprises/ value-chain actors receiving HACCP trainings (KK: 4; AJ: 3)	9 enterprises/ value-chain actors receiving HACCP trainings (KK: 6; AJ: 3)

⁵² 63 HoReCa representative and 17 guesthouse owners were trained, out of which 53 updated new FS&H practices.

⁵³ KK: ALCP facilitated 10 NFA meetings: **Note:** Indicator slightly broadened with addition of 'to' and 'producer' to capture changes in the operating environment with a supermarkets, media and NFA more galvanized than anticipated. At the time of creating the log frame the NFA was far less active and it was anticipated that consumer groups would be facilitated to lobby the NFA etc.

⁵⁴ NFA and Star consulting provided information and consultancy to value chain actors.

Output 2.3: Increased volume and value of trade and efficient and cost-effective access to livestock products for intermediaries and processors from SSLP's facilitated.		
31 (25 milk/ 3 slaughterhouses/ 2 livestock markets/1 wool) enterprises with increased capacity/utilization of milk and meat, wool and hide (SJ: 23; KK: 8)	13 new enterprises with increased capacity/utilization of milk (SJ: 1; KK: 9; AJ: 3)	44 enterprises with increased capacity/utilization of milk and meat, wool and hide (SJ: 24; KK: 17; AJ: 3)
# of processors of meat and milk, wool and hide starting to export N/A	1 ⁵⁵ processors of meat and milk, wool and hide starting to export (KK: 1)	1 processors of meat and milk, wool and hide starting to export (KK: 1)
All 100% of SSLP producers engaging with supported entities		
33% of producers directly engaging with supported entities are women		
N/A	11 value-chain actors ⁵⁶ in dairy sector gaining access to Ajaran Rural Tourism market, HoReCa sector & supermarkets (SJ: 3; KK: 6; AJ: 2)	11 value-chain actors in dairy sector gaining access to Ajaran Rural Tourism market, HoReCa sector & supermarkets (SJ: 3; KK: 6; AJ: 2)
N/A	2 ⁵⁷ value-chain actors in meat sector gaining access to Ajaran Rural Tourism market, HoReCa sector & supermarkets (KK: 1 AJ: 1)	2 value-chain actors in meat sector gaining access to Ajaran Rural Tourism market, HoReCa sector & supermarkets (KK: 1 AJ: 1)
Output 3.1: Development of improved relationships between market actors, local government and key government agencies in promoting growth in livestock market system facilitated.		
18 consultation fora between local government & agricultural market actors to address agricultural sector priorities (SJ: 12 ⁵⁸ ; KK: 6)	13 ⁵⁹ consultation fora between local government & agricultural market actors to address agricultural sector priorities (KK: 9; AJ: 4)	31 consultation fora between local government & agricultural market actors to address agricultural sector priorities (SJ: 12; KK: 15; AJ: 4)
26% women representatives involved in consultation fora		
Output 3.2: Improved quality and equity of governance in the livestock market system facilitated. & Gender sensitive municipality services		
1,214 women using services: (SJ Kindergartens: 559; KK Women's rooms: 655)	7,434 ⁶⁰ women using services (SJ: 1,237; KK: 4,227; AJ: 1,970)	8,648 women using services: (SJ: 1,796; KK: 4,882; AJ: 1,970)
26% of women participants in community meetings		

⁵⁵ Georgian Wool Company exports in Ukraine and India.

⁵⁶ **Note** this indicator has been expanded to denote the formalization of the sector as well as to capture any supply from farmers into the Ajaran Rural Tourism Market. It is a new indicator for this phase, however in the last phase *Tsezari* entered as Carrefour's largest supplier of Sulguni cheese and main supplier to HoReCa sector in Batumi and *T, Kakhadze* is the supplier for the khajapuri chain Majakhela. In this phase: Akhali Meskheti, Tsipora Samtskhe, Georgian Business Zone (SJ: 3), *Tsesari, Milkeni, BMB, Cheesline, Khinikadze, Temuri Kakhadze* (KK: 6), *Naturaluri produtsia, Elgudja Baramidze* (AJ: 2) supply cheese to the big supermarkets chain.

⁵⁷ *Shula* (KK: 1) and *Ori gio* (AJ: 1) supply meat to the kindergartens

⁵⁸ 7 Advisory Committee meetings, 4 lobby groups (1 regional, 3 municipal level), 1 visit in Poland

⁵⁹ Tsintskaro coordination in Regional WGs, RDA strategy formation workshop, 3 Advisory committee meetings (KK: 1; AJ: 2), 1 Animal movement working group in MOA & NFA, 1 initiation for including Georgian wool in EU trace system; 2 botanical garden initiatives. 4 KKRDA information & consultation meetings.

⁶⁰ Women's rooms in three municipalities of KK: 885 and in AJ: 221; Women participate in community meetings in KK 3,342, in SJ: 1,040 and in AJ 1,749; Kindergartens in SJ: 197. Also, 672 men used Women's room or Kindergarten service and 2,548 individual beneficiaries comes as the result of crowding in.

New Indicator	28 ⁶¹ women instigated community/livelihood related initiatives. (KK: 27; AJ: 1)	28 women instigated community/livelihood related initiatives. (KK: 27; AJ: 1)
Output 3.3: Development of capacity in local government, regional government and civil society representatives to support identification of DRR priorities purporting to the Animal Movement Route, Disease notification, control and reporting and embed the process of preparation & planning and mitigation.		
6 active DRRWGs (SJ: 3; KK: 3)	10 DRRWGs (KK: 5; AJ: 5)	16 DRRWGs (SJ: 3; KK: 8; AJ: 5)
24% Female representatives engaged in DRRWG activities		
6 DRR based initiatives impacting at the community level (SJ: 3; KK: 3)	3 ⁶² DRR based initiatives impacting at the community level (AMR) (KK: 3)	9 DRR based initiatives impacting at the community level (AMR) (SJ: 3; KK: 6)
Output 3.4: Development of improved transparency and efficiency of mechanisms for appropriate municipal level pasture and land management.		
16 ⁶³ quality mechanisms implemented for better pasture and land management (KK: 16)	13 ⁶⁴ new quality mechanisms implemented for better pasture and land management (KK: 8; AJ: 5)	29 quality mechanisms implemented for better pasture and land management (KK: 24; AJ: 5)
147 infrastructure projects improved access and efficiency of mechanisms for appropriate municipal level pasture (SJ: 120; KK: 27)	3 infrastructure projects improved access and efficiency of mechanisms for appropriate municipal level pasture (KK: 3)	150 ⁶⁵ infrastructure projects improved access and efficiency of mechanisms for appropriate municipal level pasture (SJ: 120; KK: 30)
4,639 ha land affected by the improved pasture management system (SJ: 4,639)	11,518 ha land affected by the improved pasture management system (KK: 11,518)	16,157 ha of land affected by the improved pasture management system (SJ: 4,639; KK: 11,518)

IMPLEMENTATION CONSTRAINTS AND WAYS TO OVERCOME THEM

This section remains largely in line with the last reporting period. As dynamism grows in the livestock sector with a sustained increase in MOA input into the sector and with interventions increasingly becoming national or international in scale, maintaining the principals of M4P facilitation with programme clients in an increasingly crowded donor, INGO and government space can be a challenge as other initiatives with different *modus operandi* which could potentially diminish sustainability of interventions, increasingly seek to leverage the entry points brought about by the ALCP⁶⁶. However managed well these opportunities can amplify and add to the sustainability of impact and growth. (See Annex 1 and Direct and Indirect Unintended Effects) Success is dependent on the ALCP pursuing increased activity based collaboration with external entities and targeted facilitation to clients to enable them to manage their interactions in line with the pursuit of sustainability and growth. Other constraints

⁶¹ Out of 28 initiatives 10 were implemented (KK: 9; AJ: 1). Also, 11 initiatives are planned to be implemented by the local government in the 2nd part of 2016.

⁶² Tsintskaro Bypass, 1 DRR regional mechanism, 1 Infrastructure bio security project was initiated.

⁶³ Imprescon, 3 DRR Working Groups, 6 BEAT Assessments, 6 Advisory Committee Meetings.

⁶⁴ Dmanisi municipality pasture intervention in KK, 5 DRRWG in KK and 5 in AJ (They work on pasture related issues as well), 2 BEAT assessment in Marneuli and Rustavi.

⁶⁵ In SJ: 3 bridges were built, 6 bridges were renovated, 102 bridges were assessed and 9 watering points were made; In KK: 27 bridges were assessed, & in Phase 2, 2 watering points were made and Tsintskaro bypass fenced.

⁶⁶ Particularly notable in the veterinary sector, information, services (FS&H and BDS) and gender.

remain consistent with other previous phases of the programme. Regular and rapid change both in key political actors at all levels and in policy (although this has lessened in the last two reporting periods) and linked to the above and the entry of new players (see *Updates to the Stakeholder Analysis*) are ongoing constraints, however a diversified strategy of working with a range of players and increased coordination across different levels reduces risk and spreads it across the intervention. With regard to external constraints in the operating environment (See *Evolution of the Context* and *Bilateral and Multilateral Issues of Note for Policy Dialogue*) the need for the NFA to develop a publically available roadmap as the competent authority of Georgia, for the points to be undertaken to allow the entry of Georgian animal based products into the EU is essential.

EVENTUAL CHANGES TO MAIN ASSUMPTIONS

There are no changes to the main assumptions and impact and interventions from all areas of the ALCP see a continuing validation of the M4P approach. The strategy of the ALCP has been developed to harness impact and use it to generate even wider impact and all indications now see the validation of this strategy. Where in the beginning actors and their business functions were rudimentary or absent the programme painstakingly facilitated them. The result of the ongoing support of SDC means that these beginnings have been built on year on year and the first branching into export, the sophistication of business function and the clear potential of the dairy model to be a mainstay for small farmers throughout the whole of Georgia are being observed. The SDC choice of the livestock sector has been justified⁶⁷, the supply of mid-tier dairy sector actor selling to formalized supermarkets by small farmers is a hugely successful and sustainable model and one which can be replicated across Georgia. If the NFA begin procedures for putting Georgia on the third country list for dairy then export would surely follow. As the NFA strengthens enforcement and trade agreements with Iran were put in place, the potential in the meat sector has finally been unlocked and this reporting period has seen and will see a significant increase in the figures relating to market access to the meat value chain. The logframe critical assumptions describe the context as it stands at present. Two indicators in Outcome 2 (in 2.1 & 2.3) have been broadened slightly to capture increased sales into formalized outlets and the more active stance of the NFA with whom the programme now facilitates public information meetings to producer groups in honey, dairy and meat. Both the extent & speed of formalization and more proactive stance in the NFA were not overly apparent when writing the original proposal.

CHAPTER 4 – FINANCES AND MANAGEMENT

PERCENTAGE OF BUDGET SPENT VS. PLANNED PER OUTCOME

For the ALCP support facilities of the support lines⁶⁸ as of February 29th 2016 spending accurately reflects the progress of interventions in KK and Ajara as shown below. All investment support budget lines have been budgeted out to the end of the phase in line with ongoing or planned activities. The percentage represents the rate for the full three year phase.

⁶⁷ In November the Khulo cheese factory opened. It has seen an unprecedented unity amongst the villagers who *en masse* decided to supply milk to the factory collecting 4.7.tons/day with a high fat content and no added water. To date Ajara has been written off as a dairy region.

⁶⁸ ALCP Investment Support Facility, DRR Gender and Governance Support Facility, Study Tours, Mid Term Evaluation, Sub Contactor in DRR, Gender and Governance, IAAD Project Partner.

*The KK DRR Support Facility had 40,000 CHF added in the January 2016 budget revision from KK Investment Support Facility to counter spending on the Animal Movement Route and leave enough in the facility to complete projected activities until the end of the phase.

ALCP Support Facilities (CHF)	ALCP KK	ALCP AJ
Alliances Investment Support Facility Outcome 1 & 2:	567,738 (67% spent)	517,045 (53% spent)
DRR, Gender and Governance Support facility Outcome 3:	231,192* (92% spent)	98,120 (56% spent)

BUDGET DEVIATIONS AND OUTLOOK FOR THE REST OF THE PHASE

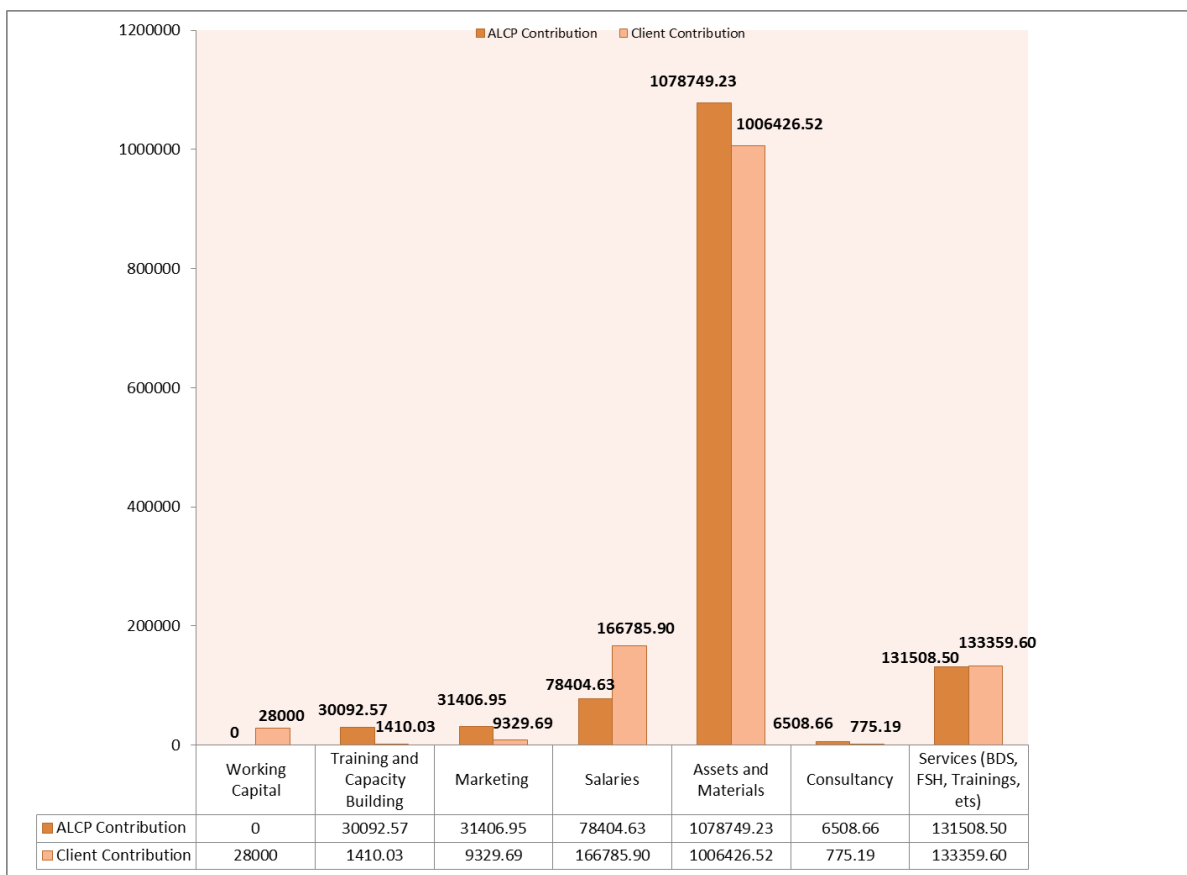
All investment support budget lines have been budgeted out to the end of the phase in line with ongoing or planned activities. No underspend is anticipated⁶⁹.

January's budget revision saw reallocation of money between lines in discreet budget sections i.e. *Part 3 Long Term Experts* and *Part 4 Allocated Programme Funds* from where an underspend has occurred to where an overspend has occurred. These reallocations were fully described in the *ALCP January 2016 Budget Revision Notes* submitted to SDC with full explanations of the reasons for the underspends and overspends. For full details of the approved changes please refer to the document.

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. The programme operates on leveraging a minimum of 35% co-investment from the clients with whom it co-invests. The rates of ALCP co-investment are up on the last reporting period due to the coming on line of new interventions in Ajara which have a higher rate level of co-investment than better established ones in a second phase. Client contribution is currently running at an average of 50 % down from last year's 54% across all the interventions. ALCP co-investment in the cost of external consultancy for Food Safety and Hygiene consultations and Business Development Services has resulted in FS&H standing at 84% up from 76% reflecting increasing enforcement in the sector and sheer volume in Ajara in line with a growing awareness of the HoReCa sector in Food Safety issues without yet an across the board willingness to pay and BDS at 96% up from 83% due to capacity building of local BDS Company in Ajara and their development of Business and Marketing plans, again a sector in which sustainability is slow to build in new regions. The breakdown of the use of the ALCP investments for clients and the contribution of clients is shown in Figure 1 below. Main points of note are that investment in assets and materials is up to 80% (from 63% in the last report) reflecting increasing number of new interventions, strict adherence to national food safety requirements and to upgrading existing ACLP clients with compliant equipment and transport in line with new regulations, also the construction of two Bio security points on Animal Movement Route.

⁶⁹ In KK the main spending will be in the wool sector, Animal Movement Route, gender activities surrounding women's access to decision making and nationally based outreach activities with the NFA. In Ajara, spending will concentrate on interventions fulfilling the current phase of the log frame. The Batumi Agrarian Market, the Alpine Botanical Garden, slaughterhouses, dairy factory expansion, honey sector, information and activities in gender with Women's Rooms, DRR WG's, Black Sea Eco Academy.



REFERENCE TO ACTIVITIES/INTERVENTIONS PROPOSED AND ACTUAL

Please see *Annex 5* for the list of interventions undertaken in the reporting period and *Annex 4* for the dynamics of scale and impact per sector. Facilitation has been undertaken for all proposed opening interventions as listed in the logframe.

This includes upcoming facilitation with the MOA Municipal Information Centres, following a completed feasibility study on their operation by programme facilitated BDS provider First Consulting, who will be linked to all ALCP agro info sources including the [Mosavali videos www.mosavali.org](http://www.mosavali.org). The Information interventions have reached huge national scale with investment in social media through *Mosavali* taking hold as well as outlets spinning off from national and regional TV programmes *Chveni Perma* and *Me Var Permeri*, the national media associations in television and newspapers serving as vibrant conductors of quality agricultural programming and information across the country and the Agri Journalism modules now included in five university journalism curricula. Maturing breeding interventions are yielding respectable results as well as valuable research data with an entry point for promoting systemic change being sought with transmission of this data through the media this follows the pattern of nutrition which has yielded respectable results with systemic change stemming from information dissemination via media. Roki in Ajara are deepening functionality and linkages with other actors including the MOAA Information Centres (with whom an MOU has just been signed outside the reporting period) the Women’s Rooms for trainings and information dissemination.

Work with the National Food Agency the single most important government actor in the livestock sector is achieving national scale. Since November 2015 the ALCP programme has worked with NFA to

prepare informational posters on Food Safety and Hygiene issues for Meat and Cheese selling shops/points. These posters will be distributed nationally by NFA in order to increase awareness of consumers. In the framework of this activity NFA representatives promised to announce the **National Food Safety Day** for advertising of posters in all regions of Georgia and also to disseminate/advertise posters through media.

In Ajara entry points in dairy and meat are now operational and proceeding to second phase activities and interventions under all outcomes have been co-financed or facilitated under each outcome in veterinary, breeding, nutrition (access to hay making machinery) information, FS&H and BDS, DRR and Gender, the honey sector and agro-tourism. HoReCa sector related activities and business support services in conjunction with the Ajara Chamber of Commerce are flourishing. The Batumi Agrarian Market intervention with the renovation of the cheese section is due to be completed in summer 2016 and will have considerable influence on the local market dynamics and tourism in Batumi. In KK access to machinery through a financial mechanism embedded with a machinery supplier and supplemented by the client developing a no interest loan product with Credo independently will see large projected outreach this hay season.

Four out of four new co-financed dairy entities are operational in KK. One further dairy will come on line before the end of the project in Tetrtskaro. Delays have been experienced in the two entities funded for product diversification into buffalo yoghurt and *Ayran*. *Ayran* will come online this summer the delay being due to the client deciding to invest more in the intervention (on construction) than originally planned, the other client in Buffalo yoghurt has been served with a letter instructing him that equipment will be repossessed due to not starting intervention activities. The equipment will be rehoused with another dairy producer who can produce buffalo yoghurt immediately⁷⁰. In the meat sector KK slaughterhouses are accessing a newly stable market. Free Trade agreements with Iran and increasing regulation of illegal back- yard slaughtering in the meat sector mean that clients are winning tenders of supplying government contracts e.g. kindergartens and entering export markets.

Both entities in the local market for washed wool are now online and wool has been sent to international markets in India and Ukraine with further markets being researched. Contract negotiations with the UK have been resumed. Interventions in the new sector of honey are underway in all three outcomes and in developing the agri tourism sector in Ajara with the [Eco Tours company](#) and the HoReCa sector in Ajara (see Annex 8 for an in depth report) and include the ongoing production of the [film Jara](#) about honey production and the rural way of life in Ajara as well as capacity building of the Ajara Beekeepers Business Association who have managed a supply link to the Hilton who will install 4 hives on the hotel roof. The Alpine Botanical Garden intervention which represents another complex multi stakeholder intervention is proceeding in concrete steps. (See Annex 6 for an In depth progress report). Facilitation is ongoing with National government Ministries in the form of the MOA & Ministry of Environment with the Animal Movement Route, the NFA with national information dissemination to farmers and meat shop owners as well as the ongoing Animal registration pilot (please see Annex 7 for an in depth progress report) and the MRDI with the ongoing initiatives in women's access to decision making. The nine MRDI regional representatives have been trained in the Gender Guidelines and a new updated version of the guidelines produced which will be presented to the MRDI for acceptance in late spring.

HUMAN RESOURCES ISSUES ON THE ORGANIZATION LEVEL THAT AFFECTED THE MANAGEMENT OF THE PROJECT

As was noted in the *Budget Revision Notes* a certain flexibility is to be expected within the staffing of a market systems development programme with a movement and flow with the recruiting of BDO's and

⁷⁰ Buffalo milk suppliers will be women from Azeri HH's who traditionally keep buffalo it is a difficult to reach segment of the target group as well as a much desired commodity in the form of yoghurt.

assistants (in particular) and in operational support in line with how interventions develop, this continues. Staff recruitment has been in line with the complex and flexible growth of the programme. Changes and adjustments in staff recruitment were detailed in the *ALCP January Budget Revision Notes 2016* with TOR's and revised organograms submitted to SDC although none of the changes required additional funding (please see the documents for further details). There is now a clear cadre of senior staff⁷¹ with an excellent gender balance, who are competently and maturely managing their respective areas and staff and allowing for growth and creativity in interventions as their and their staff's capacities develop, this was completed just outside the reporting period with the promotion of the KK manager to Deputy Team Leader and promotion of the Deputy KK manager to Manager on March 1st 2016. Capacity building and mentoring is ongoing and the ALCP team in Ajara are fully in their stride and in SJ have developed their skill set in M4P, monitoring and data management. More junior and newer staff across the programme are noticeably developing under their mentors. There has been a clear improvement in writing skills and data management.

CHAPTER 5 – LESSONS LEARNT

GOOD PRACTICE AND INNOVATIONS WORKING WITH KEY PARTNERS, BENEFICIARIES, INTERAGENCY COLLABORATION, INCLUDING OBSTACLES AND DIFFICULTIES

Mechanisms to improve sustainability of governance interventions across the three programme regions with the initiation of the DRR, Gender and Governance Coordination meetings have been consolidated. Ongoing commitment to intra programme exchange and continued capacity building from key staff such as the Information Manager and M and E Coordinator and DRR, Gender and Governance Coordinator across the three regions are yielding greater cohesion and allowing for greater scale and depth in intervention teams and have been boosted by the appointment of the Deputy Team Leader. Coordination with the UNDP VET Programme is ongoing. In the programme area Alliances coordinates with ICCN on their Women and Girls programme⁷² and with EUENPARD, RED, FAO, Women's Information Centre and Eurasia Foundation. Strong links to the DCED and BEAM continue see below. *External Linkages and Knowledge Sharing:* The programme coordinates closely with MOLI on the Animal Registration Pilot with the NFA (see Annex 6) In February Mercy Corps Alliances was invited to host a panel at the Oxfam Bridge *Gender and Food Security Conference* which allowed for the transmission of Alliances knowledge and learning and exchange for the programme. External linkages and knowledge sharing continue, including for the BEAM exchange commissioned research into *Unpaid Care Work Facilitating Change towards WEE When Market Systems Care* (paper to be published on the BEAM website, the Team Leader was part of the working group for the research) and practical facilitation. Links from responsible staff members to SDC concerning sharing of events and happenings as well as material for the SDC Facebook page has been stepped up helped by the SDC communications training attended by four members of the ALCP in August 2015. Social media is becoming increasingly important and the programme website continues to attract a substantial number of visitors. The programme's work in WEE was presented in the fourth global webinar [Measurement Methods: WEE in MSD](#) of the SEEP Network⁷³/USAID LEO/UN Women in their series from [Theory to Practice: Women's Economic Empowerment in Market Systems Development](#) by the Team Leader as one of three guest presenters. Significant input was recently fed into [SDC's Monitoring and Measuring Results in Private Sector Development Good practices for SDC to ensure that their implementing partners comply with the DCED](#)

⁷¹ Deputy Team Leader, 3 Regional Managers, M & E Coordinator, Information Manager, DRR, Gender and Governance Coordinator.

⁷² This takes the form of solid mutual support including supporting their activities and feeding them into regional and national ALCP gender initiatives and linking ALCP supported entities with their work experience programme.

⁷³ The Small Enterprise Education and Promotion Network. **SEEP** is a US based global learning **network** dedicated to promoting inclusive markets and financial systems. Comprising a global learning community of 124 partner organisations.

[Standard for Measuring Results](#). And the inclusion of the ALCP ‘The Road’s’ example to be included in SDC’s global Communication for Development (C4D) publication.

IMPORTANT FINDINGS FROM REVIEWS AND SELF-EVALUATIONS

[Cheese Market research](#) was conducted and the results presented to SDC to examine and quantify the development and formalisation of the sector in line with trends such as increased regulation and the development of supermarkets as well as to quantify the impact of SDC support through Alliances to the sector. The impact is considerable with 53% of branded cheese in supermarkets coming from Alliances supported entities. Two external reviews of parts of the programme’s M and E system were made as part IFC funded DCED case studies [Developing a Programme Specific Results Measurement Manual](#) & [Measuring Attribution ALCP in Georgia Undertaking a Sector Impact Assessment](#), the case studies were made on a selected global group of MSD programmes. Occurring just outside the reporting period, the ALCP was well represented at the [DCED Global Seminar on Results Measurement](#) attended by 130 participants from donor agencies and practitioners. The Team Leader gave the penultimate key note *Why the DCED Matters to Us* and the ALCP Monitoring and Evaluation Coordinator represented the ALCP amongst four programmes in the Attribution session including a presentation and work shop break-out sessions. The attribution session and ALCP presentation were rated in the top three sessions of the 3 day seminar. A review commissioned by SDC of their Caucasus portfolio in relation to the potential use of Cost Benefit Analysis was conducted over the summer to which key staff committed their input. The report was presented in September. The programme rated highly in existing mechanisms to measure its benefit versus cost. The programme put considerable input into the external Pasture Management study also commissioned by SDC. In depth market analysis in Ajara congruent with entry into the new sector of honey and rural tourism, saw [The Characteristics of Beekeeping in Ajara Region](#) published on the ALCP website and the completion of the [Baseline Survey into the Human Wildlife Interface in Ajara reports](#). The DCED audit of Ajara and of KK is possibly planned for 2016 but a final decision is pending based on future programme planning in 2017. Significant inputs in to the BEAM Exchange Roki Case Study mean that publication is now anticipated for May. The case study consists of three short case studies on *Using Market Analysis, Selecting the Right Private Sector Partner and Generating Scale*.

CONCLUSION

Clear directions for developing agriculture in Georgia and the region are now unmistakably apparent based on evolving entry points and ‘green shoots’ of growth, innovation and change, many developed through and stemming from changes in the sectors worked with by the programme. These directions will include export, development, diversification and formalization of the business support environment and the facilitation of an environment that will enable transition for farmers and development both in quotidian sectors as suppliers and producers but also for innovative start-ups and green growth in the agricultural sector for young entrepreneurs. The programme is very well placed to take this development further following the end of the present phase with live entry points, ongoing facilitation, motivation, traction and forward thinking on developing trends in full flow. The recently conducted [cheese research](#) clearly outlined the huge development impact supported by SDC through Alliances, the transformation in fact of a whole sector, sustainably designed to be inclusive of small scale suppliers and yet be reflexive and competitive in today’s market. The same is becoming true of the meat sector, information provision including Food Safety and Hygiene. The foundation is set to help Georgia and the region develop a model of agricultural development that will best harness its competitive advantages and see it sustainably and profitably into the future. The programme has demonstrated a scale, quality and value for money which underline the importance of continuing to faithfully use the market development approach in the region

and to consolidate, recognize and capitalize upon the investment, impact and potential that SDC has effected in the agricultural sector in Georgia through Alliances.

Note: Interventions are qualitatively measured annually. However not all occur at the same time or in the same regions. This report includes all those interventions which were due for their annual qualitative impact assessment in the reporting period, other interventions which started later than others will be reported on in the next reporting period in the bi-annual report.⁷⁴ Regions are specified.

Outcome 1: Supporting Functions

Direct Impact

1.1 Veterinary Service Outputs (AJ)

- Over the last year *Roki Ltd* provided 8 trainings for vet pharmacies further helping them to become a reliable resource of veterinary information and more confident while providing consultations for farmers. 3 rural farmers have applied to become rural satellite vets on seeing the benefits of the rural town based pharmacies.

1.2. Improved Bull Service Outputs (KK & SJ)

- 86% of households using the service are saving female calves for milking and are selling male calves. Previously sales were more ad hoc and not planned. In dairy production if a farm is small with up to 15 cows the main decision maker is the woman who decides to keep calves for milking and when to sell a male calve or bullock e.g. when the family needs to sell male calves/bullocks, mostly for health, holiday or education issues.
- Village herds are more controlled by the programme facilitated bull owners requesting lab analysis of cows & culling or excluding older or less productive bulls from the herds.
- 16 programme facilitated bull owners have bought new bulls to continue providing bull services and to further build their own herds.
- (AJ) Seeing the difference in the live-weight of the improved calves born this year, 56 more farmers approached the programme to purchase improved bulls even though price of each bull was 300 Gel/bull higher in contrast to the 39 bull owners last year who had to be persuaded to make the investment.
- Due to the improved bulls being available to service cows in the village in early spring, milking has started three months earlier, in January rather than April when prices for milk are higher as the period lies outside the traditional glut. Normal breeding practice relies on running bulls in the herds on the summer pastures inseminations started in June resulting in the later milking period in April.

1.3/Nutrition Product Outputs/

The programme facilitated nutrition service provider *Ednari Antadze* sold 30,000 (baseline 10,00) bales of hay (600t) in the autumn season 2015 mostly to farmers in Guria and Ajara lacking access to pastures and who have to travel to other regions to buy hay.

1.4 Information

- A 3 minutes video on *Examination of the Beehive in Spring* featured by [Mosavali](#) has 17,000 views in 5 days on their [Facebook page](#). In total, 6 honey videos have had 25, 500 views in a month and 9 dairy/livestock videos have 93,000 viewers in 7 months through Facebook and YouTube. The most watched videos are *How to milk a cow correctly & Feeding bees in winter*.

1.5 Machinery service/access to finance (KK)

- In addition to the programme facilitated interest free subsidy model for machinery service providers buying hay making implements from agricultural machinery seller Marmot, the company has diversified its credit offer in addition to the hay implements supported by the programme and started working with MFI Credo to provide interest free loans to customers on all agricultural machinery. Credo agreed to reduce its 8% base interest rate to 5% which the company is covering, meaning the loan is interest free to customers, to increase sales. 80 machinery service providers (providing ploughing and planting services as well as hay making to small farmers) have received these

⁷⁴ For the next reporting period Output 1.1 (Veterinary), Output 1.2 (Breeding), Output 1.4 (Access to Information), Output 2.2 (Dairy), Output 2.3 (Wool), Output 3.3 (Women Room), Output 3.3 (AMR & DRR WG), Output 3.4 (Pasture Management) in KK & Output 1.2 (Breeding), Output 1.4 (Access to Information), Output 2.3 (Dairy), Output 2.3 (Batumi Agrarian Market), Output 2.3 (Meat), Output 2.3 (Honey), Output 3.3 (Women Rooms)in AJ

interest-free loans; the programme's subsidy model motivated Marmot to start negotiation with Credo.

(KK&SJ)

- 92 machinery service operators in KK and 183 in SJ with upgraded implements now ensure timely services while before an order for service could take up to 10 days. Hay cut early is more nutritious, sells for a higher price is easier to store and/or transport, cattle eat all of it, there is less waste and less risk of the crop being spoiled by rain. 900 ha previously uncultivated land is now being cultivated for hay and alfalfa in KK. In SJ 11,798 beneficiary HH's, increased the amount of land cultivated for hay making by 0.4Ha/HH.

(AJ)

- Hay land cut by hand was cut by machine in 86 cases in the last hay season, with the work done in 1 day instead of 3.
- After seeing increased demand from farmers, *Traktorservisi Ltd (Kutaisi/Khulo)* has started negotiations with some banks and micro-finance organizations to offer cheap loans to his customers for the new season.

Indirect Impact: Crowding in

- *Breeding*: 7 new service providers in SJ have purchased bulls & copied the model of the bull service provision in the village herds, after seeing the difference in live-weight of improved calves born (6 months old local breed weighs 50-60kg vs improved breed 80-90kg).
- *Information*: Southern Gates Ltd, the local regional newspaper, replicated SJ local TV station *Imperia Ltd* reports on agriculture (See Biannual Report March 1st 2015 August 31st 2015 for full details)
- *Access to finance*: 2 machinery operators (Ninotsminda and Kutaisi) have established their own machinery shops(as above)

Outcome 2: Market Access and Terms of Trade

Direct Impact

2.1 BDS Consultancy & Advocacy Initiatives (AJ)

- 20 entrepreneurs were referred to *Intellect BDS Providers* to get assistance in business plan development while applying to the State Loan Programme 'Produce in Georgia'. 5 have already received a grant. *Intellect* representatives are being invited by media and the local Ministry of Agriculture to advise on and discuss HACCP systems and issues relating to production in the agricultural sector.
- National Impact: Since November 2015 the ALCP programme has worked with NFA to prepare informational posters on Food Safety and Hygiene issues for Meat and Cheese selling shops/points. These posters will be distributed nationally by NFA in order to increase awareness of consumers. In the framework of this activity NFA representatives promised to announce the **National Food Safety Day** for advertising of posters in all regions of Georgia and also to disseminate/advertise posters through media.

2.2. Dairy Market Outputs (SJ)

- 4 cheese enterprises have started working all year round whilst before they stopped working in the winter period, with 150 tons of milk in Dec, Jan, Feb of this winter 2015/16.
- After seeing demand from these cheese factories and the good price being offered, SSLPs are also now producing winter milk by buying milking cows in autumn and managing the timing of heating/pregnancy.
- From their total milk suppliers 80% now supply milk every day all year round compared to 50% previously. This is driven by the good price paid for milk, regular sales and on-time and/or in-advance payments.

(AJ)

- *Natural Produktsia Ltd* which opened in November, is the only cheese factory in upper Ajara and only Imeruli cheese factory in Ajara producing this cheese at the largest scale in Georgia. Most factories mainly produce Sulguni and factory cheese as they sell for higher prices but to a smaller segment of the market. Although within Alliances supported entities there is a growth towards some production of Imeruli now observable. *Natural Produktsia* was set up to capture the 80% of the Batumi cheese demand which is for Imeruli and to supply it with complaint factory made cheese as NFA restrictions tighten on the HoReCa sector and supermarkets. Their sister factory already supplies a considerable proportion of the market for compliant Sulguni. In Georgia Imeruli is mostly still made in homes, collected by intermediaries and sold in agri markets where distributors buy it and sell into the HoReCa and supermarket sector.
- *Natural Produktsia* covers 19 villages 23% of villages in the municipality; 90% are female suppliers who save about 3 h/day due to selling milk instead of making dairy products. The small scale supplier model ensures that displacement does not occur.
- The same trend of barter exchange is observed in Khulo as is in KK, milk collectors from the factory, bring groceries: flour, sugar, rice, oil, washing detergents, and exchange in milk, the demand comes from the female suppliers and they

save time 8 h/week in shopping trips and energy.

- *Natural Produktsia Ltd* supplies 32 selling points in Ajara with Imeruli Cheese: 9 shops and supermarkets chains, 9 large hotels, 10 cafes and restaurants and 4 ritual halls; they named; labelling, following FS&H requirements, good taste and no unpleasant/strong smell as the reasons for purchasing this cheese. They previously bought non-compliant cheese from distributors.

Meat Market Outputs (KK)

Shula Slaughterhouse Ltd

- Intermediaries are now able to bring 5 cows to *Shula* slaughterhouse at a time, keep them in a lairage and slaughter 1 cow/day. They save the transportation costs of 75 Gel/4 cows, plus the slaughterhouse provides a free service of delivery of the meat to their meat shops.
- Farmers now have an average of 45Gel more profit as cows are now weighed at the slaughterhouse, before visual estimations at the home tended to underestimate the weight by an average of 5 Kgs.
- In villages near *Shula* Ltd the number of meat shops has increased from 3 to 10, due to the accessible slaughtering service which is also a near location to the main road to Armenia.
- The slaughterhouse is now direct sourcing from farmers to provide meat to 3 kindergartens and one old peoples welfare home won through tenders. *Shula* pays 0.5 Gel more/per kg to farmers than meat shop intermediaries.
- Farmers prefer to sell their cattle to the slaughterhouse or intermediaries rather than take it to the livestock market as she/he saves 20gel transportation cost and decreases risk of non-sale and having to bring the cow back or of selling at a loss to avoid the transport cost of bringing them back again.

Al Ali SlaughterHouse

- Contracts for export of meat to Iran and Iraq as well as Azerbaijan are in place. See Direct and Indirect Unintended Effects section. These will fully come on line in the next reporting period.

(AJ)

- *Ori Gio Ltd* has switched to direct sourcing diversifying a slaughtering service only model, offering 0.5 Gel more/per kg to the farmers compared to the price offered from intermediaries, after winning a tender to supply 1 hospital in Batumi and 9 kindergartens in Khulo municipality.

Honey (AJ)

- For the first time trainings were provided by programme facilitated beekeeping input supplier *Impervet Ltd* to 140 beekeepers from Ajara and Guria on bee diseases, pests and new breeding techniques.
- Ajara Beekeepers Business Association now has 41 members from Ajara and also Imereti and Guria regions from a baseline of zero, and is offering consultancies and advocating for beekeepers interests with the local Ministry of Agriculture.

Indirect Impact: Crowding in & Business Expansion

- *Dairy*: Valeri Vezdeni from Baret Village, Tsalka has started Sulguni cheese production; Valeri got information about production and equipment from ALCP client Anzor Kninikadze. (KK)
- 2 dairies in SJ independently invested \$ 258,000 to increase their daily processing capacity and cheese storage area to operate all year around and hired programme facilitated FS&H consultancy companies to ensure that construction was done in compliance with FS&H regulations.
- *Georgian Natural Product LTD* is now producing Imeruli cheese. After seeing other Samtskhe-Javakheti based dairy producers (programme clients) continually developing & diversifying local production.(SJ)
- *Meat*: 1 slaughterhouse will be opened in Tetrtskaro this year. They got information on the model of construction and FS&H requirements from an ALCP programme client. (KK)
- 1 slaughterhouse working in Gardabani has purchased a saw and installed a disinfection barrier. The owner copied the business model from programme client Alali 2015. (KK)
- *Irqa LTD* invested 200,000 Gel in the construction of a slaughterhouse in the Agricultural market in Akhaltsikhe. The owner copied the business model from a programme client. (SJ)
- *NFA*: The National Food Agency has conducted meetings with business operators in honey sectors in Samegrelo, Racha and Mtianeti. The National Food Agency has taken up the model of meetings facilitated by the programme in Ajara.

Outcome 3: Gender DRR, and Governance

Direct Impact

3.2 Women's Access to Decision-Making Outputs (AJ)

- For the first time the Annual Strategies of local governments' priorities has been disaggregated by gender.
- Heads of Municipalities are themselves interested in learning about women's perspectives in community meetings.
- Local officials are being invited to speak about women's involvement and importance of community meetings on TVs
- For the first time a female Deputy Gamgebeli was appointed in Shuakhevi Municipality.
- For the first time, Ajara Businesswomen's Association met with rural women in municipalities to introduce Batumi Women's Room services, shortly after the meeting 4 women visited the Batumi office to receive business consultations. Association membership has increased from 22 to 34.

3.3 DRR Intervention Outputs (AJ)

- DRR WG members are involved not only in animal disease related issues but also in mainstream DRR emergencies like fire, heavy rain, flood & landslides. In November the DRR WG's hotline number was publicized by Government and Municipal representatives as the emergency number. More than 400 people called and DRR members responded promptly, saved lives (15 HH's) and calculated the approximate amount of economic damage caused.
- DRR Working Group in Shuakhevi held meeting with the village representatives to introduce the State Strategy of Brucellosis, statistics and required activities in case of disease occurrence.
- DRR WG flyers have been distributed to the village reps who also informed farmers on the hotline number.

(KK)

- RDA KK have facilitated 4 meetings between NFA representatives and 108 dairy and meat sectors representatives
- 23 dairy and meat sector representatives have received consultation/ advocacy service on FS&H requirements
- 3000 brochures with FS&H content have been distributed to meat and dairy operators

Indirect Impact: Crowding in

DRR: Rustavi City has established a regional DRRWG (See Biannual Report March 1st 2015 August 31st 2015)

ANNEX 2: PERSPECTIVES OF ALCP STAKEHOLDERS

Outcome 1, Output 1.1: Activity 1.1.1: Khulo Based Vet Pharmacy Owner, Koba Kochalidze, on Veterinary Service Outputs (AJ): ‘During a high season I have 6-7 customers a day, before this was what we had in a month. Farmers come not only for vet medicines, but for consultation. Based on the demand from the farmers, I am selling added inputs like a milking machine. I’ve decided to rent a bigger space to offer new veterinary inputs to farmers.’

Outcome 1, Output 1.1: Activity 1.1.1: Female SSLP Lia Shavadze on Veterinary Service Outputs (AJ): ‘Before, the Vet pharmacy in the center of Khulo had poor choice and was open about once in a week. Now the new vet pharmacy is open every day, from 9am to 6pm and offers high quality vet medicines at an affordable price, and I can get professional consultation and advice.’

Outcome 1, Output 1.2: Activity 1.2.3: Male Bull Owner Firuzi Tsikhelashvili on Bull Service Outputs (KK): ‘I sold my improved breed bull as he was old, but I have kept my improved male calves and I am going to offer the bull service again. The improved breed cows give 4 liters more milk per day than local ones. Now all the farmers in the village see the difference and want to improve their cattle breed.’

Outcome 1, Output 1.2: Activities 1.2.1: Bull Owner Osman Gobadze on Bull Service Outputs (AJ): ‘In February improved quality calves were born with a 20-22kg higher birth weight than the local one. I want to buy another improved quality bull, as now farmers have seen the new calves they want to do it too and are more motivated to apply and use it.’

Outcome 1, Output 1.2: Activities 1.2.1: Female SSLP Mzia Abuladze on Bull Service Outputs (AJ): ‘Traditionally, the milking period starts at the beginning of spring, as inseminations happen when cows are on the high mountain from May till the end of September, where bulls are with the herd. Now, improved bulls are accessible within the village so I got my cow serviced early and she has started milking two months earlier than usual so I already have income from the dairy products when they sell for a better price.’

Outcome 1, Output 1.2: Activities 1.2.1: Male Bull Owner Levan Kachkachashvili on Bull Service Outputs (SJ): ‘I’ve purchased 6 Holstein calves and 7 Simmental calves after the programme motivated demand of the bull service among the SSLPs in my village. Now I take control over my village herd and lab analysis of every single cow is a must for SSLPs to access the bull service.’

Outcome 1, Output 1.3: Activity 1.3.1: Female SSLP Nanuli Khorguani on Nutrition Product Outputs (KK): ‘In Tetrtskaro municipality, our village pasture grass doesn’t grow much and without Ednari’s combined feed it would be impossible to get sufficient quantity of milk, we can now keep milking and selling milk. 3 months ago, I bought children’s furniture on credit, I pay 200 Gel/month from selling milk and I will pay off the debt this month.’

Outcome 1, Output 1.3: Activities 1.3.1: Machinery Shop Owner Adil Piriev on Machinery Service Outputs (KK): ‘I went to Credo (MFI) to find a way to help my customers. I wanted to copy the easy credit model of electrical appliance shops that is very well developed. After negotiation, Credo decreased the percentage of the loans from 8% to 5% and I cover the remaining 5% so my customer gets an interest-free loan. Now we are seeing huge demand on our services, the programme’s subsidy model showed me how to work in this way.’

Outcome 1, Output 1.3: Activities 1.3.1: Male Machinery Service Provider Vardan Papoyan on Machinery Service Outputs (SJ): ‘In our village, farmers own quite large areas of land. My machinery service has

become profitable. Also locals working in Russia have started investing their savings in machinery. As a result, the number of tractors has tripled from 10 to 30 since 2011’

Outcome 1, Output 1.4: Activity1.4.1: Mosavali Video’s Female Viewer Iza Shatirishvili on Information Outputs (KK): ‘The Mosavali videos are very interesting and useful for farmers. I see and learn things I didn’t know before or knew in a wrong way. The Facebook page with Mosavali videos about veterinary issues is also very useful, as we can ask questions and get answers immediately.’

Outcome 1, Output 1.4: Activities 1.4.1: Producer of Agro Programme ‘Me Var Fermeri’, Giorgi Surmanidze on Information Outputs (AJ): ‘One year ago the TV programme was more studio formatted. Field visits were limited due to the lack of transport and equipment. I have now modified the content, added slots, focused on the livestock sector, beekeeping and women’s role in the agriculture which is new for the local media.’

Outcome 2, Output 2.2: Activity2.2.1: Male Milk Processor Tamaz Chankvetadze on F S & H Service Outputs (KK): ‘I attended the NFA meeting for milk processors. These kind of meetings are very useful for us, because we can get information about new regulations. I heard many things which were new for me. We face many problems and these meetings will be helpful to overcome these challenges.’

Outcome 2, Output 2.2: Activity2.2.1: Star Consulting/ Ekaterine Burkadze on F S & H Consultancy Outputs (KK): ‘Since the 1st of February, our government has added a new regulation in the Law of Environment Protection for enterprises to appoint a person responsible for waste management and the enterprises ask me for assistance. I passed the required trainings and now I am certified to assist the enterprises in this way which makes my business more profitable.’

Outcome 2, Output 2.2: Activities 2.2.2: BDS Company Intellect Representative, David Ardzenadze on BDS Service Outputs (AJ): ‘Our experience working with agricultural entrepreneurs through the ALCP was the main reason the Management Agency of the Minister of Agriculture chose us to develop business plans for applicants of its ‘Project of Co-financing Agro Processing Enterprises’. We are also considered thought leaders in Ajara to talk about business services and plans, importance of HACCP and EU regulations by MoA and local media.’

Outcome 2, Output 2.2: Activity2.2.2: Slaughterhouse ‘Shula’ LTD Zaza Chokhnelidze on Meat Market Outputs (KK): ‘In the villages near my slaughterhouse on the main road to Armenia, the number of meat shops has increased from 2 to 10. Now farmers have my phone number and call me to find out the exact weight of their livestock using my scales, before a meat shop owner buys them and brings them here. Before they did visual estimation of their cows’ weight and were losing about 20kg/cow.’

Outcome 2, Output 2.3: Activity2.3.1: ‘Milkeni’ LTD Female Representative Nino Zanadze on Dairy Market Outputs (KK): ‘We have worked with your programme for only 2 years and have moved ahead enormously. We follow HACCP requirements and have the new position of HACCP Manager, I am very proud that we have minimized all the risks of food contamination and our product has a great position in the dairy market. Without your programme’s help, all the success would not have been possible and it is not just finance assistance, it is the invaluable knowledge you give us on a daily basis.’

Outcome 2, Output 2.3.: Activities 2.3.3: Female Milk Supplier Emine Tavartkiladze on Dairy Market Outputs (AJ): ‘A milk collector now comes right to my house. I save so much energy and time. I can now have some rest and some time for myself: watching TV programmes, spend more time with my grandchildren, do house work and more. I feel less stressed and worried. I’m more motivated to have more cows and more milk.’

Outcome 3, Output 3.3: Activity 3.3.1: Deputy Minister of Agriculture Levan Davitashvili on DRR Intervention Outputs (KK): ‘The Bio Security Points are a very important in terms of moving forward in disease prevention and treatment. It is necessary for farmers, shepherds and for locals living on this way to avoid health problems. For many years, this infrastructure did not exist and with the help of SDC and the ALCP and the Ministry of Agriculture we have 2 Points and 4 will be added very soon.’

Outcome 3, Output 3.1: Activity 3.1.1: Regional DRR WG Coordinator Tamaz Avkopashvili on DRR Intervention Outputs (KK): ‘The local government gave me very special responsibilities to manage all DRR issues properly and coordinate with other municipalities, due to this new role my salary increased in 30%. I have new obligations to fulfill that will benefit DRR in the municipalities.’

Outcome 3, Output 3.3: Activities 3.3.1: Head of DRR WG in Keda, Mamuka Partenadze on DRR Outputs (AJ): ‘Before, we had no experience or resources to respond to animal diseases and other natural disasters. Now, due to the hotline number on which we have had 300 calls in 4 months period), we are able to act immediately; we coordinate with NFA representatives, we have a car to be mobile and access even mountainous inaccessible places. People call not only for livestock related disasters but other natural disasters as well.’

Outcome 3, Output 3.1: Activity 3.1.2: Owner of MCC Irma Gubeladze on F S & H Advocacy/Information Outputs (KK): ‘The Regional Development Agency in Kvemo Kartli-KKRDA has developed a new service for delivering F S & H advocacy and information. I own a milk collecting center and I have to know laws and regulations connected to my business. The KKRDA Meetings gives me the opportunity to check my knowledge about the rules, receive new information, raise questions and receive answers.’

Outcome 2/3, Output 2.3/3.1/3: Ajara Beekeepers Business Association Chairman, Roland Kedjeradze on Honey Market Outputs (AJ): ‘Before, we had limited activities, very few members and our name was unknown. Last year we organized the first honey festival in Ajara facilitated by the programme and interest in our activities and number of members has increased. We work with the NFA and we have become a voice of local farmers and advocate their interests to government. We provide consultations to farmers and organize trainings on beekeeping issues.’

Outcome 3, Output 3.2: Activity 3.2.1: Women’s Room Visitor Diana Dementrashvili on Women’s Access to Decision Making Outputs (KK): ‘I got information about the governmental programme ‘Produce in Georgia’ and the Room helped me to fill the application, I got a grant and purchased 4 female goats for my farm. Now I have become more business oriented, I participate in many agricultural conferences and meet with foreigners, I want to present my product in English and I attend English class in Woman’s Room.’

Outcome 3, Output 3.2: Activities 3.2.5: Gamgebeli of Keda Municipality, David Dumbadze on Women’s Access to Decision Making Outputs (AJ): ‘Gender issues have become a priority in my work. I’m more involved in the community meetings and personally ask women to take part in to express their needs. Women from Tskhmorisi Village asked for the children’s playground, I decided to use the reserve fund of the municipality to build it. Also, we repaired the water system in Dandallo Village, based on the request of female farmers. I try to make the point about the importance of the women involvement in my media interviews and while speaking with farmers.’

Outcome 3, Output 3.2: Activities 3.2.5: Batumi Based Women’s Room Coordinator, Natia Surmanidze on Women’s Access to Decision Making Outputs (AJ): ‘We provided consultation to two women from Kobuleti municipality who want to run a guesthouse and youth camp. We have visits to our room on a daily basis and consult on legal and social issues. Women bring their kids and use the children’s corner and library.’

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's Attribution to the Programme
			Source	Verified/not Verified (& date if verified)					
1	1.1.1 Roki/ Roin Abuladze	Business Expansion	Client Supported Entity	Verified/ July 2015	Y Direct Both	Tsalka/ KK	April/ 2015	Seeing the profitable market Roin Abuladze a vet pharmacy owner in Tsalka, has opened one more vet pharmacy in Tsalka center.	Programme facilitation with Roki Ltd included refurbishment of Roin's Tsalka pharmacy, the improved business model convinced the owner to open one more
2	1.1.1 Momavlis Fermeri/Roki (KK)	Business Expansion	Client	Verified/ December 2015	Y Direct Qual	Tbilisi	November/2015	Under the Georgian governmental programme 'Renovation of the Irrigation System in Georgia', Momavlis Fermeri has a contract to hold meetings with farmers in 15 villages of KK to inform them about irrigation system management	Programme client training and consultation experience with farmers facilitated by the programme was a reason to choose Momavlis Fermeri
3	1.2.3 Bull Replacement in SJ	Crowding in	BDO	Verified/ May 2015	Y Indirect Both	Akhalkalaki/ SJ	Feb /Nov 2015	7 new improved bull owners who serve farmers with breeding service, some pay in kind and some in cash	They copied the model from the programme clients after seeing the difference in live-weight of calves born where the programme works
4		Business expansion	Client/ BDO	Verified/ December 2015	Y Direct Qual	Adigeni, Tsarbastumani	October / 2015	One bull owner has purchased 6 male calves of <i>Holstein</i> breed and 7 <i>Simmental</i> breed cows for bull service	He became motivated to further upgrade genetics and expand his business operations after the programme facilitation.
5	1.3.1 Combined Feed	Business Expansion	Client	Verified/ May 2015	Y Direct Both	Keda/ AJ Ozurgeti/ Guria	May/ 2015	2 new distribution points, programme client sells wholesale and distributes to the points and his clients add an average of a 2 gel mark up	Programme client

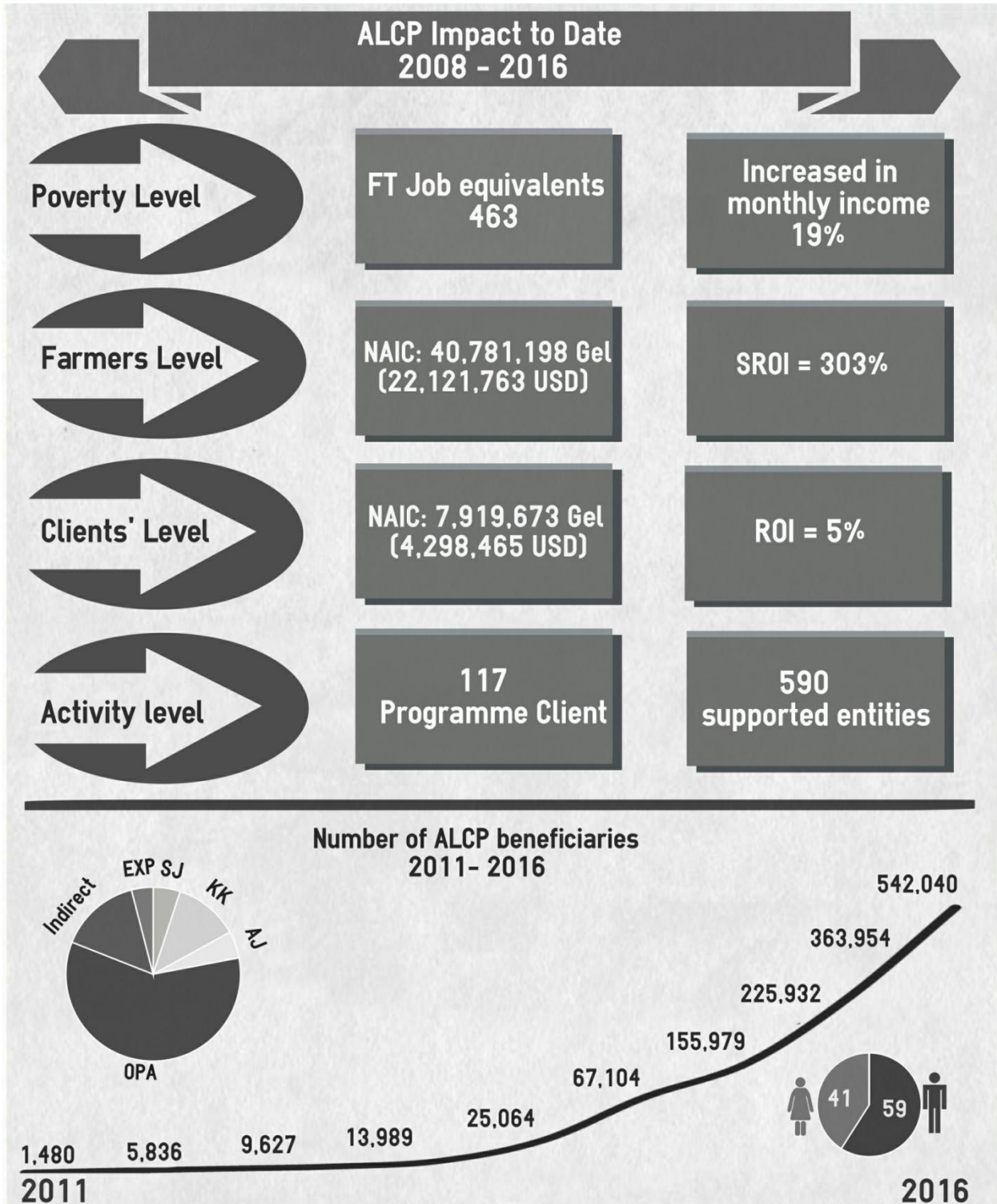
6	1.4.1 Georgian Regional Media Association-GRMA	Business Expansion	Client	Verified/ July 2015	Y Indirect- (3newspapers readers) Both	Tbilisi	July/ 2015	Eurasia Foundation has signed an agreement with the Association to produce a FS&H supplement once a month prepared by local journalists and put in 16 local newspapers throughout Georgia. 13 newspapers attended at the agro journalism training	The training in agro journalism, preparing the agri journalism study modules in the universities journalism curriculums and guidelines for reporting on agriculture for journalists inspired the association to start producing the content which the Eurasia Partnership Foundation took into account when funding.
7	1.4 Newspaper "Southern Gates"	Crowding in	Client/ BDO	Verified/ March 2015	Y Indirect Both	SJ	Mar/ 2015	Newspaper 'Southern Gates' has started broadcasting online agro programme with the same name 'Meurne' as for the agricultural supplement twice a month	The newspaper has replicated the agro programme from the programme client Imperia Ltd
8	1.5.1 Agricultural Machinery Shop Mar-Mot	Crowding in	Client	Verified/ May 2015	Y Direct Both	Ninotsminda/ SJ Kutaisi/ Imereti	Sep/ 2014	2 machinery operators have established their own machinery shops	They buy the implements and spare parts with the wholesale prices from the Marmot and sell with the retail price as the Marmot has in his Tbilisi shop
9	2.2.3 Dairy in KK J-T-A	Crowding in	Client	Verified/ December 2015	Y Indirect Both	Tsalka, Bareti Village/ KK	September/ 2015	Valeri Vezdeni from Bareti Village, Tsalka has started Sulguni cheese producing; he collects 250-300 lit /day from 11 SSLP's	Valeri got information about production and equipment from Anzor Khinikadze
10	2.2.3 Dairy in KK Tsezari Kakhadze	Business Expansion	Client/BDO	Verified/ July 2015	Y Direct Both	Tsalka/ KK	May/ 2015	1 cheese distributor from Zugdidi is now linked to Tsezari, he buys cheese and sells to Gali, Abkhazia	Programme client
11	2.3.1 Dairy in KK Milken	Business Expansion	Client/ BDO	Verified/ June 2015	Y Direct Both	Gardabani/KK	April/ 2015	Milken has become the only distributor of 6 types of smoked cheese to Nikora's shops in Tbilisi and in the whole region of Kakheti. It has started distribution of cheese to Nugeshi and Foodmart shops as well.	Programme client.
12	2.2.3 Dairy in KK Temuri Kakhadze	Business Expansion	Client/BDO	Verified/ August 2015	Y Direct Both	Tsalka/ KK	June/ 2015	1 cheese distributor from Zugdidi has linked to Temuri, he buys cheese and sells to	Programme client

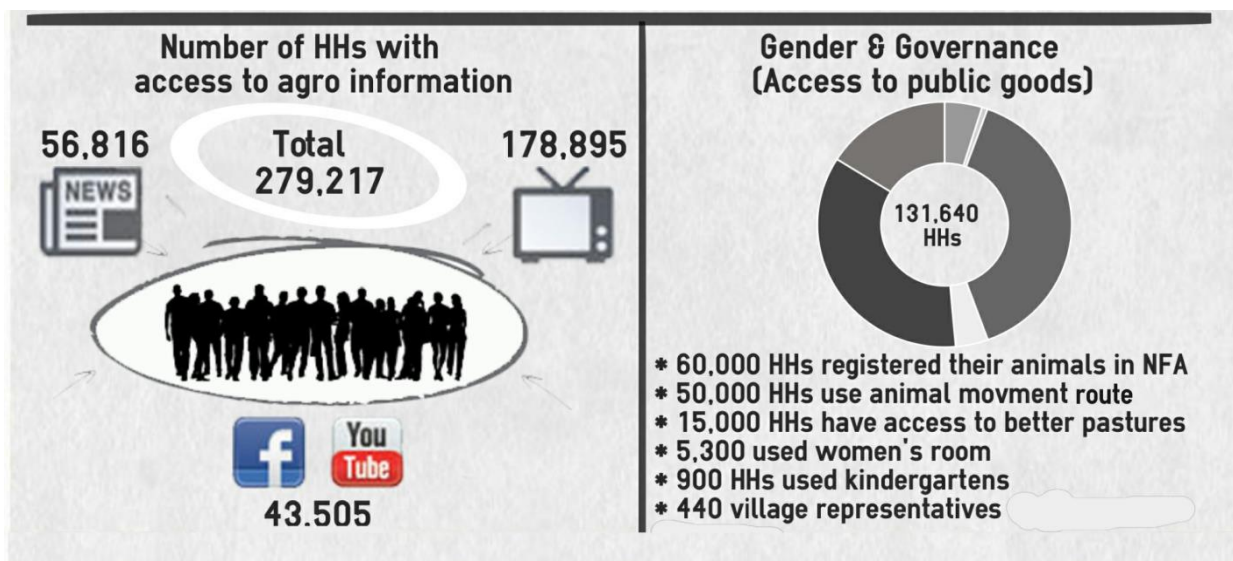
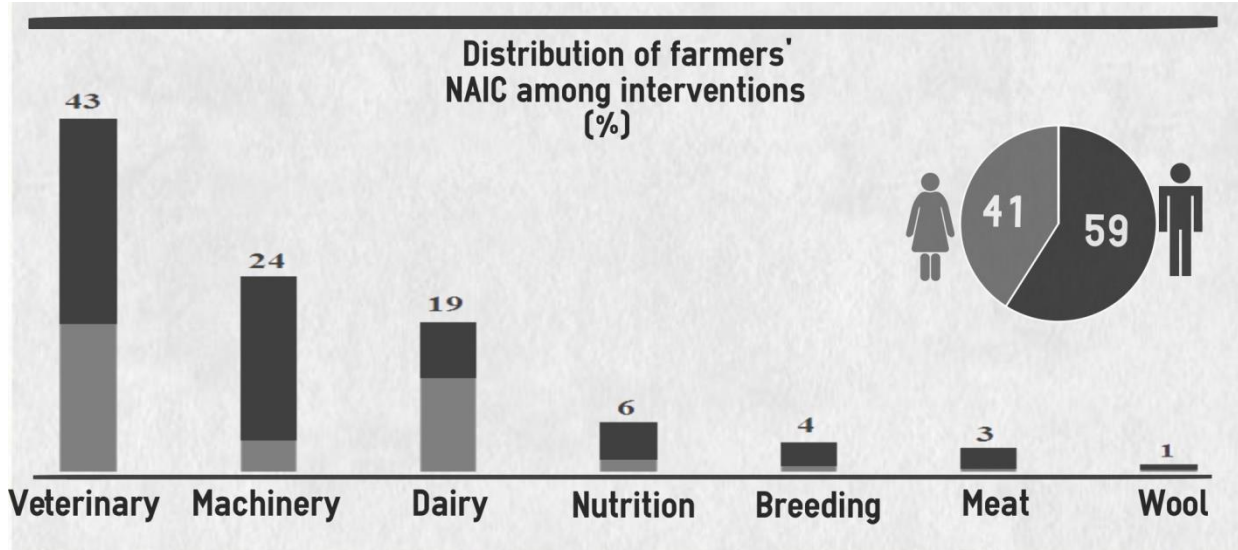
								Gali, Abkhazia	
1 3	2.3.1 Dairy in KK Aleksandre Naveriani	Business Expansion	BDO, Client	Verified/ December 2015	Y Direct Qual	Gardabani/KK	October/2015	Aleksandre Naveriani's 2 staff members has been trained as milk technologists at Gori State University	Programme client He saw the needs after our programme facilitated FS&H consultancy of Ekaterine Burkadze
1 4	2.2 Dairy in SJ Tsipora-Samtskhe	Crowding in	Client/BDO	Verified/ May 2015	Y Indirect Both	Adigeni/SJ	2014	A new milk collection centre has started functioning in remote Mokhe Village collecting milk from 15 SSLPs on average 300 litres of milk daily.	His friend is running an MCC which supplies milk to our programme client; so he copied & started supplying milk as well.
1 5		Crowding In	Client/BDO	Verified/ December 2015	Y Indirect Both	Adigeni Tsre	October/2015	Georgian Natural Product LTD processing 500-700 liters of milk daily (during low season) from 60 SSLPs of 3 villages. They produce Imeruli cheese and sell to Goodwill, Marshe, Food Service, La Family.	Started after seeing other Samtskhe-Javakheti based dairy producers (programme clients) who were continually developing the local production.
1 6		Business Expansion	Client/BDO	Verified/ October 2015	Y Direct Qual	Akhaltzikhe	July/2015	Tsipora-Samtskhe has started working with 3 distribution companies who supply dairy products to <i>Smart & Nikora</i> and to <i>Nabiji</i> .	Programme client. Previously, they were selling dairy products only to small shops and markets located in Adjara and Tbilisi
1 7	Dairy in SJ Akhali Meskheti LTD	Business Expansion	Client/BDO	Verified/ January 2016	Y Direct Qual	Aspindza Toloshi	December/2015	Akhali Meskheti LTD has taken a second-time preferential agricultural loan \$90.000 plus he added his own money \$35.000 to increase daily processing capacity from 4 to 10 tones and cheese storage capacity from 15 to 50 tones.	Programme client
1 8	2.2 Dairy in SJ I.E Simion Darbinyan	Business Expansion	Client/BDO	Verified/ February 2016	Y Direct Qual	Ninotsminda Uchmana	December/2015	I.E Simion Darbinyan and his partner invested \$160,000 to increase daily processing capacity from 6 to 20 tones/day and to further	Programme client

								upgrade the technological equipment	
19	2.3.1 Meat in KK Alali 2015	Crowding -in	Client/BDO	Verified/February 2016	Y Direct Both	Marneuli	November/2015	1 slaughterhouse will be opened in Vashlovani Village, Tetrtskaro this year	They got information on the model of construction and FS&H requirements from the programme client
20		Partial Crowding in	Client/BDO	Verified/February 2016	Y Direct Both	Marneuli	November/2015	1 slaughterhouse working in Kumisi, Gardabani has purchased a saw and installed disinfection barrier	The owner copied the business model from the programme clients Alali 2015
21	2.2. Meat in SJ Kusha LTD	Crowding in	Client/BDO	Verified/January 2016	Y Direct Both	Akhaltzikhe	October/2015	Irqa LTD invested 200,000 Gel in the construction of the slaughterhouse in the Agricultural market in Akhaltsikhe	The owner copied the business model from the programme clients and copied best practices on how to set up a compliant enterprise.
22	2.2. The National Food Agency	Crowding in	Client/BDO/	Verified/February 2016	Y Indirect Both	Tbilisi	Feb/2016	The National Food Agency has conducted a meetings with business operators in honey sectors in Samegrelo	The National Food Agency has taken up the model of meetings facilitated by the programme
23	2.2. BDS First Consulting	Business expansion ⁷⁵	Client	Verified/June 2015	Y Direct Both	Khashuri/Shida Kartli Mestia/Svaneti	June/2015	2 business plans for cheese production under 'Project of Co-financing of Agro Processing Enterprises' of the Management Agency of the Minister of Agriculture	Working experience with the ALCP has been used, the same model of the value chain of ALCP
24	2.2. Intellect/BDS Service in AJ	Business Expansion	Client	Verified/February 2016	Y Indirect Qual	Batumi/Ajara	February/2016	Under the 'Project of Co-financing of Agro Processing Enterprises' of the MoA has a year's contract with Intellect for preparing business plans.	Working experience with the ALCP programme, & knowledge of constraints of rural SME's was crucial for the agency to award the contract.
25	2.2. Star Consulting Company Eka Burkadze (KK)	Business Expansion	BDO, Client	Verified/December 2015	Y Direct Qual	Georgia	May-Sep Dec/2015	7 slaughterhouses and 2 Cheese enterprises throughout Georgia have carried out GMP assessments and HACCP implementation. The company has carried out training based on demand from HoReCa sector business operators (500 participants).	Programme client Star Consulting uses the programme facilitated assessment models and training materials.

⁷⁵ These enterprises are not currently open so listed as 'Business Expansion' once open they can be counted as crowding in.

26	2.2.1. Targeted FS&H awareness raising & advocacy with key stakeholders including HoReCa sector in Ajara	Business expansion	Client	<i>Verified/ August/October 2015</i>	Y Indirect Both	Batumi/Ajara	<i>August/Jan 2015</i>	After 2 phases of ALCP AJ facilitated FS& H trainings, Ajara Restaurants and Cafés-Bars Association carried out additional training based on demand from HoReCa sector business operators (22 participants), plus for the 15 employees of Batumi Water	The Association used the same model of the FS&H the programme facilitated.
27	3.3 DRR	Crowding in	Client/BD O	<i>Verified/ July2015</i>	Y Direct Both	Rustavi	<i>June/2015</i>	Rustavi City has established DRRWG due to participate in the network of KK Regional DRR Coordination System and become a member of the network.	They have received the information of DRRWGs functions from the Governor of KK and copied the model
28	3.3.1. Black Sea Eco-Academy (AJ)	Business Expansion	Service Contractor	<i>Verified/ December 2015</i>	Y Direct Qual	Tbilisi (covers all regions)	<i>December/ 2015</i>	Black Sea Eco-Academy has won a contract with World Wildlife Fund Under 'Project of Implementation of Financial Participatory Approach for Socio-Economic Development in Khulo Municipality'	Working experience on the survey for the ALCP programme 'Human Wildlife Interface' was a reason for the selection of the organization among 6 other candidates





Note: Villages representatives were trained in the Gender Guidelines for the inclusion of women in community meetings under the Women's Access to Decision Making Intervention.

Women's Economic Empowerment - Dairy

She lives in Kvemo Kartli and supplies milk to the local ALCP supported milk processor

"After I stopped cheese making I have much more free time. Furthermore, I generate more money. Last month I brought the washing machine".

During one year she...

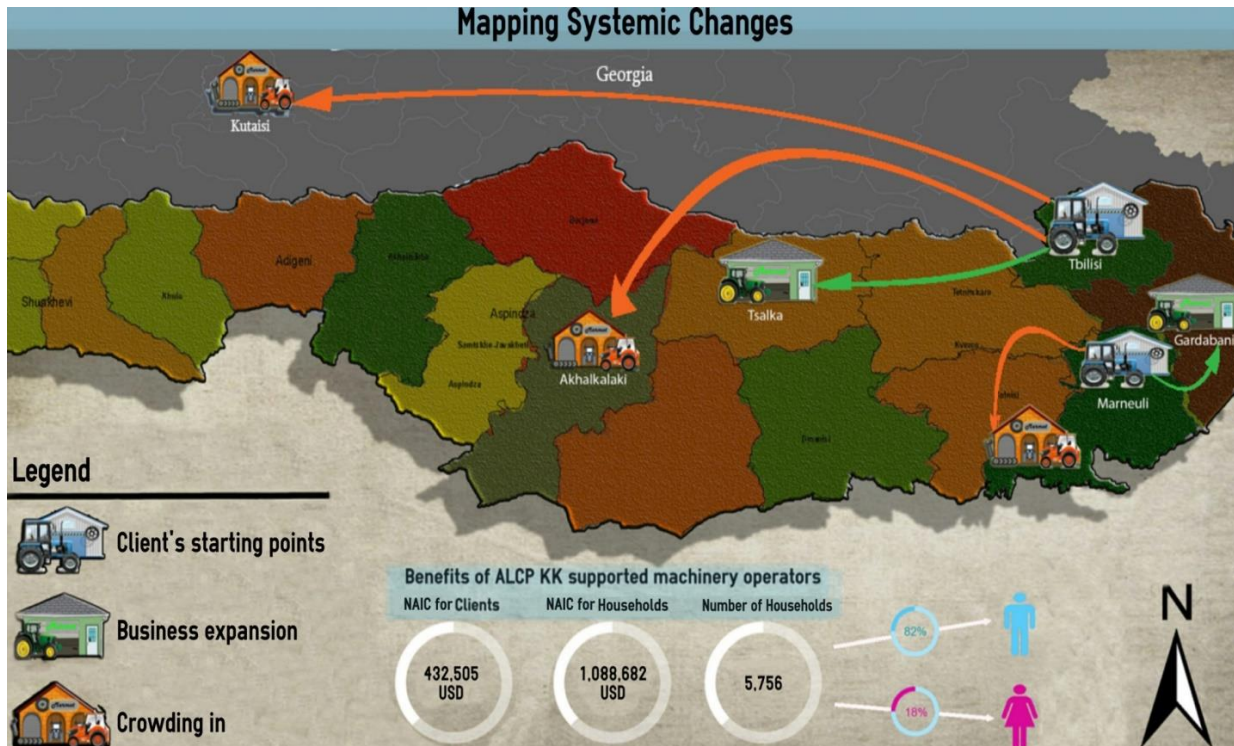
- Generated income: 619 USD
- Saved: 730 hours
- Spent more time and money on children, healthcare and education
- Increased # of cattle by 10%

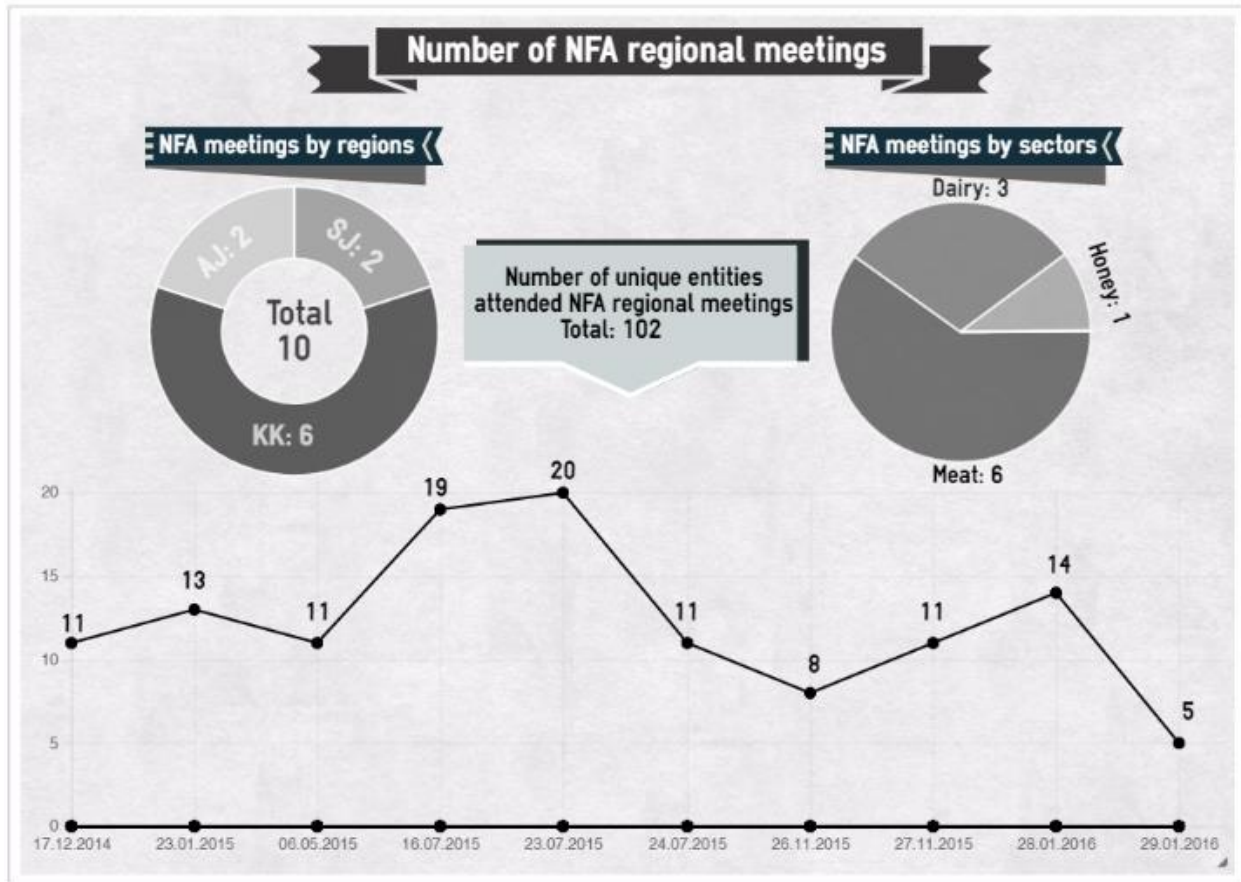


Total benefits of women from milk processors (2008 - 2016)



Note: The programme is working hard on better transmittion of synthesized quantitative and ualitative information and systemic change through info graphics.





Note: Since December 2015 until now, the ALCP programme has facilitated the meetings between NFA and Dairy, Meat and Honey entities in three regions of Georgia (AJ, SJ and KK). The main goal on these meetings is to introduce the changes in the national law and new national requirements on Food Safety and Hygiene and to build good relationships between the two parties.

ANNEX 5: LIST OF INTERVENTIONS UNDERTAKEN IN THE REPORTING PERIOD

LIST OF INTERVENTIONS UNDERTAKEN IN THE REPORTING PERIOD (FROM 1 st OF March 2015 – TILL 29 th OF February 2016)												
No	Intervention Name Logframe Outcome/ Output/ Activity	Name of Company and Legal status	Person to Contact	Location	Description	Interventions Starting Date	Total Budget		ALCP Contribution	Client Contribution	Third Party	Clients Performance
							USD	%				
1	1.1.1 Biotecsi/ALCP KK-1	LTD BIOTEC SI	Nikolo Z Zazash vili	Tbilisi, #8 Iumashevi street, Isani district	Production of new vet drugs, also providing laboratory tests of vet. Drugs	29/04 /2015	USD	1380 81	44579	93502		Very Good
							%	100 %				
2	1.1.2 Impervet Ltd / ALCP AJ-1	Impervet Ltd	Mikheil Tetrus hvili	142 Tsereteli avenue, Tbilisi, Georgia	Beekeeping inputs supplier company	02/07 /2015	USD	5545 2	35193	20259		Good
							%	100 %				
3	1.3.1 Mar- Mot/ALCP KK-1	LTD "Mar- Mot"	Adil Piriev	Former-potato farm, Marneuli.	Agricultural Machinery shops (Tsalka and Gardabani municipalities)	14/05 /2015	USD	4053	2541	1512		Very Good
							%	100 %				
4	1.3.1 Agricultural Machinery	003 ALCP KK LTD "Mar- Mot"	Adil Piriev	Former-potato farm, Marneuli.	Agricultural Machinery services provider (forty seven clients)	14/05 /2015	USD	1689 46	49661	119285		Very Good
							%	100 %				
5	1.3.4 TRAKTORSE RVISI/ALCP AJ- 1	LTD. TRAKT ORSER VISI	Temur Gorga dze	Akhalgazrdob is Ave #19 Georgia, Kutaisi,	Machinery producer/sup plier	22/06 /2015	USD	1760 9	5283	12326		Very Good
							%	100 %				
6	1.4.1 ELVA /ALCP KK-1	Non- Entrepre neurial (Non- Commer cial) Legal Entity "ELVA"	Jonne Catsho ek	#6 flat, #17 Fanaskerteli street, Tbilisi, Vake – Saburtalo district	videos of practical advices and recommendat ions on agriculture issues	14/05 /2015	USD	4950 0	22251	27249		Very Good
							%	100 %				
7	1.4.1 Georgian Association of Regional Broadcasters/ ALCP KK-2	Non- Entrepre neurial (Non- Commer cial) Legal Entity	Natia Kuprav a	Old Tbilisi district, Iashvili street #14/22	Media Association	02/10 /2015	USD	1231 .40	979.40	252		Very Good
							%	100 %				
8	1.4.1. ELVA / ALCP AJ-1	Non- commere cial Legal Entity ELVA	Jonne Catsho ek	Fanaskerteli Street. # 17, Tbilisi, Georgia,	Agricultural Video Producer	21/12 /2015	USD	5241 0	33509	18901		Very Good
							%	100 %				
9	1.4.1 Journalism	(Non- Commer	Nino Chantu	Vake - saburtalo	Journalism Resource	22/12 /2015	USD	5014	30700	19440		Good

	Resource Centre/ALCP KK-1	cial) Legal Entity	raia	district , Tskneti highway 16/18, flat 94	Centre			0				
								%				
10	1.4.2. Adjara P.S. / ALCP AJ-1	Adjara P.S. Ltd	Jemal Megreli dze	Aghmashenebli Street. # 13, Batumi, Georgia,	Newspaper Publishing Company	15/02/2016	USD	19378	5035	14343		Good
							%	100%	61.23%	38.77%		
11	2.2.2 Intellect / ALCP AJ-1	Intellect	Levan Gobadze	Pirosmani str. #12, Batumi	Noncommercial legal entity (BDS)	30/10/2015	USD	55289	23539	16032	15718	Good
							%	100%	42.57%	29.00%	28.43%	
12	2.3.1 ALCP KK-BMB/3	LTD BMB	Mikheil Avkopa shvili	Ratevani village, Bolnisi municipality	Cheese and Buffalo Matsoni production company	17/04/2015	USD	36573	17573	19000		Under construction
							%	100%	48.05%	51.95%		
13	2.3.1 J-T-A/ALCP KK-3	LTD "J-T-A"	Tamar Mikela dze	Kldekari street #8, Tsalka Municipality	Cheese production company	3/06/2015	USD	62725	36459	26266		Very Good
							%	100%	58.13%	41.87%		
14	2.3.1 Khrami /ALCP KK – 1	LTD "Khrami"	Elbrus Aliev	Village Tsurtavi of Bolnisi Municipality	Wool processor Company	07/07/2015	USD	32801	20050	12751		Good
							%	100%	61.13%	38.87%		
15	2.3.1 Kesalo 2015 / ALCP KK – 1	LTD "Kesalo 2015"	Iagub Piriev	Gardabani, Nazarlo village,	slaughterhouse	09/07/2015	USD	102660	50958	51702		Very Good
							%	100%	49.64%	50.84%		
16	2.3.1 Aleksandre Naveriani/ALCP KK - 1	Individual Entrepreneur Aleksandre Naverian	Aleksandre Naveriani	Ponichala village of Gardabani Municipality,	Cheese production company	14/04/2015	USD	51073	30993	20080		Very Good
							%	100%	60.55%	39.45%		
17	2.3.1 Manana Tsikarishvili /ALCP SJ-1	Individual Entrepreneur Manana Tsikarishvili	Manana Tsikarishvili	Klde Village , Akhaltsikhe munivipality	Wool Producer Company	10/07/2015	USD	28387	16390	11998		Very Good
							%	100%	57.74%	42.26%		
18	2.3.1 Suren Gevorkiani/ALCP KK-1	Individual Entrepreneur Suren Gevorkiani	Suren Gevorkiani	Tsitelsopeli village, Mameuli municipality	Ayrans making enterprise	03/09/2015	USD	79199	35597	43522		Under construction
							%	100%	44.99%	55.01%		
19	2.3.1 Alali-2015 / ALCP KK - 1	LTD Alali-2015	Goderdzi Gigauri	Tetrtskaro, Vashlovani village	Slaughterhouse	18/09/2015	USD	112965	41625	71340		Very Good
							%	100%	36.85%	63.15%		
20	2.3.1 Milken/ALCP KK-1	LTD Milken	Iveri Gabarauli	XIV district, bulding #46, apt 57, Rustavi	Cheese production Company	26/09/2015	USD	115638	66603	49035		Very Good
							%	100%	57.60%	42.40%		
21	2.3.2 Ori Gio / ALCP AJ -1	Ori Gio Ltd	Temuri Beridze	Village Stepanashvilebi, Khulo	Slaughterhouse	09/04/2015	USD	80623	51863	28759		Very Good
							%	100%	64.33%	35.67%		

22	2.3.3 Natural Produktsia / ALCP AJ- 1	Natural Produktsia Ltd	Arkadi Kakhadze	Village Tabakhmela, Khulo	Cheese Producing Company	07/04 /2015	USD	248025	150185	97840		Very Good
							%	100%	60.50%	39.50%		
23	2.3.3 Elguja Baramidze / ALCP AJ-1	Elguja Baramidze Ltd	Elguja Baramidze	Akhalshevi village, Khelvachauri, Georgia	Cheese Producing Company	13/08 /2015	USD	240010	119420	120590		Very Good
							%	100%	49.76%	50.24%		
24	2.3.5 Ecotours Georgia / ALCP AJ -1	Ecotours Georgia Ltd	George Rajebashvili	flat 72, building 24, Gldani II, Tbilisi	Ecotours organizing company	27/04 /2015	USD	17426	11166	6260		Good
							%	100%	64.08%	35.92%		
25	2.3.5/3.1.3/3.3.2 Eco Films Ltd / ALCP AJ -1	"Eco Films" Ltd	Nikoloz Tsiklauri	41 Tabidze str, Apt 23, Vake-Saburtalo District, Tbilisi.	Production of documentary films	30/04 /2015	USD	79799	47560	32239		Good
							%	100%	59.60%	40.40%		
26	2.3.5/3.1.10/3.2 Business Association of Ajarian Beekeeping/ ALCP AJ-2	Business Association of Ajarian Beekeeping	Roland Kezhera dze	A. Melashvili Street. # 26, Batumi, Georgia,	Noncommercial legal entity	30/10 /2015	USD	27612	15815	11797		Good
							%	100%	57,28%	42,72%		
27	3.1.1 National Food Agency/ALCP KK -1	National Food Agency	Zaza Dolidze	Marshal Gelovani avenue №6, 0159 Tbilisi	Construction of 6 Bio Security Points on AMR	05/06 /2015	USD	463798	187220	276578		Very Good
							%	100%	37.94%	62.06%		
28	3.1.2 Kvemo Kartli Regional Development Agency/ALCP KK-1	Kvemo Kartli Regional Development Agency	Mikheil Gurtskia	Megobroba Ave. №1, 3700 Rustavi	To enhance and strengthen KK RDA's role and services	19/07 /2015	USD	22721	14243	8478		Very Good
							%	100%	62.69%	37.31%		
29	3.1.9 Batumi Botanical Garden / ALCP AJ	Non-Commercial Legal Entity Batumi Botanical Garden	Tamaz Darchidze	Mtsvane Kontskhi, Batumi	Eco Educational Trainings for school kids for school kids	10/03 /2015	USD	2004	1544	460	184	Very Good
							%	100%	65%	19.5%	15.5%	
30	3.1.10 Business Association of Ajarian Beekeeping/ ALCP AJ-1	Business Association of Ajarian Beekeeping	Roland Kezhera dze	A. Melashvili Street. # 26, Batumi, Georgia,	Noncommercial legal entity	06/08 /2015	USD	15499	10065	5433		Very Good
							%	100%	64.94%	35.06%		
31	# 3.2.3 Association of Businesswomen of Ajara/ ALCP AJ -1	"Association of Businesswomen of Ajara"	Makvala Kvirikadze.	A. Melashvili Street. # 26, Batumi, Georgia,	Noncommercial legal entity	02/07 /2015	USD	12087	5871	6216		Very Good
							%	100%	48.57%	51.43%		
32	3.2.5 Khulo Municipality/ ALCP AJ -1	Khulo Municipality LSG	Gangebeli of Municipality Besik Bauchadze	Tbel Abuseridze str. #1, Daba Khulo, Georgia	Local Self-Government	30/10 /2015	USD	13823	8555	5268		Good
							%	100%	61.89%	38.11%		

33	3.2.5 Shuakhevi Municipality/ALCP AJ-1	Shuakhevi Municipality LSG	Gamgebeli of Municipality Tariel Ebralidze	Tamar Mephe str. #30, Daba Shuakhevi, Georgia	Local Self-Government	29/02/2016	USD	15297	9944	5353	Good
							%	100%	65.01%	34.99%	
34	3.2.5 Keda Municipality/ALCP AJ-1	Keda Municipality LSG	Gamgebeli of Municipality Davit Dumbadze	Kostava str. #3, Daba Keda, Georgia	Local Self-Government	29/02/2016	USD	16080	10771	5309	Good
							%	100%	66.98%	33.02%	
35	3.3.1 Khulo Municipality/ALCP AJ-1	Khulo Municipality LSG	Khulo Municipality LSG	Tbel Abuseridze str. #1, Daba Khulo, Georgia	Local Self-Government	08/04/2015	USD	25818	16868	8950	Very Good
							%	100%	65.33%	34.67%	
36	3.3.1 Shuakhevi Municipality/ALCP AJ-1	Shuakhevi Municipality LSG	Gamgebeli of Municipality Tariel Ebralidze	Tamar Mephe str. #30, Daba Shuakhevi, Georgia	Local Self-Government	08/04/2015	USD	25818	16868	8950	Very Good
							%	100%	65.33%	34.67%	
37	3.3.1 Keda Municipality/ALCP AJ-1	Keda Municipality LSG	Gamgebeli of Municipality Davit Dumbadze	Kostava str. #3, Daba Keda, Georgia	Local Self-Government	08/04/2015	USD	25818	16868	8950	Very Good
							%	100%	65.33%	34.67%	
38	3.3.1 Khelvachauri Municipality/ALCP AJ-1	Khelvachauri Municipality LSG	Gamgebeli of Municipality Nadim Varshanidze	Didachara str. #3, Daba Khelvachauri, Georgia	Local Self-Government	08/04/2015	USD	25818	16868	8950	Very Good
							%	100%	65.33%	34.67%	
39	3.3.1 Kobuleti Municipality/ALCP AJ-1	Kobuleti Municipality LSG	Gamgebeli of Municipality Sulxan Evgenidze	D. Aghmashenebeli str. #141, Georgia	Local Self-Government	08/04/2015	USD	25818	16868	8950	Very Good
							%	100%	65.33%	34.67%	
40	3.3.1 Bolnisi Municipality/ALCP KK-1	Bolnisi municipality	Gamgebeli of Bolnisi Municipality	106, S.S. Orbeliani Str, Bolnisi,	Local Self-Government	12/01/2016	USD	23100	15000	8100	Good
							%	100%	65%	35%	
41	3.3.3 National Food Agency/ALCP KK-1	National Food Agency	Zaza Dolidze	Marshal Gelovani avenue №6, 0159 Tbilisi	The Identification/registration process of livestock	13/11/2015	USD	73126	21792	51334	Good
							%	100%	29.80%	70.20%	
42	3.4.1 Dmanisi Municipality/ALCP 1	Dmanisi Municipality	Goga Barbakadze	Dmanisi Municipality - Gamgeoba	Identification & registration of Dmanisi highland summer pastures	07/05/2015	USD	5140	3270	1870	Very Good
							%	100%	65%	35%	

Introduction

In line with the development of Batumi and Ajara as an international resort, the importance of offering safe food to tourists and providing a growing market to livestock producers through the HoReCa sector increases. Food Safety and Hygiene issues have been even more promoted after signing DCFT agreement. There has also been a more general drive throughout Georgia towards greater enforcement noticeable in the last year by the National Food Agency, with an increase in focus on the issue in Ajara including the number of inspections conducted in HoReCa sector by the National Food Agency.

ALCP Interventions

Market Analysis conducted by ALCP AJ revealed that HoReCa entities allocated in Ajara region were not properly informed regarding the Food Safety and Hygiene rules, which would enable them to offer the Safe Food Products to the tourists. Furthermore, consulting centers were mostly located in Tbilisi, which are hundreds of km's away from the region and there was no possibility to provide the above-mentioned service locally, on-site. Therefore, ALCP Programme has facilitated Food Safety and Hygiene consultancy services to offer regionally appropriate services with information that is targeted to HoReCa entities. Since the beginning of the last year, ALCP Programme in cooperation with Café-Bars-Restaurants Association (CaBaRe) and the Department of Tourism and Resorts of Ajara (DTRA) supported several FS&H trainings for HoReCa entities and informative meetings. The purpose of the trainings was to increase awareness & adherence of HoReCa actors to food safety, hygiene management standards and facilitate best practices that would improve image of Ajara region as an international tourism destination. Besides, it would help them to mitigate critical and non-critical incompliances and thus reduce fines from NFA. Since 2015:

- 12 FS&H trainings were facilitated for HoReCa sector, more than 150 representatives of 70 HoReCa entities were trained. The training material cover FS&H regulations applicable to HoReCa sector, recommendations regarding the arrangement and equipment of the establishment, storage conditions for different types of products, personal hygiene, product labeling and etc.
- 1 FS&H information meeting was held for meat shops and slaughterhouses, 18 persons were present from meat sector. Some of the issues covered during the meeting were: new regulations in FS&H applicable to meat sector; FS&H requirements for meat shops, importance of Form #2.

The achievement of the trainings was immense. According to programme qualitative survey, 70% of the surveyed trained business operators stated that they use information gathered during the trainings in their daily activities, they have changed their working practice regarding proper selection and storage of the products; ventilation and lighting; personal hygiene of the staff, proper washing and keeping of the uniforms, etc. Training participants are more informed and sensitive regarding FS&H issues and most importantly, feel empowered and more confident as the risks of being fined by NFA inspection is minimized.

Review of 2014 / 2015 NFA inspection results conducted in HoReCa sector + supermarkets

We asked the NFA to provide the results of all the inspections held in 2014-2015 to triangulate and inform findings.

According to provided data, in 2014, 233 establishments⁷⁶ were inspected, 41 out of which were scheduled and 192 unscheduled inspections (For the allocation of the inspections according to the establishment types please refer to the table 1). Among the inspected business operators, only 1 was complying with all FS&H requirements. 6 establishments were closed down due to the critical incompliances and levied a fine at an amount of 1000 GEL, while in all the rest of the establishments (226) non-critical incompliances were revealed. All the business operators

⁷⁶ hotels, restaurants, cafes, caterings, katchapuri bakeries, markets, supermarkets, agrarian markets, meat shops

were issued the recommendations and given a reasonable time for fulfilling them. 145 business operators were rechecked after the specified time, 27 out of which were not still complying with FS&H standards and received a fine at an amount of 400 GEL. Total fines imposed in 2014 amounted to 16 800 GEL.

Table 1: Results of NFA inspections conducted in 2014

Establishment	Scheduled inspection	Unscheduled inspection	Total number of inspections	# of establishments complying with FS&H standards	# of establishments with critical non-compliances	# of establishments with non-critical non-compliances	Total amount of Fines imposed (GEL)
Café-Bars, <i>Khatchapuri</i> bakeries	24	153	177	1	3	173	10200
Restaurant	6	17	23	0	3	20	5400
Hotel	5	5	10	0	0	10	400
Markets, supermarkets, Agro markets	4	13	17	0	0	17	800
Meat shops	2	4	6	0	0	6	0
Total	41	192	233	1	6	226	16800

In 2015, 360 establishments were inspected by the NFA, 283 out of which were scheduled and 77 unscheduled inspections (please refer table 2). 17 business operators were closed down due to critical non-compliances and levied a fine at an amount of 1000 GEL, while 343 business operators received the recommendations for non-critical non-compliances and were given a reasonable time for fulfilling all the requirements. More than 100 business operators were rechecked after the specified time. The non-compliances were not improved in 35 establishments, therefore each of them was imposed a fine at an amount of 400 GEL. Total amount of fines imposed in 2015 amounted to 32 000 GEL.

Table 2: Results of NFA inspections conducted in 2015

Establishment	Scheduled inspection	Unscheduled inspection	Total number of inspections	# of establishments complying with FS&H standards	# of establishments with critical non-compliances	# of establishments with non-critical non-compliances	Total amount of Fines imposed (GEL)
Café-Bars, <i>Khatchapuri</i> bakeries	154	31	185	0	14	171	18000
Restaurant	84	24	108	0	1	107	9000
Hotel	12	4	16	0	2	14	2600
Markets, supermarkets, Agro markets	6	11	17	0	0	17	800
Meat shops	27	7	34	0	1	33	2600
Total	283	77	360	0	17	343	32000

Major critical non-compliances revealed during the inspections were:

- Violation of technological process;
- Inappropriate ventilation system resulting in contaminated areas;
- Absence of veterinary certificate Form # 2 for meat;
- Detecting the food products that passed the expiry date.

It is important to note that the last two non-compliances were revealed in establishments inspected in 2015 due to strengthening by NFA of compliance on Form #2 document and product expiry dates.

The most common non-critical non-compliances revealed during the inspection were:

- Dirty premises with inappropriate equipment and storage facilities;
- Absence of microbiologic research act confirming that the water used is drinkable and meal produced clean and safe;
- Absence of proper hygienic and disinfection means with certificate indicated that they are usable in Food industry;
- No journals/records were maintained on disinfection, disinsection and deratization procedures undertaken;
- Violation of labeling rules;
- Staff members were not able to provide FS&H training certificate.

It is worth mentioning that the violation of labeling rules were revealed only in inspections conducted in 2015 as the law on labeling entered into force in the last year. The number of non-compliances concerning the provision of FS&H training certificates decreased in 2015. ***In 2014, 60 business operators (25.8%) out of 233 inspected establishments were not able to provide FS&H training certificate, while in 2015, 77 business operators (21.6%) had not have undergone FS&H trainings. Out of 60 business operators from 2014, only 5 did not have a FS&H training certificate according to 2015 inspection data.***

Conclusion

Although the Department of Tourism and Resorts of Ajara and CaBaRe association conduct FS&H awareness raising trainings, these trainings are addressed to HoReCa sector, shops, supermarkets and agri markets stay out of their targeted segment. Also in Ajara region there are up to 400 registered café-bars-restaurants and more than 100 hotels, the number of trained HoReCa entities representatives was to date only 70. ***That means that the need for continuing FS&H trainings still remains high. It is even more justified by the results of NFA inspections conducted in 2014 and 2015.***

ALCP Involvement

In large measure non-compliances are due to the lack of FS&H information. The ALCP programme can contribute to the improved conditions in all above-mentioned facilities through:

- Facilitating FS&H training entities and trainings and organizing FS&H meetings on a regular basis. Different modules can be created for the meetings, such as labeling rules, importance of keeping the records, arrangement of the facility etc. and can be conducted once a month by the local representative of NFA.
- Distributing the meat and cheese posters developed by ALCP KK to all Ajara based meat shops, supermarkets, agrarian markets, HoReCa entities;
- Facilitating TV slots and newspaper articles on FS&H issues.

Since November 13, 2015 The Swiss Development Cooperation funded Mercy Corps Georgia implemented Alliances Lesser Caucasus Programme in cooperation with the National Food Agency (NFA) has facilitated the pilot identification/registration process of cattle, small ruminants and their cowsheds and entering of this information into the one database. The establishment of coherent set of control systems underpins the future domestic and export growth of the livestock sector.

Outcomes

- ❖ The project aims to develop communication between NFA and farmers to improve disease control in the country and also to maintain consumer confidence in the farm production.
- ❖ A database system encompassing animal identification, registration and traceability system will be accessible for slaughterhouses, Milk collectors and Dairy factories upon their request. It will also facilitate export as an important management tool for animal health control system.

Timeline

- ❖ **In April 2015 ALCP** the issue of the Identification/registration process of livestock arose in discussion with the NFA, which was the first step to start facilitation of discussion and information exchange between the two parties.
- ❖ **From April 2015 till November 2015 ALCP** facilitated meetings with NFA representatives to identify key constraints and define ways to facilitate the livestock Identification/registration process. Due to the fact that NFA itself was unclear of the existing constraints it took a while to define what kind of support was needed. After several meetings and in-depth discussions and analysis both parties clearly defined ways of cooperation and finally agreed to sign a grant agreement. Communication was ongoing with MOLI to facilitate the pilot in Kakheti.
- ❖ **Summer 2015:** Pilot scheme communicated to SDC in more detail at the CBA workshop on hearing that SDC was due to substantially support a livestock registration scheme. Ongoing communications to clarify and define synergy between ongoing pilot facilitation of SDC projects ALCP and MOLI and future SDC/ADA FAO project.
- ❖ **Summer 2015:** Meeting and ongoing communications with MOLI to finalize key facets of facilitation.
- ❖ **In November 2015 the ALCP** signed a grant agreement with the National Food Agency allowing support in the livestock identification/registration with a 29.80% contribution from the ALCP in 3 regions of Georgia and 70.20% co-investment from the NFA for the rest 7 regions of the country.
- ❖ **In November 2015, MOLI Project in Kakheti** also started to facilitate this process, hiring additional 22 Staff members for NFA to carry on the livestock identification/registration process in Kakheti region.
- ❖ **The process of Identification/registration** of livestock under ALCP frame work started from December 2015.
- ❖ **ALCP facilitates technical assistance** and support: purchasing computers, printing out booklets and hiring additional 34 staff members for NFA in 3 regions of Georgia: Kvemo Kartli, Samtskhe-Javakheti and Ajara
- ❖ **NFA takes responsibility to carry out** this process in Tbilisi and the rest 6 regions: Shida Kartli, Mtskheta-Mtianeti, Imereti, Racha-Kvemo Svaneti, Samegrelo-Zvemo Svaneti, Guria and hiring 9 additional staff members, purchasing ear tags for small ruminants and cattle and provide all required human and technical resources for the proper functioning of the infrastructure;

Budget

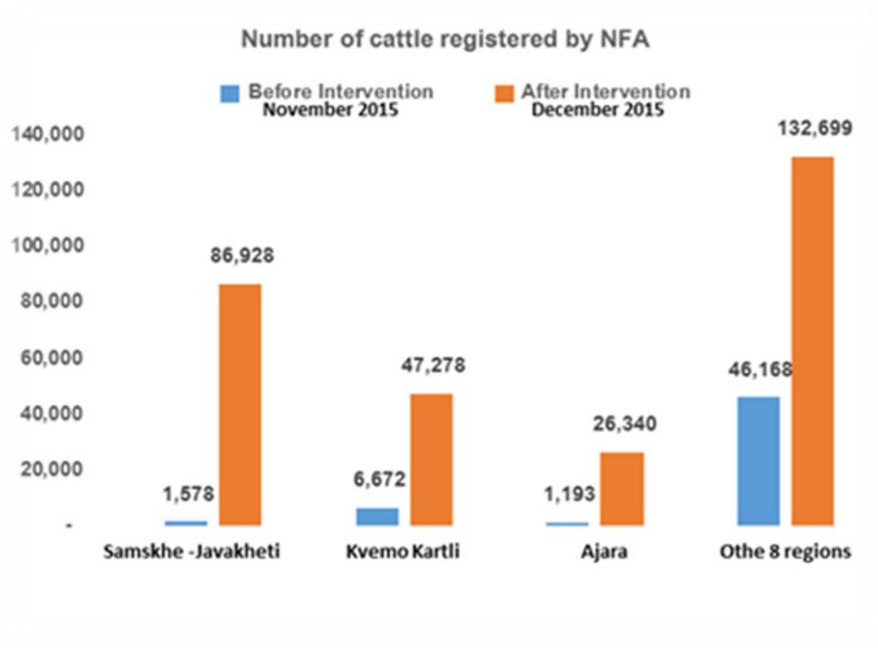
ALCP-KK	Client: NFA
52 300 GEL / (29.80%)	123 203 GEL/ (70.20%)
Total: 175 503 GEL	

Number of livestock

Total ⁷⁷	Baseline: before December 2015	Progress to date: December 2015	Target for 2015-2016:
# of cattle in Georgia - 936 407	# of cattle Registered in Database - 212 301	# of cattle registered in Database - 220 434	# of cattle will register in Database - 503 672
# of sheep in Georgia - 773 812	# of sheep Registered in Database - 0	# of sheep registered in Database - 72 811	# of sheep will register in Database- 701 001

Progress to date

- ❖ In December 2015, as a result of ALCP facilitation , NFA registered **293, 245** livestock



⁷⁷ All information in table are based on NFA statistic

Lessons learnt

- ❖ The project was launched on December 2015, worked for one month and carried on again from March, 2016. According to one month experience of NFA's working shows that the database is still not fully functional.
- ❖ NFA is obliged to provide data on the performed activities to the ALCP like number of Cattle and sheep Identified and registered under the ACLP project framework, as well as # of slaughterhouses, Milk Collection Centers and Cheese Producing Centers received services/information about livestock health related issues, # of villages covered by NFA, and etc. Information provided by the NFA at this stage is incomplete which is constrained with the issue of transferring data into Microsoft Excel from the database. Currently NFA is working on to overcome this constraint.
- ❖ In spite of the NFA intensive efforts to carry out the livestock identification/registration process efficiently and effectively, to achieve the desirable outcomes in a short period of time is difficult due to the lack of professionalism and poor quality of work accomplished by NFA 's hired staff.
- ❖ NFA's support personal were expected to perform both field work and data entry into the database, though due to their low competence field work wasn't properly performed and NFA decided its permanent employees should perform the field work while the support personal would be devoted to the data entry only.
- ❖ Considering the above mentioned matter NFA approached ALCP to make amendments to the terms of the grant agreement which means NFA will cut the number of support personal by 50% but extend the time frame to 4 month's (instead of 2 month, which was written in agreement) to improve the performance and quality of the work done.
- ❖ NFA also plans to use the same approach with MOLI project as with the ALCP and will change the terms of the grant agreement to cut the number of support personal with 50% but extend the time frame to 4 month (instead of 2 month, which was written in agreement)
- ❖ After the program facilitation with NFA to hire additional personal provide support in the livestock identification/registration process NFA realized the need to have more qualified personal and decided to hire 20 additional full time employees with 1 year duration contracts and to build their capacity rather than to hire low qualified support personal temporarily. 18 additional employees out of 20 have been already hired by NFA in March, 2016.

Status of funds from donors (SDC), (ADA) and (FAO)

As the Head of the department of Animal identification/registration stated, FAO is a mediator between ADA, SDC and NFA to facilitate implementation of National Animal Identification/registration programme in Georgia. The facilitation includes support in every stage and every sphere, starting with assessment of the current database system to the creation of the new database or upgrading or keeping the existing one. Also it will provide technical assistance and support to the project in order to create a National system of animal identification, registration and traceability in the country. The project duration will be approximately 4 years. As the head of department of NFA stated the process will begin probably in 2016, but exact period is still unclear.

ANNEX 8: GODERDZI ALPINE BOTANICAL GARDEN STATUS REPORT

Date: 30.03.2016

Acronyms

BBG: Batumi Botanical Garden

GABG: Goderdzi Alpine Botanical Garden

MBG: Munich Botanical Garden

HOW IT STARTED

The initial idea for an Alpine Botanical Garden came about following the ALCP and BBG's collaboration over the Garden's existing 'Closer to Nature' Project, an environmental residential course teaching youth the importance of ecology and environment, run by the Garden. The ALCP searching for ways of initiating a sense of environmental custodianship in the rural municipalities co-financed a boy and a girl from each rural municipality to attend the course which was previously only open to urban residents. The scheme was an immediate success and is being expanded this year with enthusiastic feedback from the municipalities as well as Ministry of Education, and Environment and the Batumi City Hall under whose administration the garden lies. The idea for a tourist and environmental hub in the rural part of Ajara in the form of an Alpine Botanical Garden came from an initial discussion of how to better involve and develop a sense of inclusion and ownership for rural inhabitants in the field of ecology and environment which would harness and showcase the beauty and ecological assets of rural Ajara and would also generate added value from rural tourism. Adjaristqali Ltd with whom the programme had also developed a relationship in connection with helping them find ways to fulfill their obligations to work in the rural municipalities of Khulo and Shuakhevi due to their construction of a hydropower dam, have shown their willingness to become a financial stakeholder in the enterprise as a means of sustainably contributing to rural and environmental development on a large scale for the local communities, something they were having trouble achieving.

Current Main Steering Activities

Item and Key Documents produced to date	Comment/ Action
Securing the Land Arial map of territory Preliminary Garden Layout Design	ALCP is working on this issue. On 29 th of March, the meeting was held with the Mountain Resorts Development Company (works under the Ministry of Economy and Sustainable Development of Georgia). The land issue is expected to be solved by the end of April. The meeting with the Minister of the Economy and Sustainable Development of Georgia will be planned to move this forward.
Budget Estimation Preliminary Outline Budget	Preliminary Outline Budget is being developed by BBG and ALCP jointly and is expected to be finished next week. The total estimation will divided into phases for funding.
Finalizing the design of the intervention ALCP Application Form BBG Concept Note (Georgian) ALCP Investment Plan (Now Drafting)	Based on the Progress Report, Gantt Chart and Preliminary Outline Budget, work out the intervention design (phasing).

Legend

	Completed
	Ongoing, On time
	Slight delay, not detrimental
	Delay: Problem

Ongoing Status Report

Item & Key Documents	Status	Comment/ Action	Follow up
<p>Securing the Land</p> <p>Arial map of territory</p> <p>Preliminary Garden Layout Design</p>		<p>The letter asking for the transfer the land to BBG was discussed at the Agency of State Property of the Ministry of the Economy and Sustainable Development of Georgia. The response letter was received by BBG from the agency asking for more information about the project. The issue has been already discussed with the Minister of Environment and with the Head of Directorate for Environment and Natural Recourses of Ajara AR (DENR) and the Director of the Mountain Resorts Development Company who expressed their support towards the project. The land transfer is expected to be finished by the end of April.</p>	<p>The land issue will be discussed with the Minister of Economy by ALCP. The Land Issue is the top priority at this stage of project planning. ALCP is working on appointing the meeting with the Minister in the following weeks.</p>
<p>GABG Concept Paper</p> <p>BBG Concept Note (Georgian)</p>		<p>The Final Concept Paper was handed in by BBG has been translated into English and will be reflected in the ALCP Investment Plan (IP).</p>	
<p>Mapping and Zoning the territory</p> <p>Arial map of territory</p> <p>Preliminary Garden Layout Design</p>		<p>Preliminary Mapping and Zoning was done by BBG in both languages.</p>	
<p>GABG Working Group</p> <p>Meeting Minutes</p>		<p>The Working Group was created by the programme facilitation (15th of January, 2016) and is held weekly. The Group is made up of 13 persons from BBG, Batumi City Hall and the programme, including the Head of the Administration of Batumi City Hall. The Group meets every week and discusses the progress. Other relevant parties are invited if needed</p>	<p>Each Working Group member is assigned a task. E.g. BBG Head of Herbarium is working on the list of plants that will be represented in GABG.</p>
<p>Linkages and communication with Munich Botanical Garden (MBG)</p> <p>Overview of</p>		<p>Building on an existing MOU of cooperation between MBG and BBG, a working linkage over the GABG has been established and 2-way communication is ongoing. MBG is arranging the capacity building of the GABG Manager in Munich and</p>	<p>MBG sent detailed technical materials of Alpine Botanical Gardens in Europe including infrastructure, landscape designs and situational plans, recreational facilities.</p>

Alpine Botanical Gardens in Europe		Georgia in the planning, managing and equipping of Botanical Gardens.	
Appointing the Manager Job Descriptions of GABG staff		BBG director has nominated the candidate for the position of GABG manager. BBG director mentioned that he is local, is well aware of the territory and speaks English at communication level. He will be the main contact person and will be fully involved in project planning related issues.	GABG manager will be sent to MBG. MBG is ready to cover all expenses related to living costs.
Drafting the estimated Budget Preliminary Outline Budget		Preliminary estimated budget was made by BBG and AJ Programme Engineer, which was discussed with the programme and comments were issued. The detailed budget will be worked out next week (BBG+ALCP).	Based on estimated budget, decisions regarding financing, phases, etc. needs to be done.
Finding out the Procedures and requirements for construction permit Meeting Minutes		The programme facilitated a meeting of BBG working group and Gamagebeli of Khulo & Head of the municipality architectural department to present the GABG project and find out procedures for getting the construction permit. The meeting was held on this Tuesday in Khulo. Gamagebeli expressed his enthusiasm and will provide support to the project.	Full package of permit documents need to be prepared by BBG to start the project. First, the project should be posted for 30 days in the open space, where locals can see it and express their attitudes towards the project. At the same time, Land Use Plan for 10ha should be submitted, based on which Land Arrangement Regulation Plan is developed and submitted by BBG. This two can be done in parallel and after submitted, the municipality Sakrebulo will need min 20-25 days (best scenario) to approve. However, for developing these plans, topographic map and geological study of the territory needs to be procured from the private specialist/company as soon as possible.
Finding out the stakeholders experienced in eco buildings Stakeholder List		BBG + ALCP made a research on market actors who can work on design & construction using eco methods. The list of the actors has been developed.	All the actors are being consulted when making the budget estimates.
Developing Program documents ALCP Application Form ALCP Investment Plan (Now Drafting)		AF submitted by BBG was approved and development of IP is in process.	
Fundraising from Adjaristsqali LLC		Adjaristsqali LLC management is ready to discuss the opportunities of financing the project based on estimated budget and timeframe.	As soon as the programme approves the preliminary budget and decides its contribution, the meeting will be arranged with Adjaristsqali LLC management.