



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

BI-ANNUAL REPORT APRIL 2020 – SEPTEMBER 2020



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NOTE ON ANNEXES

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 and the systemic change log contain essential information to provide a full picture of programme impact and are found in Annex 1, 2& 3. Annex 4 lists each intervention carried out in the reporting period. Further annexes contain important in-depth information on key programme interventions.

LIST OF ABBREVIATIONS

ADC	Austrian Development Cooperation
AI	Artificial Insemination
AJ	Ajara
ALCP	Alliances Caucasus Programme
AMR	Animal Movement Route
BDS	Business Development Services
BEAT	Business Environmental Audit Tool
BEC	Business and Economic Centre
CEDAW	Convention of the Elimination of Discrimination Against Women (UN)
CIS	Commonwealth of Independent States
CNF	Caucasus Nature Fund
CPC	Cheese Producing Centre
CSR	Corporate Social Responsibility
DCFTA	Deep and Comprehensive Free Trade Agreement
DRR	Disaster Risk Reduction
DRRWG	DRR Working Group
EASC	Euro-Asian Council of Standardization Metrology and Certification
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EEU	Eurasian Economic Union
E+I	Employment and Income Network (SDC)
EUAA	European Union Association Agreement
FFI	Flora and Fauna International
FS&H	Food Safety and Hygiene
FSIB	Food Safety Inspection Body (Armenia)
GARB	Georgian Association of Regional Broadcasters
GBU	Georgian Beekeepers Union
GDCI	Growth Development & Continuous Improvement of your business (name of a company)
GEL	Georgian Lira (currency)
GMF	Georgian Milk Federation
GoG	Government of Georgia
GOST	Technical Standards maintained by EASC
GMP	Good Management Practice (FS&H assessment)
GMA	Georgian Marketing Agency
GMM	Georgian Milk Mark
GSA	Georgian Shepherds Association
GWC	Georgian Wool Company
HACCP	Hazard Analysis Critical Control Point
IAAD	International Association for Agricultural Development

IE	Individual Entrepreneur
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ISF	Investment Support Facility
KK	Kvemo Kartli
LHP's	Livestock and Honey Producers
LLC	Limited Liability Company
LSG	Local Self Government
MAP	Monitoring Action Plan Meeting
M4P	Making Markets Work for the Poor Approach
MC	Mercy Corps
MCC	Milk Collection Centre
MDA	Market Development Approach
MFI	Micro-Finance Institution
MIA	Ministry of Internal Affairs in Georgia
MOU	Memorandum of Understanding
MOA	Ministry of Agriculture
MOAA	Ministry of Agriculture Ajara
MOE	Ministry of Environment
MRDI	Ministry for Regional Development and Infrastructure
MSA	Market Systems Approaches
MSD	Market Systems Development
NFA	National Food Agency
NNLA	Non-entrepreneurial Non-commercial Legal Entity
NNLP	Non-entrepreneurial Non-commercial Legal Person
OPA	Outside Programme Area
PPP	Public Private Partnership
RC's	Results Chains
SDA	Strategic Development Agency
SCCSF	Support Centre for Civil Society Formation
SDC	Swiss Agency for Development and Cooperation
SCO	Swiss Cooperation Office
SECO	State Secretariat for Economic Affairs
SJ	Samtskhe-Javakheti
SME	Small & Medium Enterprise
SPPA	Support Programme for Protected Areas (GFA Consultants Group)
TJS	Transboundary Joint Secretariat (WWF)
TRACES	Trade Control and Export System
UK	United Kingdom
WWF	World Wildlife Fund

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PROGRAMME DESCRIPTION

ALCP | Alliances Caucasus Programme

REGIONAL MARKET ALLIANCES IN THE SOUTH CAUCASUS

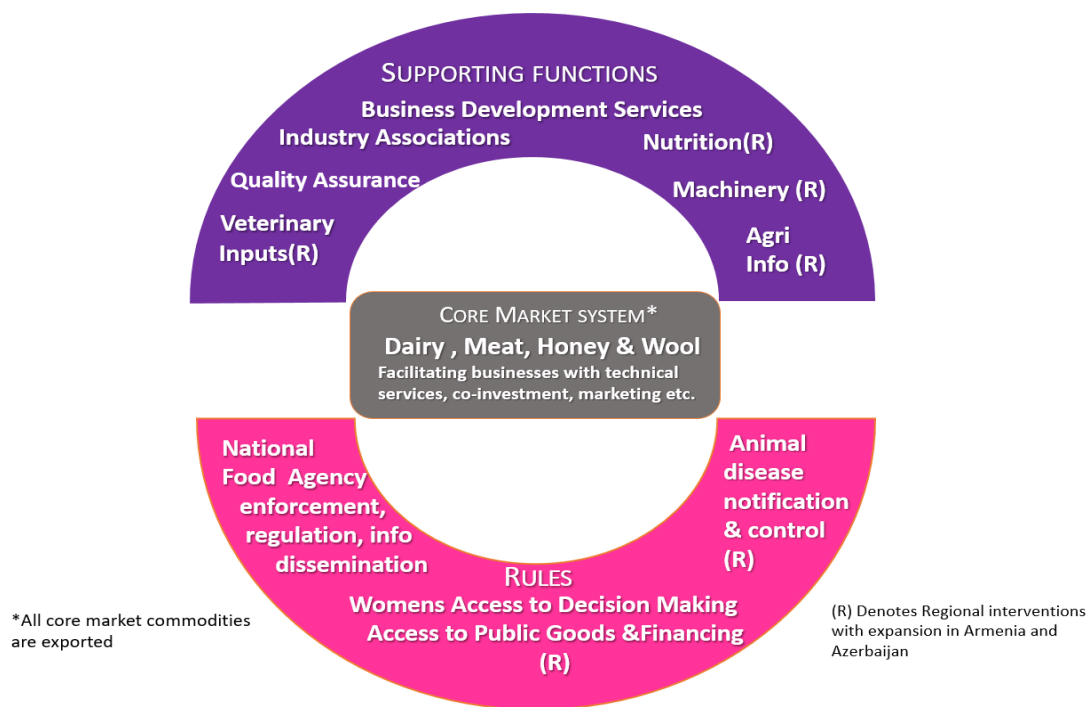
The Alliances programme, a market systems development programme working in the livestock market system in Georgia, is a Swiss Development Cooperation (SDC) project in cooperation with the Austrian Development Cooperation (since January 2020) implemented by Mercy Corps Georgia. It began in 2008 in Samtskhe Javakheti (SJ), Georgia. Alliances Kvemo Kartli (KK) was opened in 2011 with a second phase awarded to SJ. In 2014, the second phase of an expanded Kvemo Kartli was merged with a new branch of the programme in Ajara and a two year ‘standby phase’ (monitoring and sustainability phase) in SJ to form the Alliances Lesser Caucasus Programme (ALCP). From 2014 under the ALCP, Alliances management, programming and operations were fully harmonized.

The programme has achieved substantial scale and systemic change well beyond the initial designated programme areas and targets and devoted itself to learning, excellence and participation in a global community of practice in Market Systems Development (MSD) including being twice successfully audited by the DCED Standard for Results Measurement (Donor Committee for Enterprise Development). It has furthered learning and practice in Women’s Economic Empowerment and harnessed market systems programming to generate significant impact in transversal themes with a 54% average of female usage and access across all interventions. From October 2008 to March 2017, 403,101 income beneficiary HHs generated 34.7 million USD (79.79 million GEL) in aggregated net attributable direct and indirect income for farmers, businesses and employees. For more detail please see <http://www.alcp.ge/index.php?cat=2>



The programme has extensive networks and works in partnership with all levels of the private sector, civil society and government. The five year, 7.82 million CHF¹ *Alliances Caucasus Programme* (ALCP) April 2017- to March 2022, utilizes the platform created by the ALCP to significantly contribute to the goal of the [South Caucasus Swiss Development Cooperation Strategy 2017-2020](#). This SDC strategy sees a strengthening of the *regional approach in the South Caucasus* through the promotion of areas of mutual and beneficial interest between Armenia, Azerbaijan and Georgia including cross-border initiatives in trade and the extension of services and inputs through the lens of agriculture-based economic development which is considered to offer substantial opportunities for regional development and the rural populations of the three countries.

The ALCP programme facilitates interventions in the livestock and honey market systems to safeguard ongoing sustainable growth, and promote new growth that includes ensuring access for SMEs and livestock and honey producers to cross-border and other export markets. It will also exploit available entry points for the transfer of inputs and services successfully developed in Georgia to Armenia and Azerbaijan to enhance cross-border linkages. Entrepreneurialism and job creation especially for women, the access to finance and financial literacy that is required to make this happen for SMEs and start-ups, as well as increased income from sustainable supply opportunities and stable quality inputs increasing productivity, are key indicators of impact. The programme is targeting 40,000 Livestock and Honey Producers in Georgia, Armenia and Azerbaijan, generating tangible positive income changes to a value of 11.5 million GEL direct and 2 million GEL indirect, due to improved services and markets and productivity increases of 10%. The target for net attributable income for employees, business and SME financing is 13.5 million GEL.



Key Areas of Focus in the Regional Livestock Market System Diagram

¹ 1.5 million CHF was added in January 2019 and targets increased. 1.32 million CHF and a further year until March 2022 added in January 2020 with the additional cooperation of the Austrian Development Cooperation.

STRATEGIC REVIEW AND OUTLOOK

MAIN RESULTS ACHIEVED

Table: 1 Quantitative Purpose Level Achievements and Progress Against Targets

Note: Targets are calculated only against impact generated by interventions under the current log frame. The blue figure denotes additional impact aggregated from interventions from the previous phase².

Estimated ³ Impact for ALCP April 2017 to October 2019	
The major target beneficiaries of the programme	Total results (% Against Target)
# of LHP's generating tangible positive income changes due to improved services & markets (Women/Men) (40,000)	45,697 ⁴ (32% women, 68% men) ⁵ (109%) 10,269
# of LHP's served through crowding in	26,312
# of full time job equivalents (Women/Men) (220); (Indirect)	209 ⁶ (76 Women / 133 Men) (95%) 31 (11 women/ 20 Men) ⁷
# of entities crowding in (30)	29 ⁸ (97%)
# of entities expanding their businesses (40)	51 ⁹ (128%)
NAIC value in GEL generated for LHP's (11.5 million Gel) (2 million indirect)	10,622,373 Gel / 3,849,833 CHF (92%) 1,896,847 Gel/ 684,033 CHF (95%) 671,635 Gel / 260,425 CHF
NAIC value in GEL generated for programme clients (8 million Gel)	9,442,788 GEL / 3,423,983 CHF (118%)
NAIC value in GEL for crowded in entities ¹⁰	1,831,468 GEL / 641,249 CHF
NAIC value in GEL generated by employees (3.5 million Gel, Direct); Indirect	3,699,634 Gel / 1,336,938 CHF (106%) (1,086,592 GEL for Women 2,613,042 GEL for men) Indirect: 357,822 GEL / 123,044 CHF

² Some of the impact from interventions funded in the previous phase that were subject to ongoing measurement as outlined in the RM Manual, was aggregated only on the purpose level, because there are no matching indicators on outcome / output levels in the current logframe. Measurement of these interventions ended in March 2019 and are all based in Ajara and are: the Roki satellite vets on the high pastures intervention, three slaughterhouses and one beekeeping input shop. Goderdzi Alpine Garden is also only measured on this level but is ongoing.

³ Estimated impact is impact derived from data, which has not been subject to quantitative impact assessment at farmers' level, but rather from monthly data sheets and annual qualitative impact assessments.

⁴ In total 82% of the scale and 94% of the income for farmers comes from interventions under the current log frame.

⁵ Gender percentage is an estimated figure, which will be double-checked through intervention specific impact assessments, and it is highly likely that the actual figure will significantly increase after that. The current figure does not measure women's participation at household level only direct access as consumer or supplier.

⁶ Veterinary sector (6), Nutrition (18), Machinery (5), Dairy (51), Meat (12), Wool (18), Honey (2), Governance (*Women's Rooms FS&H, BSPs, Goderdzi Alpine Garden* (97)). The garden is only counted in this main table and not under any outcome.

⁷ These jobs are from crowding in entities of ongoing and new phase programme interventions since 1 April 2017. Dairy sector (6), Nutrition (7), Meat (13), Veterinary (2), Wool (3). Six jobs were lost due to COVID-19 in the reporting period and six gained so the NET jobs is the same.

⁸ Entities copying the business model from: *Agro Trading* (2, 2017,2018), *Roki Ltd* (2,2017, 2018), *Journalists Resource Center* (2, 2017, 2019), *Alali Ltd* (2,2018,2019), *ABBA* (3, 2- 2017, 1-2018), *Marneuli Library*, *Women's Rooms* (2, 2017, 2018), *Darts Group* (2017), *Georgian Wool Company* (3, 2016-2018), *Mar-Mot Ltd* (2, 2018), *Honey Sector Advisory Committee* (2,2018), *Black Sea Eco Academy* (BSEA) (2017), *Women's Business Forum* (Ajara) (3, 2019), *Wool House* in SJ (1,2016), *Dairy in KK Tsintskaro+ Ltd* (2019), *Goderdzi Alpine Garden* (2020).

⁹ *Agro Trading* (2, 2017, 2018), *GARB, Mar-Mot Ltd* (5, 2- 2017, 1- 2018, 1- 2019, 1-2020), *Star Consulting* (3, 2- 2017, 1- 2018), *Intellect/BDS* service in AJ, *Dairy in KK Milken* (2, 1- 2017, 1- 2019), *Ori Gio Ltd* (3, 1- 2017, 1- 2018, 1- 2019), *Dairy in AJ Natural Produktsia Ltd* (5, 1- 2017, 1 – 2018, 2- 2019, 1 - 2020), *Georgian Wool Company* (3, 1 -2017, 1- 2018, 1 - 2020), *WR – village, Roki* (3- 2018), *Impervet., Samkhretis Karibche*, *Dairy JTA*, *Dairy in KK Tsalka +*, *Darts Group/BDS* service in AJ, *Matchakhela Ltd*, *EcoFilms Ltd*, *Journalists Resource Center* (2, 1-2018, 1- 2019), *Tsintskaro* (3, 1- 2018, 1- 2019, 1 - 2020), *Black Sea Eco Academy* (2018), *Wool House* SJ (2, 1 – 2019, 1 - 2020), *Goderdzi Alpine Garden* (2019), *Newspaper in AJ Ajara P.S.*(2019), and in 2020 dairies: *Tsivis Kvili* , *Leanka Ltd*, *Elguja Baramidze Ltd*, *Tsipora Samtskhe Ltd*, *Alpuri Javakheti Ltd*.

¹⁰ This indicator has been included as sufficient time has now elapsed to enable us to measure it.

Total NAIC generated by the programme (Farmers, clients, employees direct/indirect) (25 million GEL)	28,522,567 Gel / 10,319,505 CHF (114%)
NAIC value in GEL SME financing (2 million)	1,871,885 ¹¹ Gel/ 725,818 CHF (94%)
% Social Return on Investment from Alliances Co-Investments	318 ¹² (Targeted 200%)
% ROI of Alliances clients' investment	235 (Targeted 40%)
Productivity increase in milk, meat and honey yield of LHP's. (10%)	17,603 beneficiary household increased productivity by 10%, 24 Jara beekeepers by 30% ¹³

MAIN STEERING IMPLICATIONS FOR THE NEXT PERIOD OF INTERVENTIONS

- Effects of COVID-19:* Since the two-month lock down from March 23rd and a serious rise in cases currently sweeping Georgia, COVID-19 has seriously impacted the operating environment. Please see *Evolution of the Context*. The ALCP offices reopened on May 18th and remained open operating according to strict hygiene and distancing regimes until November 10th 2020. The West Georgia, Batumi office moved to remote working due to a high number of cases in the region on September 14th 2020. Programming remains dynamic. Interventions have been ongoing throughout the reporting period and benefitted from the lull before the rise of cases in Ajara and consequent spread in late summer early autumn, these are described in detail in 3.2 *Reference to Interventions and Activities* and 2.4 *Transversal Themes* please also see 1.1. *Update to the Stakeholder Analysis* for new players. Four *ALCP COVID-19 Status Reports* were provided to SDC providing in-depth information on the ongoing impact of Covid-19 on, and mitigation activities in relation to programme sectors, clients, employees and target group. The third report also contains an in-depth look at impact on modes of export and logistics for all ALCP commodities¹⁴. All sectors have been impacted, but clients have shown considerable resilience in adapting to the constraints brought about by the pandemic. All client companies bar one dairy have remained open and have adapted their business models to the various constraints imposed by the virus. An in-depth report detailing these effects was submitted in October to SDC, covering the sixth months from the onset of the virus in Georgia to the end of September 2020. Please see [Effects of COVID-19 on the ALCP Client Businesses in the Dairy, Meat, Honey, Wool and Agricultural Impact Sectors](#) report. It will be difficult to ascertain the full economic impacts of the pandemic until the restrictions and constraints it is imposing are over, however the ongoing monitoring of programme clients and survey undertaken in September 2020 made the current needs of the programme clients very clear. Access to low interest loans on favourable terms and Business Development Services support. In the main ALCP businesses have had the know-how, equipment and market linkages to adapt business models and overcome constraints, but in doing so they have utilized most if not all of their reserves, they are hopeful and wish to continue to develop their businesses but without favourable financing their ability to grow will be impacted.
- Operating Environment Support to Formalizing Sectors:* Government agencies such as the National Food Agency which have been engaged in COVID-19 related activities must resume activities in the regulation of

¹¹Cheese factory, *Tsitskaro+ Ltd* got 57,000 Gel low interest gov loan, 256,000 Gel from *ENPARD III* and a 50,000 Gel loan from *Crystal Bank* as its match funding for producing bottled milk; its milk collector took a 75,000 Gel loan, and bought a new milk collection car and built a big cowshed; *Milkeni* dairy 40,000 Gel, *Ori Gio* slaughterhouse in Khulo got 174, 000 Gel from *ENPARD II* for entrail and fifth quarter processing, a local wool processor *Matkhlis Sakhli* in Akhaltsikhe got a 5000 Gel loan from *Produce in Georgia* and 23,000 Gel loan, *Georgian Wool Company* got low interest gov loan 144,600 Gel. *Cooperative Tanadgoma* got 150,000 Gel for construction of a cheese factory; *Goderdzi Alpine Garden* was awarded 28,000 Gel grant from the *ENPARD II* programme in Khulo to purchase solar panels for admin building in the garden; *Ajara P.S.*; 4,200 USD (12,180Gel) from an EU prog to develop export content. *Tsivis Kvili* 150,000 Gel loan from *VTB bank* to increase its turnover by purchasing more milk from farmers; Milk collector *Jaba Khozrevanidze* 75,000 Gel low % loan; *Leanka* 71,000 Gel grant; *Akhasheni Dairy Enterprise* 100,000 Produce in Georgia and 230,000 grant; *Marmot* 445,200 Gel low interest loan; *Tsipora Samtkhe* took 77,000 Gel grant.

¹² SROI and ROI calculations from April 2017 include: *Agro trading, Mar-Mot, Alali Ltd-2015, Georgian Wool Company, Dairy* (including GMM) enterprises from Ajara, KK, SJ and Kakheti, *Impervet* and *KTW*.

¹³ This figure is the estimated % of increased productivity milk and meat due to better livestock feeding practices and est % increase in Jara honey.

¹⁴ The First ALCP COVID-19 Status Report was provided to SDC on March 25th and the Second on April 27th 2020 (the 25th was a Saturday). The Third on May 25th and the Fourth on June 24th 2020.

the dairy and meat sectors in particular, to avoid any amplification of unfair competition from informal or formal entities who have not invested in compliance and who circumvent regulations, undercutting those who have. This is amplified in the COVID-19 induced environment where businesses have utilized their resources to cope, are carrying additional costs and have reduced income. A report [*Better Cheese Better Work: The ALCP's Impact on Informality and Working Conditions in Georgia's Dairy Sector*](#) detailing the benefits of formalization and the subsequent benefits to working conditions was produced by the International Labour Organisation, whose study of the ALCP's work in the dairy sector was published in May 2020 and submitted to SDC.

3. *SDC Rural SME Development Programme*: In reference to the above and the needs of rural SME's exacerbated by the COVID-19 crisis, the timing of the new *SDC Rural SME Development Programme* is ideal. Outside the reporting period, SwissContact in partnership with Springfield centre and Mercy Corps have been awarded the upcoming programme which is to underpin the work done in the livestock sector to date and further sustainability through concentrating on facilitating finance and improved business development support to rural SME's. The ALCP contributed significantly to the proposal development in order to inform the targeting of the strategic framework, ensuring that the twelve years of investment in Alliances and subsequent MSD programmes, which have an unparalleled institutional knowledge of rural SME's and have honed MSD working strategy in Georgia, is passed on to and utilized by the new programme. The Mercy Corps involvement will continue to draw on the ALCP to ensure this through the programme inception phase from December 1st, 2020. Three (two current and one former) ALCP team members are also transitioning to the programme to further ensure that rich contextual knowledge, stakeholder linkages and working methods developed in the Georgian context are seeded into the new programme. The ALCP will continue to be in close coordination with the new programme for the remaining eighteen-month duration of Alliances.
4. *Operating Environment Effects on Cross Border Initiatives*: Cross border trade has continued throughout the COVID-19 epidemic to a reduced extent but the recent Nagorno Karabakh conflict has seen activities in Armenia cease. It is hoped that these will be able to recommence in the near future. All activities in Armenia have been remote for months and this poses implications for impact assessment see below.
5. *ALCP Close Out Impact Assessment Cycle*: This end of this reporting period marks the beginning of the final eighteen months of the Alliances programme and impact assessments are underway. This report contains links to a national statistically representative survey on consumer awareness of the Georgian Milk Mark. A national qualitative review of eight years of the municipal Women's Rooms and a report on the latest cycle of activities on the Animal Movement Route. Intervention specific impact assessments are planned throughout the following year and some modifications are anticipated particularly to cross border intervention impact assessment of the machinery intervention, due to COVID-19 and the recent Nagorno Karabakh conflict. The ALCP is in regular contact with our DCED consultant backstopper to ensure that the impact assessments meet appropriate standards to prove attribution.
6. *Developing Sectoral Success*: Notable in the reporting period has been the growth of the strength and relevance of the industry associations the Georgian Beekeepers Union, Jara Beekeepers Association, and Georgian Milk Federation who in tandem with programme facilitation are performing important functions in the market system and developing their ability to lead these activities once the programme has ended. This year saw the collaboration between the honey associations and AgroDuo to assimilate Jara beekeeping modules into the VET colleges in Georgia. The Journalism Resource Centre already a highly independent entity representing print and broadcast journalism associations, was instrumental in continuing to develop one of the few regional initiatives despite the regional conflict and will hold a now online regional agri journalism conference in December 2020. The BDS consultancy companies have also shown a growth in depth of function and sustainability. For detailed accounts please see 3.2 *Reference to Interventions and Activities* and 2.4 *Transversal Themes*. A Georgian Milk Mark study tour undertaken just outside the reporting period before cases rose alarmingly, saw members of the Georgian Milk Federation visit each others dairies and visibly derive motivation from shared knowledge and healthy competition. Please see *Annex 5 Georgian Milk Mark*

Study Tour. The Georgian Milk Mark itself is developing from strength to strength the recent [Measuring Urban Dairy Consumers' Awareness of the Georgian Milk Mark September 2020](#) proving the growing awareness and uptake of products bearing the mark amongst consumers. Please also see additional GMM information in *Annex 4 Georgian Milk Mark Progress Report*.

7. *Incorporation of Sustainable Development:* The programme continues to mainstream environmental sustainability into its activities. Further activities have included online trainings for SME's in Environmental, Health and Safety requirements and emphasis on waste water disposal in the wool intervention. Other activities include; a waste water disposal and chemical use review of Private Sheep Dips, the opening of the Goderdzi Alpine Garden (GAG) attracting 20,000 visitors since July and becoming a focal point for environmental conservation, regeneration and sustainable development, the teaching of Jara beekeeping in the beekeeping modules of the VET colleges and GAG apiary and the ongoing Bio certification of Jara beekeepers, honey processing factory and GAG apiary. For a more detailed account of these activities in relation to ADA recommendations pertaining to resource use and improved sustainability of production, please see *Annex 6 ALCP Progress on the Integration of ADA Recommendations*.

CHAPTER 1 – OPERATIONAL ENVIRONMENT

1.1 UPDATE OF THE STAKEHOLDER ANALYSIS

A broadening of stakeholders continues in particular with dairies related to the GMM and the newly facilitated Georgian Milk Federation and with VET colleges planning to integrate Jara in beekeeping programmes with the support of the GBU and Agro Duo. New stakeholders since the Annual Report April 1st- March 31st 2020 reporting period are in italics:

Georgia: New stakeholders include *vet colleges* which are integrating Jara in their beekeeping programmes¹⁵, *Agro Duo*, dairies which are members of Georgian Milk Federation¹⁶, dairy associations¹⁷, *dairy enterprise IE Ramaz Janashvili*, cheese exporter companies Laki Ltd, *Georgian Imports Ltd*, *Geoproduct Ltd*, TV Pirveli, *Imedi TV*, *Rustavi 2*, *Agro TV* who promoted the GMM animated video, *YouTube channel Emili and Emili Family TV*, *Instagram page The honey road and Blog 'Healthy with Honey'* that promoted Georgian wild Jara honey, wine shop/restaurant 8000 Vintages, supermarket chains¹⁸, slaughterhouses in Kakheti and Imereti regions: I.E Akhmed Niazov, Kutaturi Ltd; *Honey factory Api Geo Ltd*, Vocational College Akhali Talgha and Batumi State University vocational college in Ajara; College Prestige in Kakheti, The National Agency for Cultural Heritage Preservation of Georgia, Kakheti Beekeepers Association, United Water Supply Company of Georgia – Kakheti and Tbilisi Departments, 'Georgian Young Lawyers' Association, UN Women, Elkana, Caucascert, *Multitest Ltd*, Georgian Hotel, Restaurant and Kafe Federation (HoReKa), Destination Management Organization's (DMO's) in Kakheti and SJ regions. Productive relationships with the Ministry of Environment Protection and Agriculture of Georgia (MEPA), *the Rural Development Agency (RDA)*¹⁹, the NFA, National Intellectual Property Centre of Georgia (Sakpatenti) are ongoing. Government entities include: Head of the *State Laboratory of Agriculture*²⁰ (honey export), Ministry of Agriculture of Ajara (MoAA), Agro-service Center of MoAA, Ministry of Finance and

¹⁵ Colleges: Iberia in Guria, Opizari in Samtskhe-Javakheti, Gantiadi in Gori, Farmers' house in Kakheti, Aisi in Kakheti, Modusi in Rustavi, Horizont in Guria, Erkvani in Ratcha, Iliia Tsinamdzvrishvili in Mtskheta Agro Engineering and Food Technology College of N. Nikoladze in Imereti, Shota Meskhia State Teaching University of Zugdidi,

¹⁶ Georgian Milk Federation has 24 members. 13 dairies out of 24 are GMM dairies and rest 11 dairies are not GMM dairies yet but they are members of federation: Imeruli Ltd, JTA Ltd, Nobeko Ltd, Leanka Ltd, Odlisi Ltd, I.E Tamaz Tagiashvili, I.E Mikheil Matiashvili, Bochola Ltd, Coop. Truth Ertobis Nobati, I.E Petre Feikrishvili, Alpuri Javakheti Ltd

¹⁷ Association Georgian Milk, Association Dairy producers, Guild of Cheese

¹⁸ Goodwill, Ori Nabiji, Zgapari, Tserti, Evroproduct, Agro Hub were participated the GMM Cheese evening at 8000 vintages

¹⁹ In September 2020 the Agriculture and Rural development Agency (ARDA) was rebranded as a Rural Development Agency (RDA)

²⁰ The laboratory of the Ministry of Agriculture (LMA) was rebranded as the State Laboratory of Agriculture (SLA)

Economy of Ajara, Environment Protection Agency of Ajara, Department of Tourism and Resorts of Ajara, *National Center for Educational Quality Enhancement, Ministry of Education, Science, Culture and Sport of Georgia*, Zestaponi and Ozurgeti Municipalities (WEE), *Telavi Municipality City Hall*, in agri journalism and information, the relationship with the Media Initiatives Centre with the National Agrarian University of Armenia, Yerevan State University, Bryusov Linguistic University, *Vanadzor State University*, Armavir College and local ALT TV are ongoing. *Caucasus International University in Tbilisi. Samtskhe-Javakheti State University in Akhaltsikhe* that started teaching Agri Journalism at Agri Extension Bachelor's Programme as a mandatory course.

Armenia: Governance & Gender: Alaverdi Municipality, Lori province, Tumanyan and Tavush municipalities of Lori province, NGO Association of Lawyers Community, Armenia; The Governor of Lori Province; In DRR related to Veterinary Surveillance Points the Food Safety Inspection Body of the Government of the Republic of Armenia (former the State Service for Food Safety of the Ministry of Agriculture of Armenia).

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

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

Germany: QSI Laboratory, Eurofins

India: Wool intermediary/exporter: Alpha Ltd, Gimach Ltd. *Rupesh Kumar & Sons Ltd*

Afghanistan: Wool intermediary/exporter: Arif

Canada: Swezard Co

USA: LM-MAN INC.

Ukraine: Regional Channels Union in Ukraine (NAM) ensuring dissemination Jara Movie among eighty local TVs, *QTL Laboratory*

Dubai: Future Five Exhibition Organizing L.L.C

Japan: STH Earth

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

Regional Conflict: On September 27th, conflict in Nagorno-Karabakh restarted between Azerbaijan and Armenia. It ended on November 9th 2020. Cross border trade between Georgia and Armenia and Georgia and Azerbaijan has been negatively affected to date and will be on reported in the next reporting period.

General: COVID-19: The State of Emergency with full lockdown, curfew and significant restriction of movement was imposed on March 23rd and lasted for two months. In May 2020 the economy was partially reopened, although many internal restrictions have remained. International flights resumed in August but only from five countries²¹, Entry requirements even for tourists from those five countries although exempt from self-isolation or quarantine, must satisfy stringent testing requirements. In tandem with most governments around the world, the Government of Georgia is juggling public safety with minimizing the increasingly deleterious economic effects, using a graded system of restrictions and partial lockdowns. Since April all agri markets have been open. In June, restaurants and hotels were permitted to reopen but many with decreased demand or no demand at all, however recently, out of the reporting period restaurants are restricted to opening until 22:00. At the time of writing the number of cases is considerably higher than at any time during the lockdown following a serious outbreak in the Ajara region. For detailed sectoral information, including on agri-markets and export markers and logistics see the four monthly *COVID -19 Status Reports* submitted to SDC, 3.2 *Reference to Interventions/Activities Proposed interventions and Actual*) and the [Effects of COVID-19 on the ALCP Client Businesses in the Dairy, Meat, Honey, Wool and Agricultural Impact Sectors](#) report.

Food Security: In March, 2020 the Government of Georgia approved the 'State Program for Preservation of Prices' and allocated ten million GEL to subsidize the exchange rate in USD and EUR and stabilize the prices of nine

²¹ France, Germany, Latvia, Estonia and Lithuania.

imported primary food products²². However, The Georgian lari (Gel) has significantly depreciated against the USD²³. Food is noticeably more expensive. Fruit, vegetables, fish, bread, meat, oil and other food products cost on average 8% more than last year, according to the latest inflation data from the *National Statistics Office of Georgia*.

General: Out of the reporting period, in October Enterprise Georgia reintroduced and began accepting applications for the Micro and Small Business Support Program, registration run through October 26th, 2020. The programme covers any economic activity, except activities related to the primary production of agriculture and aims to support the response to the economic challenges caused by the Covid-19 pandemic. From September 1st, 2019 it became mandatory for all businesses to have a person²⁴ responsible for Health and Safety according to an amendment in the ‘Occupational Safety’ code. According to another change in the code, the Ministry of the Health and Social affairs of Georgia now has a right to carry out inspections in enterprises without a Court order, which was obligatory before; however, enterprise monitoring is yet to commence

Village Support Programme: The reintroduced VSP programme continued in 2020 and was conducted in all regions except Ajara which was scheduled for late spring due to the severe winter but was halted due to COVID-19. However the Ajara Government has developed the same programme for the region and allocated the relevant funds from the Autonomous Republic’s budget, meetings were held in May.

Dairy sector: The undifferentiated usage of powder milk, Iranian evaporated milk¹ and insufficient control of unregistered dairy enterprises by the NFA still creates an unfair business environment for dairies processing natural raw milk. Implementation of regulations, which required all dairy producers to be registered in the NFA and in the public registry has been postponed due to COVID-19. Whilst the NFA was more focused on assisting the government in controlling the COVID-19 outbreak, the government’s control over FS&H standards has decreased. In November 2020, an amendment to a Technical Regulation for Milk and Dairy Products entered into force, to distinguish dairy products²⁵ made from unpasteurized milk. However an awareness-raising campaign has not been conducted yet and the NFA does not have a specific action plan about the inspections for monitoring compliance.

Honey: A regulation to improve traceability and to reduce falsification of honey has been approved by Government however its implementation was postponed due to the COVID-19, A new regulation in which, beekeepers owning more than 10 beehives/bee colonies should register as business operators has been approved in the reporting period.

Veterinary: Development of the National Animal Identification & Registration System, facilitated by the FAO/NAITS programme, is finished and ready to use, however trainings of veterinarians on using the system were postponed due to COVID-19. The NFA’s free Brucellosis vaccination campaign continues as a result of which, during the current year, 105,243 cattle and 53,975 small ruminants have been vaccinated against brucellosis by the NFA. The campaign will continue without charge for the next few years.

Changes in Local, Regional and Central Government: In September 2020, the Agriculture and Rural Development Agency (ARDA) which combines the Agriculture Cooperatives Development Agency (ACDA), the Agriculture Projects Management Agency (APMA) and controls the Municipal Information Consultations Centres (ICC’s) was rebranded as the Rural Development Agency (RDA).²⁶ The laboratory of the Ministry of Agriculture (LMA) was rebranded as the State Laboratory of Agriculture (SLA). On September 30th, 2020 Giorgi Surmanidze (former ALCP client, Producer of ‘Me Var Fermeri’) was appointed as Minister of the Ministry of Agriculture of Ajara.

²² Rice, pasta, buckwheat, sunflower oil, sugar, wheat, wheat flour, milk powder and beans.

²³ At 3.32, while before COVID 19 it was 2.90 end of September.

²⁴ The appointed person must have a Health and Safety certificate, issued by accredited private organizations.

²⁵ As the representative of the NFA stated this change mainly applies to Matsoni, Sour cream, Milk and other dairy products which are made from milk powder, except cheese as in the case of cheese it is already prohibited to call cheese the product containing milk powder

COVID-19: The extent to which the global pandemic will alter development programming and consequently policy dialogue is as yet unknown. Much will be revealed once lockdown restrictions are fully lifted and the ability of businesses and the economy to bounce back can be fully evaluated. It is anticipated that planning for the impact of pandemics may become more mainstreamed in strategy and planning with a renewed emphasis on green growth. In the short-term, where controls on meat slaughtering in particular have slipped it is hoped that they will be reinstated quickly.

Ensuring National Expansion of the Women's Rooms: The [A National Qualitative Review of the Municipal Women's Rooms \(June 2020\)](#) shows the impact and discusses the issues of the Rooms since their inception in 2012. The Regional WEE in the South Caucasus UN Women programme is helping facilitate a long overdue recommendation for national expansion of the rooms. There still seems to be however an inexplicable lack of political will from the Ministry of Rural Development and Infrastructure which might benefit from understanding SDC's longstanding support to the WR's as a main proven conduit to reaching rural women and benefitting rural communities.

No change from Bi-annual report. The *National Food Agency* remains pivotal in relation to the livestock market system. Much work remains to be done to systematize and operationalize activities at the producer level. New regulations in the honey and dairy sector from January 2020 (though now somewhat on hold due to the pandemic) will see a massive increase in the requirement for registration of HH's producers and small producers in both honey and dairy sectors (see 1.2 above), and thought should be given as to how to best support what will be an extra burden of regulatory checks in addition to the need for improved control of unregulated dairy enterprises already in existence.

General: Disease notification and control remains a key topic in particular in relation to safe and compliant disposal of carcasses. There is an ongoing need for comprehensive government support to the rehabilitation of the veterinary sector with there still being a serious lack of young large animal veterinarians. Climate sensitive farming should remain a topic to be supported as simple measures of water conservation, conservation agriculture e.g. direct drilling, seed varieties, and afforestation would see easy gains for small holders, especially in areas such as Kakheti, which is experiencing the worst climate-related effects. Emphasis needs to remain on how small holder farmers can learn to co-exist, manage, and benefit from the environment. The role of the small-scale livestock producer within the context of environmental, economic, and social sustainability continues to be in need of ongoing debate. Perhaps more should be made of the amalgamated Ministry of Environmental Protection and Agriculture in providing an opportunity to place these on the agenda.

CHAPTER 2 – OUTCOMES ACHIEVED SINCE APRIL 2017

2.1 QUANTITATIVE RESULTS PER OUTCOME

Table 2: Achievements of Outcome²⁷ Indicators Measured Against Target Values

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

OUTCOME 1: Livestock and Honey Producers in Georgia strengthen their position in the market system and increase their income thanks to reliable market access to diversified opportunities from sustainable SME's in the meat, dairy, honey and wool sectors.	
Indicators	Estimated Alliances Programme Results (2017-to date)
# of LHP's generating tangible positive income changes due to sustainable diversified market access and better terms of trade (Women/men) (7500)	3,503 ²⁸ (51% women, 49% men) (47%)
# of full time job equivalents (Women/Men) (80)	69 ²⁹ (45 Women / 34 Men) (86%)
# of HoReCa/retailer entities integrating food safety hygiene compliance and good management practices into business management (350)	482 ³⁰ (138%)
# of entities crowding in (13)	13 ³¹ (100%)
# of livestock and honey sector sustainability advocacy initiatives (16)	24 ³² (144%)
# of SME obtaining external funds / finances (20/2 million)	14 / 1,871,885 Gel (70% /94%)
NAIC Value in GEL generated for LHP's with sustainable diversified market access and better terms of trade for LHP's (Women/Men) (5 million)	3,948,640 (79%) (2,023,072 for women and 1,925,568 for men)
NAIC value in GEL generated for programme clients (Women/men) (2 million Gel)	3,039,468 (152%)

²⁷ 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.

²⁸ These figures come from dairy interventions with 13 dairies (including GMM).

²⁹ Dairy enterprises, GMM intervention, *Impervet* Zugdidi, BSP, GBU and *Women's Rooms*.

³⁰ *Shervasi* provided disinfection service to 290 HoReCa entities and *Star Consulting* trained 192 HoReCa representatives.

³¹ Women's Rooms (2), Darts group, Honey Sector Advisory Committee (2), ABBA (3), Wool House in SJ, Dairy in KK Tsintsarko+Ltd, Women's Business Forum (Ajara) (3).

³² Meat Advisory Committee Meeting; Honey advisory committee (2), Meeting with honey stakeholders to create Honey Umbrella Association; *ABBA* created a database of honey producers in Georgia; Creation of the GBU; First meeting with Dairy entities to present natural raw milk; Cheese factory, *Natural Produktsia. Ltd* established dairy association of milk suppliers; 2 additional meeting with dairies; GMM official presentation *Hualing Hotel* January 22nd 2019; coordination meeting between BIG GMA and Dairies; Coordination meeting between *Georgian Milk Federation* and dairies to lobby GMM in Government (06.12.2019); Coordination meeting between GMF, dairies, Associations to lobby for Georgian Raw Milk in Government (06.02.2020); meeting FSIB, former SSF to copy the VSP model; The AMR Advisory Committee on Access to Water for Seasonal Migrating Animals; Presentation/ discussion of the report *Livestock Seasonal Migration and BSP (VSP) in Armenia*; GBU advocacy to state procurement agency to buy Georgian honey (2019). Online meeting between *Georgian Milk Federation* and GMM dairies to plan advocacy campaigns; GBU facilitated meeting with vet collages to add Jara in beekeeping prog; GBA advocacy to *Agroservice* to finance the bio-certification of 24 Jara beekeepers. GBU advocacy prohibiting importing foreign queen bees in order to protect Caucasian grey bees (2020). GBU advocacy to increase of consumption of honey by broadcasting social add in media (2020). GBU successfully advocated for permits for beekeepers during the curfew (2020).

OUTCOME 2: Livestock and honey producers increase profitability thanks to stronger regional linkages and cross-border availability of inputs and business

Indicators	Estimated Alliances Programme Results (2017-to date)
# & % of LHP's generating tangible positive income changes due to enhanced regional linkages and services (women/men) (21,500)	33,288 ³³ (31% women / 69% men) (155%) Armenia: 11,582 Azerbaijan: 1,577
# of full time job equivalents (Women/Men) (70)	23 ³⁴ (1 Woman / 22 Men) (33%)
# of entities copying &/or crowding in (10)	7 ³⁵ (60%)
# of issue specific cross border initiatives (women/men) (5)	9 ³⁶ (160%)
# of service providers &/or input suppliers with improved business practices/acumen & outreach to cross border LHP markets (5)	5 ³⁷ (100%)
NAIC value in GEL of cross border LHP's benefitting from supporting functions and compliant processing enterprises (Women/Men) (3 million Gel)	3,118,432 (104%) (964,812 Gel Women/ 2,153,620 Gel Men)
NAIC value in GEL generated for programme clients (2 million)	1,952,146 ³⁸ (98%)
Value in GEL of cross border trade inputs (5 million)	5,534,038 GEL / CHF 1,983,725 (111%)

OUTCOME 3: Growing cross-border trade and export opportunities both within the South Caucasus and the larger region offers more diversified market access and terms of trade to livestock and honey producers

Indicators	Estimated Alliances Programme Results (2017-to date)
# of LHP's generating tangible positive income changes due to enhanced market access (women/men) (11,000)	10,031 ³⁹ (23% women/77% men) (91%)
# of service providers &/or input suppliers with improved business practices / acumen & outreach to export markets (10)	8 ⁴⁰ (80%)
# of entities crowding in (7)	5 ⁴¹ (71 %)
# of full time job equivalents (Women/Men) (70)	31 ⁴² (3 Women / 29 Men) (44%)
NAIC value in GEL of LHP's benefitting from supplying cross border trade and export enterprises (Women/Men) 3.5 million)	3,555,301 (102%) 810,386 Gel Women / 2,744,915 Gel Men

³³ These figures come from *Mar-Mot Ltd* and *Agro Trading*. Out of it, 11,582 farmers are from Armenia and 1,577 from Azerbaijan.

³⁴ 5 FTE jobs created by *Mar-Mot Ltd* and 18 by *Agro Trading*.

³⁵ *Agro Trading* (2), *Journalists Resource Center* (2), *Mar-Mot Ltd* (2) *Black Sea Eco Academy*.

³⁶ Meeting with Georgian and Armenian governmental officials to establish *Women's Room* model in Lori province in Armenia; Armenian official delegation's visit to Georgia to attend National Women's Business Forum and visit Women's Rooms in Adjara; Memorandum and grant agreement signed with Alaverdi Municipality in Armenia to copy the Women's Room's model; the first municipal *Women's Rooms* Annual General Meeting in Tskaltubo; meeting/hiring an Armenian Gender and Governance Expert to make a Gender Guidelines for Local Self- Government in Armenia; meeting with the State Service for Food Safety of Armenia to copy the VSP model; *Roki's* participation in vet trainings in Armenia organized by SDA; meeting at Alaverdi, Armenia with the neighbouring municipalities for copying and scale up the WR service in other municipalities in Armenia. Online meeting Tumanyan and Tashir.

³⁷ *Mar-Mot Ltd*, *Agro Trading*, *Journalists Resource Center*, *Roki Ltd* (improved sales of drugs to Armenia following SDA facilitation), *Women's Room* in Armenia.

³⁸ This number includes *Mar-Mot Ltd Ltd*, *Agro Trading* and *Roki*

³⁹ *Slaughterhouse Alali Ltd*, *Georgian Wool Company Ltd* and the *KTW*, *Tzerari Ltd/Natural Produktsia*.

⁴⁰ One slaughterhouse *Alali Ltd* started to export processed meat, one wool collector improved / safeguarded export of wool, *Tzerari Ltd/Natural Produktsia*, *Gocha Gagashvili*, *Tsintskaro + and Milkeni* export cheese to US, *KTW* exported Honey and *Api Geo* is just about to start exported honey.

⁴¹ *Alali Ltd* (2), *Georgian Wool Company* (3)

⁴² The *Georgian Wool Company* created 18 and *Alali Ltd* created 12 new FTE jobs, *KTW* created one Job.

NAIC value in GEL generated for programme clients (4 million)	3,837,499 Gel (96%)
Value in GEL of cross border trade commodities (5 million)	N/A
Value in GEL of exported products (25 million)	17,536,327 GEL ⁴³ (70%)

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

Three and a half years into the five-year phase the programme is clearly on track to fully achieving the outcomes in the current phase with the percentage impact against the new targets in place from January 2020 mostly achieved or exceeded. Scale in Outcome 1, increased in the last six months, will continue to be boosted by the Georgian Milk Mark, and will increase further if HoReCa and tourism sectors begin to reopen and boost the meat sector which has suffered most due to COVID-19 effects.

2.3 INFORMATION ON UNDEFINED⁴⁴ AND UNINTENDED EFFECTS OF PROGRAMME INTERVENTIONS

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

Investment for growth within the sectors. In total, ALCP clients invested 423,054 USD in their businesses this year. *Dairy:* five GMM dairies⁴⁵ invested 210,454 USD of savings (and one grant) for purchasing cheese distribution and milk collection cars; and equipment for producing cheese and other dairy products. *Wool:* Wool House Ltd invested 30,000 USD of partial savings and one grant for purchasing a new building in Akhaltsikhe to arrange a wool washing facility. *Inputs Suppliers:* Mar-Mot Ltd took a bank loan of 152,600 USD for expanding and renovating its main warehouse and for ordering fifty tractors from China.

Entering the Mainstream Business Community with Growing Confidence: Marmot Ltd owned by Georgian Azeri businessman Adil Pirievi, based in Marneuli, recently won a UNDP tender to supply 147,000 USD worth of tractors and equipment for VET colleges in Georgia offering best quality for value for money and using its ALCP experience to support the bid.

Two More Georgian Milk Mark dairies and One Honey Collecting and Aggregating Entity Exported Cheese and Honey to the USA: This August Tsvivi Kveli exported 550 kg and Tsintakaro + 545 kg of different types of GMM cheese to New York and Chicago. KTW exported 374 kg of Jara and chestnut honey in October.

VET Colleges to Teach Jara Wild Honey Production: The Georgian Beekeepers Union (GBU) hosted representatives of thirteen VET colleges from across Georgia and sectoral skills organization Agro Duo in Tbilisi. The meeting occasioned the integration of Jara honey production as a topic in VET college beekeeping programmes, something that the Georgian Beekeepers Union has been facilitating over the last year. This year Akhali Talga VET College in Kobuleti and Khulo integrated the Jara materials into their one-year beekeeping programme for twenty-eight beekeeper students. Next year, the Beekeeping VET Programme at Batumi Shota Rustaveli State University will teach Jara honey production to its twenty-five students in February 2021. Fifteen

⁴³ 4,826,250 Gel value of live weight of bulls to Iraq, 9,116,166 Gel value of processed sheep exported and 1,390,266 Gel value of wool exported, and 2,012,984 Gel dairy US and Israel, 190,661 Gel value Honey Exported by KTW.

⁴⁴ Undefined: reflects the fact that the programme is able to capture few changes observable in the system that are genuinely 'unintended' i.e. that there was no plausible expectation or explanation of this type of change occurring. This title now describes what the programme defines in the new RM Manual as 'undefined' effects: i.e. changes plausibly attributable to the programme, which although not explicitly detailed in results chains and monitoring plans could nevertheless be logically expected to happen within the logical development of interventions grounded in thorough market research⁴⁴.

⁴⁵ *Natural Produktsia Ltd* invested 8,000 USD of savings in a new cheese distribution car. *Alpuri Javakheti Ltd* and *Tsipora-Samtskhe Ltd* invested 70,000USD, and 50,000USD respective of partial savings and also a grant for expanding cheese storage capacity. *Tsvivi Kveli* invested 43,893 USD of partial savings and a grant for purchasing cheese producing equipment, milk collection and distribution vehicles and for expanding cheese storage. *Leanka Ltd* invested 38,561 USD of partial savings and a grant for purchasing a generator, steam boiler, *Sulguni* cheese mixing tank, and for building a *Nadughi* producing room.

schoolchildren of 9-11th grades in Oni, Racha, will learn about Jara honey production under the UNDP's VET System Modernization Programme. They visited Jara apiaries in Ajara in 2019.

Jara and a GMM in International Media : a TV programme Current Time on Radio Free Europe/Radio Liberty⁴⁶ and Voice of America made a video about Georgia called [Wine Tour](#) in Kakheti which featured ALCP GMM client Tsivis Kveli. Traditional Jara beekeeping has reached a new audience through a report on [Al Jazeera English](#) and its [Youtube Channel](#). [Apimondia Official Twitter](#) shared the report as well. A German beekeeping magazine [Deutsches Bienenjournal](#)⁴⁷ with 52,000/month circulation, published an article about beekeeping and Jara honey in Georgia. [Thehoneyroad](#) a honey enthusiast on Instagram, with more than 37,000 followers throughout the world, reported about Jara apiaries in the GAG and has reached 3,000 likes. A blog Healthy with Honey wrote a detailed article [What is Jara Honey from Georgia?](#)

Interest in the Goderdzi Alpine Garden (GAG) and Georgian Haney: A [Tourism Promotion Video](#) by Terabank about Ajara features the Goderdzi Alpine Garden and an interview with the manager and has reached 277,000 views. Video reports produced by Adjaristkali PLC one of the major garden donors, about the GAG shown on online news agency [Netgazeti](#) and [Business Media Georgia on TV Pirveli](#) has reached 17,000 views. The GAG has inspired the Zugdidi Botanical Garden to begin to develop a project for an alpine garden in Samegrelo. The Norwegian Embassy in Tbilisi posted photos and information about honey and bees from [www.honeyofgeorgia.com](#). The Prime Minister of Georgia, the Chairman of the Ajara Autonomous Republic and the Mayor of Tbilisi City visited the KTW's [Agro-Keda factory](#) in Keda to see the honey production process. The honey promotion video [Discover Georgia: The Land of the Oldest Honey](#) has reached 384,710 views/7,900 shares on Facebook. 18,600 people have visited [www.honeyofgeorgia.com](#) and [www.jarahoney.com](#) with the top visits from the USA, Lithuania, Germany, Russia and the United Arab Emirates.

A New DRR Municipal Initiative: Khelvachauri Municipality City Hall allocated 75,000 Gel from the local budget for an initiative proposed by their DRR members to install electric fencing for forty-three households in eighteen locations of the *Matchkhela valley*, as a solution for wild animal attacks.

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

In a market systems development programme transversal themes mainly relate to the Rules section of the doughnut (See P7 ALCP Market System diagram). In the ALCP they include facilitation with Government stakeholders and other civil society and private sector actors at National, Regional and Local levels in relation to key governance issues underpinning the livestock sector. These include food safety and hygiene regulations, gender related to equitable governance and access to resources and animal disease control⁴⁸. For detailed account of all activities being carried out in relation to ADA recommendations addressing the DRR themes of **reduced environmental damage and waste from livestock based enterprises and production** please see *Annex 6 ALCP Progress on the Integration of ADA Recommendations*.

National Animal Health Programme (NAHP) Steering Group: The NAHP meeting was not conducted during the reporting period⁴⁹.

Veterinary Surveillance Points (VSP): During the 2020 spring movement, 366,636 head of livestock were dipped/showered in all six VSPs. The VSP's were opened on October 1st for the autumn movement. In total, over 3 million head will have been dipped/showered between 2016 and 2020. According to a co-investment agreement

⁴⁶ Radio Free Europe/Radio Liberty television is a 24/7 television and digital network for Russian speakers, having 435K subscribers on YouTube

⁴⁷ <https://emag.bienenjournal.de/de/profiles/e3dcec7e7d4d-deutsches-bienen-journal/editions/bienenjournal-2020-07> Georgien Imkereim im Umschwung.

⁴⁸ A main mechanism of the governance interventions is the Advisory Committee, where diverse stakeholders, often with intractable viewpoints are brought together in working meetings to overcome key constraints in the sector often insurmountable without external impartial facilitation based on existing relationships and market intelligence. They involve meticulous planning and preparation over months.

⁴⁹ For the background information, please, refer to the same section of the previous report.

between the ALCP and the NFA, the NFA funded the construction of a 7th VSP in Dusheti municipality, Mtskheta-Mtianeti region. The ALCP financed the engineering plans and four key water points (see below). The plans were delivered to the NFA in April, 2020. Construction was postponed due to COVID-19 for four months and started in September 2020. The new point will be open for the 2021 spring movement and around 100,000 head of sheep will be dipped there. According to the NFA in total 700,000 sheep are moved between seasonal pastures in Georgia half of which are treated on the existing six VSPs and the other half bathed in private dipping facilities by owners. A survey of private sheep baths is being finalized, outside the reporting period. For more detail please see the [Monitoring of Livestock Seasonal Movement on the Animal Movement Route](#) Report (July 2020) and *Annex 6 ALCP Progress on the Integration of ADA Recommendations*.

Water Points on the AMR: As a result of the above mentioned ALCP/NFA grant agreement and a quadrilateral MOU with the ALCP, MEPA, the NFA and the Georgian Shepherds Association (GSA) development of four key water points on the Animal Movement Route was agreed in January, 2020. In February 2020, a construction company was contracted to develop the water points but the COVID-19 outbreak postponed the start of work. In July the process started and in September four new water points were finalized. Up to 500,000 heads of sheep and cattle will benefit from the new water points during the transhumance. In addition, water was provided to Dedoplistskaro VSP as well which had not had a permanent water supply before and the NFA was buying and shipping it in which is very expensive. Please find more details in the new [Further Animal Movement Route Development and Water for Migrating Animals Report](#)

Copying the VSP Model to Armenia: All related activities have ceased since COVID-19⁵⁰.

Women's Rooms: An in-depth qualitative impact assessment of the Women's Rooms was finalized in the reporting period please see: [A National Qualitative Review of the Municipal Women's Rooms \(June 2020\)](#)

Facilitation of National Women's Room Scale up: The ALCP has continued to provide ground truthing and support to the SDC funded UN Women WEE project in standardizing and scaling up Women's Rooms to all municipalities of Georgia. During the reporting period detailed written inputs were provided on the Women's Information Centre report *Standardizing and scaling up of Women's Rooms in the Municipalities of Georgia* which forms the basis of the common vision on the future of the Women's Rooms to be transmitted to the Ministry of Rural Development and Infrastructure. Written inputs were also provided to the WIC on *the Guidelines for Supporting Gender Equality Policy Institutionalization at LSGs by Standardizing and Scaling up the Women's Rooms* during COVID-19 lock down this spring. The guidelines have been sent to the MRDI for the development of a recommendation to all LSG's in Georgia.

Women's Rooms in Kakheti: Nine Women's Rooms are now available in eight municipalities of Kakheti. During the COVID-19 outbreak all municipal buildings were closed and the managers continued work remotely. Many of them were involved in information provision about COVID-19 and the State subsidy programmes released by the government. This summer Kakheti WRs managers helped rural women who do not have internet access to apply for the one off Government assistance for children under 17 (200 GEL per child), 31 cases totalling 12,000 Gel were identified. During the reporting period Kakheti WRs conducted several online meetings, webinars and trainings. The managers are now cooperating with each other, they have created [a common Facebook Page](#) to reach more women and share information about the events, free online courses, ongoing grant programmes and available funds for women business start-ups. The rooms' webinar video on the Perspectives of Local Tourism has had 2,000 views and a webinar on mental health of children had 1,300 views on Facebook. The Enterprise Georgia Micro & Small Grants Programme re-opened this autumn. All 28 WRs in Georgia, including nine in Kakheti assisted citizens in applying for the scheme; identifying local women with business ideas, offering consultations and help in writing business proposals and plans. Due to COVID-19 the closed rooms and restricted movement a decreased number of women applied but the WRs still managed to support 157 citizens out of whom 95 are women. The total amount of the requested grants is 2,800,000 GEL with a proposed contribution from the

⁵⁰ For the background information, please, refer to the same section of the previous report.

applicants of 400,000 GEL in total. The results of this grant competition will be announced by the end of November 2020.

New Women's Rooms in Guria and Imereti regions: Ozurgeti municipality, Guria and Zestaponi municipality, Imereti applied to the ALCP to open Women's Rooms and grant agreements were signed in March 2020. By the end of June both rooms were ready to open. Due to the COVID-19 outbreak the rooms were closed and the managers created women's initiative groups who are the main disseminators of information in the communities. [The President of Georgia attended the Zestaponi WR's opening ceremony](#) on July 6th, 2020 (the date of opening was scheduled due to the president's visit in the region) and met with local women entrepreneurs. The Women's Room Manager [introduced](#) the functions and goals of the Women's Room.

Women's Access to Decision Making, Public Goods and Financing: In February 2020 in Kvemo Kartli, Samtskhe-Javakheti and Kakheti regions a total of 788 Village Meetings⁵¹ were held with 63,374 participants. Women's participation was 36%. Funds have been pledged for 124 women's instigated community initiatives including water projects, kindergartens, village ambulances, children's playgrounds, roads and public toilets. Due to COVID-19 the village meetings in Ajara were held in April-May instead of February⁵². In total 332 village meetings were conducted with total 8,161 participants out of which only 1527 (19%) were women. The percentage, reduced from 35% participation last year, was due to WR Managers in three municipalities out of five not being involved in the organization of the village meetings⁵³. In the two municipalities, Keda and Shuakhevi, where the WRs were involved, women's participation was 37% and 32% accordingly. As a result, in Shuakhevi and Keda, 30 women's instigated initiatives were funded while for the remaining three municipalities this number is 19. In total 78,805 GEL for 49 women's instigated community initiatives will be funded this year in Ajara including rehabilitation of medicine centers, kindergartens, water systems and playgrounds. In February 2020 the Ministry of Agriculture of Ajara (MAA) started a new programme *Supporting Rural Entrepreneurship Development* and chose Batumi Women's Room (ACCI) to provide business consulting services and write business plans. A total of 150 business consultations were provided by Batumi Women's Room and a total of eighteen business projects were funded under this project out of which four projects were women's with total value 310,720 Gel.

National Women's Business Forum (NWBFF): Was cancelled because of COVID-19 situation in the country.

Armenia: The first WR in Armenia was opened in July 2019 Alaverdi municipality, Lori Province. Due to COVID-19 Alaverdi WR was closed for citizens from March 2020. Some work was conducted remotely. The manager helped the municipality to provide COVID-19 information to local women, organizing a remote information campaign through a network of active women who are receiving the information from the WR manager by phone and disseminating it in their villages. In March, 2020 Tumanyan and Tashir municipalities applied to the ALCP to establish WR's and the grant agreements were signed in August. The first tranches were transferred in the beginning of September and the renovation works were started in both municipalities with the supervision of a local NGO the *Lawyers Association*, the ALCP's implementation partner. Renovation works have slowed since the Karabagh conflict which started on September 27th 2020. In 2019, the programme contracted a Gender Expert, Director of the Center for Gender and Leadership Studies at Yerevan State University, to develop Gender Guidelines for Armenia local self-government bodies based on the programme facilitated Georgian version. In February the Guidelines were reviewed by Alaverdi, Tashir and Tumanyan municipalities for comments. The Guidelines were finalized in Armenian in June.

Azerbaijan: The planned visit of an Azerbaijani delegation from a local NGO to Georgia to share best practices in WEE through WR's is on hold because of COVID-19.

Goderdzi Alpine Garden (GAG) Sustainability: The Garden was [officially opened](#) on July 30th 2020, since then 20,000 people have visited and forty news articles been written about the garden. The GAG has been included in

⁵¹ The Village Meetings are the part of the Government's Village Support Programme where villagers decide which infrastructure projects will be undertaken under municipal budgets in their communities

⁵² Ajara was excluded from the National Village Support Programme this year. Ajara Government has created the same programme for the region and allocated the relevant funds in the Autonomous Republic's budget.

⁵³ WR Managers in these three municipalities were working remotely and local government officials involved as few people as possible due to COVID-19.

the tours of two media and twenty tourist agencies. The Department of Tourism and Resorts of Ajara (DTRA) is promoting the GAG under their #DiscoverGeorgia campaign and has allocated 10,000USD in its 2021 budget for placement of signs in the GAG. Ongoing restoration in the garden and protection from grazing has seen the 161 species first recorded increase to 209 in the last two years. *Local Business Development GAG*: 15 guesthouse owners (12 women) from rural Ajara participated in a [four-hour seminar in the GAG](#) demonstrating best practices in sustainable rural development and opportunities for rural farmers in high mountainous Ajara, including the market for local products. *Jara Honey*: The Jara Apiary of the Goderdzi Alpine Garden became bio certified in the reporting period. The Jara Beekeepers Association (JBA), facilitated by the programme, is supporting the process and promoting the use of bio drugs, better husbandry and hygiene practices in Jara apiaries.

2.5 ILLUSTRATION OF THE PERSPECTIVES OF INVOLVED STAKEHOLDERS

Perspectives of different programme stakeholder are provided in the Annual Reports.

CHAPTER 3: OUTPUTS AND PERFORMANCE PER REPORTING PERIOD 2017

3.1 SUMMARY OF OUTPUT DELIVERY UNDER THE THREE OUTCOMES

Table 4 below provides a breakdown of impact per output. Only outputs where interventions are ongoing are included. Interventions/activities are being undertaken in all applicable⁵⁴ outputs and indicators in the LogFrame excluding Output 3.1⁵⁵ *Facilitated access to cross border trade opportunities for dairy, meat honey and wool entities in Georgia, Armenia and Azerbaijan*. The ALCP has pursued options (in tandem with SDA) with dairy, wool and honey actors in Armenia, which have not succeeded due to price points and product specification. Thus despite facilitation, all current cross border trade activities are focussed on inputs: agri info (Arm, Az), machinery (Arm, Az), feed (Arm), veterinary drugs (Arm, Az) or rules, Women’s Rooms (Arm) biosecurity points (Arm). Further investigation of potential in the honey sector for Georgian import to Azerbaijan is underway. Please see Section 3.2 and 2.4 for descriptions of intervention activity in all sectors.

Table 4: Summary of Outputs Against Logframe Indicators

Output 1.1: Increased accountability and transparency in sourcing, purchasing and sales practices by retailers. (supermarkets, mini markets, agro markets, wholesalers)	
Number of retailers making changes to inspection procedures, sourcing, purchasing and marketing/sales practice	19 ⁵⁶
Number of suppliers with more positive experience of supply/sales	11 ⁵⁷
Output 1.2: Increased self-representation, empowerment and advocacy by livestock & honey system processors & manufacturers.	
Indicators	Estimated Programme Result (2017-to date)
Number of advocacy initiatives/groups	24 ⁵⁸
Number of desired objectives reached by advocacy initiatives/groups	7 ⁵⁹

⁵⁴ As reported in the Steering Implications of the Bi-Annual Report Outputs one indicator under 3.3 and one under 3.4 are not applicable due to a change in programming please see number 3 P10 for details.

⁵⁵ Currently only input supply companies are successfully trading cross border under Outcome 2.

⁵⁶ Spar, Nikora, Madagoni, Fresco, Zgapari, Willmart, Careffour, Goodwill Batumi, Liderfood, Ori Nabiji, Natural Produktsia Ltd shop in Batumi, Milkeni Ltd shop in Rustavi, Dairly, Smart, Foodmart, Universami, Libre, Bilioni, Vejini, selling cheese with GMM mark

⁵⁷ *Milkeni, Tsintsikaro, Cheese Hut* (Badri Gogoladze), *Tsivis Kveli* (Gocha Gagashvili), *Shuamta* (Levan Bejanishvili), *Tsipora Samtskhe, Tsezari, Coop.Khiza* and *Tsaka +, I.E Tamaz Tagiashvili* and *Disveli*, supplying retailers with cheese with GMM mark;

⁵⁸ See footnote 36 for list.

⁵⁹ After the Meat Advisory Committee Meeting NFA intensified monitoring of backyard slaughtering and provided information to meat sector representatives in Kvemo Kartli; MEPA used the ALCP advisory committee model and created a Honey Committee; The GBU met with the minister of MEPA, they agreed on further cooperation; Coordination; GMF, dairies, associations to lobby for raw milk in Government (06.02.2020) 24 dairies joined GMF to encourage raw

Output 1.3: Increased consumer awareness of dairy, meat, and honey food safety and hygiene related issues and advocacy	
Number of advocacy initiatives from government, supermarkets and media towards consumer groups	19 ⁶⁰
Number of advocacy initiatives from consumer groups towards government, supermarkets and media	2 ⁶¹
Output 1.4: Facilitated leveraging of access to funding and improved business management for SME's	
Number of SME's leveraging funding from external sources to the programme e.g. IFI's and government schemes	14 ⁶²
Value of funding leveraged from external sources	1,871,885 Gel
Number of SME's where funding has allowed development of business vision.	14 ⁶³
Output 1.5: Increased value added production and product diversification for SME's.	
# of SMEs with increased capacity/utilization of meat and milk, honey and wool	18 ⁶⁴
# of LHPs supplying supported entities (Women/Men)	2,540 (68% Women)
Number of value-chain actors in dairy, meat, honey and wool sectors gaining access to diversified markets	16 ⁶⁵
Output 1.6: Increased equitable (gender, ethnicity and youth) access to and diversification of rural/livestock market system related economic/entrepreneurial opportunities.	
Number of women/youth rural businesses started	80 ⁶⁶

milk production, GMF sent a letter to the Ministry asking to check information about consistence of the Iranian milk and traceability of dairy products. Vet college Akhali Talga started teaching of Jara in its one-year beekeeping programme in Kobuleti and Khulo (2020). *Agroservice* centre of the MOA Ajara agreed to finance the bio-certification of 24 Jara beekeepers inc GAG apiary in 2021. GBU gained permits for beekeepers in curfew (2020).

⁶⁰ Two consumer interest segments were launched in TV programmes Hashtag and *MeVarFermeri* at Adjara TV; Reports related to Do's & Don'ts Antibiotic Use (20), Reports related to the Georgian Milk Mark (40), 500 Infographics of Do's & Don'ts Antibiotic Use were distributed to Azeri (300) and Armenian (200) beekeepers in KK region; 400 – by Association of Future Farmers, 1000- by ten largest wax producer/ printing service providers, 250 – shared with beekeepers and 22 - beekeeping cooperatives by nine ICCs, 100 – shared with beekeepers by eight LAGs (*ENPARD*); GMM Animation: The national channel TV Pirveli showed the GMM Animation for free five times/day in March, reached up to 230,000 viewers; GMM animation promoted through Media: *Me var Fermeri*, *Agroface.ge*, *Ferma*, *PSnews.ge*, *Agrogaremo TV* and by the *Destination Management Organization* (DMO) in SJ; 33,500 leaflets disseminated through *Spar*, *Zgapari*, *Goodwill*, *Willmart* and *Madagoni* supermarkets; The GMM dairies Tsintskaro+ and Tsipora Samtskhe Ltd participated at the *Cheese and Hot Drinks Festival* in November in Tbilisi. *Tsezari's* new cheese shop exterior promoting GMM, plus 2,000 GMM flyers have been disseminated among customers. *Tsivis Kvveli* in Kakheti is promoting the GMM through their Facebook, 6,500 followers; *Rustavi 2*, *Imedi* and *Agro TV* showed the *GMM Animation* for free (3); *Emily TV* showed GMM advertisement; BIG provided information to HoReCa entities (74 in WG and 50 in Kakheti regions) about GMM to spread it with their consumers.

⁶¹ Social Network consumer engagement in GMM Facebook page, comments, feedback, December 2019, thirteen GMM dairies participated at the *Georgian Cheese and Wine Evening* at 8000 Vintages to introduce cheese with the GMM to supermarkets and encourage them to pass the information on the advantages of the GMM cheese to consumers.

⁶² Milkeni, Tsintskaro+, Matklis Sakhi, GWC, Tanadgoma, Ori Gio Ltd, Goderdzi Alpine Garden, Ajara P.S, Tsivis Kvveli Tsintskaro+ (Jaba Khozrevanidze), Leanka Ltd, Akhasheni Dairy Enterprise, Marmot, Tsipora Samtkhe.

⁶³ Milkeni, Tsintskaro+, Matklis Sakhi, GWC, Tanadgoma, Ori Gio Ltd, Goderdzi Alpine Garden, Ajara P.S, Tsivis Kvveli Tsintskaro+ (Jaba Khozrevanidze), Leanka Ltd, Akhasheni Dairy Enterprise, Marmot, Tsipora Samtkhe.

⁶⁴ Hakob Hambaryan, Samvel Darbynian, Co. Dertseli, Cheesline, Levan Bejanishvili, Tamaz Tagiashvili, Leanka, 5 Cheese factories Tsalka +, JTA, Tsintskaro+, Milkeni, Natural Produktsia; the Georgian Wool Company; Wool House, KTW, Api-Geo, Akhasheni Dairy Enterprise, Tsipora Samtkhe.

⁶⁵ 11 Cheese factories, one local wool processor in Akhaltsikhe, *Georgian Wool Company*, *Alali Ltd*, *Honey KTW*, *Api-Geo*, and *Marmot* (selling rakes in Armenia and Azerbaijan markets) diversified their production

⁶⁶ Three women funded following business forum by *EBRD* (Flower shop, poultry, green-housing). 59 rural women were funded by the *Enterprise in Georgia* through the *Women's Rooms* with total value 357,340 GEL. Three men were funded during April- October 2019 by the *Enterprise in Georgia* through the *Women's Rooms* with total value 40,350 Gel; In this reporting period (April- October 2019) 11 businesses (7 females, 4 male owned 244,000 Gel, 223,000 Gel) were funded by the donors with the total value of 467,000 Gel; *Women's Rooms* helped 7 men to obtain the fund (46,100 GEL). *Women's Room* also helped one woman to obtain grant (10,600 Gel) from Innovation and Reforms Center and employed two women (IRC); 7 women (Gel 442,000) SME taking Bank Business loans for expanding business; 1 (Gel 160,000) women funded by IFAD for business expansion; These figures include the number of SMEs who received funds for business start-ups and for expanding their businesses; 5 women were funded by Donor NGOs in Ajara since September 2018. The results from *Produce in Georgia 2020* will be reported in the next annual report.

Number of initiatives for women/youth rural business	617 ⁶⁷ (plus 104 men)
Value of financing for women/youth entrepreneurs from external agencies (Gel)	2,074,747 Gel
Number of jobs in diversified women owned enterprises	62 ⁶⁸
Output 1.7: Improved consistency, resilience and reduced risk in livestock market system.	
Number of Veterinary surveillance initiatives	13 ⁶⁹
DRR Coordination initiatives	7 ⁷⁰
% of households registered their cattle in the NFA	63% ⁷¹
Output 2.1: Stimulation of cross border linkages (e.g. gender, local government, national government agencies e.g. NFA equivalent, border trade relations, society, media, academia)	
# of consultation fora between peer to peer actors to address livestock related cross border initiatives	8 ⁷²
% women representatives involved in consultation fora	50%
# of study tours / regional meetings facilitated between cross border stakeholders	10 ⁷³
Output 2.2: Facilitated outreach of inputs and input related services in the meat, honey, dairy and wool sectors in Armenia, Azerbaijan and Georgia.	
# of entities outreached sales in cross border regions	3 ⁷⁴

⁶⁷ Through *Women's Rooms*: 398 women and 104 men applied for the state project, Enterprise in Georgia, 10 Women got bank loans / grants. 200 Women applied for *USAID* grants, 8 *ENPARD II*, 1 *IFAD*; new applications for Enterprise Georgia were in October and will be reported in the next report.

⁶⁸ 57 micro businesses start-ups, financed by Enterprise in Georgia have on average one employee.

⁶⁹ 3 (VSPs) opened, and construction of one new (6th) VSP in Bolnisi finished; one advisory committee meeting was held to ensure sustainability of the VSPs and one regional meeting with *NFA* & Kvemo Kartli Governor and local municipalities to discuss construction of the 6th VSPs in Bolnisi and local governments' involvement in the VSPs management; One more Veterinary Surveillance Point (VSP) will be constructed by the *MEPA* in Mtskheta- Mtianeti region. The ALCP will facilitate the *MEPA/ NFA/* Shepherds Association to develop water points on the AMR. June-October 2019, an international expert Edward Hamer visited Armenia and prepared a report; MOU between the ALCP, *MEPA*, the *NFA* and the GSA on cooperation, between the parties on improving the AMR, a grant agreement between the *ALCP* and the *NFA* on developing the four water points on the *AMR* and 7th VSP in Mtskheta-Mtianeti region; engineering plans for the 7th VSP of Mtskheta-Mtianeti Region, Dusheti municipality prepared in April 2020 by the architect contracted by the *ALCP*. Anti mud aggregation work including placing a geotextile membrane layer and gravel.

⁷⁰ One meeting with regional and municipal governmental officials to ensure sustainability of DRR working groups and facilitation with *NFA* & *FAO/NAITS* to develop a comprehensive public information provision campaign on animal identification & registration; Meeting Deputy Minister of *MEPA* to assign focal point and create working group on animal movement route issues; observer at National Animal Health Programme Steering Group at the *MEPA*; ongoing Coordination with the SDC funded UNDP project to involve the Ajara municipal DRR WGs; In November 2019, a 22 km (297 ha land), unofficial route in Shiraki pastures, Dedoplistskaro municipality, used for livestock seasonal migration for decades, registered as the part of the official AMR. In June 2020. Permission from the United Water Supply Company for the Dedoplistskaro BSP water point and BSP.

⁷¹ In Georgia 232,537 HH (63% out of 369,392 Rural HH who own cattle) have registered their cattle into the *NFA* database;

⁷² Linkages between Lori municipality in Armenia and Dmanisi Municipalities in Georgia; *ALCP* team Meeting with *Strategic Development Agency* (SDA) in Armenia; *SDA* client cheese producer Lori cheese in Georgia met *ALCP* in Georgia and *SDA* (Armenia) met the *Georgian Wool Company* and *Mar-Mot Ltd* cross border opportunities; *Media Initiative Center in Armenia* and *JRC* discussion/consultation over the *Armenian Public Broadcaster* to start an agricultural program and establish of agri course at four universities in Armenia (2); in May 2019, *Food Safety Inspection Body of the Government of the Republic of Armenia* (FSIB) visited the *NFA* and the *VSPs*; meeting at Alaverdi, Armenia with the neighbouring municipalities for copying and scale up the *WR* service in other municipalities in Armenia

⁷³ 13 Armenian journalists and University representatives study tour by *JRC* in Georgia on 25-29 April 2018; September 2018 *Caucasus International University Tbilisi* and Head of the *JRC* visited *Odlar Iurdu University in Baku* to introduce *Agri Journalism Module*; October 2018 the *JRC* met *Media Initiative Center in Armenia* to discuss the *Agri Journalism Study Module* and its introduction to universities in Armenia; January 2019 the *JRC* representatives met the *Media Initiative Center* and a local *ALT TV* to launch regular agri reports; *JRC* visited Armenia to produce a Film about Agriculture in February 2018; meeting with *Alt TV* in Armenia on March 2019; *Armenian Regional Television ALT TV* visited Georgian regions Kakheti and Kvemo Kartli and reported on the dairy sector and winemaking, interviewed the Deputy Minister of Agriculture, dairy enterprise *Tsintskaro* + and its supplier farmers and employees (2) in May and September 2019; *GMM study tour* in 2020; *GAG*, fifteen guesthouse owners from Keda, Shuakhevi and Khulo educational seminar on how biodiversity, conversation and Jara beekeeping can be used for business promotion and attracting more tourists (2020).

⁷⁴ Machinery input supplier *Mar-Mot Ltd Ltd* and nutrition input supplier *Agro Trading, Roki Ltd* (the Roki numbers are not included in the Outcome 2 LHP's generating positive income change as it is too hard to prove in Armenia.

Number of customers accessing inputs	33,287 ⁷⁵
Value of sales of inputs / Value of sales to women/Value of sales to LHP (Gel)	5,534,038 Gel
Number and increased trust towards exported products (from Georgia, Azerbaijan, Armenia)	1,297 ⁷⁶
Output 2.3: Facilitated outreach of business support services in the meat, honey, dairy and wool sectors in Armenia, Azerbaijan and Georgia.	
Number of value-chain actors in dairy/ meat/honey and wool sector receiving trainings on food-safety & hygiene/business management	63 ⁷⁷
Number of milk/meat/honey & wool supplier LHP's and businesses receiving trainings / information on quality, food-safety, hygiene & business management standards	126,221 ⁷⁸
Number of HoReCa sector actors receiving trainings on food safety and hygiene	482 ⁷⁹
Number of value-chain actors gaining business management certifications e.g. GMP HACCP (e.g. Global Gap, SALSA)	89 ⁸⁰
Number of value chain actors with business/marketing plans (including for rural tourism)	20 ⁸¹
Number of value-chain actors gaining BEAT assessment & Health and Safety and Environmental Trainings	13 ⁸²
Output 2.4: Facilitated outreach of agri-information and agri-information initiatives to Armenia, Azerbaijan and Georgia.	
Number of information consumers of products that have agricultural content/Women readership/ LHP's readership	209,588 ⁸³
Number of information channels with agricultural content / of newspapers/of TV programmes/ of internet sites	14 ⁸⁴
Number of agro reports/programmes on cross border trade /export	41 ⁸⁵
Number of information channels with coverage in cross border regions	4 ⁸⁶

⁷⁵ Of these 16,178 are in Armenia and Azerbaijan.

⁷⁶ Machinery Service providers in Armenia and Azerbaijan buy equipment from *Mar-Mot Ltd* partners in Armenia whose prices are at least 10% cheaper than in other shops in Armenia and Azerbaijan. Over the last year spare parts have been available in rural machinery shops and they are buying and repairing their equipment on time. These machinery service providers are positive about the quality of machinery equipment and choice they have related to new modern equipment.

⁷⁷ 63 meat, dairy, wool, honey and livestock feed producers were trained by *Star Consulting*. 159 businesses were trained by *Star Consulting* in other sectors (bakery, vegetable, alcohol & mineral drink, nuts production, rabbits, kindergartens).

⁷⁸ Web based information channel *Business.org.ge* includes information related to BDS. Number of unique web-site visitors from Georgia 124,229 and 108,831 from other countries. *Star Consulting* has 1,719 regular visitors and 273 milk supplier farmers received FS trainings.

⁷⁹ *Shervasi* provided disinfection services to 290 HoReCa entities *Star Consulting* trained 192 HoReCa sector representatives (37 in Tbilisi, 151 in Regions: Batumi, Akhaltsikhe, Rustavi and Kaspi, Guria, Kakheti, Shida Kartli).

⁸⁰ *Star Consulting*: 19 Slaughterhouses, 29 Cheese factory, one animal feed producer, 40 other non-value-chain enterprises

⁸¹ Business plans for 2 ALCP co-financed wool companies & JRC, APMA 5, private orders 12.

⁸² *Gergili Ltd* provided BEAT assessment to local wool processor in Akhmeta region and GWC, 1 Slaughterhouse and 5 dairies in Kakheti, Slaughterhosue *Kuaturi* in Imereti & provided online trainings for 4 dairies on health and safety, and environmental assessment;

⁸³ Radio listeners. 4 radio stations, *Roki's Agri Portal (Agroface.ge)* with 70,857 Unique visitors, ALT TV programme viewers in Armenia who has produced and aired 30 agri reports (twice a month) since February 2019

⁸⁴ *JRC* produced agricultural programme for 11 local radio stations in Georgia, *Hereti, Rioni, Tbilisi and Argo Apkhazeti, Vrastan FM, AG FM, Samkhretis Karibche, Odishi, Harmonia, Mtis Temi's Radio* radio stations and one TV station TOK TV, and *Roki's Agri Portal; Agro Garemo TV* channel through local broadcasters.

⁸⁵ 6 reports/ programs prepared and aired by Armenian journalists after the agri training; *ALT TV* has produced 35 agri reports (twice a month) since February 2019

⁸⁶ Local TV's in Armenia aired programs with Agro content prepared with help of *JRC: Jam news, ALT TV, Agropress.am, Public Broadcaster of Armenia.*

# of universities integrating agro journalist study model	20 ⁸⁷
Number of degrees gained with agri journalism content	449
Output 2.5: Facilitated outreach of equitable public goods to Armenia, Azerbaijan and other areas of Georgia	
Number of gender related cross border initiatives	8 ⁸⁸
Number of women using women's room services Number & % of women participants in community meetings	8,756 ⁸⁹ ; 56,676 (36%) ⁹⁰
Number of women instigated community/livelihood related initiatives	359 ⁹¹
Value of women instigated community/livelihood related initiatives	5,453,771 Gel
Output 3.2: Facilitated access to export markets for dairy, meat, honey and wool entities in Georgia, Armenia and Azerbaijan.	
# of processors of meat and milk, wool and honey starting to export	8 ⁹²
# & % of LHP producers supplying supported entities (Women/Men)	10,031
Value of exported products	17,536,327 Gel
Output 3.3: Facilitated improvements to efficiency of outreach of key export supporting functions (freight, shipping, documentation, distribution) in dairy, meat, honey and wool value chains.	
Number of key entities with improved function/business practices	3 ⁹³
Number of representatives of the key export supporting entities trained	1 ⁹⁴
Output 3.4 Improved transparency, accountability and efficiency of function and information transfer of key export related stakeholders to exporting entities in dairy, meat, honey and wool value chains (port officials, NFA and regional equivalent officials, border officials).	
Number of information initiatives from stakeholders to exporters	5 ⁹⁵

⁸⁷ Georgia 15: *Gori State University, Akhaltsikhe State University, Samtskhe- Javakheti State University, Batumi Shota Rustaveli State University, Kutaisi State University, Telavi Javakishvili State University, International Black Sea University (IBSU) , Georgian European Higher Education University, National University of Georgia (SEU), Tbilisi State University, Tbilisi Georgian Technical University, Alma Mater Grigol Robakidze University, Tbilisi Caucasus International University (CIU), David Aghmashenebeli University of Georgia; Armenia 4: Yerevan State University, Bryusov Linguistic University, Vanadzor State University, National Agrarian University of Armenia; Azerbaijan 1: Odclar Iurdu University Baku (Azerbaijan).*

⁸⁸ One meeting with Georgian and Armenian governmental officials to establish *Women's Room* model in Lori province in Armenia and Armenian official delegation's visit in Georgia to attend *National Women's Business Forum* and visit *Women's Rooms* in Adjara; *MOU* and a grant agreement was signed with Alaverdi Municipality in Armenia to copy the *Women's Room's* model and establish a municipal *Women's Room* service; first municipal *Women's Rooms* Annual General Meeting in Tskaltubo. Hiring an Armenian Gender and Governance Expert to make a Gender Guidelines for Local Self- Government of Armenia; opening first pilot WR in Alaverdi municipality, Armenia; meeting at Alaverdi, Armenia with the neighbouring municipalities for copying and scale up the WR service in other municipalities in Armenia.

⁸⁹ Female users / beneficiaries who participated in Meetings/Trainings and other Events from 9 newly opened *Women's Rooms* in Kakheti region.

⁹⁰ 1,026 female 19 *Women's Rooms* users, 6,841 female users/ beneficiaries who participated in Meetings/Trainings and other Events from 9 newly opened *Women's Rooms* in Kakheti region which started to operate from July 2018, and one *Women's Room* in Alaverdi, Armenia which opened in August 2019. In February-March 2019 and 2020 village meetings were held under the Village Support Programme in the whole country, 34,974 and 21,702 were female participants of the meetings in the respective years which is 36% of total number of attendants.

⁹¹ 4 Women instigated community livelihood initiatives in Ajara funded with 439,000 Gel (a centre for the people with disabilities in Shuakhevi municipality, a kindergarten in Shuakhevi municipality, psycho-neurological hospital and brochures about artisans to promote traditional crafts). Also, 22 women submitted applications for civil budgeting initiatives, out of which 8 were funded with 189,000 Gel. 284 (173 in 2019, 160 in 2020) women's instigated community initiatives (water projects, kindergartens, village ambulances, roads, public toilets, parks and medical centres).

⁹² One slaughterhouse *Alali Ltd* started to export processed meat, one wool collector improved / safeguarded export of wool, *Tzerari Ltd/Natural Produktsia, Gocha Gagashvili, Tsintskaro + and Milkeni* export cheese to US, *KTW* exported Honey and *Api Geo* is just about to start exported honey.

⁹³ Improved *NFA* functions in issuing necessary documentations for honey export; Improved *MEPA* function through the *MEPA Honey Committee*. Improved *State Laboratory of Agriculture (SLA)* function in conducting honey lab tests.

⁹⁴ Training of *NFA* regional representatives in preparing Vet Certificate for honey export is planned (postponed because of COVID 19)

⁹⁵ Information campaign against using antibiotics in honey sector by *GBU. Honey Advisory Committee; Honey Umbrella Association; Honey Lab testing Subsidy Scheme* initiated by *GBU* on *Second Honey Advisory Committee* and Honey Export guidelines (October, 2019); The Honey Export Guidelines by the *Business Institute of Georgia (BIG)* was uploaded on *MEPA* and *GBU* website, was shared with nine regional office centers of the *Rural Development Agency (RDA)*, the *Agroservice Center of the Ministry of Agriculture* of Adjara and ten honey producing companies.

Increased understanding and confidence in job remit (e.g. port/border officials)	2 ⁹⁶
Increased transparency of function and information transfer of key export related stakeholders to exporting entities in dairy, meat, honey and wool value chains (qualitative)	2 ⁹⁷

3.2 REFERENCE TO INTERVENTIONS/ACTIVITIES PROPOSED AND ACTUAL

Overview: Please see *Annex 3* for the list of interventions undertaken in the reporting period. Please see *Annex 1 and 2* for detailed qualitative and systemic impact, which includes reference to behaviour change wrought by COVID-19. See *Transversal Themes Section 2.4* for activities related to WEE and animal disease notification and control. Reference to COVID-19 is made where appropriate below, which focuses on activities carried out under interventions.

General Impact of COVID-19 on Sectors, Businesses, Farmer Suppliers and Consumers: For an in depth view of the effect of COVID-19 on programme clients including perception of business health, changes in employment and income change and programme sectors, please refer to the [Effects of COVID-19 on the ALCP Client Businesses in the Dairy, Meat, Honey, Wool and Agricultural Impact Sectors](#) report submitted in October to SDC, covering the sixth months from the onset of the virus in Georgia to the end of September 2020. All clients’ companies bar one dairy have remained open and have shown considerable resilience in adapting to the constraints brought about by the pandemic.

Expansion into Kakheti: The new sub-office in Telavi has been fully operational since March 2019. Out of the five existing dairy clients in Kakheti, four are now HACCP certified and one is in the process of gaining it. Three dairies are using the Georgian Milk Mark; one has already signed an agreement with BIG and is now in the process of putting the GMM on its label. A new sixth dairy is being facilitated to enable it to meet the criteria to apply for the GMM. Work on a slaughterhouse diversifying into processed sheep meat for export to Iran/Dubai has been completed, IE Niazovi sheep slaughterhouse is HACCP certified and now has recognition from the NFA, but the COVID-19 border shut downs have impacted commencement. The Kakhetian Beekeepers Association became a member of the Georgian Beekeepers Union in February. Just outside the reporting period, Enterprise Georgia opened a call for applications for Micro and Small Business Support Programme. Women’s Room Managers were actively involved in supporting rural women and men to develop their business ideas and submit applications. During the lockdown when Women’s Rooms were shut in Kakheti, the managers organized two webinars about *promoting mental health in children and teens* and *Prospects of the development of domestic tourism in Kakheti region*. Tsivis Kveli dairy enterprise started making Guda cheese, traditionally made on the mountain, using sheep and cows’ milk. Tsivis Kveli dairy products labelled with the GMM were exported by air to Chicago, USA. Telavi Municipality city hall organized a trade fair for local entrepreneurs where one dairy enterprise promoted its GMM dairy products. One dairy from Kakheti participated in the Gergili Ltd, *Environment Protection, Health and Safety* online training. All dairy clients in Kakheti have also established evacuation plans following new Health and Safety Law requirements.

Georgia and Cross Border Supporting Functions: Agricultural input suppliers have faced restrictions in cross border export and the increased cost of imported raw materials due to COVID-19.

Mar-Mot has a decreased profit margin. *Mar-Mot* continued to export to Armenia⁹⁸ until the Nagorno Karabakh conflict began. Cooperation with clients in Azerbaijan stopped in March with the onset of the virus, but as the sales in Azerbaijan were low, it has not significantly affected the business. Sales and distribution are continuing as they were before COVID-19 in Georgia. Transportation/distribution costs to Armenia had increased by 20%, but the company had not increased the price for its partners. Sales and distribution of agricultural machinery,

⁹⁶ Regional NFA representatives in Ajara and Kakheti to prepare documentation regionally for exporting honey.
⁹⁷ NFA how to fill in hygiene certificate export to UAE. *Caucascert Ltd* to use EU BIO logo on the Jara honey label for export.
⁹⁸ Currently ceased due to the conflict with Azerbaijan and is expected to resume in the near to mid-term future.

equipment and spare parts, continued through the eight stable business partners' machinery shops in Armenia, eight machinery shops in Georgia and Marmot's own two outlets. In the reporting period, eighteen trips to Armenia were made by the company's distribution truck, saving 9,000 Gel in transportation costs. 8,419 hydraulic hoses were sold in Armenia, 315 rakes and mowers (100% Armenia) to a value of 0.5 million Gel (100% Arm). 2,493 farmers were served (2,493, 100% Armenian.).⁹⁹

Agro Trading Ltd combined feed producer: *Agro Trading* increased the price of combined feed by 10% as the price of imported grain rose by 10%. However, demand for combined feed has not decreased during the outbreak and the client does not have financial problems: sales and distribution are continuing within the country as before COVID-19. Negotiations with partners in Armenia to supply combined feed were ongoing until the outbreak and stopped due to COVID-19. In the reporting period 963 tonnes of combined feed as well as 4,500 tonnes of milled grain were produced and sold in Georgia. *Agro Trading* has the same amount of sales as before COVID-19. The company is working on business diversification and business expansion. In October, *Agro Trading* plans to take a bank loan to construct a new building. Currently, the company is selling five types of products, after expansion, the company plans to have fifteen types of products. *Agro Trade Ltd* is constructing a new building for the expansion, which includes Armenia.

Cross border facilitation: Programme facilitation in May 2019 with SDA to improve sales networks for Roki Ltd veterinary inputs supplier in Armenia has resulted in an 89% increase in sales. *Roki* has continued to export products to Armenia, Azerbaijan, and Turkmenistan without any difficulties. The company also started the production of hand sanitizer since the virus outbreak. The price of imported materials increased three times due to limited flights during the lockdown period. The company increased their prices by 10-15%. Flights are now gradually being re-instated, consequently transportation costs are decreasing again. Overall, the company has increased cash-flow but with less profit. However, they have maintained the loyalty and trust with their partners within Georgia and in Azerbaijan, Armenia, and Turkmenistan.

Information: Armenia: In 2019, the programme facilitated *Journalism Resource Centre (JRC)* facilitated the National Agrarian University of Armenia, Bryusov Linguistic University and Vanadzor State University to establish the Agri Journalism module as a part of their journalism Bachelor degree. The JRC and their partner the Media Initiative Centre in Armenia (MIC) are now helping two more universities *Yerevan State University* and *Arnavir State College* to establish the module this year. The JRC has helped a regional channel *ALT TV* to launch regular agri reports. Reaching up to 105,000 rural people. Since October 2019, the *Public Broadcaster* of Armenia has renewed an agri TV programme that had been cancelled for four years. The JRC is planning a *Teaching Agri Journalism* workshop for twenty university and media representatives in Armenia this year. *Azerbaijan:* In 2019 the JRC facilitated *Baku Odlar Yurdu University* to establish the Agri Journalism module under their vocational education programmes in agriculture which is currently going through the accreditation process. This year the JRC and the University will work together to establish the Agri Journalism module at two more universities in Baku¹⁰⁰. *Regional:* This year the JRC has been planning a regional event the; *Regional Dissemination of Agricultural Information Initiatives in Georgia, Armenia and Azerbaijan*. In October, the JRC announced a call for Armenian, Azerbaijani and Georgian universities to present media case studies in agri journalism. The JRC will publish a book of the case studies in three languages and share it with all universities. Subject materials; a *Catalogue of Agricultural Topics* and the *Constructive Agricultural Journalism Book* will be sent to Azerbaijan and Armenia in November. The JRC has added fifteen video/online lessons to the agri journalism module. Present facilitation is concentrating on the online component due to the COVID-19 outbreak and inviting delegates from Ukraine and Moldova to help dilute regional tension. Thirty participants will attend the event from Armenia and Azerbaijan to be held in December.

⁹⁹ A total of 106 trips, a saving of 53,000 gel, 27,393 hydraulic hoses, 1595 rakes and mowers, 18,489 farmers. 2.4 million value of sales from the beginning of the phase April 2017. (Armenia and Azerbaijan only)

¹⁰⁰ Baku State University and one more

Dairy Sector: From the beginning of COVID-19, high demand for dairy products has continued. Out of twenty-one programme facilitated dairies, one stopped operation¹⁰¹. Four dairies are working with decreased production of about 40-50%¹⁰². The other sixteen dairies are operating as normal with increased demand from HH's and supermarkets helping bridge deficits from the HoReCa sector. The hardest hit were those producing specialty cheeses to the HoReCa sector. Instead, these dairy factories have focused on supplying supermarkets and small shops. Delays in payment to dairies from supermarkets are always an issue in the dairy sector, since COVID-19 it has been happening even more often, impacting cash-flows. Despite these challenges, dairies have not decreased the frequency of payments to farmers, and the price for raw milk has not changed for farmers, even during the lockdown. Based on the *COVID-19 Effects on the ACLP client's businesses* report the majority of the interviewed dairies want to increase production, improve the quality of their products, and enter new markets. They say they will remain resilient to a possible repeat of the crisis but their ability to grow has been impacted. To continue their business development trajectory money is required; for maintaining and upgrading their factories, expanding and diversifying production, purchasing equipment and distribution vehicles and expanding storage and chilling capacity. Most factories have spent their savings and already have business loans and now need low-interest financing, with favourable loans conditions. Some dairies are planning to ask the help of the *Business Institute of Georgia* with marketing campaigns, entering new markets and building trust and relationships with supermarkets

Georgian Milk Mark (GMM) please see Annex 4 for an in-depth report: The GMM is proceeding well. Since January 2019, when the GMM was presented to a wider audience, forty-six dairy enterprises have submitted applications to the Business Institute of Georgia (BIG), which is a programme-facilitated independent body administering the Georgian Milk Mark. Out of these applicants, eighteen dairy enterprises have been granted permission to use the mark. Eleven¹⁰³ of these have already started to use the mark, on their cheese label, while another seven¹⁰⁴ are in the process of redesigning their labels to include the mark. The remaining twenty-eight dairy enterprises (four¹⁰⁵ of whom are being facilitated by the ALCP) are in process of improving traceability and implementing HACCP in order to become eligible to use the mark. GMM cheese is now available in fifteen mainstream shop chains. Information about each enterprise is uploaded on <http://georgianmilk.ge/home>. In this reporting period the mark was promoted to supermarkets by *Imedi TV, Rustavi 2, Agro TV and TV Pirveli*. The GMM animated video describing the mark has had 413,054 views. Popular family YouTube channel [Emili TV](#) was facilitated to test GMM products and the resultant videos have had 695,770 views. ALCP facilitated GMM dairy company Milkeni Ltd have started to produce and sell the first commercially available [Erbo](#) (Clarified Butter), a new product under the Georgian Milk Mark. It is available in Madagoni, Nikora, Libre, Spar, Zgapari and Tserti supermarkets chains. Interest and demand is growing rapidly and it was promoted via Business Media on TV Pirveli and Radio Channel Chveni Ferma.

The *Georgian Milk Federation (GMF)* created in June 2019 from a coalition of twenty-four dairies currently using or applying for the mark and facilitated by the Business Institute of Georgia (BIG), met in September 2020 with the Rural Development Agency (RDA) and planned meetings with dairies in different regions of Georgia to introduce the Federation, the GMM and changes in regulations. Due to the second wave of COVID-19, meetings with the dairies were suspended but will be moved online. At the beginning of October a study tour for eleven GMM members visited eight dairy factories in Samtskhe-Javakheti, Kvemo Kartli and Kakheti regions. Participants of the tour exchanged their knowledge and experience, discussed the GMM and dairy technology and shared their vision of the dairy sector development and the challenges they face. Please see *Annex 5* for a detailed

¹⁰¹ Since March *Tanadgoma Cooperative* has stopped working due to a case of COVID-19 at the beginning of COVID-19, and the enterprise cannot still reopen as there is now a case of disagreement between partners

¹⁰² Kvelis Kochi; Shuamta, Tsivis Kveli and Odli Ltd.

¹⁰³ Milkeni Ltd Rustavi, KK; Tsintsikaro + Ltd Tetrtsikaro, KK; Badri Gogoladze I.E brand name Cheese Hut, Bolnisi, KK; Dairy Products Company Tsezari, Tsalka, KK; Gocha Gagashvili I.E, brand name 'Tsivis Kveli' Telavi, Kakheti; Levan Bejanishvili I.E, brand name 'Shuamta', Telavi, Kakheti, Tsifora Samtskhe Ltd, Akahlsikhe, SJ, Coop. Khiza, Akahlsikhe, SJ, Tsalka + Ltd, Gumbati, KK, Coop. Disveli, Bolnisi, KK, I.E Tamaz Tagiashvili, Akhmeta, Kakheti;

¹⁰⁴ I.E Tsolak Grigorian I. E Ninotsminda, SJ; Karen Simonian, I. E Akhalkalaki, SJ; Hakob Hambaryan I.E Ninotsminda, SJ, Coop.Imedi, Adigeni, SJ, Coop. Dertseli, Adigeni, SJ, Lianka Ltd, Dedoflistskaro, Kakheti, coop. Tanadgoma, Kumisi, KK is currently stopped operational

¹⁰⁵ Odli Ltd, Telavi, Kakheti, Apluri Javakheti Ltd, Ninotsminda, SJ; Cheeseline Ltd, KK, Teleti Ltd KK

report of the study tour. Just outside the reporting period the Georgian Milk Federation conducted online meetings with its members and presented the latest national GMM consumer research survey¹⁰⁶ (conducted by the programme and submitted with this report), marketing and promotion outcomes and the challenges of COVID-19. They also prioritized issues for advocacy with government, banks, financial institutions and supermarkets.

Promotion drive for GMM in the HoReCa sector: A promotion drive for the GMM in the HoReCa sector planned in March 2020, hindered due to COVID-19, was resumed from July, once lockdown was eased and HoReCa entities became operational. However, the situation did not long allow for the organization of planned meetings in Ajara, Kakheti and Samtskhe-Javakheti regions and promotional activities were limited to remote contact with HoReCa representatives and information sharing via telephone. In total, 74 HoReCa entities were contacted in Western Georgia and 50 entities in Kakheti Region and the process was facilitated by the Department of Tourism and Resorts of Ajara and Destination Management Organization in Kakheti. These HoReCa entities received a list of GMM dairies who would potentially supply them with dairy products. However the second wave of Covid-19 had led to a dramatic drop of HoReCa sales and hampered the further activities.

Business Development Consultancy Services: On May 2020 the ALCP programme facilitated a meeting between Gergili (Environmental, Health and Safety Consulting Company) and SMEs working in Dairy, Meat, Wool and Honey sectors to introduce them to a new online course incorporating new national legislation and requirements for businesses in Environmental protection, Health and Safety and the prevention of COVID-19. The first online trainings with dairies were conducted on the 8th and 9th of July, 2020. The same training for slaughterhouses honey and wool processors is to be conducted in October. Gergili Ltd is facilitating the process of managing waste water from the new wool washing operation at the Georgian Wool Company. With the facilitation of Gergili Ltd the Georgian Wool Company carried out a waste water laboratory analysis and signed a contract with a sanitation company to dispose of the waste water¹⁰⁷ in accordance with recommendations of the Georgian Water & Power Company (GWP).

Meat: COVID-19 has negatively affected the income and financial condition of slaughterhouses. The COVID-19 emergency has highlighted the dependence of the meat sector on the HoReCa sector. Demand for meat and slaughtering services decreased by 30-50% in the domestic market during the lockdown in March and April. In June, the situation went back to normal. Since August a serious outbreak has occurred in Ajara and cases are rising across Georgia and the government has re-imposed some restrictions related to the HoReCa sector, custom has been reduced and so the demand for meat and slaughtering services has decreased again. The slaughterhouse Alali Ltd had a potential new buyer for frozen Halal sheep and beef to Iran and was in negotiation in March, 2020 but suspended negotiations due to COVID-19. They also with the help of the ALCP and MEPA helped new buyers of Halal sheep meat from Iran to come to Georgia in July to negotiate the export of 500 tonnes of sheep meat (33,000 sheep carcasses). Unfortunately the sale has not occurred yet to due to Covid-19 related constraints. In August 2019, the programme co-financed Kutaturi Ltd, the largest pig and cattle slaughterhouse in Western Georgia, to diversify its by-product production line. BDS assessments were conducted and equipment purchased which increased pig throughput. However, planned interior remodeling for by product processing has been delayed due to Covid related constraints. The owners of sheep slaughterhouses hope that borders and restrictions will be relaxed and the export of processed sheep will restart soon. Discussions are underway with Iranian buyers but regional unrest and rising cases in Iran and Georgia may hamper its commencement

Wool: The two programme facilitated wool collecting and processing entities closed temporarily at the beginning of the COVID-19 outbreak, local processor and mattress producer Wool House in Akhaltsikhe for a month and the exporter and washed wool processor Georgian Wool Company in Tbilisi for three months. Local demand has remained steady or grown, the main challenge is related to export. There is demand for washed and greasy wool

¹⁰⁶ Part of the ALCP impact assessment cycle [Measuring Urban Dairy Consumers' Awareness of the Georgian Milk Mark](#) September 2020

¹⁰⁷ Via sanitation truck to the central collector sewage system.

in the UK, India and Afghanistan, but the price has decreased by 20-25% due to COVID-19. In February, the Georgian Wool Company began¹⁰⁸ to wash wool in a small quantities and had already sent samples of washed wool to India and Afghanistan when the company was closed for lock down. It reopened at the beginning of May for the shearing season. An unsuspected local market for washed wool has since emerged and developed during the reporting period with sales of 50 tonnes of wool to local mattresses and blanket producers and with potential to increase. In fact, the income from washed wool at current prices has resulted in increased income over an identical time period in 2019. In a positive sign the company has been able to sell 44 tonnes to India for the Chinese market. The company has collected 150 tonnes during the reporting period in line with the prediction in the last reporting period that the company would add to the 370 tonnes of wool collected and exceed 500 tonnes by the end of 2020. The company's six collection centers and improved sorting and shearing¹⁰⁹ services ([see article](#)) implemented in 2019 are working well resulting in better quality wool and easier sourcing for the company, underpinning the investment in the wool washing facility.

Honey: Core Market: Implementation with KTW to facilitate Georgian honey export is fully underway. To date, honey consignments have been delivered to Japan, Canada and UAE and Georgian honey under the brand name *Nena* is successfully being sold in shops in Toronto. A pilot order has been dispatched for chestnut and Jara honey from KTW's existing partner in the USA, which will be delivered in December 2020. To date the company has exported 3486 kg's of five different honeys and four honey with nut products. In Georgia, KTW honey is being sold in supermarket chains Carrefour, Goodwill, Europroduct and Agro Hub and small shops and KTW's own shops throughout Georgia, however in considerably lower volumes than in 2019 as demand in Georgia and internationally has considerably decreased as a result of the COVID-19 pandemic. The company aggregated a staggered amount of five types of honey (4.2t from an expected 20t) due to reduced cash flow. Implementation of HACCP in the KTW's Agro-Keda factory in order to qualify for BIO certification for the packaged Jara honey¹¹⁰ was completed successfully, with a Bio certificate issued by Caucascert Ltd in October, 2020. The company is about to commence Jara honey aggregation from twenty-three BIO certified Jara beekeepers in autumn, 2020. Of these eighteen were certified in February 2020 and five more plus the Jara apiary in July 2020. Implementation with Api Geo Ltd¹¹¹ to facilitate Georgian honey export (in bulk amounts) is ongoing. Delayed equipment¹¹² delivery from Turkey due to COVID-19 has delayed bulk honey homogenization by a month, it is planned to start in November, 2020.

Rules: For the first time in autumn 2020, the Laboratory of the Ministry of Agriculture of Georgia (LMA) will be testing honey samples handed in by the National Food Agency for the annual Residue Monitoring Plan (RMP), *itself* after five years of honey testing in the *BIOR* laboratory in Riga. Programme facilitation has significantly contributed to the process¹¹³. MEPA has been unable to deliver an agreed contribution 100,000 GEL for honey testing subsidy in 2020 due to limited budget resulted from COVID-19 pandemic. Programme facilitated Honey Export Guidelines¹¹⁴ developed by BIG were uploaded on MEPA's website under [sectoral guidelines](#) and disseminated among the eight regional centres of the MEPA Rural Development Agency (RDA) and Agro Service Center of the Ministry of Agriculture of Adjara.

Facilitation of Honey sector associations: In this reporting period, the Georgian Beekeepers Union (GBU) - the ALCP-facilitated umbrella association advocating for and representing beekeepers' interests¹¹⁵ and promoting Georgian honey, has created a new SMS service (SMS) for the now 5,314 beekeepers (548 women)¹¹⁶. Information

¹⁰⁸ Following co-investment in May 2019

¹⁰⁹ The service is available on the pastures at the beginning of spring and at the end of summer, when sheep are usually sheared in Georgia. This year, up to five-hundred farmers were served, with hundred thousand sheep sheared.

¹¹⁰ Sold in honeycombs directly after harvest without treatment

¹¹¹ Honey factory in Imereti

¹¹² A honey homogenizer with the capacity to homogenize 20t at a time, Api Geo Ltd is the first factory in Georgia to have it

¹¹³ [discussion](#) at the ALCP Honey Sector Advisory Committee meetings and linkages

¹¹⁴ Developed by the Business Institute of Georgia (with ALCP facilitation) based on KTW experience

¹¹⁵ Now with 13 member organisations.

¹¹⁶ Insertion of new members into the database continues it was 4,300 in the last reporting period.

on relevant topics such as disease control and the timing of feed are sent via sms with links to the GBU's website www.geobeekeepers.ge and [Facebook page](#). On October 8th, the GBU and sectoral skills organization Agro Duo signed a Memorandum of Understanding following months of facilitation, pledging to work together to integrate new Jara materials (see below) into the beekeeping programmes in all VET colleges in Georgia. This year Akhali Talga VET College in Kobuleti and Khulo have been the first to integrate the Jara materials into their one-year beekeeping programme which twenty-eight beekeeper students are attending. Akhali Talga VET College experience and the Jara materials were shared at an [event](#) on October 8th for representatives of thirteen VET colleges from across Georgia. Participants received the [Jara Honey Production Handbook](#) and [Bio Certification Guidelines for Beekeepers](#) materials produced in joint facilitation by the ALCP team and the GBU, JBA and external expert consultants.

Jara Beekeepers Association: Twenty-three Jara beekeepers and the Goderdzi Alpine Garden became bio certified in this reporting period. The Jara Beekeepers Association (JBA), facilitated by the programme, is supporting the process and promoting the use of bio drugs, better husbandry and hygiene practices in Jara apiaries. Productivity of Jara bee colonies has increased by 30% and thirteen new beekeepers started producing Jara honey. To date, the JBA unites seventy Jara beekeepers in its database. The *Jara Honey Production Handbook* and *Bio-Certification Guidelines* were developed with the JBA for its members and those seeking to become Jara beekeepers and were disseminated among thirteen VET colleges and. A JBA application to The National Agency for Cultural Heritage Preservation of Georgia asking that the status of 'intangible cultural heritage' be granted to the tradition of producing honey in Jara hives, was updated according to new agency recommendation, the decision shall be made at the end of 2020.

3.3 IMPLEMENTATION CONSTRAINTS AND WAYS TO OVERCOME THEM

COVID-19: The extent to which the effects of COVID-19 restrictions and constraints will further affect programming is as yet unknown. Much depends on when restrictions are fully lifted, the ability of businesses and the economy to recover and what the full effect on the operational environment and stakeholders will be.

During the reporting period, in addition to the COVID-19 pandemic and the impact that remote working has had on interventions that usually involve face to face meetings to galvanize key government entry points, the elections in November saw all effective ongoing activities cease or be suspended until 'after the election'. It is to be hoped that normal operations resume within the next reporting period.

The regulatory focus of the NFA still has gaps, which increase constraints for clients such as insufficient policing of milk powder usage and sale as natural milk, unregistered factories and backyard slaughtering. Additional upcoming registration requirements in the honey and dairy sectors may place additional strain on the agency unless operational capacity is increased. With regard to external constraints in the operating environment see 1.2 *Evolution of the Context* and 1.3 *Bilateral and Multilateral Issues of Note for Policy Dialogue*. Other main constraints remain consistent with previous phases of the programme and those reported in the Annual Report.

3.4 EVENTUAL CHANGES TO MAIN ASSUMPTIONS

COVID-19: The extent to which the global pandemic will alter development programming and consequently programmatic assumptions is as yet unknown. The effect on businesses, the economy, climate and climate related initiatives cannot yet be fully evaluated. It is anticipated that planning for the impact of pandemics may become more mainstreamed in strategy and planning including in project assumptions. Otherwise there have been to date no major changes to programmatic assumptions following the *Annual Report*.

CHAPTER 4 – FINANCES & OPERATIONS

4.1 PERCENTAGE OF BUDGET SPENT VS. PLANNED PER OUTCOME

For the ALCP support lines^[1] as of September 30th, 2020, the spending percentage of 95.46% is on track, reflecting robust investment in interventions sufficiently within the remaining time frame to record impact. See 3.2 *References to Activities Proposed and Actual* for details. The percentages represent the rate for the full five-year phase.

Table A. Budget Support Funds and Spending Percentages

ALCP Support Facilities (CHF)	Total Budget from January 2020	Funds remaining September 30 th 2020
Alliances Investment Support Facility (Including Gender and Governance)	1,428,366	64,897 (95.46% spent)
Technical and Transversal Themes Sub Contractors	42,000	15,867 (62.22% spent)

4.2 BUDGET DEVIATIONS AND OUTLOOK FOR THE REST OF THE PHASE

As noted above, spending is on track at the three and a half year mark, showing that the programme has successfully accommodated the January 2020 increase in funds and translated it into investments in interventions well within the programme time frame. Please see *Annex 3 List of Investments made in the reporting period*. The remaining funds will be channelled into supporting activities for existing sectoral initiatives.

4.3 APPRAISAL ON HOW EFFICIENTLY INPUTS WERE CONVERTED INTO OUTPUTS

The efficiency of input conversion is enhanced through the use of the co-investment mechanism. Programme co-investment is currently running at an average 61%, up from 47% (Annual Report March 31st 2020) reflecting the financing of asset purchase, materials development, trainings and capacity building for peak rate implementation and marketing activities. This includes establishment of two new Women’s Room in Tashir and Tumanyn Municipalities in Armenia, facilitation of the Journalism Resource Centre to increase outreach of agri information initiatives to Azerbaijan and Armenia and development of Jara teaching materials for VET colleges and support to the export of Georgian honey. See Figure 1 overleaf.

4.4 HUMAN RESOURCES & TEAM MANAGEMENT¹¹⁷

All offices are working successfully and maximizing the geographical synergy of their locations to enhance interventions. The ALCP offices reopened on May 18th and remained open, operating according to strict hygiene and distancing regimes until November 10th 2020, excepting Batumi office, which moved to remote working due to a high number of cases on September 14th 2020. Two current and one former staff member who left to study a Masters in Switzerland will transfer outside the reporting period to the new SDC Rural SME Development Programme.

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

¹¹⁷ NB: it must be continually noted that though requiring effort to manage and document, flexibility in staffing and altering staffing to suit needs as the programme develops rather than slavishly following fixed budgets is one of the key tenets of the organisational ‘adaptive’ culture that allows for effective MSD implementation.

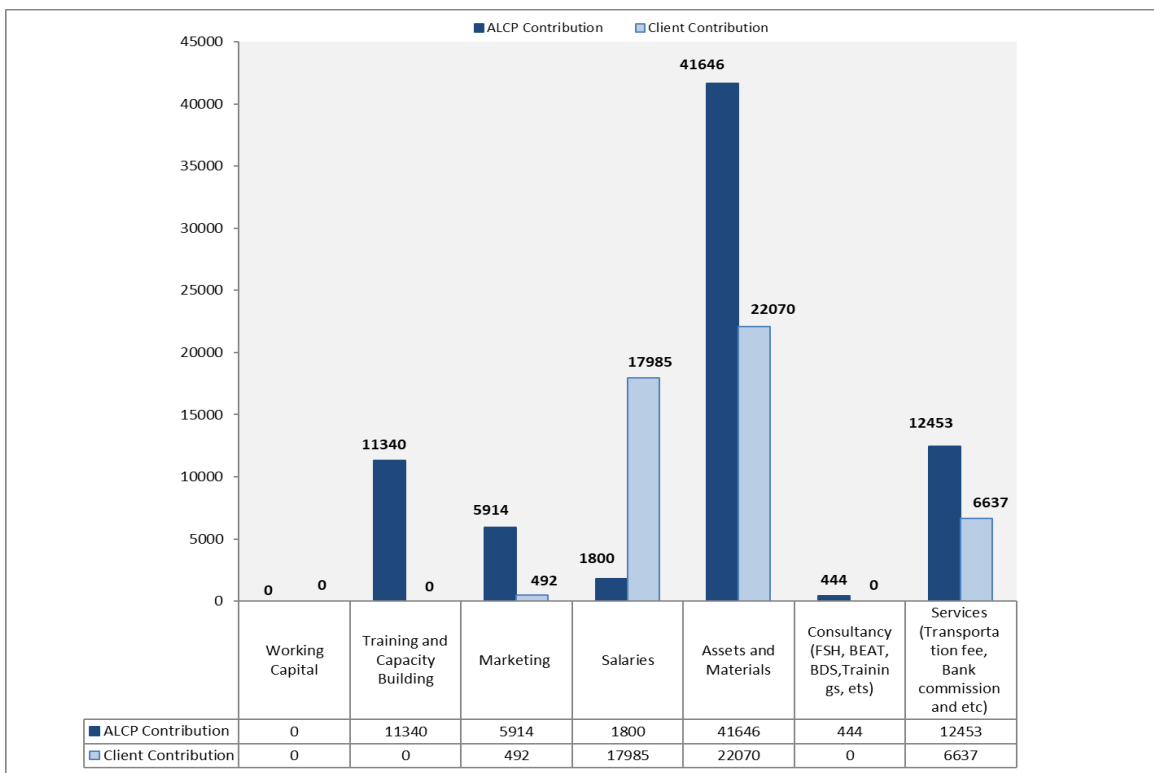


Figure 1. Showing the Outlay of ALCP and Client Contributions

CHAPTER 5 – GOOD PRACTICE & LESSONS LEARNED

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

Georgia: SCO in Georgia: Working relations with the NAITS programme and UN Women are ongoing. Support to UN Women continued in relation to facilitating inputs into the model for the national expansion of women’s rooms. Regular communication with the SCO has included working closely with the SDC Media and Communications Officer to relay news stories developed on the ALCP website highlighting ongoing developments and sharing new research. The project liaised with the UNIDO and SECO funded *Products for Market Access for Typical Food Products (PAMPAT)* in the reporting period to ensure inclusion of relevant value chain products in the project’s National Contest for Terroir Products.

The USDA SQIL programme has been in ongoing communication with the ALCP.

Cross border: Communication is ongoing with SDA in Armenia, further coordination has been disrupted by COVID-19 and the regional conflict.

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

External Review: ILO’s Enterprise Formalisation division contacted the programme in early summer 2019 to posit the idea of carrying out research on the linkages between MSD, business formalization and decent work. The Report [Better Cheese Better Work: The Alliances Caucasus Programme’s Impact on Informality and Working Conditions in Georgia’s Dairy Sector](#) came out in May 2020 and has been widely disseminated to SDC, the BEAM Exchange and within Mercy Corps worldwide. A BEAM webinar based on the research will be held in March 2021 with ILO representatives and Team Leader as speakers. Two further ILO publications produced in tandem

with the ALCP include case study examples of the programme. Please see [Child's Play: The Case for Developing Child Care Services to Boost WEE](#) and [Bending the Rules: How to Use a Systemic Approach to Change the Rules of the Game](#). Both examples focus on the Women's Rooms. In July through to September, the ALCP was part of a global SDC independent evaluation of SDC's Agricultural Market Development programmes from 2013 to 2019. Key team members as well as the veterinary company Roki and a veterinary pharmacy engaged with the evaluator, sending programme documents, links to resources and data, to best illustrate and verify decision making rationale, implementation and impact.

Self-Evaluation: As noted in the steering implications the ALCP close out Impact Assessment Cycle has begun, according to a timetable and methodologies developed with the programmes DCED consultant backstopper in January 2020. These are: [Measuring Urban Dairy Consumers' Awareness of the Georgian Milk Mark September 2020](#) proving the growing awareness and uptake of products bearing the mark amongst consumers. An in-depth Impact Assessment of the Women's Rooms was finalized in the reporting period please see: [A National Qualitative Review of the Municipal Women's Rooms \(June 2020\)](#) and two animal movement route reports [Monitoring of Livestock Seasonal Movement on the Animal Movement Route](#) Report (July 2020) and [Further Animal Movement Route Development and Water for Migrating Animals Report](#)

Knowledge Sharing: In October an in-depth report was submitted in October to SDC, covering the sixth months from the onset of the Corona virus in Georgia to the end of September 2020. Please see [Effects of COVID-19 on the ALCP Client Businesses in the Dairy, Meat, Honey, Wool and Agricultural Impact Sectors](#) report. The report has been shared with Mercy Corps and SDC E + I network. This was in addition to four *ALCP COVID-19 Status Reports* provided to SDC throughout the reporting period providing in-depth information on the ongoing impact of Covid-19 on, and mitigation activities in relation to, programme sectors, clients, employees and target group¹¹⁸.

Intra agency learning: Outside the reporting period on October 21st the Team Leader presented as a guest speaker on a Mercy Corps Employment webinar series on incorporating MSD in employment programmes, entitled *What Does MSD have to Offer?*

MSD Best Practices, Gender and WEE dissemination: [A Pragmatic Approach to Assessing System Change](#) was published in May supported by SDC, DFAT the DCED and Dutch Ministry of Foreign Affairs, the Team Leader was engaged as one of the six reviewers of the publication.

CONCLUSION

Despite the ongoing impact of COVID-19 on programme operations, team morale and cohesion remain high as the synergy of complex sectoral interventions to come to fruition, key complex functions begin to be adopted by new market players and impact assessments prove attributable impact. The programme has contributed and will continue to feed into SDC's new Rural SME Development Programme to impart maximum sustainability to the interventions and market actors supported through the twelve years of SDC MSD programming to date and help set up a systemic working model to include many more. ALCP programming remains dynamic in spite of current COVID-19 related difficulties and the programme has embarked on its final eighteen months of programming and assessment with confidence.

¹¹⁸ The First ALCP COVID-19 Status Report was provided to SDC on March 25th and the Second on April 27th 2020 (the 25th was a Saturday). The Third on May 25th and the Fourth on June 24th 2020.

ANNEX 1 MAIN QUALITATIVE FINDINGS PER REPORTING PERIOD¹¹⁹

QUALITATIVE IMPACT PER SECTOR March 2020 - September 2020	
MACHINERY	
BUSINESS	<p>* In August <i>Mar-Mot Ltd</i> won a 147,000 USD tender announced by the <i>UNDP Modernization of Vocational Education and Training (VET) System in Agriculture</i> project. Under the project, three vocational colleges in Mestia, Tsalenjikha, Khobi and two universities in Batumi and Senaki purchased four tractors and thirty-three pieces of machinery equipment from <i>Mar-mot</i> to teach their students how machinery service works.</p> <p>* The latest shipment of machinery to Armenia was in September. The company had new orders and money transferred in advance from Armenia for new shipments, however, due to the conflict in Nagorni-Karabakh <i>Mar-Mot Ltd</i> transferred money back to their partners on their request. The last (3rd) shipment to Azerbaijan was in March 2020 and stopped due to COVID-19. The relationship between <i>Mar-Mot</i> and their suppliers in Armenia and Azerbaijan remains steady. <i>Marmot</i> is continuing their trade within Georgia and is ready to resume trade with both countries if the situation improves.</p> <p>* <i>Mar-Mot Ltd</i> established an online ordering and delivery service through <i>Facebook</i>.</p>
NUTRITION	
BUSINESS	<p>* Since August <i>Agro Trading</i> has been accessing a stable income of 1000/month and saving 1,200¹²⁰ Gel/month from a newly established truck weighing service. In August <i>Agro Trading</i> hired one new full-time employee for the service with a salary of 600 Gel/month.</p> <p>* <i>Agro Trading</i> has increased the price of combined feed by 10% as the price of imported grain has risen by 10%. However, demand for combined feed has not decreased during the outbreak and the client does not have financial problems: sales and distribution are continuing within the country as before COVID-19.</p>
FARMER	<p>* A 10% increase in the price of imported grain was reflected in the 10% increased price for <i>Universal</i> combined-feed. However, <i>Agro Trading</i>'s customer farmers say that regular sales of milk and the good price paid for milk are helping them cover the increased price and they are continuing to buy it as normal and the demand from dairy factories on raw milk is high.</p>
INFORMATION	
GEORGIA	<p>* <i>Samtskhe-Javakheti State University</i> in Akhaltsikhe started teaching Agri Journalism a on their Agri Extension Bachelor's Programme as a mandatory course in September. Eight students are attending the course. The head of the programme is planning to establish Agri Journalism as a selective course for all departments at <i>Samtskhe-Javakheti State University</i>.</p>
ARMENIA	<p>* Fifty-three students have attended the agri journalism course at three universities¹²¹ in Armenia</p>
HONEY	
BEEKEEPERS	<p>* <i>Sectoral systemic changes</i>: two medium-scale beekeepers in Samegrelo and one medium-scale beekeeper in Imereti are now building honey processing facilities. One beekeeper added new Jara hives. All those beekeepers named increased demand for honey and Jara honey in the domestic market and honey export opportunities as a motivation to improve their production.</p>
BUSINESS	<p>* <i>Kakhetian Traditional Winemaking Company (KTW)</i> planned the aggregation of 20 tonnes of honey in 2020 and they have only aggregated 4.2 tonnes from eleven beekeepers¹²² due to limited export orders during the COVID 19 pandemic.</p> <p>* <i>KTW</i> exported a third consignment of 715 kg of Acacia and Chestnut honey to Canada in April. In total, 1.3 tonnes of <i>Nena</i> honey has been exported to Canada and is now being sold in thirty-two shops in Toronto. The majority of the shops' consumers are from Eastern Europe; Chestnut honey is their favourite.</p>

¹¹⁹ Note: Qualitative Data is measured annually. However not all occur at the same time. This report includes all those interventions which were due for their annual qualitative impact assessment in the reporting period.

¹²⁰ Out of 2,200 Gel - 1000 Gel/month is income from the service and 1,200 Gel/month is the company's savings, as before their scale, they were buying the service from other companies.

¹²¹ National Agrarian University of Armenia, Bryusov Linguistic University, Vanadzor State University.

¹²² Out of planned 30 beekeepers.

	<ul style="list-style-type: none"> * Since the COVID 19 outbreak sales of Jara honey have decreased through KTW shops aimed at the international tourism market. Negotiation is underway however to export Jara honey to Canada and the USA in October and the company is also planning to get Jara honey into supermarkets in Tbilisi for the Christmas market. * Jara honey aggregation is due in October and KTW has recently decided to aggregate only one tonne of Jara honey from twenty-three bio-certified beekeepers from the three tonnes of estimated harvest, a 340% increase on the first commercial harvest in 2018, they will buy more in line with further demand. * The <i>Georgian Beekeepers Union (GBU)</i> and <i>Jara Beekeepers Association (JBA)</i> websites are working well among international honey buyers. KTW received e-mails from Saudi Arabia, UK, India and China through the GBU and JBA e-mails. Business offers were sent and negotiations are ongoing.
BIO CERTIFICATION	<ul style="list-style-type: none"> * There are now 70¹²³ Jara beekeepers in the JBA's database from a baseline of 56 in 2018. * 54% (38) are commercially harvesting Jara honey and selling to KTW¹²⁴. * Twenty-four¹²⁵ Jara beekeepers are Bio certified. * 70% of the Jara beekeepers are now using a bio vet medicine Oxalic Acid for bee treatment, recommended by the Jara Beekeepers Association. As a result, the mortality rate of bee colonies in Jara hives has decreased by 80%. The productivity of Jara hives has increased by 30%¹²⁶. * 30% of the Jara beekeepers increased the number of Jara hives by 40%; the rest 70% are planning to increase the number by 50%. * The majority of the Jara beekeepers improved their husbandry practices, paying more attention to the cleaning of hives, burning off inner parts for hygiene purposes, replacing old wax. * For the majority of the Jara beekeepers, Jara honey production is now a priority. For some of them Jara honey production and stable income were a motivation to stay in their villages. * Agro-Keda factory implemented HACCP specifically for honey production and applied for Bio certification and received certification in October. * Agroservice Center under the Ministry of Agriculture of Ajara allocated a 15,000 USD fund for the bio certification of twenty-three Jara beekeepers and the Goderdzi Alpine Garden's Jara apiary in 2021. * <i>Agrogaremo TV</i>, <i>Formula TV</i>, <i>Ajara TV's Me var Fermeri</i> and <i>Batumelebi</i> reported about Jara Bio certification reaching 28,000 viewers.
LEARNING (VET) IN BEEKEEPING	<ul style="list-style-type: none"> * <i>Akhali Talga VET College</i> in Ajara is the first college in Georgia to have integrated Jara teaching in their beekeeping programme. From this semester they are teaching the integrated programme to twenty-eight students. * In total, there are ten VET colleges in Georgia with either a two month or one-year beekeeping course. The <i>Georgian Beekeepers Union (GBU)</i>, along with <i>the Jara Beekeepers Association (JBA)</i>, is now facilitating the integration of a Jara module into beekeeping programmes of these ten colleges in cooperation with the sectoral skills organization <i>Agro Duo</i> and the <i>Ministry of Education, Science, Culture and Sport of Georgia</i>. The <i>JBA</i> developed the <i>Jara Honey Production Handbook: for Beekeeping Programmes at VET Colleges</i>. The <i>JBA</i> also shared the handbook with nine regional offices of the <i>Rural Development Agency</i> and websites <i>Agriculture Development Group</i>, <i>Bio Agriculture</i>, <i>Georgian honey and Beekeeping</i>.
GODERDZI ALPINE GARDEN	<ul style="list-style-type: none"> * Officially opened in July, the <i>Goderdzi Alpine Garden (GAG)</i> has already attracted twenty thousand visitors since the opening, making it the most prominent tourist destination in mountainous Ajara. * The <i>GAG</i> hosted fifteen guesthouse owners from <i>Keda</i>, <i>Shuakhevi</i> and <i>Khulo</i> to an educational seminar on how biodiversity, conversation and Jara beekeeping can be used for business promotion and attracting more tourists. The seminar participants agreed on further coordination and information dissemination. * The Media has produced forty articles about the <i>GAG</i> since July. * The <i>Department of Tourism and Resorts of Ajara (DTRA)</i> is promoting the <i>GAG</i> under their social campaign for internal tourism encouragement <i>#DiscoverGeorgia</i>. It has allocated 10,000USD in its 2021 budget for placement of informational signs and boards in the <i>GAG</i>. * The <i>GAG</i> has been included in two media and twenty tourist agency tours. * In the first year, 161 species were recorded in the garden. The restoration process of these species is noticeable as the place is protected from cattle and human damage now. The Garden plant collection has been enriched by forty-eight species over the last two years.

¹²³ Baseline was 56 in 2018, out of which 15 did not practice Jara production.

¹²⁴ In total, KTW has aggregated 2.6 tonnes of Jara honey since 2018.

¹²⁵ 18 Jara beekeepers got Bio certification in February, 2020; 4 Jara beekeepers and the GAG Jara apiary – in August, 2020.

¹²⁶ The number will be adjusted according to 2020 harvest (which commenced at the end of October, two months later due to COVID-19), when the results of husbandry/treatment done in 2019 will be more visible.

GBU	<ul style="list-style-type: none"> * The <i>GBU's</i> beekeeper database now has 5,314 (10% female) beekeepers from across Georgia. * The beekeepers registered in the new <i>GBU</i> database received two SMS notifications from <i>the GBU</i> on <i>Varroa</i> treatment and <i>bee feeding</i>. The information received was particularly useful for beekeepers from Racha, who have established linkages with the <i>GBU</i>; also for practitioner/beginner beekeepers, who followed recommendations. After these two notifications, 30% more beekeepers are receiving in-depth information related to beekeeping from the <i>GBU</i>. * The <i>Honey Export Guidelines</i> by the <i>Business Institute of Georgia (BIG)</i> reached 27,000 people through the <i>BIG's Facebook</i> . The <i>MEPA</i> re-designed and uploaded it on <i>its website</i>. Nine regional offices of the <i>Rural Development Agency</i> shared the guidelines through <i>Facebook</i>. It was also shared with the <i>Agroservice Center</i> of the <i>Ministry of Agriculture of Adjara</i> and ten honey producing companies.
GMM DAIRIES	
BUSINESS	<ul style="list-style-type: none"> * <i>Tsezari</i> hired five additional staff during high milking season despite Covid-19, to produce smoked <i>Sulguni</i> and paid 700 Gel/month/employee * <i>Tsezari's</i> new Batumi shop is accounting for 20% of the total company sales. The rest is distributed as follows: 40% supermarket chains, 10% - fifty small shops in Batumi, 30% - cheese export to the USA. * <i>Tsezari</i> placed branded refrigerators stocked with their products in Carrefour branches in Batumi. The company hired a new employee to promote the products in Carrefour and developed a promo <i>video</i> about the Khulo factory that was shown in the main branch of Carrefour Batumi. * <i>Shuamta Ltd:</i> the factory added sixteen shops in Tbilisi, as an alternative market for the HoReCa sector closed due to COVID-19.
FARMER	<ul style="list-style-type: none"> * The milk price is either the same as last year or has increased due to the high demand for raw milk from <i>GMM</i> dairy factories. * Selling raw milk has been farmers' most stable income during the Covid-19 outbreak. Some farmers are now going to buy milking cows in autumn to have more milk and increase their stable income from regular milk sales. * Most of the farmers are developing their farms using bank loans and during the crisis, they had 3 months free from paying bank loans. However, most farmers selling raw milk stated that they had no problems with paying bank loans during the crisis.
MEAT	
BUSINESS	<ul style="list-style-type: none"> * A <i>pig dehairer facility</i> allowed <i>Kutaturi Ltd</i> to increase its pig slaughtering service by 50%. * The pig dehairer facility has allowed the company to slaughter a pig in six minutes, instead of half an hour/pig. The pork is better quality. * <i>New service:</i> the slaughterhouse's new gut (of pig) cleaning equipment allows the company to produce products using gut for 0.6 Gel/meter, previously the product imported from the Ukraine costs 0.66Gel/meter. Negotiation with potential clients is ongoing. The slaughterhouse is now developing sausage production. * The company invested 15,000 Gel in renovation to comply with NFA requirements.
FARMER	<ul style="list-style-type: none"> * Some medium and large scale sheep farmers have managed to export a small number of live sheep and cattle to Azerbaijan and Gulf countries. The domestic consumption of sheep meat is traditionally low in Georgia and therefore sheep farmers do not have recourse to a domestic market. Many farmers have refused to sell sheep for less to exporters of live animals and are waiting for processed sheep export to restart. Although, the price for summer pastures has increased by 15% due to increased demand impacting larger farmers who send their sheep ≥ 100 sheep smaller farmers are not impacted.
WOOL	
BUSINESS	<ul style="list-style-type: none"> * The <i>Georgian Wool Company (GWC)</i> sold 15 tonnes of low-quality washed wool for 1.5 Gel/kg to local mattress producers who formerly used synthetic materials. The <i>GWC's</i> low-quality wool became a preferred alternative for them, as it does not smell due to the washing process and the increased costs of imported synthetic materials due to COVID-19¹²⁷. There is also less waste for the <i>GWC</i> as mattress makers are buying the lower quality, formerly waste wool. * The <i>GWC</i> also sold 50 tonnes of high quality washed wool for 3 Gel/kg to blanket/mattress producing enterprises formerly used to buying washed wool from wool sellers in agri markets in Marneuli, Kvemo Kartli and Iolmuganlo, Kakheti. They prefer to buy washed wool from the <i>Georgian Wool Company</i> as the price is 1 Gel/kg lower compared to prices in agri markets and the supply is stable (not seasonal available all the time). Expansion of the <i>GWC</i> has come at the expense of the market share of other washed wool sellers in agri markets in Marneuli and Iolmuganlo, who noted that there is a decreased demand for washed wool in the agri markets, resulting in some displacement which has been modified through some washed wool sellers now selling washed wool door to door in villages as well as agri markets. Local Farmers are still selling their wool to the <i>GWC</i>.

¹²⁷ Increased transportation costs. Fewer air and freight transports.

	<p>* The <i>Georgian Wool Company</i> has been providing a shearing service to sheep farmers since 2018. This year the company's twelve sheep shearing machines shored a hundred thousand sheep. The service is available on the pastures at the beginning of spring and at the end of summer, when sheep are usually sheared in Georgia. <i>Before</i> the wool suppliers of the company sheared sheep by hand, and the quality of the wool was often poorer¹²⁸. It took time with only up to thirty sheep sheared a day. The sheep farmers had to ensure the workforce for shearing by hand, they also had to arrange wool storage space in pastures and transportation of wool from pastures to wool collection centers. Incompliant shearing and storage was decreasing the quality of wool and causing about a ten percent loss (up to thirty kilos), which was usually left on pastures polluting the local environment. <i>Now</i> the sheep shearing machines prevent damaging of wool fiber and respectively, the process has been standardized and the quality of wool has been improved. The company's sheep shearing machine service includes storage and transportation of wool from pastures to the company's warehouse in Tbilisi. Sheep shearing is now time-efficient with up to hundred sheep/day sheared by one trained shepherd. While shearing of thousand sheep by hand took at least three days, now the same is done just in one day. For the company it means a stable supply of wool of better, cleaner quality; For farmers it translates into reduced transaction costs, time and 0.7 Gel saved per sheep.</p>
FARMER	<p>* Farmers prefer to sell wool to the <i>Georgian Wool Company</i> instead of selling wool to other wool collectors who are washing wool by hand and selling in agri markets. The wool collectors are sorting wool and buying only 70% of wool while the <i>Georgian Wool Company</i> is buying all kinds of wool from farmers. Some washed wool sellers in agri markets noted that there is a decreased demand for washed wool in agri markets, however they are selling washed wool door to door in villages, in addition agri markets.</p> <p>* The <i>Georgian Wool Company</i> has so far continued wool collection as normal since the COVID 19 outbreak. Sheep farmers from Tusheti and Tianeti pastures cannot sell a hundred tonnes of wool as they cannot bring wool to Kakheti due to high transportation cost and wool buyers included the <i>Georgian Wool Company</i> cannot go to the Tusheti and Tianeti pastures due to poor road conditions.</p>
WOMENS ACCESS TO DECISION MAKING AND PUBLIC GOODS	
New WRs in Imereti and Guria	<p>* Two New Women's Rooms opened in Zestaponi, Imereti and Ozugeti, Guria in July have suspended service provision as the public services moved to remote working due to COVID-19 outbreak.</p> <p>* <i>Women's Room in Zestaponi</i>: The President of Georgia attended the <i>opening of the WR</i> in <i>Zestaponi City Hall</i> and met with women entrepreneurs. The Women's Room formed a women's initiative group uniting twelve women: entrepreneurs, doctors and public service representatives. The Organization for Security and Co-operation in Europe (OSCE) visited the room.</p> <p>* <i>Women's Room in Ozurgeti</i>: The Education and Gender Department of the City Hall is working from the <i>Women's Room</i>. Twenty women attended a meeting where the <i>Women's Room</i> manager talked about municipal and state programmes for 2020.</p>

¹²⁸ Less clean and uniform.

ANNEX 2 SYSTEMIC CHANGE LOG

#	Programme Client's & Intervention Name	Type of Systemic Change	Verification		Impact Calculation added to system (Y/N) (Direct/Indirect/Quant/Qual / Both)	Location (Region, Municipality)	Starting Date	Business Description & Stability	Systemic Changes Attribution to the Programme
			Source	Verified/not Verified (& date if verified)					
1	Dairy in Kakheti <i>Tsivis Kveli (IE Gocha Gagashvili)</i>	Business Expansion/partial attributable to programme	Client/STO	September /2020	Y Direct Both	Telavi	September/ 2020	USDA/ Land O' Lakes awarded <i>Tsivis Kveli</i> 67,705 Gel (21,425 USD). The dairy also invested 71,000 Gel (22,468 USD), to buy cheese producing equipment, milk collection and distribution vehicles and expand a cheese storage space.	Programme client Compliant FS&H and efficient operation helped the enterprise to get the grant. Others donors also helped the client, however the ALCP help was crucial for the client to compliant FS&H and efficient operation The programme facilitated a high capacity pasteurizer and cheese maturing room allowed the dairy to start producing <i>Guda</i> cheese.
		Business Expansion	Client/STO	August/ 2020	Y Direct Both	Telavi	July/ 2020	In July and August <i>Tsivis Kveli</i> exported 550 kg different types of GMM cheese through a distribution company <i>Georgian Imports</i> , for sale in hypermarkets and cafés throughout Chicago.	
		Business Expansion	Client/STO	May/2020	Y Direct Both	Telavi	May/2020	In May <i>Tsivis Kveli</i> started producing <i>Guda</i> cheese from sheep and cow milk. To date, the dairy has produced three tonnes of <i>Guda</i> cheese.	
2	Dairy in Kakheti <i>Leanka Ltd</i>	Business Expansion/partial attribution to programme	Client/STO	September /2020	Y Direct Both	Dedoplistskaro	July/2020	ENPARD III awarded <i>Leanka Ltd</i> 71,000 Gel (23,202 USD) to buy a generator, steam boiler and <i>Sulguni</i> cheese mixing tank. The dairy also invested 47, 000 Gel (15,359 USD) of savings to build a <i>Nadughi</i> producing room.	Programme client Compliant FS&H and efficient operation helped the enterprise to get the grant and new market. Others donors also helped the client, however the ALCP help was crucial for the client to compliant FS&H and efficient operation
		Business Expansion	Client/STO	April/2020	Y Direct Both	Dedoplistskaro	April/ 2020	After demand from shops, <i>Leanka Ltd</i> started producing <i>Imeruli</i> cheese, 120 kg/day and supplying eight <i>Fresco</i> shops in Tbilisi.	
3	Dairy in KK <i>Tsintskaro+ Ltd</i>	Business Expansion	Client/STO	September /2020	Y Direct Both	Tsintskaro	August /2020	<i>Tsintakaro + Ltd</i> exported 545 kg different type of cheese through a distribution company <i>Geoproduct Ltd</i> , for sale in New York, USA.	Compliant FS&H and efficient operation helped the enterprise to get the market.
4	<i>The Georgian Wool Company Ltd</i>	Business Expansion for the client/Mitigated displacement for seasonal wool sellers	Client/STO/ Washed Wool Market Research	September /2020	Y Direct Both	Tbilisi	September/ 2020	Local mattress makers have started using GWC washed wool from Lilo, as the price is 1 Gel/kg lower compared to prices in agri markets and the supply is stable. The washed wool sellers in agri markets in Marneuli and Iolmuganlo noted that there is a decreased demand from mattress makers. However they now are also selling washed wool door to door in villages to local women who make their own bedding besides agri markets.	Opening of the wool washing facility was initiated by the ALCP Programme.

5	Dairy in AJ <i>Elguja Baramidze Ltd</i>	Crowding In	Client	September/2020	Y Direct Both	Ajara	July/2020	USAID ZRDA awarded <i>Akhashenuri Dairy Enterprise</i> (former <i>Elguja Baramidze Ltd</i>) 230,000 Gel (75,163 USD). He also took a 100,000 Gel (32,679 USD) preferential loan from the <i>Start-Up Georgia</i> of the <i>State Investment Fund</i> . The owner is building a new cheese enterprise in Rukhi, Samegrelo. The enterprise is going to collect milk from small and medium-scale farmers.	Programme client. Compliant FS&H, knowledge and experience received from ALCP helped the enterprise to get the grant and loan.
6	Machinery implements and spare parts distribution company <i>MarMot Ltd</i>	Business Expansion	Client/STO	August /2020	Y Direct Both	Tbilisi	February/2020	<i>Mar-Mot Ltd</i> took a bank loan of 140,000 Euro (152,600 USD) to expand/renovate its main warehouse and to order fifty tractors from China. In recent years the demand for tractors has increased from machinery service providers in Georgia.	Programme client.
7	Wool in SJ IE Manana Tsikarishvili <i>Wool House</i>	Business Expansion	Client/STO	July//2020	Y Direct Both	Akhaltikhe	July/2020	<i>Wool House</i> invested 30,000 USD in purchasing a new building in Akhaltikhe to expand its production. 15,000 USD was savings and another 15,000 USD was a bank loan. The owner is going to arrange a wool washing facility and supply washed wool to sewing shops in Tbilisi and SJ.	Programme client
8	Dairy in SJ <i>Tsipora Samtskhe Ltd</i>	Business Expansion	Client/STO	July//2020	Y Direct Both	Adigeni	July/2020	USDA/Land O' Lakes awarded <i>Tsipora Samtskhe Ltd</i> 25,000 USD; he also invested 25,000 USD of savings to arrange a new 25 tonnes of capacity freezer room to store Sulguni cheese in the high milking period from February to July and sell cheese in winter when the demand and price for cheese are high.	Programme client Compliant FS&H and efficient operation helped the enterprise to get the grant.
9	Dairy in SJ <i>Alpuri Javakheti Ltd</i>	Business Expansion	Client/STO	July//2020	Y Direct Both	Ninotsminda	May/2020	In May 2020, <i>Alpuri Javakheti Ltd</i> invested 70,000 USD to expand cheese storage capacity from 70 tonnes to 140 tonnes.	Programme client
10	Dairy in AJ <i>Natural Produktsia Ltd</i>	Business Expansion	Client	May-July/2020	Y Direct Both	Zugdidi/Ajara	May-July/2020	<i>Natural Produktsia Ltd</i> expanded distribution to <i>Zgapari</i> and <i>Carrefour</i> supermarkets in Zugdidi. <i>Tsezari's</i> shop induced <i>Spar</i> , <i>Billion</i> and <i>Daily</i> supermarket chains in Batumi to stock their products.	Programme client. The supermarkets decided to buy <i>Tsezari's</i> dairy products after they visited the shop and saw clean selling and storage facilities.

APPENDIX 3: LIST OF INTERVENTIONS UNDERTAKEN IN THE REPORTING PERIOD APRIL 1ST 2020 TO SEPTEMBER 30TH 2020

Intervention #	Name	Contact	Location	Type	Date	Total Investment & % Contribution		ALCP	Client	3rd Party ¹²⁹	Rating
						\$	%				
1	2.4.1 Journalism Resource Centre/Information KK-2	Non-Entrepreneurial (Non-Commercial) Legal Entity	Natia Kuprashvili	Tbilisi	Facilitate the Journalism Resource Centre to expand their agri information initiatives in Azerbaijan and Armenia	14/04/2020	\$ 74,029	39,669	34,360		Very Good
							% 100%	54%	46%		
2	2.5.1 Tashir Municipality/Theme -2 KK - 2	Tashir Municipality	Edgar Arshakyan	Tashir, Armenia	Establishing Municipal Service Women's Room in Armenia	08/05/2020	\$ 14,132	7,266	6,866		N/A
							% 100%	51%	49%		
3	2.5.1 Tumanyan Municipality/Theme -2 KK - 2	Tumanyan Municipality	Levon Zavaryan	Tumanyan, Armenia	Establishing Municipal Service Womens's Room in Armenia	08/05/2020	\$ 12,215	6,209	6,006		Karabakh conflict
							% 100%	51%	49%		
4	3.2.1 API GEO LLC /Theme – 3 WG - 1	API GEO LLC	Ambrosi Lezhava, Shalva Ioseliani	Bashi, Samtredia	Facilitate Api-Geo Ltd to export Georgian honey	15/06/2020	\$ 51,084	28,084	23,000		Good Small Covid-19 delay
							% 100%	55%	45%		
Service Contracts											
5	1.1.1 GMM/Theme 1 KK-1	Youtube channels Emili TV	Levani Alimbarashvili	Tbilisi	Promote the GMM by popular Georgian Youtube channels Emili TV and Emili Family TV (children and family entertainment channels)	16/07/2020	\$ 1,486	1,486			Good
							% 100%	100%			
6	1.5.1/ 3.2.1 KTW Agro-Keda Ltd	Elkana	Vakhtang Ghlonti	Tbilisi	Assess and monitor Jara beekeepers towards requirements of Bio standards	26/06/2020	\$ 1,279	1,279			Good
							% 100%	100%			

*Additional Investment: Including low interest government loans, bank loans and grants will be added as a footnote.

¹²⁹ Third party contributions in the legal language of the ALCP grant agreements specifically refers to part payment or investment for services specified as part of the grant agreement.

Georgian Milk Mark



Georgian Milk Mark



14,260 subscribers



14,157 likes



3,942,654 post views

94% of visitors are women, aged between 25-35 majority of them are from Tbilisi, followed by Batumi



GMM related information reached **931,871 people** on Facebook & YouTube out of whom **92,642** viewed the *GMM Animation*



The national channels *TV Pirveli, Rustavi 2, Imedi and Agro TV* showed the *GMM Animation* for free as a social advert five times/day in March and June & reached up to **413,054** viewers.



45,500 leaflets disseminated through *Zgapari, Spar, Goodwill, Willmart and Madagoni* supermarkets



12,648 unique visitors
www.georgianmilk.ge



47 articles & videos published in media related to GMM since April 2020



5,300 people checked the enterprise section. The majority of them viewed *Tsipora-Samtskhe Ltd* and *Tsezari's* enterprises.



Fifteen leading supermarket chains + *Tsezari's Shop, Batumi, Milkeni's shop, Rustavi, Tsiporas-Samtskhe's shop, Akhaltsikhe* are promoting cheese under the GMM and getting positive feedback from their consumers as they are now able to choose cheese made raw milk. After positive consumer feedback supermarkets made GMM Cheese, Butter, clarified butter, Matsoni more visible in refrigerators and on shelves.

Business

- The GMM animation has been promoted through: *TV Pirveli, Rustavi 2, Imedi, Agro TV*
- The GMM films on popular Youtube channels *Emili TV* and *Emily family* have reached **695,770 views**.
- Two more GMM dairies *Tsintskaro+* and *Tsivis Kvili* started export of cheese (*Sulguni, Smoked Sulguni, Factory Cheese*) to US.
- *Clarified butter with GMM produced by Milkeni Ltd* was exported to US.
- *Milkeni's* Melted butter was promoted through two reports on *TV Pirveli*.
- HoReCa entities (74 in WG and 50 in Kakheti regions) received information about GMM
- Over the last year twenty-two jobs have been created to put GMM labels on dairy products, out of them nineteen are women



The ALCP conducted a national survey to measure **Urban Dairy Consumers' Awareness Of The GMM** and interviewed 480 urban dairy consumers in Tbilisi, Rustavi, Telavi, Batumi, Kutaisi, Zugdidi and Akhaltsikhe, out of them 56 % were women and 44% men

Consumer Impact

- 41% of urban dairy consumers buy GMM brands
- 34% of urban dairy consumers know about the GMM, (out of them 67% buy GMM products)
- 25% of the 66% of dairy consumers who do not know about the GMM buy GMM brands anyway
- 23% of urban consumers in Georgia purposefully buy GMM branded dairy products
- The majority of GMM consumers who are aware of the mark (34%) and buy GMM products (23%) do so because they are made of raw milk and the products are 'ecologically clean'
- Awareness of the GMM is higher in Akhaltsikhe, Batumi and Kutaisi than in Rustavi, Telavi and Tbilisi
- *Tsipora-Samtskhe, Shuamta, Tsintskaro* and *Tsezari* are the most popular GMM brands.



Date: 5-7, October, 2020

Place: Samtskhe-Javakheti, Kvemo Kartli and Kakheti regions

Participants:

ALCP programme:

David Kveladze - Senior Theme Officer

Nino Kapanadze - SJ Sub Office Coordinator

George Beraia – Kakheti Sub Office Coordinator

Maia Lomidze – Theme/Data Officer

GMM Dairies:

1. Tshipora-Samtskhe Ltd
2. COOP Dertselis Nobati
3. IE Hakob Hambaryan
4. Samvel Darbinyan manager of Alpuri Javakheti
5. COOP Imedi
6. Dairy Products Company Tsezari Ltd
7. Tsintsarko + Ltd
8. Milkeni Ltd
9. Badri Gogoladze manager of Cheese Hut
10. Leanka Ltd
11. IE Tamaz Tagiashvili

Business Institute of Georgia – Magda Gzirishvili, Tinatin Lalishvili

About the Tour:

With the facilitation of the BIG a study tour was organized for GMM dairies by the ALCP . The goal was to share experience and skills, learn about the different practices in milk processing and build a working relationship between each dairy. Participants visited eight dairy factories located in Samtskhe-Javakheti, Kvemo Kartli, and Kakheti regions. Host cheese factories shared information about the history of the factory, described their daily work process, technology used in production and showed infrastructure, building materials and explained waste water management systems.

Here are the highlights and main issues of note in each factory:

Tshipora-Samtskhe Ltd – Tshipora uses special chips of sawdust to heat the steam generator and thus milk pasteurizers. The cost efficiency of this practice created high interest in participants, they asked detailed information about its price, functionality and supplier.

COOP Dertselis Nobati – Carbonite granite wall coverings used in the factory impressed the participants. The approach enables easy washing and cleaning of the wall, while enduring high humidity and

steam. On the other hand, Badri Gogoladze gave advice to the director of the factory about more durable material for the floor which is made from basalt and glue.

IE Hakob Hambaryan – The factory had well-functioning air ventilation system (heating-cooling) and one of the biggest cheese storage rooms. Hakob showed to participants specially designed filter for cheese curd and whey separation and explained the technology of keeping cheese in salty water. Participants especially liked Georgian cheese, which was not very salty, but was solid, which was unusual for many dairies. Merab Dzirkvadze from Tsintsarko+ was especially interested in this technology.

Dairy Products Company Tsezari Ltd – The subjects of interests here were a cheese curd cutting machine, packaging machine and experience of cheese export to US. Mr. Tsezari shared his idea of how to increase Georgian cheese production share in the whole production line.

Tsintsarko + Ltd – Mr. Merab showed the Sulguni making method developed by him to the participants and explained how it contributes to increased Sulguni yield (making Sulguni in small containers), demonstrated a filter for mastitis and other bacteria that attaches to the milk tube and cleans the milk. The participants were interested in a new label of Tsintsarko+ where GMM is better demonstrated compared to others` labels.

Milkeni Ltd - Mr. Iveri showed its new modern steam generator working on gas, as well as a packaging and butter making machines. The participants attended the butter making process and were impressed with the compliant infrastructure of the factory (HACCP procedures verification records at the entrance of rooms, compliant ventilation, no condensate on walls, no smell).

Leanka Ltd – Newly installed air ventilation system, heating steam tubes installed under the floor and methods of dealing with insects and flies were one of the main subjects of interest in Leanka along with the shoe covers machine which aroused interest among the participants. Ketevan promised to share information where this machine is available in Tbilisi.

IE Tamaz Tagiashvili – The participants liked its Sulguni stretching machine which they hadn't seen anywhere else. The representative of Dertselis Nobati was especially interested in a steam generator used by the factory.

Outcomes of the study tour , the participants:

- *gained experience and increased their knowledge in milk processing, dairy technologies, infrastructure and shared their skills with each other.*
- *shared information and their knowledge about the dairy sector in Georgia, sales of dairy products made from natural raw milk, relationship with supermarkets and payment terms from supermarkets and other selling points.*
- *helped to bring participants closer together, establish professional linkages and improve relations with each other.*
- *shared their vision about the dairy sector development and its challenges.*
- *At the end of the tour, the participants were asked by BIG to share their ideas of the development and promotion of GMM. The participants also got advice about labelling and marketing procedures from BIG.*

ANNEX 6: ALCP PROGRESS ON THE INTEGRATION OF ADA RECCOMENDATIONS

This Annex has been developed based on ADA recommendations to the last *Annual Report* and shows how attention has been focused on further developing aspects of interventions pertaining to the areas described in ADA's comments and recommendations. Sustainability based on market actor ownership of said activities is built in to ensure continuation after the project ends, farmer behaviour change is also being facilitated through information and subsequent market opportunities. DRR components addressed in the following interventions are *reduced environmental damage and waste from livestock based enterprises and production*.

ADA Recommendation: That in the facilitation role, the project shall ensure that safeguards and mitigation measures can be put in place to avoid, or at least minimize pollution, degradation and depletion of natural resources (water, soil, nutrients, biodiversity).

ADA Recommendation: That to this end waste (e.g. from slaughterhouses, manure etc.) and waste water as well as integrated pasture/grazing shall be managed sustainably and in a climate-smart way to ensure their long-term availability and quality, at the basis of the improvement of a durable livestock market development.

Improved Environmental Consulting to Rural SME Companies: Health, Safety and Environment Consulting Company Gergili Ltd has been conducting BEAT (Business Environmental Audit Tool) assessments for dairy, meat, honey and wool enterprises for programme clients since 2009. Following a new Health and Safety Law that entered into force in September 2019, Gergili Ltd with ALCP facilitation updated their Business Environmental Audit Tool to include new health and safety sections into report, to ensure that enterprises comply with national legislation and environmental law. During COVID-19 outbreak, Gergili has developed and conducted an online training for five dairy SME's to date covering topics about national requirements of Environmental protection, Health and Safety and prevention of COVID-19. Gergili will continue trainings for SME's in meat, honey and wool sectors and has provided updated Business Environmental Audit assessments to fourteen ALCP facilitated SMEs in dairy, meat, honey and wool sectors in Kvemo Kartli, Western Georgia, Samtskhe Javakheti and Kakheti regions.

Safeguarding Against Environmental Damage: Waste Water Disposal: Gergili Ltd is facilitating the process of managing Waste Water in the Georgian Wool Company, which commenced its new wool washing facility this year. Wool washing involves the use of chemicals and therefore waste water management is an environmental priority. Gergili provided the designs for the soak away system installed in the company as it has for all programme clients producing waste water. The programme facilitated Gergili Ltd to aid the Georgian Wool Company to carry out waste water laboratory analysis and then contract a sanitation company to dispose of waste water via sanitation truck to the central sewage system in accordance with stipulations of the Georgian Water & Power Company (GWP). As in many regulatory spheres in Georgia initial investigation into the waste water regulations and systems revealed an opaque and disjointed picture. Contracting a 'formalized' waste water disposal car was difficult. Regulation and control of wastewater disposal should stem from the *Ministry of Environment Protection and Agriculture* but this is currently minimal at best. Gergili Ltd can outline what should and must be done by businesses but being able to carry out those actions is much more difficult. More research will be carried out including current waste water practices and constraints for dairies and slaughterhouses. A report on the use and disposal of harmful chemicals in private informal sheep dips is being undertaken in the reporting period.

Reduced Waste, Increased Efficiency: Sheep Shearing: In 2018, the Georgian Wool Company purchased twelve sheep shearing machines and trained a group of twelve shepherds, to provide [a shearing service](#) to sheep farmers. The service is available on the pastures at the beginning of spring and at the end of summer, when sheep are usually sheared in Georgia. This year, up to five-hundred farmers were served, with hundred thousand sheep sheared. Before, the wool suppliers of the company sheared sheep by hand, which damaged the wool fibre and the quality of wool was poor. Incompliant shearing and storage was decreasing the quality of wool and causing about a ten percent loss, **which was usually left on pastures polluting the local environment**. Now, the sheep shearing machines prevent damaging of the wool fibre and respectively, the quality of wool has been improved and so all wool is bought by the company.

ADA Recommendation: To support and facilitate the system to develop so as to be able to support increase of production and quality for increased market penetration and volumes with a parallel enhancement of the natural inputs (water, fodder) and improvement of stress conditions (temperature, humidity) under a changing climate.

The ALCP works with farmers but with market actors including the private sector and government who relate to farmers as either customers, consumers (of information), members (of an association) suppliers or citizens. This is reflected in the facilitation below:

Animal Welfare and Improved Productivity: Access to water for seasonally migrating livestock has been a critical issue related to transhumance for decades. Without sufficient water, the animals are placed under stress and their condition declines during transit. In addition to the water points created at existing Biosecurity points (BSP's) several critical stretches of the routes were in urgent need of water points for the provision of water to migrating animals. A major challenge however to the creation of water points was land ownership and the difficulty of obtaining water at critical sites, hence the reason why the issue had not been solved before. A multi stakeholder effort with government and public agencies described in detail in 2.2 *Transversal Themes* resulted in four water points for migrating animals being finalized on the AMR. Up to 500,000 heads of sheep and cattle will benefit from a new water point during the transhumance season.

Reduced Antibiotic Use in the Honey Sector: Do's and Don'ts Antibiotic Use in Honey: Following laboratory test results of the Residue Monitoring Plan 2015-2018 that showed alarming high level of antibiotic residues in honey, the programme facilitated the Georgian Beekeepers Union (GBU) to develop a [Do's and Don'ts of Antibiotic Use](#) campaign, providing guidelines for the beekeepers on proper usage of antibiotics and preventing honey and beeswax from contamination. To date, the majority of beekeepers in Georgia have accessed this information. The campaign was disseminated through all programme facilitated media outlets and the largest beekeepers Facebook group *Georgian Bee* with 14,000 followers where it prompted discussion between the beekeepers. The GBU sent infographics to the Ministry of Environmental Protection and Agriculture (MEPA), which shared it through nine regional offices of the Rural Development Agency and the Agroservice Center of the Ministry of Agriculture of Adjara. It was also shared with eight Local Action Groups (LAG, financed by ENPARD) in Borjomi, Lagodekhi, Kazbegi, Tetritskaro, Dedoplistskaro, Akhalkalaki, Khulo and Keda, which are uniting up to 700 farmers (about 20 beekeepers). The Beekeeping Research Base in Mukhuri of the Scientific Research Center under the MEPA disseminated it among beekeepers. The information was shared on Agrofance reaching up to 71,000 unique visitors/year; the Association of Georgian Agricultural Journalists (AGAJ) printed out 1000 copies of the campaign infographic. The infographic was inserted in a *Catalogue of Agricultural Topics in the Georgian Livestock Sector*, which was developed for journalists and those interested in covering and reporting on agriculture.

Bio Production: Twenty-three Jara beekeepers are now registered as Bio producers and the honey production factory and Goderdzi Alpine Garden Apiary (which is used as a training and demonstration centre) are now also Bio certified. Material explaining Bio Honey production are part of the Jara module being inserted into VET beekeeping courses across Georgia. Jara production is the production of honey from wild swarms in hollowed logs, it is sustainable, produced in tandem with nature and non-invasive. Please see the [Bio Certification Guidelines for Beekeepers](#) produced through facilitation with the Jara Beekeepers Association and Caucasus Cert.

Sustainable Production: Improved Resource Use, Information to Farmers: The programme facilitated agricultural Portal [Agrofance](#) is negotiating with Caucasert Ltd to develop a series of videos related to organic and bio production, processing, certification and marketing. The *portal* is connecting farmers and enterprises with programmes, services, agencies and educational materials that can help farmers and enterprises to start or improve their *farms* and businesses. Agrofance developed by veterinary medicines and inputs suppliers company Roki is reaching up to 71,000 unique visitors/year; Caucasert is the first organic certification company in Georgia. Its main purpose is to inspect and certify organic products.

Supporting Sustainable Production: Georgian Milk Mark: the Georgian Milk Mark safeguards and adds value to low input, grass based community production of milk. In contrast to high intensity no graze systems based on a high proportion of concentrate feed. Local jobs are created in local enterprises and for a high proportion of women. Please see 3.2 *Reference to Interventions and Activities* and *Annex 5* for more details of intervention progress. Please also see the ILO's [Better Cheese Better Work: The ALCP's Impact on Informality and Working Conditions in Georgia's Dairy Sector](#) which highlights the benefits of a sustainable community based industry on the creation of decent work.