



ALCP | Alliances 2 Caucasus

REGIONAL MARKET ALLIANCES IN THE SOUTH CAUCASUS

INVESTMENT MANUAL VERSION 3 MAY 2022



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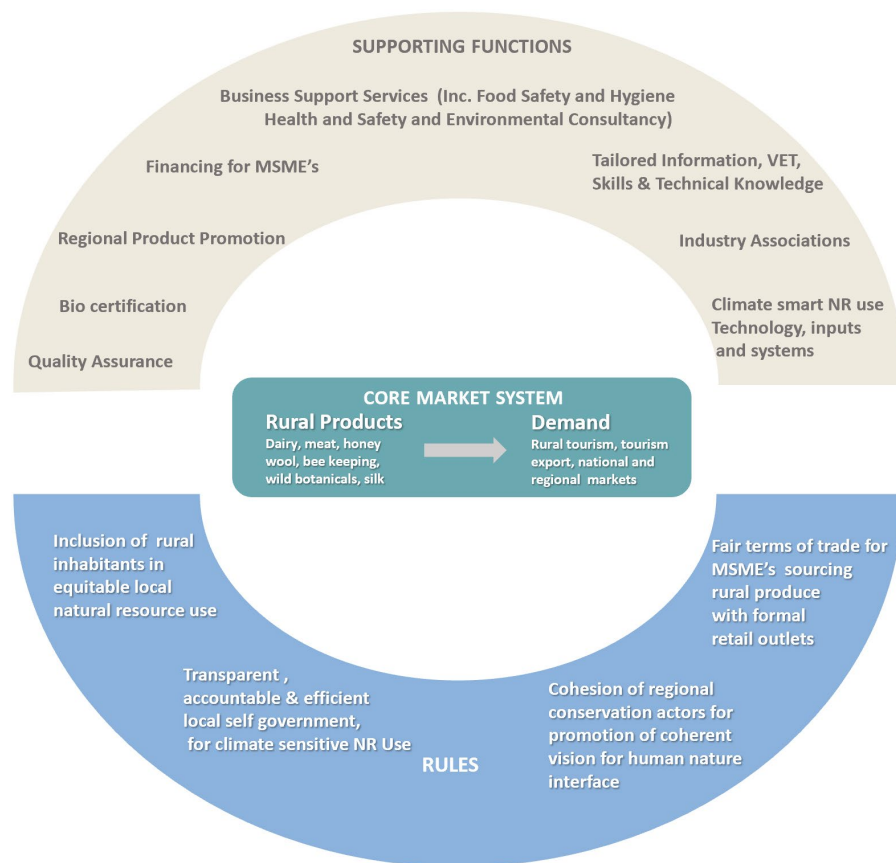


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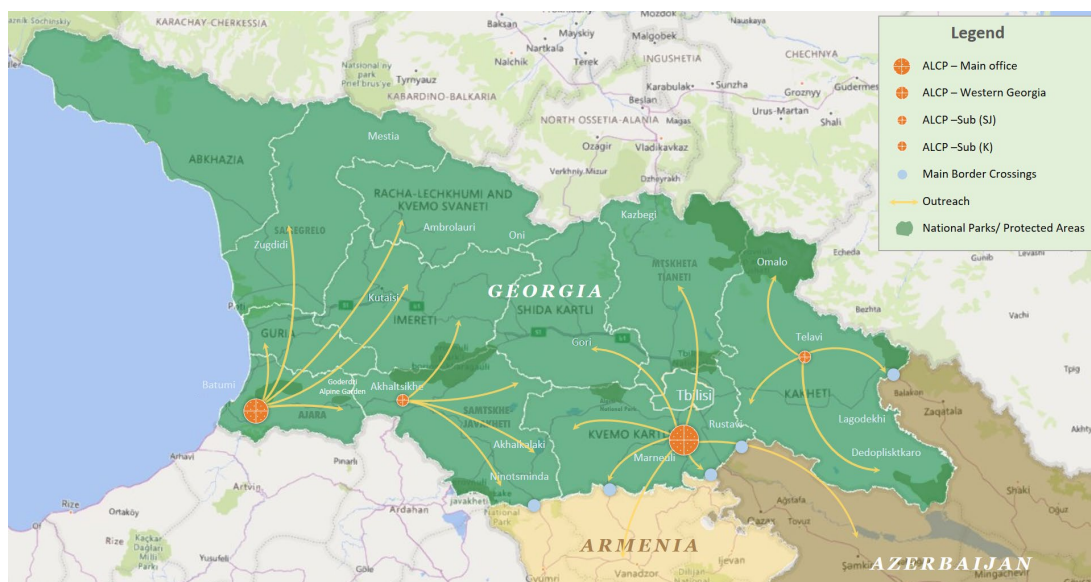
Bradbury H (2020) *Alliances Caucasus 2. Investments Manual Version 3*. Alliances Caucasus 2 Programme. Mercy Corps Georgia

Alliances Caucasus 2 runs from May 2022 to April 2026 with a budget of 6.5 million USD. It is a market systems development programme targeting rural producers in Georgia. It will work in the rural product core market system and with associated supporting functions and rules. Its purpose is to increase incomes and improve livelihoods through better, sustainable productivity, resilient market access, local employment opportunities and more equitable inclusion in local natural resource use. Implemented through the lens of environmental sustainability, it will seek to augment the lives of rural inhabitants through developing their knowledge of the value of rural resources and the potentiality of the environment in which they live. It will increase their participation in decision making concerning these resources and the availability of knowledge, inputs and skills to enable them to profit sustainably from them. It will tap into and further build a sustainable platform for rural producers to participate in added value, export and tourism markets.



Rural Producer Market System Diagram with Proposed Areas of Intervention

ALCP 2 will utilize extensive networks with all levels of the private sector, civil society and government. It will work in new as well as existing regions of programme operation in Georgia, including a new focus on Western Georgia; Samegrelo, Guria, Racha and Imereti as well as in other areas of the North Caucasus where entry points develop, for example for Georgian regional product development. It will continue to promote regional cross border trade and initiatives in information and equitable access to decision making between Georgia, Armenia and Azerbaijan. It will incorporate in the first six months, a market research phase to deepen market research on new regions, value chains, key market actors and target group.



ALCP2 Operations and Outreach

Alliances began in pilot form in 2008¹. It became a flagship market systems development programme, enshrining some of the most fundamental concepts of MSD within its own development; flexibility, adaptation to context, iterative development, rigorous ongoing market intelligence, sensible resource use, in house capacity and commitment to inclusivity and sustainability. The ALCP 2 will build on and utilize over a decade of impact², experience, thought leadership and materials development. Therefore, ALCP 2 will not be starting from scratch, momentum in existing value addition and quality assurance interventions, local community outreach from Women's Rooms as well as ongoing environmental development initiatives emanating from the Goderdzi Alpine Garden, will be facilitated to equitably expand further in dairy, honey, rural start-ups and sustainable local rural development and impact will be registered from the beginning. The Alliances Results Measurement System has been run according to DCED standards since 2011 and was audited twice. The ALCP 2 Results Measurement system will also be built according to DCED standards and will be audited around the 24-month mark.

¹ The Alliances programme, a market systems development programme working in the livestock market system in Georgia, was a Swiss Development Cooperation (SDC) project in cooperation with the Austrian Development Cooperation (from 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 Adjara and a two year 'standby phase' (monitoring and sustainability phase) in SJ to form the Alliances Lesser Caucasus Programme (ALCP). From 2014 as the Alliances Lesser Caucasus Programme, 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 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.

² 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. From April 2017- to April 2022, the five year, 7.82 million CHF *Alliances Caucasus Programme* (ALCP),² utilized the platform created by the ALCP to significantly contribute to building sustainability in the SME sectors, regional promotion through cross border exchange and trade and export in the dairy, meat, honey and wool value chains. Scale: 56,181 direct, 33,382 indirect, improved information 388,810 Livestock and Honey Producers. NAIC: 21.1million USD (farmers 10.3, clients 6.3, employees 2.7 indirect 1.8.), Jobs: 457 (243 women, 214 men). Systemic change 33 cases crowding in, 64 cases business expansion. WEE % across all interventions 38% participating in decisions made on agricultural activities, 61% agency over spending/management of money derived from these activities. Export; 17 destination countries. Total Value 37.6 USD. See ALCP Impact Assessment 2017-2022 for more details.

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FOREWARD

We are often asked, by the many visitors who have come to see the programme over the years, for the ‘secret sauce’, or the simple version, the stripped back to basics checklist of why it is working. We have found it over the years, very hard to provide this. A mission director once put it very succinctly. ‘A lot of what you are doing could be described as ‘gut feeling’, but how do you explain it?’ Many others have referred to the ‘art of facilitation’, describing a creativity inherent within the process, which in itself implies that the process contains an element of the unique, making it doubly hard to capture. Artists are perhaps lucky in that they don’t have to break down the elements of their creativity, or of what constitutes their desire to make art. Those of us in the development world however have the onus to transfer anything that is working and replicable, which is what makes what we do sustainable at scale.

The word ‘facilitation’ has provided us with a very handy catch-all over the years to describe our role in binding the actions and tools described in this manual together. It can seem irritatingly vague when someone seeks a direct answer as to why this intervention has succeeded where another seemingly similar in activities and objectives has failed and receives a reply basically revolving around ‘facilitation’. The explanation will also try to break it down, and may include ‘targeted market research’, operational ethos, ongoing market intelligence, adaptive management, attention to detail, precise knowledge of the target group and iterative results measurement, to name but a few aspects that we use to explain the difference. But often despite explaining these and other elements of our implementation, a sense of frustration remains. We, as well as the questioner feel that we have somehow not been able to capture the point. It is because the task of explaining what just feels intuitively like ‘common sense’ or what ‘we just know or we just do’ seems so difficult.

I think the trouble in explaining ‘facilitation’ can be encapsulated in the question:

How do you codify common sense?

The good news is that progress has been made in defining what successful programmes are doing beyond the obvious activities and tools. A good example being Hans Posthumous for SDC³, and the BEAM Exchange from its inception in 2014, who have sought to translate these actions into codifiable advice that can be transferred to other practitioners. But it is fiendishly difficult to do, partly because once it is distilled and set down, it looks incredibly simple and prosaic and can be easily overlooked. However simple does not mean simplistic. Successful implementation requires rigour, consistency and care. The BEAM case study⁴ on our veterinary inputs intervention took ages to produce because the questions of how things were done, not just what, are so difficult to answer. But I now get the same pleasure in reading that case study as I do when I know an intervention has found the ‘sweet spot’, in publications as in interventions the hard work to pin down the subtlety, honing the process and result, is worth it.

It says a lot I think that in the first version of this manual we mostly avoided the matter of facilitation altogether, we stuck to the nuts and bolts, the steps, tools, qualification criteria, activities and operations. In the second version, we inserted several sections, which did attempt to begin to codify what we had learned and what we were doing. This was inserted as ‘co-investment guidance’ and relegated to two annexes ‘operational guiding principles and ‘practical tips for the inclusion of WEE in MSD’. In this version, facilitation comes first and the material which describes how we do what we do and some of the knowledge we have picked up along the way is in Chapter One of this *Alliances Caucasus 2 Investment Manual Version 3*.

³ SDC E+i Network (2019) *Forming Partnerships with the Private Sector: A Summary of Lessons Learned by Market Systems Development Practitioners*. Hans Posthumous Consulting.

⁴ Ashley Aarons, Helen Bradbury, Mar Maestre, (June 2016) *Alliances Lesser Caucasus Programme. Transforming Access to Veterinary Services in Georgia*. The BEAM Exchange

GLOSSARY

Additional Funding: Where an existing client receives further co-investment following an initial co-investment. It can be divided into two categories *phased funding* and *secondary funding*. Used as a tool to increase the efficacy of the co-investment, engineer successful outcomes and manage risk. It embodies the principle of flexibility and is tailored to the client.

Alliances Investment Support Facility: The fund of money set aside in the budget for funding interventions based on the procedures described in this manual. The support facility funds interventions under Outcome 1 (supporting functions) and Outcome 2 (market access) and co-invests with private sector actors and Outcome 3 (operating environment and rules), in which mainly government or civil society actors are the client.

Application Form: The initial form used by the ALCP to outline the basic initial ideas for an intervention with eligible market players, containing a summary budget and outline of how the idea will impact the target group.

Business Plan: Written by an external business development company contracted by the programme on a case by case basis the cost of which is put into the co-investment of the client up to 20%, with the rest being part of the programme co-investment. It allows for a broad company specific view of the business that allows the client to understand the investment, develop a vision for the investment and beyond in relation to the future of the business and expound in tandem with the client areas of traditional weakness in Georgian business; planning for varied scenarios, how to achieve goals when external factors vary, risk management, financial planning, branding and advertising. It also ensures that ideas are grounded in reality and that the client does not get ‘lost in ideas’ whilst exploring the potential for those with promise.

Co-investment: The funding mechanism employed by the programme in its interventions with market actors. The financial or in-kind (labour, equipment, services) put in by the client to a minimum of 35% or by the programme to a maximum of 65%. The maximum funding percentage of the programme may exceed this in the instances of working with government as a partner related to transversal themes and where a broad impact will be generated for the public good and in pilot interventions where the main impetus comes from the programme.

Copying: Enterprises (including farmers) copying behavioural changes that those affected directly by programme activities have adopted.

Crowding in: Enterprises at levels other than the target level copying behaviours that those affected by programme activities have adopted or entering a sector or value chain as a result of improved incentives and environment created (at least partly) by the programme. This term also applies to government agencies or civil society organizations, who are not directly involved in the programme, copying behaviours of those who are directly involved in the programme, or who change their behaviour as a result of improved incentives or environment created (at least partly) by the programme. *DCED Standard for Measuring Results in PSD, Version VIII, 2017*

Donor Committee for Enterprise Development (DCED): With 24 members comprised of bi- and multilateral donors and agencies as well as private foundations the committee has a vision of making private sector development (PSD) more effective. It has three strategic priorities; sharing knowledge and experience between donors, development agencies and field programmes; developing and disseminating knowledge and guidance on good practice in PSD; and communicating evidence on results in PSD. The DCED developed and maintains the DCED standard for Results Measurement a set of ‘must’ and ‘recommended’ guidelines against which PSD and market development programmes may be audited for results measurement systems ‘in place’ or ‘in use’, by DCED consultants. The audit has become an influential global benchmark of monitoring and measurement quality in PSD and market development programmes.

Directory of Players: A list built up during the inception or initial phase of the programme detailing the names, locations type of enterprise/role/service and contact details of key market players in the core market, supporting functions or rules of the value chains and market systems specific to the programme. A list that is continually updated

in line with ongoing collection and collation of market intelligence. It will include government and civil society organizations as well as the private sector and will be instrumental in developing the Sustainability Matrix see below.

Facilitation Approach: The key means, tool and activity of Alliances implementation. Involving the identification of key market players, developing the client programme relationship, identifying systemic constraints and designing solutions directly relevant to their situation which address their key capacity and motivational needs in alignment with Alliances' pro-poor market system change agenda.

Focus Group Survey: Involves the definition of the target group and definition and ranking of key gender disaggregated information related to them, including constraints and opportunities in the target sub-sectors.

Gender Equality Diversity and Social Inclusion (GEDSI) Sensitized Results Chains: Diagrammatic representations of the logical progression of the changes/impact that the programme expects to instigate in the market system at the intervention and outcome level through programme interventions. Activities and their intended changes which are undertaken to ensure the inclusion of the women, ethnicities and socially vulnerable parts of the target group in generated impact are highlighted in pink.

Grant/Target Funding Agreement: The legally binding document of the investment process the format of which was developed in 2008 and updated in 2011 & 14, 2017 according to Georgian law by a Mercy Corps lawyer. Details of investment and payment schedule as well as legally binding conditions which include data provision and deliverables, help ensure that a pro poor agenda is maintained.

Inception Phase: A six-eight month phase prior to the commencement of operational activities in which survey instruments are utilized and conducted and the final pro-doc is developed for submission at the end of the phase.

Investment Plan: The document which describes the investment in detail and captures the programme rationale and strategy in writing. Includes goals, aims, impact, budget, Profit and Loss, Cash Flow and Balance sheet, consumer profile, marketing strategy, WEE strategy and environmental risk factors. See Annex 4.

Investment Support Facility: See *Alliances Support Facilities*.

Intervention Case Studies: A document which may be developed detailing the work done to date, the key systemic constraint being addressed, activities, investments, market research and quantitative and qualitative impact. The document can be shaped for publication for presentation to donors or wider public/stakeholders.

Key Informant Interview Table: A key tool used in the Market Analysis process a table detailing who was interviewed, when, where and what was discussed.

Log Frame: The fundamental contractual and structural tool of the ALCP; the final version of which is agreed on when entering into the implementation phase In the ALCP it is comprised of a Purpose and three Outcomes which correspond broadly to supporting functions, market access and rules respectively, outputs and proposed opening interventions. The traditional activity section of the logframe is occupied by *proposed opening interventions* which are best bet entry points which may be changed or substituted. The main point is that interventions conducted ensure that the outputs under which they sit in the logframe are achieved.

Monitoring Action Plan Meeting (MAP): A bi-monthly meeting, where PO's aggregate impact to date per output for which they are responsible, with the help of the M and E team and present it to each other and management. MAP's operationalize; broad staff ownership of M&E, communication between M and E staff and Programme Staff, ongoing troubleshooting of issues which ensue and ongoing of calibration of interventions based on data.

Market Analysis: Provides a market-based analysis of the sub sectors in which the programme intends to work and develops a concrete sub-sector strategy with a pro-poor focus. Synthesizes information from written sources and research, statistics, media, key informant interviews, *Focus Groups Surveys* and other surveys conducted as part of the market research phase. Contains a *Summary Market Analysis* section see below.

MSD: A market systems development approach is based on the identification of key systemic constraints to the functioning of markets, the identification of pro-poor opportunities for growth and the facilitation of systemic change by working with key market players to impact positively and with scale on the poor.

Measurement Plan: A table containing specific indicators and the time schedule when they shall be measured, their means of verification, baseline data, progress to date, data validation date and the person responsible for ensuring completion. Measurement plans are created at the intervention and Outcome Level

Net Attributable Income Change (NAIC): The change in income in the target group which can be attributed to the programme. One of the three universal impact indicators of the DCED for the measuring the results of private sector development programme i.e. jobs, scale and income.

Phased Funding: where a general idea of an approximate final total for the investment is envisaged at the beginning of the intervention, but is broken down into smaller funding parcels *tranches* and administered within *phases* to correspond with tackling intervention based constraints in a logical order.

Preliminary Meetings: The preliminary meetings between eligible applicant and BDO for the completion of the application form.

PO's: Programme Officers are responsible for the management of specific interventions and respective clients under outputs and activities detailed under a specific outcome e.g.: quality assurance related outputs and specific activities under Outcome 2 related to Market Access and Terms of Trade.

Proposed Opening Interventions: Are best bet entry points identified and developed during the market analysis. They offer the best identified means of achieving the outputs necessary to ensure impact. As the programme progresses and where circumstances dictate and there are valid reasons why they will not succeed or may take longer than expected. They may be changed or substituted and additional interventions added to ensure that the outputs under which they sit in the logframe are achieved.

Risk Management: A systemic application of 'know how' based on experience and the use of tools such as phased funding which is built into the facilitation process to minimize risk to programme and client and maximize the likelihood of a successful outcome.

ROI (Return on Investment): A sustainability indicator of the business model, defining its level of financial independency. A Predictive Return on Investment is calculated for larger investments. A predictive ROI is based on the baseline figures obtained in the *Investment Plan* which enables the definition of the optimal share i.e. percentage % co-investment per intervention and the construction of a timeline for the breakeven point of the co-investment. It is a decision-making tool in planning investments, setting targets and measuring impact.

Secondary Funding: Mainly employed for the purpose of generating scale within a maturing programme and where the initial funding of a client has led to growth or outcomes that are still subject to constraints and still require assistance to catalyse scale potential including encouraging copying and crowding in.

Social Return on Investment (SROI): Shows the benefits provided by service providers to SSLP's expressed in terms of additional income and (monetized) time saved, increased sales and reduced transaction costs. A Predictive and Actual Social Return on Investment is calculated for larger investments. It is the main means of quantifying the broader impact of an intervention on the target group i.e. SSLP's. Once raw financial data is received on-going financial calculations are made and an annual SROI calculated per investment.

Summary Market Analysis: The summary outputs of the Market Analysis:

Summary Market Analysis Table: A table showing the relevance of the sector, pro poor potential and intervention potential

Core Market: Systemic Constraints, Cross Sectoral Drivers and Pro Poor Opportunities Table: A table showing the above for the programme specific value chains.

Systemic Constraints in the Supporting Functions and Rules Table: Presented in tabular format and relating to the programme specific value chains.

Sustainability Matrix: A key component of the sustainability analysis and a key component of the Summary Market Analysis; a table detailing ‘who does/who pays’ i.e. who fulfils/performs roles i.e. donor, NGO, private sector or government and who funds it: based on the market information of players across the private, public/governmental and civil society sectors which forms part of the future market envisaged by the project

Gender Roles and Responsibilities Table: Detailed for activities across the programme specific supporting functions and sectors

Gender Access and Control Table: Detailed across the main resources relating to the programme specific supporting functions and sectors.

Sector Wide Behaviour Change: Changes in the wider target sector e.g. agricultural sector, with a wide variety of actors who may or may not have been directly targeted e.g. elements of government, media, business organizations, INGO’s, educational establishments, which may be fully or partly attributable to interventions and systemic changes brought about by the programme or are intended qualitative behavior changes or systemic changes planned within the intervention.

Systemic change: Change in systems that are caused by introducing alternative innovative sustainable business models at support market level (such as in private sector, government, civil society, public policy level). These changes often cause widespread indirect impact by crowding in at support market levels with impact and copying at final beneficiary level. A systemic change has three key characteristics. They have scale and influence and benefit a large number of people who were not directly involved in the original intervention. They are sustainable continuing past the end of the programme, without further external assistance. They are resilient models are adapted to continue delivering pro-poor growth as the market and external environment changes.

Tranches: Sequential parcels of funding that make up a funding phase.

Women’s Economic Empowerment (WEE): Ensuring that the women in the target group have access to but also agency over programme generated benefits. The programme management, tools and operations and monitoring system must be geared to operationalizing WEE.

1. INTRODUCTION

Note: Key terms are italicized in the manual and their definitions can be found in the glossary.

This Investment Manual is the key programme document for use by programmatic and operational Mercy Corps Alliances Caucasus 2 (ALCP2) staff as a guideline for decision making, implementation and monitoring of ALCP activities.

The purpose of the manual is to fully describe the Co-Investment Process as carried out by the Alliances Programme through the means of facilitation, under the *Alliances Investment Support Facility* based on the strategy and deliverables as outlined in the *ALCP2 Log Frame*. The manual is the formal written document that details the methodology, criteria, processes and operational procedures attendant in carrying out the Investment Process of the ALCP from pre application to monitoring and evaluation including: client selection criteria, the application process, investment plan development, procurement, investment disbursement and the monitoring and evaluation of the investments.

The manual clearly outlines the steps to be taken in making an investment and clearly indicates where programme forms are used and provides the templates for these forms in the Annexes.

Management and Results Measurement are interlinked in the ALCP which is clearly illustrated in the *ALCP Work Flow Diagram* on the next page. The *ALCP Work Flow Diagram* provides a general overview of the process described in this manual showing the main steps of the programme process and the responsibilities and interaction between programme, RM and client for each of these steps. This manual will reference but not go into detail about the Results Measurement System which is described in depth in the *Alliances Caucasus Programme Results Measurement Manual 2018*. However a description of the system is provided in Chapter 7: *Results Measurement*.

Note on Structure: The structure of the programme and its operating procedures, tools and mechanisms and the extent to which these allow for flexibility, reactivity and adaptability underpin a programme's success. The ALCP is structured in a way to enable it to practice an adaptive style of management. This includes how and who are selected as team members, how they are trained and the operational culture of ongoing team dynamics. Capacity building is essential and ongoing. Open and continuous communication is key. Continuing dialogue with the donor has allowed for the development of programme mechanisms which are fit for purpose and without which flexibility and therefore success would be compromised. These include the structure and use of the *log frame*⁵ and funding mechanisms i.e. the *Alliances Support Facilities* of the programme. See also *Annex 1 Operational Guiding Principles*

Note on GEDSI and Women's Economic Empowerment (WEE): GEDSI and WEE are operationalized in the programme throughout all phases of the programme cycle and are described throughout this manual.

⁵ The programme provides *proposed opening interventions* in the logframe at the end of the inception phase, based on the best entry points for achieving the strategy as laid out in the logframe. These are flexible and others may be substituted, however they will all service the same purpose, that of achieving the output under which they belong.

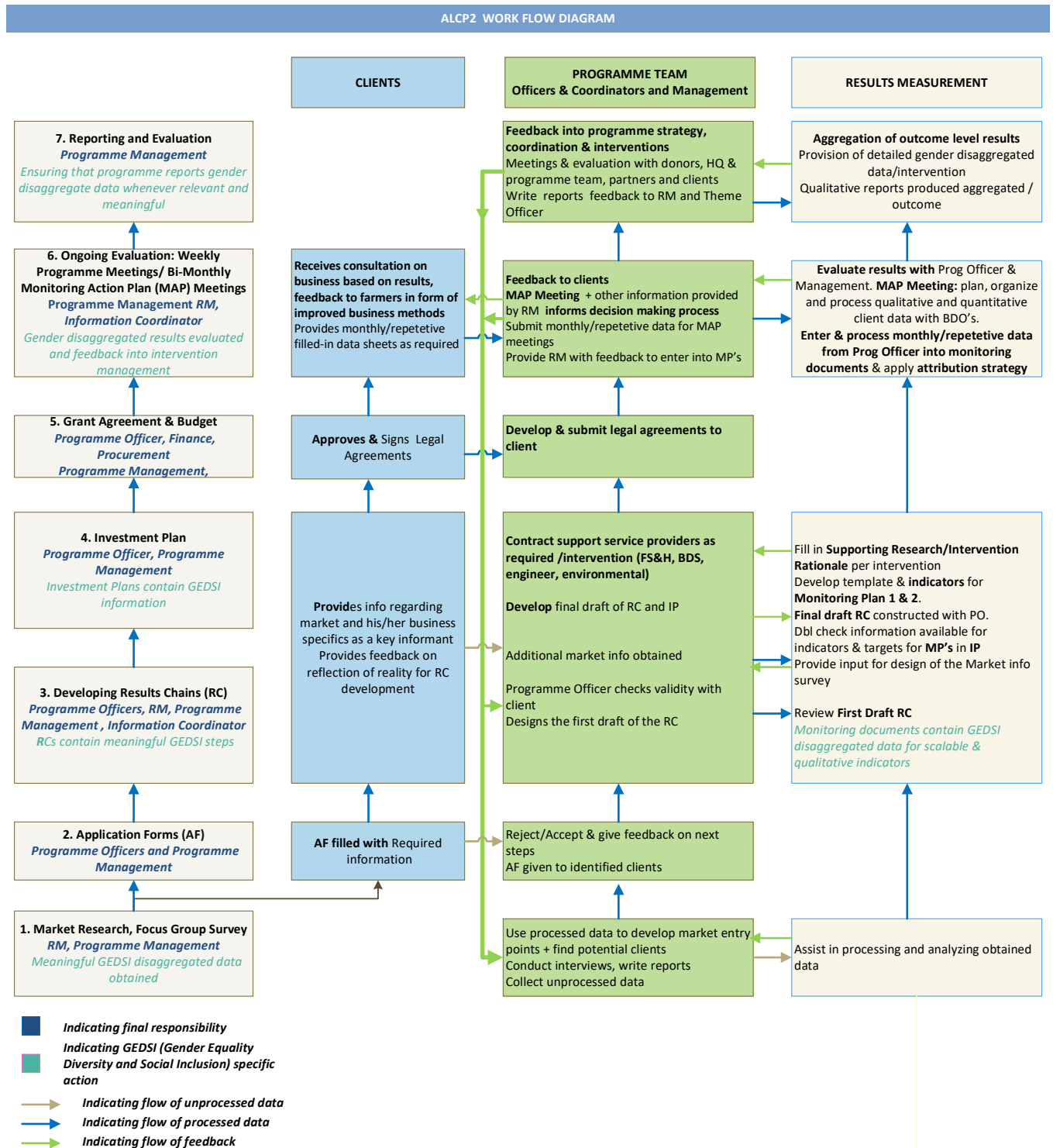


Figure 2 ALCP Programme Work Flow Diagram

CHAPTER 1 FACILITATION

1. FACILITATION IN ALLIANCES

It is quite difficult to pin down the essentials of facilitation, common sense and good practice can be quite hard to define. What emerges from the attempt can seem simplistic. However, the following tips garnered from experience form a core of good practice, which makes the difference between a successful or failed intervention. More specific instances of facilitation within co-investment can be found in Co-Investment Guiding Principles in *Chapter 5 Factors to Consider Within the Co-Investment Process*.

GENERAL OBSERVATIONS ON FACILITATION

This section contains observations condensed from over a decade of facilitation experience on the Alliances programme attempting to capture often intangible elements of practice, which nevertheless, are crucial to success:

Developing a sensitive presence: The facilitator must be hyper-aware of the nature of their presence in the market system. The facilitator must be exceedingly efficient in understanding and controlling the projection of their role. The facilitator's development identity must be kept in check. The facilitator straddles the development world with its development objectives and the 'real world' of the market system, the programme is the conduit between the two, ensuring that the donor and the client are satisfied with the resultant impact, both of which are tailored to and appropriate for their environment.

Creating meaningful points of engagement: The value of the facilitator lies in their ability to identify and then develop and mentor, entry points based on their market research, analysis and diagnosis. This is continually topped up by ongoing data inputs in the form of research as well as Results Measurement. It is the programmes job to identify entry points and the onus is on the programme to collect, gather and analyse the market data (see Chapter 2 for what constitutes the market analysis) which lead to the identification of and engagement with entry points i.e. market actors who become clients.

Creating a conducive environment for facilitation with a client: The facilitator must then create an appropriate working relationship with the client. The facilitator must be able to navigate the context of the private sector client, understanding the principal dynamics of the businesses situation in order to make the facilitation as naturalistic as possible and to maximize the attainment of the programme's objectives. Filtering out the mechanisms of their own development sphere where they are of no import to obtaining the stated objectives of the intervention, prevents overburdening and distracting the client.

Limiting inconvenience to clients and market actors: The facilitator must ensure that they limit potential inconveniences to the client deriving from engagement with the programme. In the main, the advantageous nature of proposed actions will be clear to the client as they are based on overcoming their constraints. However some practices such as elements of formalization or data collection which are mandatory for engagement with the programme, may appear to be an inconvenience to the client even though these

elements usually prove highly beneficial to the client in the long run⁶. It is important therefore to build good will and minimize or balance out factors such as visits and data collection which serve development rather than business objectives.

Ensuring that facilitation is always pragmatic: The facilitation approach ethically utilizes what already exists to enable change. It divines and utilizes incentives in facilitation relationships, it maintains multiple strands of facilitation across the market system, particularly when working in the rules part of the system to maximize the possibility of success. It does not expect actors to adopt development values but utilizes and builds on ones that already exist in the codes, practices and aims of the actors involved in the facilitation relationship.

Understanding realistic achievement and sustainability: There is much concern about sustainability, as there should be, and a lot of focus on whether or not it is achieved within MSD⁷ and sustainability is indeed the *raison d'être* of the entire approach. The key to sustainability within programming is to ensure that every aspect of programming from strategy to the point of commencing the intervention follows the rationale and principles of Market Systems Development⁸. Also that the ability of the achieved facilitated action to continue and even develop without any further support, is achievable for every step of the intervention planned within the programme lifetime and therefore this action is realistically calibrated per step at that point in time. This means realistically assessing not just what can or cannot be done for that intervention within the programme lifetime but what will and will not be able to continue unaided by the facilitator. Obviously also the types of support given are fiercely assessed within the context in which they will be used, for their inherent sustainability.

Facilitation should always strive to be equitable: The facilitator will seek to build on and through a network of sound, decent, motivated and entrepreneurial market actors identified during the comprehensive market research based on unbiased research practices, data and knowledge (see below for the importance of unbiased information). In facilitating to overcome constraints usually related to unfair or corrupt distribution of, or unbalanced or restricted access to public and private goods, as well as deep rooted societal inequalities, the programme attempts to level the playing field to allow usually disadvantaged but decent players to flourish. A common example is the community-based business with deep social ties and healthy market yet who cannot access finance, which is only accessible to those with certain financial guarantees or contacts. Another is people who are barred from circles of information exchange by ethnicity, geography or social group to the extent that they can only guess what they are missing. The facilitator is seeking to widen the funding circle away from those who are easily identified, old hands who know the funding ropes to those who possess invaluable market system capital rather than a good knowledge of local development mechanics. Doing this will form the foundation of making programming more equitable, more representative of and embedded in our target populations.

⁶ These would include the onus on clients of the programme to fill in data sheets, which is often considered especially in the beginning onerous to relatively informal businesses. In this case however, as businesses develop and grow the exercise sometimes becomes a helpful tool in learning how to plan and manage a business more effectively.

⁷ And quite rightly although sometimes perplexingly seemingly less attention being paid to the sustainability of more direct forms of programming, which often record the completed results of activities rather than impact deriving from those activities

⁸ As laid out in the Operational Guide to Making Markets Work for the Poor

Information collection should be unbiased and equitable: Information should be gathered from as broad a pool as possible. When programmes have been established for some time it is easy to become stale, maintaining information flows from existing clients and contacts in existing locations and familiar networks. In a new phase or for a new value chain, it is important to broaden market research to the widest possible extent (within the remit defined by the proposal), narrowing focus only once potential equitable intervention areas and entry points have been identified. The pursuit and gathering of information which is devoid of bias and distortion is paramount in forming the basis of a sound programme and enabling successful facilitation. The facilitator must see and understand the locations, motivations and circumstances determining the knowledge possessed by different groups. It is essential to GEDSI. In development, certain information tends to become recycled and rather stale and can run the risk of becoming tropes in development circles. This is mostly due to limited outreach to alternative sources of information which lie outside of standard development networks, which often originate from the capital city and are limited to known ground, groups and contacts. Although difficult to break out from known channels, teams must be structured and trained in such a way that equips them for the equitable gathering of information. It may take some courage to offer up alternative information to prevailing views, however if the information itself is genuine, based on the reality of real people and documented correctly, then there is nothing to fear. The team gathering and presenting the knowledge will then also be empowered in their true understanding of the market situation. Clear procedures, which allow access to consideration for all market actors and which have clear criteria in line with the programmes objectives are essential. See *Annex 1 Inclusion of GEDSI and WEE in MSD* and *Table 1 Eligibility Criteria for Inclusion in the ALCP2*.

Calibrating Visibility: In general, the importance of low visibility cannot be understated. Low visibility remains paramount to success, with both private sector clients and public sector actors. In private sector interventions and with private sector clients, low visibility guarantees that suppliers and customers of the enterprise in question continue to operate as normal, only responding to feasible and beneficial changes in their relationship to the business and brought about by the business. It is part of their normal life and experience and therefore becomes embedded in their ‘normal’ existence and is therefore much more likely to be sustainable. However visibility may be leveraged if it proves advantageous to an intervention as in where a public sector actor commits to an intervention more readily due to the cachet/validity provided by partnership with an international organisation or the donor they represent. An example being where the government prefers the use of programme and donor logo’s as a sign of visible donor engagement altering the focus of responsibility for a new initiative which could be a target of comment in a sensitive or negative environment and provide external validity to a government action. Thus in public sector interventions in particular, but also in private it is always worth considering the matter of visibility seriously to see if any advantage may be gained by its use. There are also the needs of the donor to consider and their obligation to represent their country. High visibility is expected and vital in the *donorsphere* in global communities of practice such as the BEAM Exchange, SDC E+I network, DCED, ILO Impact Lab, in debates and in publications, which allow for the promotion and transfer of good practice and representation of the work done with public funds.

Understanding the Importance of Incentives: Many of the best ALCP MSD interventions have involved being able to positively incentivize the intervention, often flipping the script on the very constraints hampering a sector or a client within it. Incentives are not confined to business growth, they are often linked to perceptions and feelings. Recognition of cultural mores and values, of perceptions and beliefs as

vital components of the market system is an essential component of MSD. Known as ‘informal rules’ they can pertain to all areas of life such as gender, resource use or consumer behaviour. The programme has repeatedly over the years entered sectors where the predominant perception was one of pessimism, despair and even conflict. The programme has tackled problems such as the perceptions of the low value of Georgian agricultural livestock production, the inability of Georgian products to compete in an international market and that Georgian honey is contaminated. These factors have very real negative implications including in the attitudes of key players within the market system. For example in agriculture this has sometimes left Georgia open to adopting imported systems of agriculture and modes of development based on utilizing resources or generating income with maximum profit for minimum outlay in mind and with no consideration of natural resource use, environmental sustainability or shared value creation. Perceptions are hugely important components in a market system and climate change and the environment are unduly subject to disruptive impacts caused by negative or misconceptions. Addressing negative perceptions and harnessing positive change in the market system, providing inspiration with a different vision and instilling confidence amongst market actors in Georgian regional production and the landscape from which it is produced will remain a key facet of interventions in the ALCP2.⁹

OPERATIONAL GUIDING PRINCIPLES

This section contains general practical principals to be considered when setting up the programme.

Strategy and Structure: The programme structure is designed to react to changes in the operating environment, and has sustainability and the transfer of programmatic functions to market players as its goal. Regularly reviewed results chains elaborating the means to fulfil the programme strategy as outlined in the logframe form the foundation programmatic tool, bolstered by ongoing market analysis and constant feedback through mechanisms such as the monthly Monitoring Action Plan meetings which ensure that impact is monitored and troubleshooting can occur. Results are fed into the DCED Audited Results measurement system and consequently back into reporting and the calibration of management strategy. Business support services and consultancy are a cornerstone of the facilitation strategy with continuing emphasis under the ALCP on developing the quality and sustainability of the sector. The co-investment mechanism remains in use as a transformational tool which is closely monitored to identify when other financial mechanisms become more appropriate. The ALCP also pursues facilitated linkages for appropriate value chain actors with financial institutions. Risk is carefully managed and the process of protecting investments described in the risk management section.

⁹ Concrete examples include: The programme facilitated Jara Beekeepers Association applied for and were granted Intangible Cultural Heritage Status by the National Agency for Cultural Preservation of Georgia for Jara Honey production, which now has its own Wikipedia page. Georgian cheese made from milk sourced from rural women in villages across Georgia often described as ‘low quality’, ‘unclean’ and ‘unsafe’ is now being sold under the Georgian Milk Mark and four entities to date are exporting Georgian cheese to the USA, based on the model of equitable sourcing from village women from community-based enterprises operating on a shared value model. Successful examples of the programme’s work on negative perceptions, allowing for subsequent changes to be wrought in tandem with other facilitation have included; transforming the sheep movement of the transhumance route from a neglected, inconvenient and contentious issue to one with inherent cultural and economic value through the documentary film [The Road](#), in tandem with multi stakeholder advocacy. Jara wild honey has been resurrected to become a flagship of Georgian high value honey and stunning natural biodiversity. In tandem with market interventions facilitating export and promotion, the [Jara documentary](#) showcased the beauty of the Ajarian countryside offering an alternative aspect to a common view of an ageing, poverty ridden landscape from which residents and eco migrants must flee.

Staffing: The programme recruits local staff with local knowledge, established networks and where possible private sector experience as it is important to know how to negotiate with businesses and where a potential intervention might sit within a business context. MSD programmes require practitioners with the right kind of understanding, flexibility and skills. Qualities include fluidity, perspicacity, and the ability to adopt, adapt and respond.

Harnessing Institutional Experience, Knowledge and Capacity: Institutional capacity, knowledge and experience developed over the course of the years of Alliances programming are harnessed within the ALCP2. Capacity building of staff in MSD programmes is one of the most potentially constraining elements of successful implementation. Long term Alliances staff have received DCED, MSD, Mercy Corps Leadership and Gender training and financial training which must be fed back into the ALCP. The ALCP makes full use of and will continue to nurture, the talent and expertise that has developed over more than ten years of Alliances programming.

Investment in Capacity: Mercy Corps' experience has shown that the key to embedding the approach is early and ongoing investment in staff capacity. The market development approach requires excellent motivated and highly independent staff with superior analytical skills who take time to develop. Internal capacity building trainings for staff and partners in MSD, internal procedures, gender, report writing, conducting research, monitoring and evaluation, and the facilitation approach are examples of training topics which will be covered when developing staff under the ALCP.

Mobilizing Institutional Capacity: Key staff are employed in new programme regions ensuring the transfer of institutional knowledge. A key facet of this is the use of peer learning and shadowing for new staff pairing them with experienced opposite numbers, bringing exiting staff to new regions at key points to guide staff in processes and conducting exchange visits.

Market intelligence, research, analysis: This is an ongoing process as the market continuously evolves. One of the key principles of Mercy Corps Alliances in implementing systemic interventions is that of flexibility and adaptation: that is changing tactics according to changing conditions in order to achieve the objective. It is important for the programme to remain nimble enough to respond to opportunities that crop up in a fluid market environment.

Low profile: Alliances has learnt from experience that the benefits of a low profile in the majority of interventions outweigh those of publicizing the project. Beneficiaries react differently when they know that activities and initiatives stem from an NGO rather than an existing business or the local government. This is a sustainability mechanism by giving a position of power to local market actors and not undermining their markets or interests, avoiding dependency on the programme from the clients/beneficiaries.

Planning to mitigate risk: Market driven interventions must be backed by appropriate research, background checking, and market micro-analysis and interventions staged to facilitate logical growth steps whilst managing risk. (See risk management section.)

Ensuring Equitable Impact: Impact must be equitable. It must effect and reflect a true representation of the target group as found in the respective regions. Women's Economic Empowerment is essential,

overweening factors such as ethnicity and rural access to resources are others. Equitable impact requires full operationalization of GEDSI from programme inception. See below.

INCLUSION OF GEDSI AND WEE IN MSD

Gender, equality, diversity and social inclusion (GEDSI) is integral to every programme activity and is included from the first in every step of the programme cycle. Ensuring that generated impact is as inclusive as possible according to the given circumstances within the scope of ALCP2 activity.

In the regions in which the ALCP2 works, ethnicity is the major factor to consider in the construction of interventions determining whether interventions are truly inclusive or not. Rural inclusion for remote populations is another main factor. Once interventions are constructed and are being applied more locally then further elements of inclusion can be considered and ensured. The ethos of the programme team is a belief that the key to lasting systemic change is equitably impacting women as well as men within the market system. It is also that incoming data on target groups must be enriched and informed by GEDSI to optimize social inclusion within this impact. Based on numbers alone calibrating programming correctly to equitably impact women and men means targeting 100% of a population of potential beneficiaries rather than 50%. It makes good programmatic sense. To make it work however, systems must be in place operationally and programmatically. From the hiring and development of a qualified team to reporting, mechanisms must be in place to successfully incorporate GEDSI and WEE in every stage of the programme cycle. It requires commitment to GEDSI mainstreaming and seeing Women's Economic Empowerment as a constant element of programming and expected outcome rather than an add on component or an extra. In current Alliances programming this is constantly maintained and developed. Ethos, culture, systems, instruments and tools are in place to ensure that GEDSI and WEE is translated into MSD programming and impact. Programming and RM systems are systematized to generate, capture and analyse WEE impact. These tools and methods are summarized in Annex 1. Currently in Alliances all reported changes in key indicators are gender disaggregated, with outputs and outcomes for farmers described in an appropriate and meaningful manner. If an exception occurs and results are not gender disaggregated valid justification, has to be provided. Please see *Annex 1 for Key Elements to Consider in Mainstreaming GEDSI and WEE*. Including sections on Team Building and Ethos, Tools and Techniques and Results Measurement and Reporting.

PUBLIC SECTOR FACILITATION

Some perceptions of market systems development preclude working with the public sector. However, the public sector is a viable market player with considerable scale and outreach. The programme has successfully worked with the public sector including local, regional and national government in Armenia as well as Georgia and has pursued highly successful long-term partnerships with government.

KEY ELEMENTS OF SUCCESS

Approaching stakeholders from a facilitative perspective: This revolves around developing an in depth understanding based on market research of the constraints under which public stakeholders are operating, the role they can play in the partnership with the programme and offering viable solutions as part of obtaining desired outcomes.

Diversification of interaction on any given intervention: This includes spreading interaction across multiple public sector actors and across multiple levels of outreach and responsibility. This reduces risk and increases the sustainability and effectiveness of the intervention. Public sector interventions are highly vulnerable to change; due to elections, changing mandates, emergencies, and altering priorities. They also feature a high turnover of personnel, often involving a key actor taking all their staff with them on moving to a new posting and thus taking carefully built institutional knowledge with them. Contacts spread across all levels ensure a continuation of this knowledge in other portions of the intervention which can be leveraged to bring new players on board more quickly. An example would be a new deputy minister with no knowledge of the Animal Movement Route attending an Advisory Committee meeting of multiple stakeholders all familiar and well versed in the problem; the minister then takes up the issue as a matter of course and ongoing matter of note.

	Regulations	Animal Diseases	WEE
NATIONAL	<ul style="list-style-type: none"> ❖ Ministry of Environmental Protection and Agriculture of Georgia (MEPA) ❖ National Food Agency (NFA) ❖ State Laboratory of MEPA 	<ul style="list-style-type: none"> ❖ Ministry of Environmental Protection and Agriculture of Georgia (MEPA) ❖ National Food Agency (NFA) ❖ Ministry of Economy Agency for State Property ❖ Georgian Water Company (public co) 	<ul style="list-style-type: none"> ❖ Parliament of Georgia ❖ Prime Minister's Office ❖ Ministry of Regional Development and Infrastructure of Georgia (MRDI) ❖ Gender Advisor to the Prime Minister
REGIONAL	<ul style="list-style-type: none"> ❖ NFA Regional Offices ❖ Regional Government-Governor's Offices 	<ul style="list-style-type: none"> ❖ Regional Government-Governor's Offices ❖ The NFA Regional Offices 	<ul style="list-style-type: none"> ❖ Regional Governor's Offices ❖ Supreme Council of the Autonomous Republic of Ajara
LOCAL	<ul style="list-style-type: none"> ❖ NFA Municipal Representatives ❖ Local Municipalities 	<ul style="list-style-type: none"> ❖ The NFA Municipal Representatives ❖ Local Municipalities – DRR Working Groups ❖ Village Representatives 	<ul style="list-style-type: none"> ❖ Local municipal Self-Governments ❖ Mayors ❖ Gender Focal Points ❖ Village Representatives
CIVIL SOCIETY	<ul style="list-style-type: none"> ❖ Georgian Beekeepers Union (10 Honey Associations) ❖ Georgian Milk Associations ❖ Georgian Media Associations 	<ul style="list-style-type: none"> ❖ Georgian Shepherds Association ❖ Disaster Risk Reduction Center ❖ Regional development Agency 	<ul style="list-style-type: none"> ❖ Georgian Chambers of Commerce & Industry ❖ Ajara Business Women Association ❖ Municipal WRs Managers Group ❖ UN Women

Figure 1 Diversification of Stakeholders: Showing the Spread of Interaction in the ALCP's Public Sector Facilitation

Creating Leverage: Successful interventions with the public sector as partner provide significant leverage both economic and social. In the ALCP they have included over the years, the investment by the government of 1 million USD on the Animal Movement route in seven Veterinary Surveillance Points since 2016, with the latest being constructed in 2021. It has included creating a Honey Advisory Committee and changing the law on sales of prohibited antibiotics contaminating Georgian honey removing a major constraint to export and involves the creation at local government level of Disaster Risk Reduction Groups from 2008-2017 and the creation of over thirty Women's Rooms enabling increased access to decision making, public goods and financing for thousands of women and men across Georgia and since 2019, Armenia, which continues to date and the formation of the Goderdzi Alpine Garden involving multiple public entities contributing over 2 million USD to date, for road building, operational costs and marketing.

Flexibility of Perspective: In public sector facilitation the programme has learned that flexibility of perspective concerning the role the public sector partner may play is essential as is understanding and building on their incentive in any given intervention.

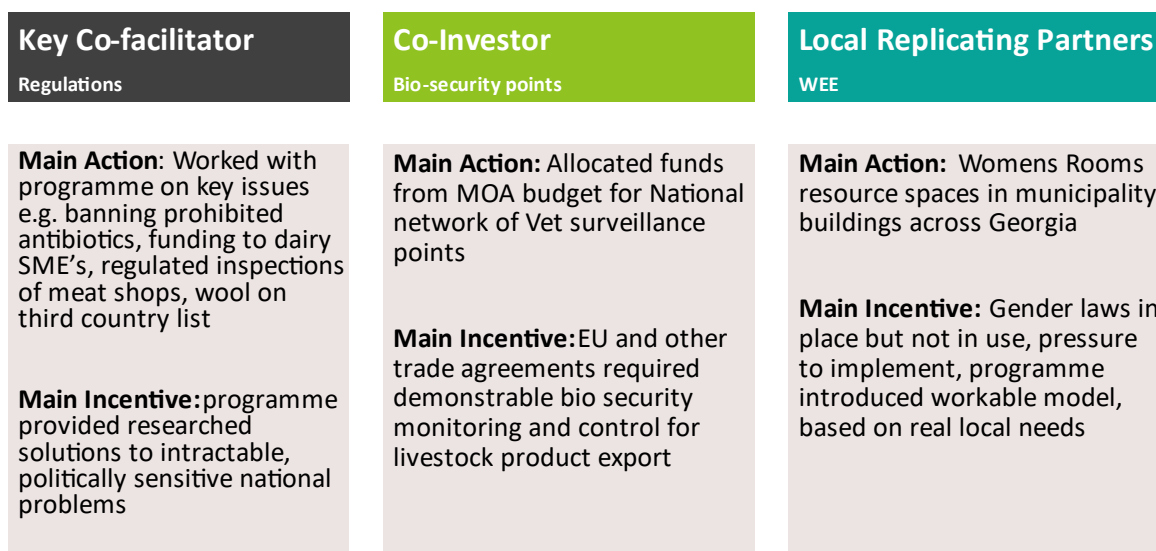


Figure 2 Examples of facilitative partnership with the public sector including context specific roles and incentives as defined by market research.

Leveraging incentives and providing solutions: The main success factor in the programme's public sector facilitation has been an approach shaped by leveraging incentives and providing solutions. Taking the form of finding solutions to trenchant public problems which form key constraints in the market system it has formed the basis of most of our successful facilitation with government and public sector actors. The government is encouraged to take full ownership of these activities. With the government the face of a solution to an intractable problem affecting many disaffected parties, the government becomes the invested owner of something positive and beneficial. Responsibility, empowerment, accountability and pride grow as transparency and efficiency are improved. The benefits of this form of facilitation allowing full ownership of the public sector entity has most importantly, the most beneficial effect on sustainability.

Advocacy: This approach is in contrast to work which revolves only around advocacy and which relies on the high visibility of the INGO involved. There are of course times when this form of advocacy is both appropriate and perhaps the best or only option. However advocacy is often 'adversarial' using high visibility to fight against a defined point of contact and is often the last option available when an issue cannot be resolved through dialogue, being based on disincentives. Garnering forces to attack and try to force a government into action when they cease to take it, over something vital to a development objective should be held in reserve a last resort and structured as an inevitable opportunity for the government to take.

Dealing with Challenges: Unfortunately work with the public sector is beset by its own set of challenges, these can include unsavoury or corrupt governments, regular elections which displace carefully nurtured contacts, disaffection or lack of interest in ongoing projects when the fortunes of the current political incumbents are under threat, budget cuts, policy turns and redirection of funds and personnel based on political situation or whimsy, particularly in an election year. The programme has mitigated this by the two

strategies noted in the introduction to this section: *approaching stakeholders from a facilitative perspective, and diversification of interaction on any given intervention.*

2. CONDUCTING MARKET ANALYSIS

As a Market Systems Development project, the ALCP operates according to the principles as set out in *The Operational Guide to Making Markets Work for the Poor Approach Version 2 2015*, the *DCED Standard VIII 2017* as interpreted in the *ALCP Monitoring and Evaluation Manual Version*¹⁰, the reporting format and schedule for Bi and Annual reports as outlined by the SDC and the Swiss Cooperation office in Georgia which is informed by the *Outcome Monitoring Concept South Caucasus*¹¹ and operationalizes WEE as described in the DCED's *Measuring Women's Economic Empowerment in Private Sector Development Guidelines* (2014).

The ALCP2 incorporates a six-month market research phase which will build on the information contained in the ALCP2 Strategic Framework¹² and will include:

- Fully gendered and detailed sub sector market research¹³.
- Gender Diversity and Social Inclusion analysis.
- Programmatic climate change, environmental sensitivity and DRR assessment conducted to assess whether and where more in depth research is required.
- Governance, climate change, environmental sensitivity and DRR is considered as a component of each survey instrument i.e. the sub-sector analysis and GEDSI analysis.

The *Alliances Market Analysis* lays the foundation of the investment process. Careful analysis, identification and information pertaining to key market players and the market environment in which they and the programme operate, provide the key for ensuring investment in the entities which will form the entry points to allow for the creation of pro poor change in the system in line with strategy. The *Market Analysis* provides an analysis of the sub sectors in which the programme intends to work and develops a concrete sub-sector strategy with a pro-poor focus. Steps 1-10 below outline the market specific procedures and tools utilized throughout the process.

1. *Use of Written Sources:* includes a wide ranging use of sources including donor reports, government statistics and research studies and media to broaden the understanding of the sub-sectors.
2. *Key Informant Interviews:* Key market players in the sub-sectors in which the programme is operating who can provide oversight and insight into the market system informants include private

¹⁰ Please refer to the *Alliances Caucasus Programme Results Measurement Manual 2018* available on www.alcp.ge for a full exposition of the monitoring system.

¹¹ See p6 of the *Outcome Monitoring Concept for the South Caucasus* (as of June 2009).

¹² This included identification of the target group, sectoral research for main value chains and drivers, risk analysis and Annex 2 stakeholder analysis Annex 3 key informants and Annex 3 preliminary market analysis.

¹³ Including Roles and Responsibilities and Access and Control tables for core markets and supporting functions. See the M4P Hub's Guidelines for Incorporating WEE in M4P (2012), the DCED's Measuring Women's Economic Empowerment in Private Sector Development Guidelines (2014) and the DCED's WEE Working Group How to Put Gender and WEE into Practice in MSD (2016) in which the ALCP's WEE strategy and practice are outlined.

sector actors, civil society, NGO's and government representatives. A *Key Informant Table* is developed detailing who was interviewed, when, where and what was discussed.

3. *Focus Group Survey*: involves the definition and the construction of a detailed profile of the target group operating in the target sub-sectors and value chains and the definition and ranking of key gender disaggregated information related to them including market access, constraints and opportunities.
4. *Data Presentation*: Organization of data captured during the compilation of the *Key Informant Table* for optimal programmatic use e.g. the development of specific data sheets and maps e.g. input providers.
5. *Summary Market Analysis*: the summary outputs of the full Market Analysis form the diagnostic tools for the market assessment and are found in the *Summary* section of the Market Analysis and can only be completed at the end of the survey process. The outputs are:
 - *Summary Market Analysis Table*: Relevance of the sector, sub-sector, pro poor potential and intervention potential
 - *Core Market: Systemic Constraints, Cross Sectoral Drivers and Pro Poor Opportunities Table*: Identification and definition of the systemic constraints, cross sectoral drivers and pro-poor opportunities found in the core markets.
 - *Systemic Constraints in the Supporting Functions and Rules Table*: Identification and definition of the systemic constraints in the Supporting Functions and Rules of the core markets.
 - *Sustainability Matrix*: i.e. 'who does; who pays' based on the market information of players across the private, public/governmental and civil society sectors which forms part of the future market envisaged by the project.
 - *Roles and Responsibilities and Access and Control Tables*: Detailed for activities for men and women of the target group across the programme specific supporting functions and sectors and the main resources relating to the programme specific supporting functions and sectors.

Programmatically following the completion of the initial Market Analysis the following steps are ongoing to ensure *Continuous Market Awareness*:

6. *Impact Assessment: Including Programme Baseline, Mid and Final Impact Assessments*: The baseline data required both at the programme wide and intervention level is a vital component of the general pool of market information, some of which is statistically significant. It allows for a clear before and after assessment which is useful when triangulating market information. As impact aggregates it can have significant influence on and become part of the market system and monitoring data is of ongoing importance to the programme's continuous market awareness, when evaluating the environment.
7. *Ongoing Market Analysis*: involves continuous updating of the data sheets, maps and tables as well as more fluid information exchange between programme staff based on their interaction with clients, attendance at meetings and interactions with local and national media and market actors. When enterprises and service providers are identified it involves the production of profiles, reports and ongoing targeted market research which lay the groundwork for producing *Intervention Case Studies*. Targeted market research is conducted where a greater depth of time sensitive information is required to fully inform an intervention e.g. the market for hay including hay prices to inform a livestock nutrition intervention.

8. *Ongoing Identification of Market Opportunities*: potential opportunities are discussed between relevant team members before following on through to the application process and client programme relationship development. ALCP2 is peopled by experienced staff with extensive knowledge of relevant existing market systems and players and experience of establishing new entry points. Ongoing information is passed and discussion conducted informally as well as formally within the pool of implementers.
 9. *Monitoring and Management Feedback Loop*: As the programme matures and impact develops regular review of impact both quantitative and qualitative per intervention, output, outcome and sector should be utilized to inform and feedback into programming. In the ALCP2 apart from continuous informal communication, collaboration between programming and monitoring staff on the development of surveys, indicators and results chains for the monitoring plans of each intervention, and analysis of aggregated impact for bi and annual reporting, a bi-monthly *Monitoring Action Plan* meeting is held. Management, programme and RM staff attend and results are presented per output, by the Programme Officer (PO) responsible. This allows for troubleshooting and the calibration of interventions to ensure the desired outcome.
- *Example*: An example might be that the MAP Meeting reveals that the access % for women is lower than expected for a particular supporting function given the research based assumptions of the team. Problems may be diagnosed as a data gathering problem i.e. women signing their husbands name on accessing a service or it could be a intervention design issue, i.e. marketing materials being posted in places where they are inaccessible to women.

NOTE ON CONTINUOUS MARKET AWARENESS AND THE CALIBRATION OF INTERVENTIONS AND STRATEGY

Continuous market awareness and the methods used to ensure it should be balanced to serve the needs of the programme i.e. to inform interventions and strategic decision making. As programme impact grows and *systemic changes* and *sector wide behavioural changes* are captured, impact and market information can become increasingly intertwined and wider in scope. Ongoing information inflow and analysis should be handled in a way that ensures that the programme can evaluate and use this information to boost scale and optimize leverage points for scale. Experienced staff and management will be able to understand when more information is required and when the programme has enough in hand for its current purposes. Flexibility and judgement must be applied to answer ongoing needs on an ongoing basis.

3. CLIENTS

Potential applicants to the ALCP must be eligible according to the criteria listed in Table 1 below and offer entry points to addressing key systemic constraints and capitalizing on pro-poor opportunities in line with programme objectives in order to proceed to the *preliminary meetings* and *application form* stages:

Table 1: Eligibility Criteria for intervention in the ALCP2

Type of Business	Alliances Direct Support	Qualifications/Notes	Additional Considerations When Developing an Intervention
Small Farmers and Rural Producers	No	Target Group. Will benefit from programme impact. Will access inputs as customers, improved market access as suppliers and improved access to and quality of access to public goods and services as citizens.	This manual outlines in detail the considerations to be taken into account when designing, researching, planning, negotiating and implementing an intervention and co-investment with an entry point in order to help leverage the changes required in the market system please see Chapter 1 – 6 describing the entire process.
Industry Associations ¹⁵ / Cooperatives/Unions/ Farmer's Groups	Yes	<ul style="list-style-type: none"> ❖ Significant activities in the livestock/Honey/Wild Botanicals/Sericulture/rural sectors ❖ Significant number of suppliers/customers/members who are rural producers 	Ultimately however the programme judges a potential intervention based on the following main factors as determined by the particular conditions within a specific value chain, function or rule ¹⁴ .
Processors/MSME's	Yes	<ul style="list-style-type: none"> ❖ Strong market access/or clear potential access ❖ Processing significant amounts of rural product including wild botanicals, honey and all bee products, silk, rural crafts, forestry products, animal nutrition, dairy products, meat, wool, breeding animals or rearing large numbers of livestock. ❖ Significant number of suppliers/customers/users who are rural producers 	<p><i>Level of impact:</i> Ability or potential to generate Scale, NAIC and jobs within the intervention or to catalyse or build the foundations to generate these in synergy with other interventions.</p> <p><i>Unique position to develop or leverage planned change</i> at the desired point in the market system including factors such as potential to achieve GEDSI.</p>
Intermediaries, traders, wholesalers	Yes	<ul style="list-style-type: none"> ❖ Strong market access/or clear potential access ❖ Trading significant amounts of relevant products. 	These two main factors include a consideration of the size and outreach of

¹⁴ As market conditions are so unique especially within a dysfunctional system each potential intervention is determined on a case by case basis by the team based on market research, the impact desired according to strategy and the entry points available to effect the desired impact.

¹⁵ These kind of entities are selected as offering, as do private sector clients, unique entry points in the market systems in which the programme is intervening. Aspirations for associations for example include being membership based, financially sustainable and transparent with sound management whilst performing a vital function. However, the reality of the system is that it is usually the aim of an intervention with an association to help it develop and become a viable sustainable entity able to perform a necessary function within the market system.

		❖ Significant number of suppliers who are smallholder farmers /rural producers and willingness to engage with them.	<p>the entity in question and the potential for impact, including behavioural change and systemic change; crowding in, business expansion and sectoral impact. Particularly in relation to the size of the investment.</p> <p>Note: Impact is targeted pro poor impact as detailed in the Log Frame, with main impact specifically designed to impact the designated target group. Designing interventions with impact for the target group as the primary consideration is fundamental to the success of the market systems approach.</p> <p>E.g. Factories may be opened or expanded, production and sales expanded, export generated within a sector, associations formed and new legislation realized but these are the means to achieving the end of additional access to services, markets and public goods and income to the target group.</p>
Service providers (environmental and health safety consulting services, bio certification, educational institutions & media providers, improved breed services, advice, animal breeding, trainers, and external consultants in relevant fields).	Yes	❖ Significant numbers of clients who are smallholder farmers/rural producers ❖ Appropriate or potential regional services and outreach	
Input providers (of relevant climate smart info and inputs, agri tech/input companies)	Yes	❖ Significant numbers of customers who are smallholder farmers /rural producers ❖ Appropriate or potential regional services and outreach	
Local, Regional and National Government & Civil Society Entities including in environment, media, GEDSI, rural rights, conservation and sustainability.	Yes	❖ Policies and spheres of activity that aim to benefit the quality of and access to the public goods of the target group in line with programme strategy	

APPROACHING POTENTIAL CLIENTS

The *Market Analysis* including the use of tools such as the *Key Informant Table*, the *Focus Group Survey* and the ongoing collection and collation of current market intelligence related to the programme specific value chains and programme area will have produced lists of key market players and service providers.¹⁶ Whilst this list is not exhaustive and will be continually added to through ongoing market intelligence it will in likelihood provide sufficient entry points for programme interventions in key areas without the need for advertising, as in these cases the market players will be approached by programme PO's. This approach is in line with a key tenet of MSD; maintaining low visibility in order to prevent market distortion.

ADVERTISING

Where however the known list of key market players for the undertaking of an activity seems limited and unrepresentative in coverage and the programme objective requires optimal representation for example in the case of identification of candidates and provision of training for a key service e.g. Business Development Service providers; targeted advertising by the programme itself can be carried out. This can include a competitive application process through public advertising utilizing the media.

¹⁶ As detailed in Section 1

NOTE ON VISIBILITY:

In line with an agreement in place with SDC any documents entering the public domain e.g. research must place the SDC logo first followed by the Mercy Corps and Alliances Logo. When maintaining low visibility in the local markets branding is kept to a minimum with the branding of the key market player becoming the visible face of the activity.

DEALING WITH SPECULATIVE APPLICATIONS

During the course of the Inception/initial phase of the programme and in conducting the market analysis and focus group research, many key market players will have become aware of the programme. Speculative applications from eligible players are welcomed. These take the form of verbal enquiries to programme staff in the field or to the office. Where ineligible potential applicants apply, PO's will explain the programme criteria and detail why the potential applicant fails to meet this criteria.

DEVELOPING A CLIENT PROGRAMME RELATIONSHIP

The client-programme relationship is an essential element of the *facilitation* approach.

PRELIMINARY MEETINGS WITH ELIGIBLE MARKET PLAYER/CLIENT

These preliminary meetings between potential clients and the programme lay the foundation of the client/programme relationship and the development of potential future interventions and investments. The emphasis is from the beginning on developing a relationship based on mutual respect and based on entry points provided by the potential client rather than seeking to immediately define or impose programme specific objectives. However the nature of the programme and a definition of the nature of potential collaboration will be introduced by the BDO to the potential client at this point. Where eligibility is confirmed and a potential intervention from the market player tallies with programme objectives and the potential client sees potential in progressing, the relationship will be cultivated and enter the application stage. As the relationship develops the clients will be introduced to key managers but maintain primary contact with the BDO who manages the outcome and output under which the intervention falls.

4. THE APPLICATION PROCEDURE

APPLICATION FORM

Potential clients who have met the eligibility criteria will proceed to filling out an *Application Form*. Please see Annex 2 for the template of the form. For most clients the process of filling in the form will be collaborative i.e. with some level of discussion and facilitated by the PO. The PO will review the form once filled in and point out where more information is required, explain programme related terminology or concepts or help formulate the business idea in line with programme objectives.

Note: The concept of co-investment is formalized at this stage. The Application Form contains a section asking for the nature and source of the potential co-investment by the potential client.

APPLICATION REVIEW PROCESS

Ongoing communications between all levels of staff are essential on the ALCP given the continuous inflow of information and the flexibility and reactivity of the programming. The Team Leader and Programme Managers are in constant communication on how entry points in each region or ongoing interventions are feeding into strategy. The Application Review Process within each region consists of the Programme

Manager, Deputy Programme Manager and PO's, being then communicated as a viable application to the Team Leader. Where specific technical input has not been sought beforehand in the development of the application form, technical experts may join the review process. All applications received will have been preliminarily reviewed by the BDO. The procedure will include ensuring that the proposed business idea is fully in-line with programme objectives and highlighting where more information is needed to proceed, with clear recommendations made as to the nature and means of obtaining this information and the time-frame for obtaining it. Updates will be provided as to the nature of the client/programme relationship. A meeting or several meetings may be held in which to discuss the environment in which the proposed intervention is to take place and the constraints/opportunities that the client is operating under. This may in itself involve the need for wider research and facilitation to take place. It also includes an assessment of the risk involved in undertaking the proposed intervention/investment. Each application form brought to review will be subject to one of three actions following the meeting, which appear as check boxes on the form:

- Additional data required
- Modify & Review at next Application Review Committee
- Proceed to Investment Plan stage

Note: Facilitation occurs in real life and real time, the personal problems and commitments and externalities of and affecting potential clients and their businesses often blur the implementation process. The relationship between PO and client allows for these to be discussed and assessed as part of the facilitation process. An example would be where interests beyond the client are in operation and may have already manifested their power to affect the business in question e.g. government agencies/laws or potential investors. Part of the facilitation process involves further investigation of these broader interests and an assessment of how they affect the intervention including an assessment of the risks they pose.

REJECTING AN APPLICATION

Due to the eligibility criteria and development of a client/programme relationship most applications will be modified before being finalized. However in the instance of unsolicited applications or where external influences render a potential intervention untenable the application may be rejected. This will be done in person and followed up with a letter/email where necessary.

ACCEPTING AN APPLICATION

Once the finalized applications are accepted the client/intervention/investment moves on to the Investment Phase. The details of the successful Application will be shared in the staff meeting and begin the process of bringing M and E into the process. (See *Work Flow Diagram Section 1: Introduction* and the *ALCP Results Measurement Manual 2018* for the full process) At this point a file is opened for the client/intervention for the contents of this file please see *Section 4: Record Keeping*.

5. THE INVESTMENT PROCESS

This section contains a description of the procedural steps of the investment process. The following *Section 5: Factors to Consider within the Co-Investment Process* gives an in-depth exposition of aspects of the co-investment instrument and its use.

The investment process comprises of the development and completion of the *Investment Plan*. On entering the Investment Process the programme carries out a deeper survey process including the assessment of the capacity of the applicant, further market analysis, the potential impact and risk including environmental factors. This process may include the commissioning of a Business Plan depending on a number of factors, the size of the investment, its complexity its relative familiarity as a model, the state of the particular business e.g. nascent or mature. For larger investments the programme can also undertake a Predictive Return on Investment. The results chain for the intervention will have been commenced and will be finalized with the investment plan. The Investment Plan forms the main strategic and reference document at intervention level and is used by RM for checking the rationale of the results chain, for the construction of baseline indicators and for plugging in data for predictions.

FACTORS DETERMINING THE DEPTH OF THE INVESTMENT DEVELOPMENT PROCESS

The following factors determine the level of depth required in the *Investment Plan* development process.

Level of Entry Point and Impact Potential: Where an investment is taking place with a lead firm or at the policy level with potential impact across broader geographical areas affecting larger numbers of upstream players then considerably more time may be taken in the development process including the development of the client/programme relationship as the complexity of factors relating to the investment will be increased. It will involve greater levels of coordination with external players and key stakeholders and broader market forces must be factored into the development of the *Investment Plan*.

Size of Investment: This is closely related to the first point. Size of investment is closely related to predicted impact. A large investment for minimal impact would highlight the need to re-think, recalibrate or reject an investment. Regular communication with the SDC National Programme Officer, in addition to the Bi Annual Steering Committee following the submission of bi and annual reports, includes case by case discussion for larger investments which fall significantly above the average expenditure per intervention per output¹⁷, represent new directions in programming or large capital investments for target group related public goods.

Example: Starting with a consultative forum The Advisory Committee which brings together diverse stakeholders at all levels of government, private sector and civil society, the issue of the annual transhumance route from the winter to summer pastures of up to a million livestock and running directly through three regions of SDC programming, became a main governance issue under Outcome 3 at the beginning of the first phase of programming in Alliances KK in 2011. It incorporated issues directly related to programming strategy, of animal disease control, government accountability and transparency and the development of the sheep sector. The programme involved SDC from the outset needing to develop mutual understanding and consent to operate at this scale, firstly in detailed reporting and flagging of the issue and later as facilitation surrounding the issue increased, in direct consultation with SDC over issues related to central government and the development of infrastructure on the route and on what SDCs involvement and backing would be. At one point the SDC Deputy Mission Director held meetings with central government when suggestions were made by government to appropriate programme funding without a planned framework and a response was formulated in which it was made clear a feasibility study and action plan

¹⁷ As noted elsewhere some interventions e.g. dairy factories under Market Access and Terms of Trade, have been replicated, have a proven track record and represent minimal risk

were pre-requisites for funding. Later in the process, the SDC National Programme Officer attended a key Advisory Committee meeting where the show of SDC support was pivotal. Issues such as maintaining low visibility and leveraging SDC where appropriate as well as funding amounts and expectations have been discussed. In the development of the ALCP it was verified between the programme and SDC that larger funding amounts for infrastructure on the route would be an expected part of programme activity.

Level of Innovation: Alliances has over ten years of operational experience in specific sub-sectors, some interventions have proven success rates and may be replicated with relatively little risk although due diligence to reflect the unique market conditions will always occur by following the *Investment Plan* template. Where a new idea is being piloted or a new product developed, the risk is higher and more market research will be required and a broader investigation of wider market forces. (See above)

INVESTMENT PLAN

The *Investment Plan* contains all the information necessary for the programme to manage and monitor the investment in line with programme strategy and is primarily for programmatic use. It contains sections which details the investment in line with programme strategy e.g. goals, aims, impact, budget, Profit and Loss, Cash Flow and Balance sheet, work plan, consumer profile, marketing strategy, GEDSI and WEE sensitized aspect of the intervention, sustainability of the intervention¹⁸ and environmental risk factors¹⁹. The information for the Profit and Loss, Cash Flow and Balance Sheet are obtained by the programme or external BDS. When additional intervention is required above and beyond the original intervention as described in the Investment Plan an Appendix to the Investment Plan for an Additional Phase is prepared by the Programme Officer, submitted to senior management for final approval and added to the file.

See Annex 3 for the *Investment Plan* template and Annex 4 *Appendix to the Investment Plan for Additional Phase*.

BUSINESS PLAN

Where the investment plan contains all the information for the programme to manage and monitor the investment and is primarily for programmatic use, a business plan allows for a broad, company specific view of the business that allows the client to understand the investment from within their business context and contribute to strengthening the capacity of the business thereby bringing down the risk of the investment and bolstering it. It also serves to triangulate and add to the information and understanding of the BDO & Programme in the development of the Investment Plan which further strengthens the investment. When required (for example with larger firms with more complex functions or business' considering a change in

¹⁸ In the ALCP2 'Exit Strategy' is shorthand for the fact that the phase of the investment being described in the Investment Plan is inherently sustainable within itself and will continue once the activities described in the work plan are achieved. Impact targets designed specifically for the phase of the intervention described in the IP, form the end goal of each phase of the intervention and this impact can only be generated if the desired changes to overcome existing constraints have been successful and are sustainable i.e. continue working without programme support. The concept of the exit strategy can sometimes be an unhelpful one as it assumes a definitive end point to be reached by a business and also tends to assume that a dependency may have developed with a client which requires therefore a planned 'exit' by the programme. Development is also fluid and behavioral change and systemic change in particular may be unplanned and unexpected. See also *Understanding realistic achievement and sustainability* Chapter 1 p17.

¹⁹The Investment Plan contains a section on whether a BEAT assessment is required or not. The Business Environmental Audit Tool (BEAT): is simple environmental audit tool, developed in the first phase of Alliances, providing a framework to analyse the impact of businesses on the environment, the potential impacts of natural hazards on their businesses, the checking of business compliance against government environmental regulations and identification of businesses for whom a full Environmental Impact Assessment (EIA) is recommended. BEAT assessments are subcontracted to local environmental service providers.

direction), it is written by an external business development services company²⁰ contracted by the programme the cost of which may be put into the co-investment of the client up to 20%, with the rest being part of the programme co-investment. The business plan develops a vision for the investment and beyond regarding the future of the business and expounds in tandem with the client areas of traditional weakness in Georgian business; planning for varied scenarios, how to achieve goals when external factors vary, risk management, financial planning, phasing investment to growth, branding and advertising. It also ensures that ideas are grounded in reality and that the client does not get ‘lost in ideas’ whilst exploring the potential for those with promise.

CO-INVESTMENT

When co-funding with the private sector Alliances funds up to a maximum of 65%²¹ with the client obliged to co-invest up to 35%. This level of co-investment was determined at the beginning of the ALCP in 2008 through a consultation process between programme staff and donor based on reflecting on the local context²² and previous programmatic experiences in Georgia²³. The figure of 65%/35% reflected what was believed to be the right balance between the client taking the co-investment seriously but not overburdening the client or possibly negating a potential intervention.²⁴ Experience has borne this out and the funding percentages remain valid. The co-investment of the potential client is first outlined in the Application Form stage, this is refined and detailed in the Investment Plan development. Please see the following section for a more in depth explanation of the use of and factors related to the co-investment instrument including negotiating and tailoring the co-investment, instances when programme funding can exceed 65%, risk management and reporting on co-investment.

MAINTAINING A PRO POOR AGENDA: IMPOSING LEGALLY BINDING CONDITIONS

The Grant/Target Funding Agreement was developed in 2008 and updated in 2011, 14 and 17 according to Georgian law by a Mercy Corps lawyer²⁵. It is the legally binding document of the investment process and attempts to ensure that business activities are carried out as envisaged in the *Investment Plan* and that the investment remains consistent with pro poor programme objectives, which ensure that investments have the end effect of benefiting the target group. The conditions as set out in the grant agreement are therefore specific to each investment. The format which specifies the details of the investment made by both parties and payment schedule, includes conditions which must be fulfilled i.e. data provision, correct use of buildings/equipment, business activity being performed in the programme area and deliverables such as

²⁰ The company was chosen by an open tender, where the tender was couched in terms of seeking innovative ideas and a willingness to provide appropriate training to SME's outside of the capital for those who could see the potential of developing the rural market. The company was then facilitated through a co-investment mechanism. This model was also used for the development of appropriate Food Safety and Hygiene Consultancy Services.

²¹ As of four years of Alliances KK the co-investment rate average is 50%.

²² Which included detailed study into the lending market.

²³ In the agricultural and business sectors.

²⁴ This has been borne out with experience. 50% for an initial investment for most business would be too much and the %'s seem to keep risk at an acceptable level for both parties. The funding % of the programme does tend to diminish naturally as interventions mature i.e. where an intervention has secondary funding. 50% for an initial investment for most businesses would be too much.

²⁵ 1) Law of Georgia, Tax Code of Georgia, date of issue 17/09/10, [document](#) number: (3591), (as amended). 2) Law of Georgia, Civil Code of Georgia, date of issue 26/06/1997, [document](#) number: (786), (as amended). 3) Law of Georgia on Grants, date of issue 28/06/1996, [document](#) number: (331), (as amended). 4) Law of Georgia on Entrepreneurs, date of issue 28/10/1994, [document](#) number: 577, (as amended).

minimum number of farmers who must be served, minimum number of suppliers from whom milk must be collected. These figures are derived from the Investment Plan which is clearly categorized under specific Outcomes and Outputs of the logframe. The grant deliverables for number of farmers for example therefore ultimately represent part of the targeted impact as described in the logframe. In the case of these conditions not being met the programme has the right to re-appropriate the assets detailed under the grant agreement. Hence the programme tries to invest in movable assets as a method of being able to recoup investment costs should the investment fail. The *Grant Agreement* also details the client's co-investment and number and date of the payment of Alliances investment tranches.

A detailed budget with information pertaining to the payment of tranches within the current phase of funding that the investment describes is a fundamental part of the grant/target funding agreement. The grant/target funding agreement is signed by the client, Head of Finance, Country Director, Team Leader and Programme Manager. Since not all legal bodies are allowed to receive a grant according to law, there are two different versions of the Grant Agreement:

Grant Agreement: For non commercial/non entrepreneurial legal entities (individuals, Associations, Unions and Friendship Societies)

Target Funding Agreement: For Individual Entrepreneurs, LTD, LLC and Cooperatives.

Note: Memorandums of Understanding (MOU's) are signed with government before entering into grant agreements.

A *Grant Agreement* template can be found in Annex 5.

RECORD KEEPING

The budget forms the final package of documentation which forms a file for each intervention which includes:

- Title Page
- Application Form
- Results Chain
- Investment Plan
- Appendix to the IP for an Additional Phase (if applicable)
- Business Plan (if applicable)
- Grant/Target Funding Agreement including budget which details tranches to be paid within the current phase (see next section for details of tranches and phases)
- External assessments e.g. engineer reports, environmental assessments etc
- Other documentation as required by the programme e.g. tax registration documentation etc

Note: Receipts and other forms of financial documentation required as proof for the undertaking of activities as stated in the grant agreement are collected, verified and kept by finance.

PROCEEDING WITH AN INVESTMENT

The PO responsible for the logframe outputs under which the investment sits will submit the Investment Plan for review. The finalized Investment Plan will be reviewed by the Office Coordinator, Deputy Team Leader and finally Team Leader who will confirm that the investment and aspects such as WEE are in line with the programme strategy, logframe outcome and output under which it sits. The Team Leader maintains

regular communication with the Country Director and other in-country Programme Directors which ensures that the proposed investment is consistent with the wider country strategy. Final responsibility for signing off on the investment lies with the Country Director. Once the level and nature of the co-investment is settled and once the client has accepted the conditions imposed in the *Grant/ Target Funding Agreement*, the investment is disbursed.

INVESTMENT DISBURSEMENT

Once an investment is approved a memorandum or grant agreement will be signed with the client; and money transferred to the Bank Account specified by the client and according to the condition and details specified in the Grant/Target Funding Agreement. If procurement is necessary and a client has an organized structure and the capacity to purchase the specified items, then the client carries out the procurement under the supervision of Mercy Corps. If the client does not have the appropriate capacity to procure the specified items then Mercy Corps carries out the procurement involving the client in all the procedures, allowing the client to learn and follow the procedures for themselves in the future.

6. FACTORS TO CONSIDER WITHIN THE CO-INVESTMENT PROCESS

Co-investment is used by the programme as a mechanism particularly useful in thin markets to stimulate change, which allows the programme a high level of control and flexibility, strong partnership and close interaction with clients and allows for adjustments to circumstances. In addition the clients' co-investment makes programme funds go further. Disadvantages can be seen as; in the case of failure, the programme is more directly responsible and that as an end in itself it is unsustainable. However as a tool as part of a process leading to a self-sustaining system it is acceptable. Co-investment also aims to complement government grant programmes and any other funding opportunities.²⁶ The following main factors are considered within the following section:

- Co investment guidance: specific lessons learned by the team
- Tailoring a client's co-investment including the instances where the programme co-investment % may be greater than 65%
- The rationale behind and method of additionally funding an existing client
- Managing risk within the co-investment process
- Reporting on co-investment

CO-INVESTMENT GUIDANCE

The following points guide programme co-investment practice. Knowledge based on experience informs interventions and reduces the co-investment risk:

Entry Points higher up the value chain will generate greater impact for less input: larger businesses who have higher business capacities are more efficient in terms of time, energy and investment inputs from the project, than interventions with small businesses. Larger businesses can coordinate with and leverage smaller businesses lower down the value chain and more numerous in the region ensuring a

²⁶ In fact many of the ALCP clients utilize these types of funding opportunities, either from government programmes, NGO grant programmes and banks to provide their co-investment portion of the agreement.

greater multiplier effect. *Roki Ltd* the veterinary input supplier is the best programme example. *Roki* utilize veterinary pharmacies as entry points to a new market segment with an improved outreach and distribution model, better services and ultimately increased sales.

Lead Players do not necessarily offer the best bet: a caveat to the above is that a high position in the value chain or existence as the lead firm in the sector and the potential this might offer in terms of impact does not automatically offer the optimum partner for facilitation. The programme should submit the lead player to the same level of scrutiny and evaluation as any other partner and not accept a lesser amount of buy-in than is expected from players lower down the value chain. Larger firms can have more complex agendas and can be subject to more controlling interests all of which may not match the programmes mandate as indeed the programmes may not match the firms. The programme has some experience of a lack of buy-in in several facilitation attempts possibly due to the idea of working with an NGO as part of corporate social responsibility mandate and the attraction of ‘easy money’ forming the grounds of initial interest rather than a commitment to change. This can manifest as an unwillingness to alter business models or commit resources or personnel to a proposed intervention. In addition these firms are further from the target group and many interventions will require a commitment to changes which may not be able to offer considerable quick wins. Furthermore motivations such as immediate profit margins or a disinclination or inability to alter internal structures may be stronger motives than less immediate returns with a stronger social component. However it is important that the programme continues to monitor opportunities with larger players in the market system which may offer mutually beneficial impact.

Working with Tbilisi (capital city) based operations can be a challenge: the urban rural divide is stark in Georgia and the information available, perceptions formed about and lack of staff capacity concerning knowledge and understanding of the countryside and rural clientele can be a source of constraint. The programme experience of several Tbilisi based businesses is that they are unable to shift their focus, their service provision or their style of information provision and marketing to a format which would make sense in the rural regions and properly generate a rural consumer base.

Start ups are more risky: In common with business all over the world, entering the market is difficult and risky often requiring years of investment and effort before a profit is seen. The COVID -19 pandemic²⁷ hit all businesses and especially start-ups. Lockdowns reduced revenues of existing businesses and cash flow became negative for companies that could not cut operating costs. The pandemic also threatened the potential for innovation as access to capital and revenue became scarce for business start-ups. In Georgia out of one hundred businesses registering as new, only 53% are still operational in two years time²⁸. A common reason for this is limited working capital, the bulk having being invested in infrastructure and development leaving an insufficient amount of working capital which will cover the best case scenario but not allow for dips or problems. For the programme, understanding this scenario means that other criteria which focus on assessing the added value of the start-up must also be used in judging the business e.g. that the new business occupies a key point of the value chain or market system or that the product or service will influence the operating environment considerably as a model or that ethnicity or gender gains mean that it is tackling a hitherto invisible or inaccessible problem.

²⁷ [Blogs.worldbank.org](https://blogs.worldbank.org/)

²⁸ [Business Demography Indicators - National Statistics Office of Georgia \(geostat.ge\)](https://geostat.ge/). 808,266 companies have been registered in Georgia since the collapse of the Soviet Union and 202,262 are registered as tax payers today. Geostat January 1st 2022

Quality external business support services are essential for supporting interventions and sharing risk: this includes sector specific consultancy such as technical consultancy, food safety and hygiene consultancy and environmental consultancy as well as broader business related services such as planning and marketing which are essential in bolstering the interventions and ensuring that decision making and risk is spread and based on concrete outputs, advice and evaluation that is independent from and adds to the internal programme decision making process.

Competent, business orientated management is key to the success of an intervention: a product might seem to offer huge potential, a cheese maker be an expert technician or a business owner be embedded in his or her community in a key location, but without a business mind driving the business idea, understanding forward planning, staffing efficiencies, phased planning etc the intervention will struggle.

Understanding ethnicity is essential: the value chains in the programme area are highly influenced by ethnicity, sheep both meat and wool are mostly the remit of Azeri's and larger cheese producers in KK and SJ either Adjarian's or Armenians. Understanding these value chains includes understanding the ethnicity of the groups that control them and the influences this has on issues such as gender and the role of women in the market system, gaining market information and finding ways to communicate successfully and construct appropriate activities in the facilitation process.

Understanding the role and remit of women is essential to success: in some interventions without a deep understanding and ability to calibrate interventions to target women they will fail, a case in point being interventions related to dairy and the supply of clean and safe milk, where whilst milk is sourced from SSLP's and whilst women are responsible for milking, understanding how to engage and offer solutions to businesses to reach and work with them, is paramount.

Regions/Municipalities differ and having an awareness of their differences is key to developing a successful strategy: some due to their location near to larger grassland resources for example Tsalka, Akhalkalaki and Ninotsminda offer the highest potential for key value chain related interventions in meat and dairy, others offer more scope for the consummation of services, or products through large urban markets, or the production of animal nutrition due to a higher concentration of crops and irrigation (e.g. Gardabani). As the geography of the programme expands, the synergies and differences between municipalities and regions can be exploited to develop enhanced market interventions.

Poor rural infrastructure, such as roads and access to resources such as running water and poor government public services are still fundamental constraints to the overall impact of interventions. Access to running water remains a huge constraint for rural women in attempting to maintain basic hygiene while milking and transport costs from remote locations where grassland resources are ample increase transaction costs. Lack of access to basic internet provision or public health notifications of zoonoses are examples of external constraints which must remain high on the advocacy agenda.

Insecurity in the market system is still high: pandemics, political insecurity, war, extreme weather events, drought and animal disease mean that the market system is still highly insecure for both SME's and the target group.

TAILORING THE CO-INVESTMENT

It is true to say that the co-investment package is tailored to each client. The end goal of the process is to facilitate the optimum levels of business operation occasioning the least stress to the business during the

transition process of the intervention. Co-investments can be in cash or in kind and can include equipment, labour, working capital, salaries and building or services directly related to the investment.

The level and nature of co-investment is determined by:

- What the clients themselves can afford.
- What and where they can best place their available resources to co-invest in the most efficient and beneficial way for them in the context of ensuring the success of the intervention and managing risk.

IMPORTANCE OF FLEXIBILITY

Flexibility is a key tenet in all dealings with clients. The co-investment of a client may sometimes be more than the required 35% where they have the means, where the natural division of contribution between programme and client dictates or where the programme is engaging in additional funding of an existing client. (See additional funding section below). Very occasionally the programme co-investment % is more in the following cases:

- Where the intervention is a pilot intervention used for testing/proving a new market idea and the initiation of and onus for this is on the programme.
- Where in the case of business support services and external consultancy services they are vital to the intervention but the market is not sufficiently developed to sustain their activity²⁹.
- Where in interventions with government as a partner, with a strong focus on transversal themes, the public good aspect of the intervention broadens the potential benefit and scope of the intervention to sufficiently justify the investment.

NEGOTIATING & STRUCTURING THE CO-INVESTMENT

NOTE ON NEGOTIATION

Negotiating the co-investment package is part of the whole relationship being built up between programme and client. This relationship is one based on mutual respect and consideration. The programme must exercise sensitivity and subtlety in their dealings, being both *proactive* in terms of pursuing the programme objectives for implementing a successful intervention and *reactive* in terms of factoring in changing and external factors. They must consider how these factors may affect the client, react to the clients' needs and circumstances and adjust the interaction where necessary. The programme and staff has been structured to be able to foster this kind of relationship. From hiring local staff, to understanding ethnicity and gender, to developing and using *Co-investment Guiding Principles* (see risk management section) and *Operational Guiding Principles* (Annex 1), to an in depth market assessment and ongoing market analysis to maintain the confidence from the programme side in the fittingness of the client as entry point.

²⁹ The programme has worked hard to develop a level of sustainability in regionally appropriate external business support services, requiring some co-investment on behalf of service providers. However an imperfectly enforced regulatory environment and weak business environment mean that it is still difficult for these services outside of the capital to be self-sustaining.

THE STEPS OF NEGOTIATING AND STRUCTURING THE CO-INVESTMENT

The negotiation and structuring process for tailoring the investment and deciding on factors such as explaining the co-investment principle, the level of co-investment and who pays for what with the client generally includes the following steps:

1. The investment required by the potential client is first outlined in the *Application Form* stage, this is refined and detailed in the *Investment Plan*, *Business Plan* and budget development. The budget reflects the means to implement the investment plan strategy. The categories included in a budget generally include the following items:
 - Equipment including transport
 - Building plans and materials
 - External services: Engineer, training and consultancy
 - Marketing
 - Salaries (usually clients contribution only)
 - Travel and accommodation (for internal experts)
 - Working Capital (usually the clients contribution only)
2. The programme ascertains that the client has the means to co-invest the minimum amount and informs the client that the programme will fund the rest.
3. The programme informs the client that a budget will be developed for the intervention and that part of the budget line items will be bought/ paid for/undertaken by the client and part by the programme approximating to 35% and 65% respectively.
4. The budget is developed and items detailed and apportioned to the parties according to the criteria mentioned in the *Importance of Flexibility* section above. Another main factor that is considered in the apportioning process are Mercy Corps procurement procedures. (See Section 6 *Procurement*) E.g. for a single item of more than \$20,000 the programme announces a tender, and for single items under \$5000 money is transferred to the client to a new bank account opened for the purpose for them to purchase budget line items for which appropriate financial documentation will be provided by the client.
5. Programme staff knowledge, procurement experience and external technical support is used to inform where and what is bought to ensure correct specifications and quality. Where the client is sourcing and buying equipment, the details of what and where are agreed in advance with the programme. Where the programme is procuring equipment it is also agreed in advance with the client.
6. Where building is required e.g. new dairy factory, renovation, earthworks, waste management, the services of an engineer and appropriate consultancy services are utilized to develop design, costings and monitor building processes. Where the client undertakes the building as part of the co-investment this is monitored by the engineer and financial documentation provided by the client.
7. Sometimes during the implementation process once the budget has been agreed, changes are required to the original budget. E.g. a client may source a piece of equipment at a cheaper price, a piece of equipment with a better technical specification may come on the market, during a building process unforeseen problems may be encountered. In this case the client provides a written justification and on management approval the budget is altered.

ADDITIONALLY FUNDING AN EXISTING CLIENT

Additional³⁰ funding of an existing client is a potent tool with which to increase the efficacy of the co-investment, to engineer successful outcomes within the programme client interaction and to manage risk. It embodies the principles of flexibility and tailoring to client and context described in the previous section. Additional funding of an existing client i.e. one which has already received funding can be divided into two categories:

Phased funding: this is where a general idea of an approximate final total for the investment is envisaged at the beginning of the intervention, but is broken down into smaller funding parcels *tranches* and administered within *phases* (with a corresponding grant agreement and annex in the investment plan) to correspond with tackling intervention based constraints in a logical order.

Secondary funding: this is mainly and only occasionally employed for the purpose of generating scale where considerable scale potential is apparent, within a maturing programme and where the initial funding of a client has led to growth or outcomes that are still subject to constraints and still require assistance to catalyse scale potential including encouraging copying and crowding in.

RISK MANAGEMENT IN THE CO-INVESTMENT PROCESS

Market driven interventions must be backed by appropriate research, background checking, and market micro-analysis and monitoring. Interventions must be staged to facilitate logical growth steps whilst managing risk. The following section outlines key risks within the ALCP operating environment and details programmatic guidance used to inform the co-investment process, developed through the experiences of Alliances programming since 2008:

The main tools³¹ used in the co-investment process to manage risk which are described in detail in the respective sections of this manual are:

- Ongoing market monitoring and analysis.
- Strong programme client relationships including selecting the appropriate client to begin with.
- Very strong emphasis and development per intervention of *Intervention Results Chains & Investment Plans* based on market analysis to ensure logic, strategy and implementation of the intervention.
- Negotiating and structuring an appropriate co-investment package.
- Using external business support services, which include the development of a business plan in the planning and development stage to triangulate and inform decision making.
- Strong integration of M&E and Programme staff in the development of intervention monitoring which in addition to developing tailored monitoring appropriate to programme and client needs, adds another check of the intervention rationale.
- Use of service contracts for support services to clients' pre and post investment in FS+H, BDS, Environmental consultancy services and technical services.
- Use of tranches within phases to reduce risk: in line with the logical progression of activities and intervention rationale (see previous section)

³⁰ It could arguably be better described as 'flexible funding'.

³¹ Please refer to the respective sections of the manual for full descriptions of these

- Trying where possible to pay for movable assets to allow for the removal or transfer of assets should the terms of the grant agreement be unfulfilled.
- Introduction of advanced BDS consultancy to on-going clients. Marketing, cash flow, strategic planning etc.
- Use of legally binding grant agreement to stipulate conditions of the co-financing e.g. activities, budget, client data provision.
- Bi-Monthly *Monitoring Action Plan meetings* where Business Development Officers present their results per outcome including difficulties and inconsistencies to management and monitoring. Allows for ongoing troubleshooting.
- Good assessment of operating environment risk and adherence to the points of *Co-investment Guidance*, see next section.

ADDITIONAL FUNDING AS RISK MANAGEMENT TOOLS IN THE CO-INVESTMENT PROCESS

The use of phased funding and secondary funding to negotiate constraints and engineer solutions which foster the greatest likelihood of success are vital aspects of risk management within the intervention. The use of additional funding for these purposes is described in detail below. Broader aspects of risk management including risk assessment and key operational tenets) are described in the following section of this chapter. (See Co-Investment Guidance Section).

USING PHASED FUNDING TO BOLSTER A SUCCESSFUL FACILITATION PROCESS

Within an intervention there is often more than one constraint and phasing is used to address the constraints of a business which are interlinked but which must be understood and dealt with chronologically to successfully facilitate the intervention. The process differs for each business depending on a wide variety of factors, however the art of facilitation³² will be to understand not only the key constraints but the order in which these constraints should be tackled to:

- Ensure the buy-in of the business
- Establish the reliability of the business
- Unlock a blockage that will enable the solution of another key constraint that may require more investments in terms of time and money and come with a higher risk.

For example a dairy business may have a problem with the demand side e.g. sales and distribution as well as with supply e.g. quality and efficiency of the supply of raw milk, however distribution and supply including food safety and hygiene constraints, must be addressed first with existing supply to ensure market access, before the central and more in-depth issue of the quality and efficiency of the supply of raw milk is tackled. The solution to solving problems within sales and distribution e.g. appropriate vehicle, branding, food safety and hygiene consultation and packaging are easier to solve, less expensive and relatively easy wins compared to tackling longer term, higher risk, problems related to improving supply. Problems related to supply which is sourced from a large number of small suppliers are more easily solved when the financial operations and business sustainability are stable³³.

³² The development of the results chain for the intervention is a key tool to aid in this process.

³³ I.e. regular payments to suppliers are made and suppliers can see stability for the future and are then prepared to invest in improved production and quality.

SECONDARY FUNDING FOR FACILITATING SCALE

Secondary funding may be conducted for the purpose of facilitating scale, where initial funding of a client has led to growth or outcomes that are still subject to constraints and still require assistance to catalyse scale potential including encouraging copying and crowding in. The validity of the use of secondary funding within an existing intervention as opposed to or in tandem with supplementary interventions that are also being conducted to stimulate scale within the sector, should be carefully scrutinized, to ensure that sustainability is not being compromised and that this is not a form of ‘intensive support’ being used to artificially and ultimately unsustainably, speed up or short cut market processes. However ‘over reliance on the demonstration effect’³⁴ of the initial intervention must also be guarded against and further funding considered where the benefit is justified. In short, secondary funding should be conducted within a sustainable strategy of supplementary interventions to develop scale and be undertaken with care and a clear rationale within the context of the risks it may pose.

Factors which may influence the use of secondary funding are:

- Operating within a thin market where no other viable player exists,
- A distorted market where other viable players are also being funded,
- An operating environment in which risk has been exacerbated as the clients business has grown e.g. a client emerging over a turnover threshold which makes them liable for punitive tax rates, new risks such as hastily implemented badly thought out legislation,
- Or where investment requirements multiply to support the growth of a successful business e.g. needing to develop reliable laboratory testing facilities needed to support a veterinary supply chain as commercial and governmental laboratories are inefficient or non-existent.

Interventions where secondary funding is employed should also be conducted to limit distortion i.e. ensure that benefits accruing should where possible benefit other players. E.g. as where in the example of laboratory facilities being developed by one company it can be built into the intervention that these can be used commercially by other veterinary sector actors or where the advocacy function of a stronger market actor actively benefits other market players in the sector.

³⁴ See pages 37 and 38 of the *Section 4: Intervention in The Operational Guide For The Making Markets Work for The Poor (M4P) Approach Second Edition*.

RISK MITIGATION IN THE ALCP ENVIRONMENT

In the ALCP programme the following risks have been assessed.

Table 2 Risk Matrix Including Level of Risk and Mitigation Strategy

Types of Risk	Risk Rating	Mitigation Strategy
Economic	<i>Low to Medium:</i> Economic risks for the target group and SME sector have increased over the last two years. The economy of Georgia has been significantly impacted by the COVID-19 pandemic. The tourism sector which is the leading sector in terms of employment, engagement of agricultural sector and rural population has been particularly affected. The inflation rate at its highest for the last decade reaching 12.8% annual rate and the devaluation of national currency is 8.62% since January 2020. The government has used monetary policy to handle the increased inflation rate. It has increased the interest rate from 8% to 10% that has made loans significantly more expensive for SMEs and the target group of small-scale farmers. The Government of Georgia continues attempts to improve the unemployment rate via government supported programmes (including subsidized loans) through its agency Enterprise Georgia. However, access to the programme still remains limited for many SMEs and small-scale farmers who drastically need additional investment for further development. The micro credit market for farmers is saturated and stymied by lack of access to regular cash income once low value land and homes have been used as collateral.	Internal and external market forces, indicators such as inflation and market prices are tracked on a regular basis in the monitoring system of the ALCP through ongoing market intelligence and analysis. It also includes monitoring and analysis of export/import data for programme facilitated sector products, which allows the programme and the supported entities to address constraints or make use of opportunities on time. SMEs are encouraged to diversify and exploit credit sources through government-supported opportunities. Where credit provision becomes more difficult (especially, for small scale farmers) the programme can support business entities and farmers to have better access to credit through improved financial literacy, co-financing offered by the programme and in collaboration with other donor-funded and government programmes and initiatives to leverage funding. Programme facilitation will continue to include product and market diversification for SMEs for resilience and sustainable growth.
Political	<i>Medium to High:</i> Regional geopolitical tensions, including Georgia-Russia diplomatic collapse and Azerbaijan-Armenia military conflict in Nagorno Karabakh, also domestic political uncertainties connected to the elections in Georgia, are creating risks for the political stability of these countries. However, political ties between the three countries are stable, and the association agreement of Georgia with the EU has a positive impact on their political course. Georgia's policy in the Agriculture and Rural Development Strategy of Georgia 2021-2027, with relevant changes in legislation and various state-funded socio-economic programmes shows the country's political will for equality in urban-rural development. Cross-border trade is still weak between these three countries affected by COVID-19 and there are other political issues (border demarcation, Nagorno Karabakh conflict) but Georgia still maintains the role of mediator in the South Caucasus neighbourhood. There is still political instability in Georgia after	The ALCP has maintained strong positive relationships with Government representatives in Georgia and Armenia. Facilitation of constant involvement and cooperation between political and market players, supporting and using Georgia's declared policy on rural development through the EU-Georgia Association Agreement will reduce negative political risks. Cross-border activities will be balanced by governance related interventions. The ALCP has managed political changes using a positive, apolitical attitude over the last ten years by focusing on programmatic tasks and multi stakeholder facilitation, which will be continued in future. The programme supports clients in establishing regional markets and fostering regional linkages where possible using Georgia as a neutral territory. e.g., programme

	<p>parliamentary elections in 2020 when opposition parties during several months refused to take seats in parliament, denying the legitimacy of the elections and only EU mediation helped to resolve this crisis. Instability reoccurred in 2021 after local self-government elections, when the former president of Georgia was arrested.</p> <p>Slow decision-making in state agencies, essential in programme activity, a lack of flexible decision-making and lack of independence of Local-Self Government as well as rapid turnover within entities may impact interventions.</p>	<p>facilitating event - Agri-Journalism and Agri-communication Education.</p> <p>Those agencies relevant to programme activity will be part of the project Strategic Advisory Committees the main governance mechanism for rules related interventions conducted with public/government actors and their participation in other relevant forums will be ensured. Early negotiation through bilateral and multilateral exchange platforms will ensure responsiveness and timely decision-making on relevant issues.</p>
Environmental	<p><i>Medium to High:</i> Rural producers and inhabitants of rural Georgia at least partially dependent on livestock, honey, crops and other produce derived from natural resources as main incomes are potentially under risk of being affected by severe weather conditions such as hail, mini cyclones, floods and drought and other weather-related disasters. Lack of climate resilience agriculture practices poses even higher risks to the programme target group and SMEs sourcing from them. A lack of information on how farmers and SMEs can experience and respond to climate change hinders their adaptation to climate change. SMEs are challenged with the lack of financial resources to invest in infrastructure to comply with environment-related regulations (especially waste management) imposed under the EU-Georgia Association agreement. Intensive usage of chemical pesticides may have negative effect on ecosystems, emphasizing the urgent need for a proper pest management practice for safeguarding biodiversity and honey sector in the country. New forest/wild harvesting regulations may restrict access to rural HH's partially dependant on NTFP's (non-timber forest products) and wild botanicals.</p>	<p>The proposed programme with its overwhelming emphasis on climate change in conjunction with inclusive community development, climate smart technology transfer and income growth for rural inhabitants supplying climate proofed sustainable SME's whose compliance must include EU and international regulations related to food safety and hygiene, food export, and bio certification as well as aspects of environmental compliance for businesses will help to mitigate environmental risks in Georgia. Inclusive sustainable local development ensuring greater accountability, and efficiency at local government level will enhance environmental responsibility at all levels. As during the previous phases, the Business Environmental Audit Tool will continue to be used with all clients mainstreaming environmental management into the businesses. The programme facilitated media outlets and information channels such as regional TVs, online platforms, formal or informal educational institutions like VET colleges, universities, rural hubs, or Extension Centres at municipalities will be facilitated to improve environment related content for rural inhabitants and SMEs.</p>
Social	<p><i>Low:</i> The rural population in Georgia and other South Caucasus countries face more social problems than urban population. Ethnic minorities mostly live-in rural areas in Georgia in the regions of Kakheti, Kvemo Kartli, Samtskhe-Javakheti and still have problems related to inclusion due to knowledge of the state language and can hence be barred from decent employment. A few small-scale ethnic based conflicts which happened in recent years in Kvemo Kartli showed the risks which need to be addressed in social and educational policies. Gender issues remain a concern in rural areas, but they are less in Georgia than in Armenia and especially, Azerbaijan where traditional-cultural constraints for women are stricter.</p>	<p>The ALCP approach to gender and ethnicity both operationally and programmatically has allowed these risks to be significantly mitigated reflected in the programme reports. The programme ensures that it has a balanced and diversified programme team and analysis of social, ethnic and gender issues in the South Caucasus countries is maintained for inclusive programming in terms of <i>Leave No One Behind</i> and <i>Do No Harm</i> principles ensuring that principles of gender equality, human rights and social inclusion are mainstreamed in programme implementation.</p> <p>The ALCP team is well experienced in LNOB application. LNOB will be monitored with relevant indicators. The</p>

	At present, gender equality policies are better executed by the local governments of Georgia than before, but the social inclusion of the people with special needs is still an issue. Lack of information and lack of access to public goods and finances hinders improved social welfare of rural population.	ALCP2 will be in line with Mercy Corps' Gender Equality, Diversity and Social Inclusion (GEDSI) Strategy (Annex 9) and follow the Mercy Corps Safeguarding Approach ensuring team members, operations and programs Do No Harm to the people and communities that they work with. The Community Accountability Reporting Mechanism (CARM) is a part of Mercy Corps' global commitment for accountability to affected populations and the prevention of all forms of exploitation, abuse and corruption. CARM is a channel for any and all community members to provide feedback, suggestions, complaints, and concerns, in a manner that is safe, confidential, transparent, and accessible, enabling Mercy Corps to respond and make any necessary programmatic or safeguarding adaptations, to ensure the safety, security, and empowerment of programme participants.
Diseases	<i>Medium to High:</i> An ongoing potential threat is African Swine Fever against which there is no commercially available vaccine control and eradication measures are based on classic disease control measures. Varroa disease for honey sector and mulberry tree diseases for sericulture are a risk for these sectors.	The programme facilitated sectoral associations and governmental agencies will continue to provide accessible support to rural population in the form of information and advice. The ALCP supported media and educational institutions networks will be utilized to spread updates and information including in the language of ethnic minorities, online and other digital information services will be enhanced as well to reach more people with the special needs. Advocacy and governance activities with national, regional and local government players including improved coordination through the Advisory Committee meetings will be continued and scaled up.
COVID-19	<i>Medium to High:</i> The ongoing Covid-19 pandemic related constraints delay economic recovery and opportunity e.g., in the tourism, meat and HoReCa sectors. Dairy, honey, wool, and agricultural input sectors seem to have been more resilient in being able to adapt production or continue to utilize national and export markets. The meat sector dependent on the HoReCa sector is still considerably affected, processed meat export has been replaced by export of live animals. Whilst the NFA was focused on assisting the government in controlling the COVID-19 outbreak, the government's control over Food Safety and Hygiene standards slackened which has impacted those who operate according to food safety and hygiene standards and fostered unfair competition.	Despite the negative effects, the pandemic has created new opportunities. These include looking for and developing new prospects in the development of online sales, product diversification, exploration of new markets and enhancing current capacities/production. The programme will support SMEs to take advantage of these opportunities. Formalized entities have fared better during the pandemic supplying formal entities which have remained open during lockdowns and being able to diversify production and utilize linkages to supply alternative markets. Access to Business Development Services will be leveraged where required and formalization and diversification will continue to be supported.
Russia Ukraine War	<i>Medium to High:</i> Russia and Ukraine have been a market for some Georgian agricultural products and domestic tourism. War and the subsequent decline in these economies may affect the target value chains and the HoReCa sector. Russia and Ukraine	The ALCP2 will work on diversification of the markets for the target value chains. The work will include development of market outlets linked with local tourism as well as promotion of production of agri-food products compliant

	are major exporters of grains vital for fodder production for livestock. Interruption of trade supply chains and harvests may have immediate effect on some of the target value chains. Inflation already exacerbated by the global pandemic will see increased prices for fuel and inputs.	with food safety and hygiene standard thus making them competitive for the markets of EU, gulf countries and other export countries. It will also work to facilitate diversified and sustainable supply of production inputs, inter alia by enhancing regional trade linkages. The project will facilitate improvements in productivity and efficiency of value chains with a focus of small farmers, thus helping to mitigate the adverse effects of increase in input prices.
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REPORTING ON THE CO-INVESTMENT

In line with DCED Guidelines the programme's bi and annual reports are with the full consent of the donor consortium made publicly available on the ALCP programme website www.alcp.ge. Within the bi and annual reports all monitoring data related to impact is reported down to output level. *Qualitative Impact per Outcome for the Reporting period* and the *Systemic Change Log Sheet* which includes information on systemic changes is in Annex 1 and 2. Spending for the programmes *Investment Support Facility* is detailed in *Chapter 4 Finances and Management* and includes the current co-investment percentage and a breakdown of how much and on what investment has been spent, disaggregated for programme and client.

Desired impact as outlined in the Log Frame targets is clearly linked to each intervention on the front page of each Investment Plan see Annex 3 with the Outcome and Output under which the impact generated from the intended activity clearly designated.

With regard to the performance of specific interventions and data concerning the amount of co-investment from programme and client see:

List of New Interventions Undertaken in the Reporting Period; including company name, contact person, location, description of business, a co-investment breakdown, number of phases undertaken with the client in questions and percentages. *Perspectives of ALCP Stakeholders*; arranged per output, includes quotes from clients themselves as well as customers of and suppliers to the clients.

STEERING COMMITTEE MEETING

Following the submission of the report a *Steering Committee Meeting* is held on a date appointed by the donor consortium and agreed with the ALCP2, with programme management and donor consortium to discuss the report. Regular more informal communication is held between the SDC National Programme Officer and donor consortium members and programme Team Leader and ALCP2 Coordinators concerning ongoing and planned interventions, particularly where larger investments (both in terms of size and scope) are planned. See *Section 4: Size of Investment* for more details.

7. PROCUREMENT

The following section details the Mercy Corps procurement guidelines for Goods, Services and Works utilized by the ALCP.

PURPOSE AND SCOPE

The Mercy Corps Field Procurement Policy and Procedures (FP3) Version 2 outlines the Agency's mandatory procurement policies and procedures for Goods, Services, and Works. These policies and procedures ensure timely, cost-effective, and efficient procurement from responsible and reliable resources.

GENERAL STATEMENT

Mercy Corps should commit to implementing and maintaining the highest standards of efficiency and integrity in the purchase of goods, services and works. The overriding objective for all procurement activity is the prompt and effective provision of materials and services to the Programme's beneficiary populations in compliance with SDC specifications.

KEY ELEMENTS

ROLES AND RESPONSIBILITIES / SEGREGATION OF DUTIES

Segregation of duties is defined as the division of tasks and responsibilities such that no one person controls a process from beginning to end and that transactions are reviewed independently at various points during the process to prevent errors, discrepancies or fraud. Individuals assigned to the various tasks in the procurement process should be independent of each other both in function and relationship.

To ensure an appropriate segregation of duties in the procurement cycle, it is encouraged to apply following roles:

The Programme requiring goods or services originates a request to procure a good or service. The management of the programme provides pre-approval to purchase based on delegated authority.³⁵

The Procurement Department is responsible for the establishment of the partner standardized operating procedures that:

- ❖ Locate sources of supply consistent with Local, Mercy Corps and SDC specifications and regulations.
- ❖ Avoid the purchase of unnecessary items.
- ❖ Meet budgetary constraints and requests of programs.

Based on a **fully approved** Purchase Request (PR) Procurement Department may:

- ❖ Initiate, conduct, and conclude negotiations for the purchase of programme goods and services.

In the course of its duties, the Procurement Department has a responsibility to:

- ❖ Recommend changes in quality, quantity, or type of material requisitioned and suggest suitable alternatives if it is in the best interests of the Programme, Mercy Corps and the SDC.

³⁵ In addition to the following procedures external international consultants selected by the programme are referred to HQ and go through the Consultant Agreement Process with attendant procedures and paperwork.

- ❖ Develop and support Programme to establish standard specifications and processes for purchase and contracting of goods and services to provide improved service, quality pricing, and reduce time and administrative costs.
- ❖ Maintain adequate documentation of purchase transactions and procurement contracts for archival and audit purposes.
- ❖ Ensure that purchase orders and contracts are subject to appropriate reviews and approvals, and contain all necessary information, terms and conditions, and signatures to adequately protect and Mercy Corps authority matrix, Mercy Corps and SDC policies and regulations.

The procurement department has no authority to approve purchases. The department may only *return* for correction, documentation for the following (but not limited to) reasons: insufficient information, ineligible goods or service, not feasible, or in violation of SDC specifications. When field offices receive goods, procurement staff are responsible for verifying the receipt of goods and ensuring the goods conform to order specifications.

The Finance Department independently reviews the purchasing documentation to verify that there is a budget and sufficient funds are available. It also ensures that records are complete and comply with Local, Mercy Corps policies and SDC regulations. Finance is responsible for preparing payments and properly recording transactions in the financial records. Finance has no authority to approve purchases. The department may only *return* for correction, documentation for the following (but not limited to) reasons: insufficient information, ineligible goods or service, not feasible, or in violation of Local, Mercy Corps and SDC specifications.

COMPETITION

All procurement transactions shall be conducted in a manner providing open and free competition to the maximum extent practical. Mercy Corps personnel shall be alert to organizational conflicts of interest as well as non-competitive practices among contractors that may restrict or eliminate competition. Awards at all levels shall be made to the vendor whose bid or offer is responsive to the solicitation and is most advantageous to Mercy Corps in terms of price, quality and service. Solicitations shall clearly establish all requirements that the bidder must meet for the offer to be evaluated. Solicitations shall be evaluated based on objective criteria established before solicitations are sought.

PRICE AND COST ANALYSIS

An appropriate price and cost analysis shall be performed and documented in connection with every procurement action. Price analysis will generally take the form of a comparison of quotations, market prices or other indices. Cost analysis should ensure that each element of cost is reasonable, allowable under Local, Mercy Corps and SDC regulations, and allocable to projects based on relative benefit.

DOCUMENTATION AND TRANSPARENCY

Mercy Corps is committed to maintaining a fair and transparent process in the procurement of goods and services. Accordingly, all steps in the procurement process shall be documented in writing using the forms outlined in this document and signed by the appropriate authorities. The documentation shall provide a clear audit trail and shall be made available as requested by, auditors or SDC representatives.

CODE OF CONDUCT

Interacting with outside entities engaged in the selling of goods and services is an activity that is potentially vulnerable to fraud. It is necessary to protect Alliances and Mercy Corps and all members of staff by formulating and adhering to:

- ❖ The guidelines outlined in this manual.
- ❖ Clearly defined local procedures for authorizing requests, expenditure and invoices, obtaining quotations and tenders and disposing of assets.
- ❖ A code of conduct that explains and promotes the adoption of ethical behaviour during all purchasing activity.

All Mercy Corps employees designated with purchasing or contracting authority should understand and observe the Code of Conduct detailed below.

1. Give first consideration to Mercy Corps' best interests, objectives and policies.
2. Staff conduct should not foster suspicion of any conflict between professional duty and personal interest.
3. Decline personal gifts or gratuities from current or potential suppliers.
4. Grant all competitive suppliers' equal consideration as Mercy Corps and SDC specifications permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier and/or be willing to submit any major controversies to arbitration or other third-party review, insofar as the established policies of Mercy Corps permit.
7. Promote fair, ethical, and legal trade practices.
8. Treat all information received from suppliers in the strictest confidence.

CONFIDENTIALITY

The prices, terms and conditions under which many of Mercy Corps suppliers trade are the result of negotiations and mutual trust building. It must be understood by all staff (both Programme and Support) that strict confidentiality is observed with supplier information. Under no circumstances should any contractual or pricing information be divulged to external sources or used as a 'benchmark' for independent negotiations. In some cases, such disclosure may constitute a breach of contract, specifically, a breach of confidentiality or such provisions. This behaviour undermines Mercy Corps' reputation as an honest and responsible organization.

VENDOR SELECTION

The purpose of evaluation and comparison of quotations, offers, and proposals is to determine which vendor has the lowest price for a given set of acceptable specifications and/or conditions. When determining if a quotation / offer / proposal is acceptable, non-price factors (specifications and conditions) must also be considered. Having done so, the lowest acceptable quotation, offer, or proposal should be selected. Non-price factors to be considered in an evaluation for the purpose of determining the best acceptable quotation, offer, or proposal as specified in the Request for Quotations shall include where applicable:

- ❖ Compliance with technical specifications, relevant international standards and technical norms.
- ❖ Compatibility with existing equipment and standardization plans or policies.
- ❖ Compliance with required time schedules.
- ❖ Delivery times.
- ❖ Payment terms.
- ❖ Guarantees or warranties, availability of spare parts, after-sales services and training.
- ❖ Life-cycle aspects covering maintenance and operating costs.
- ❖ Capability, capacity, financial standing, past experience and performance of the vendor and its local representative.
- ❖ Compliance with Local, Mercy Corps and SDC regulations (e.g. source and origin issues).

Care should be taken to thoroughly review each supplier or vendor's quotation, offer, or proposal in order to detect problems at an early stage. In the event of a miscalculation in a quotation, offer, or proposal, the unit price will prevail. If it is clear beyond doubt that a mistake has been made, the Procurement person may permit the bidder to withdraw, but not alter, the offer or proposal. Quotations, offers, or proposals for complex goods and services should be submitted to the originator of the Purchase Request for technical evaluation; however, all pricing information should be removed from the offers and proposals prior to the technical evaluation. This can also be done during the quotation analysis meeting.

When considering the award of a high-value transaction to a vendor with whom the Mercy Corps has little or no previous experience, a pre-award survey may be performed to obtain information regarding the capability, capacity and financial standing of the vendor under consideration. This can be conducted internally, or by hiring specialized experts for survey. All steps, arguments, and considerations involved in the decision-making process of quotation analysis and vendor selection must be fully justified and documented. The Purchase Order or Service Contract shall be awarded to the qualified vendor or supplier whose quotation, offer, or proposal is evaluated to be the cheapest and meets the requirements. Any criteria specified in the solicitation documents, such as quality, delivery time, payment terms and compatibility with existing equipment, may be used to evaluate quotations, offers, and proposals.

4.6 CONSULTANTS

A consulting agreement prepared by the HQ Human Resources Department is required for all international consultants whose cumulative services exceed \$600 per calendar year. A consultant is considered an international consultant when he or she is a citizen of any country other than the country in which the work is performed. Consultants hired from neighbouring countries who are not U.S. or U.K. citizens may be considered as local consultants. Due to legal and reporting considerations, HQ Human Resources has the sole authority to issue international consulting agreements exceeding this threshold. In addition, all addendum's and cancellations are to be issued by HQ Human Resources. Consulting agreements shall be signed based on the HQ Approval Authority. Country Directors may not sign international consulting agreements.

PROCEDURES FOR THE PROCUREMENT OF GOODS AND SERVICES

DEFINITION OF GOODS

The term “Goods” in this manual will be used for merchandise, supplies and commodities that will be purchased by Mercy Corps for later use through the procurement process described below.

HOW TO INITIATE A PURCHASE

All procurement will be made following sound purchasing practices as defined by Mercy Corps internal regulations (see below) regardless of the purchase cost. Procedures and documentary requirements become more stringent as purchase costs increase.

DIRECT PURCHASES

Direct Purchases (**less than USD \$250**) are carried out directly by the person requiring the good or service or another individual outside the Procurement Department. No Purchase Request is required, but the purchaser/originator should obtain a formal or informal advance understanding with the Authorized Approver before making the commitment. No competition is required, but direct purchases must be carried out in a conscientious manner with Mercy Corps’ best interest in mind.

MICRO PURCHASES

Micro Purchases (**USD \$250 - \$1,499**) are carried out by the Procurement team but do not require soliciting competitive quotations. The Procurement Department must make reasonable efforts to ensure the price is fair and reasonable (no documentation related to this determination is required). The documents required at this threshold are an approved PR (Purchase Request) initiated by the Originator and an invoice. In addition, for all non-COTS (Commercial Off-the-Shelf) purchases, some form of written offer (quotation, catalogue price, pro forma invoice, price list, etc.) is required to document the agreed-upon price and other basic terms (e.g. quantity, payment, delivery, etc.).

SMALL PURCHASES

Small Purchases (USD \$1,500 - \$19,999) procedures require formal and documented competition but not a formal tender process. Suppliers are selected by an invitational RFQ (Request for Quotation) process and the winning supplier is chosen by determining the best value for money. For all purchases at the Small Purchases threshold, selection of suppliers will be performed using the Qualitative Judgment method: This method combines an analysis of total quotation price with suitability in order to choose the supplier that gives “best value for money.” The selection of suppliers at this threshold level is documented using the Quotation Analysis (QA) form. The QA form must summarize the supplier offers to allow for comparison. The QA form is completed by the Procurement Officer based on the information included in the Supplier's offer.

A complete and approved PR constitutes the authority for Procurement to begin the procurement process. The various procedural steps for different expenditure levels are explained in the process chart below.

DOCUMENTING THE PROCUREMENT OF GOODS

All procurement activities must be fully and transparently documented. A completed purchase must be supported with a fully cross-referenced “stand alone” file. Documentation must be completed fully and accurately in every case. Any anomalies or deviation from policy or procedure in a purchase must be documented with a signed (at minimum, by the Procurement staff) explanatory “note to file”. Full

supporting documentation must answer any question that an auditor or external examiner may pose, without the necessity to refer to Procurement or Finance staff for explanation.

PURCHASE REQUEST

The Purchase Request (PR) is the internal mechanism used by Mercy Corps to document:

- ❖ The nature of required materials or services.
- ❖ The maximum commitment for the purchase.
- ❖ The review and approval process.

A PR is required for all procurement transactions valued at USD \$250 or more. The completed and approved PR is the authorization for Procurement to initiate the purchasing process.

REQUEST FOR QUOTATION

Quotation collection methods must be standardised, to ensure efficiency and transparency. The Request for Quotation (RFQ) form ensures that all suppliers receive the same information, ensuring the quotation collection process is transparent. It can also translate the names of items, if completed in both English and local language. The RFQ will detail all requirements that the supplier must meet for an offer to be evaluated by Mercy Corps. Complete information should be provided including, but not limited to, quantity, description, delivery requirements, special conditions, drawings, specifications, quotation due date, etc. Supplier offers accepted for evaluation must contain at a minimum:

- ❖ Supplier Name
- ❖ Supplier address and contact information
- ❖ A quoted price
- ❖ The date of the quotation
- ❖ The validity period of the quotation
- ❖ Indication of source and origin
- ❖ The name, title and contact information of the individual issuing the quotation
- ❖ Official stamp of supplier
- ❖ Date of delivery

QUOTATION ANALYSIS

The Quotation Analysis is the document used to summarize and compare supplier offers. The QA form is completed by the Procurement Officer based on the information included in the Supplier's offer. It also documents and details justification of the selection of a given supplier.

INSUFFICIENT QUOTES RECEIVED (IQR)

This situation arises when Mercy Corps fails to receive the minimum number of quotes required. The efforts made by Procurement to obtain three quotes should be documented. This documentation can take the form of emails sent to suppliers as well as listing the names and contact information of suppliers that were approached in person or on the phone. If the Head of Operations, after consulting with the Head of Procurement, judges that a sufficient amount of effort was made and that no other quote can be reasonably obtained, the Selection Committee gathers to make a decision based on the quotes received. Because IQR situations result in inadequate competition, it is necessary to establish that the price is fair and reasonable. The technical evaluation should be conducted to determine that the one or two quote(s) received are technically acceptable. Situations of Insufficient Quotes Received for Small Purchases will be documented

in the Quotation Analysis. The decision by the Head of Operations to determine a sufficient level of effort must be included in the record, along with their signature.

PURCHASE ORDER

The Purchase Order is the document confirming all details of a purchase to be made from a supplier and once accepted by the supplier, represents a legal commitment between Mercy Corps and the supplier.

GOODS RECEIVED NOTE

Originator is responsible for receipt and documentation of materials from a vendor.

SERVICE COMPLETION REPORT

Service/Works Completion Reports are required to verify whether or not suppliers have provided the services or works contracted for as per the contractual terms. Generally, works projects are more complex and should have appropriate specific templates that are developed by infrastructure professionals.

TENDERING AND CONTRACTING PROCEDURES

TENDERING

A tender is a competitive procurement process where suppliers are encouraged through public announcement to submit bids or proposals based on specifications. There are two types of tenders: Requests for Proposals (RFP) and Request for Bids (RFB).

RFP is a type of tender used when conditions are not appropriate for the use of bids. This includes when meeting the exact specifications is either not required or not possible, or the final outcome only needs to be “fit-for-purpose.” The selection of the winning offeror would not be solely based on lowest cost or price, but rather on an evaluation of a multitude of factors to achieve value for money.

RFB is a type of tender that is used when a complete, adequate, and realistic set of specifications is available, a firm fixed price contract will be used, and the selection of a supplier can be made principally on price.

Standard Tenders (USD \$20,000 to \$149,999) are the process whereby Mercy Corps publicly solicits suppliers to submit a bid or proposal to supply Goods, Services, or Works in support of a program.

High Value Tenders (USD \$150,000 and greater) have the same basic requirements as Standard Tenders (USD \$20,000 - \$149,999) with additional requirements that seek to mitigate the increased risk carried by these high value transactions. High Value Tenders (USD \$150,000 and greater) require consultation with Mercy Corps Headquarters. Contact the Global Procurement Department once the Purchase Request has been approved and reviewed, when High Value Tenders (USD \$150,000 and greater) will be conducted.

FORMS AND TEMPLATES FOR TENDERS

NEGOTIATION MEMO

The Negotiation Memo details the entire procurement process for tenders and situations with limited competition. It may be appropriate for country teams to document other items that describe the life cycle of the procurement, but at a minimum, the following is required:

- * Purchase Request Number
- * PR Description
- * Selected Supplier
- * Contract Price

- * Location
- * Procurement Method Used (explanation of Limited Competition)
- * Country Director Approval (for limited Competition instances)
- * Management of Process (Procurement personnel in charge)
- * Selection Committee
- * Email Accounts Established – Questions/Submissions
- * Advertising Plan
- * Suppliers Directly Notified
- * Timeline (Important Dates)
- * Questions & Answers
- * List of Addendums (if applicable)
- * Summary of Contractor Selection
- * Contract Type & Templates
- * Special Terms for Contract
- * Pricing Terms
- * Basis of Contract Price
- * Any difference between supplier offer and final contract price
- * Environmental Impact

TENDER PACKAGE

- * A Tender Package consists of multiple documents that lay out the requirements of the tender to prospective suppliers. Tender Packages should contain the following mandatory items, each of which are listed with their purpose:
- * Invitation to Tender: A document that lays out a summary of the tender and all key dates, times, and locations that a supplier should be aware of and that lists the portions of the tender package.
- * General Conditions to Tender: A document that gives standard parameters on how suppliers should fill out the tender and what they should be aware of. The General Conditions should not change from tender to tender. They must include the Mercy Corps Anti-Bribery and Corruption Statement.
- * Criteria & Submittals: A document that lays out how offers will be scored and what supporting documentation must be submitted to determine eligibility as well as what documentation will be evaluated during the technical evaluation. This should include: Eligibility Criteria, Tender Submittals, Technical Evaluation Criteria, Relative Importance of Financial Evaluation Criteria (if applicable).
- * Specifications/Scope of Work/BOQ: A document that details all the requirements of the requested goods, services, or works.
- * Offer Sheet: A document that clearly lays out all items that the Supplier is providing an offer for and allows them an opportunity to put in unit price, total price, VAT (if applicable), delivery time, and the validity duration of the offer.
- * Sample Contract: A suitable Mercy Corps Approved Contract Template or alternate.

In all methods, tender documentation and the conduct of procurement staff must be transparent. Any perception of unfair or corrupt practices may well discourage reputable suppliers with the effect that Mercy Corps may not receive the best products or prices.

CONTRACTS

A “contract” must take the form of a document that details every aspect of an agreement. While verbal agreements are very difficult to enforce and prove; for this reason, the **Mercy Corps will work only with written contracts.**

PROCUREMENT FILING PROCEDURES

Every step of the procurement process must be clearly and transparently documented. The guidelines below must be implemented. Mercy Corps requires a complete set of procurement documentation to support payments made. This documentation will be inspected by Mercy Corps, internal and external auditors and also form part of the “checks and balances” of the procurement process. This documentation will also support any financial reports. The originals of the procurement forms and documents will be forwarded to the Finance department. Procurement staff is not allowed to keep any procurement/financial documents.

PURCHASES BETWEEN THE VALUE OF USD 250 TO USD 1499

- ❖ Purchase Request Form (attach specifications/SOW)
- ❖ Invoice(s)/Receipt(s)
- ❖ Simple Service Contract Optional (when down payment is needed)
- ❖ Goods Received Note or Service Completion Report
- ❖ Payment Request

PURCHASES BETWEEN THE VALUE OF USD 1500 TO 19,999

- ❖ Purchase Request Form
- ❖ Request for Quotation – written specifications to vendors
- ❖ At least 3 written quotations
- ❖ Quotation Analysis Form
- ❖ Ineligibility and Compliance Checking
- ❖ Mandatory written contract
- ❖ Supplier’s invoices, waybills, delivery notes or other documentation.
- ❖ Goods Received Note or Service Completion Report
- ❖ Payment Request

PURCHASES BETWEEN THE VALUE OF USD 20,000 TO 149,999

- ❖ Purchase Request Form (Specs/SOW/Bill of Quantity)
- ❖ Tender Initiation Request
- ❖ Tender Package – Request for Bids or Request for Proposals
- ❖ Negotiation Memo (Bid analysis or Proposal Analysis)
- ❖ Ineligibility and Compliance Checking
- ❖ Mandatory written contract
- ❖ Goods Received Note or Service Completion Report
- ❖ Payment Request

HIGH VALUE TENDERS USD 150,000 AND ABOVE

- ❖ Purchase Request Form (Specs/SOW/Bill of Quantity)
- ❖ Tender Initiation Request
- ❖ Tender Package – Request for Bids or Request for Proposals
- ❖ Negotiation Memo (Bid analysis or Proposal Analysis)
- ❖ Cost/Price analysis
- ❖ Due Diligence
- ❖ Ineligibility and Compliance Checking
- ❖ Mandatory written contract
- ❖ Quality Control report

- ❖ Goods Received Note or Service Completion Report
- ❖ Payment Request

MASTER AGREEMENTS

There are two types of Master Agreements:

- ❖ Master Purchase Agreement (MPA) – for Goods
- ❖ Master Service Agreement (MSA) – for Services. Master Agreements are a type of contract used when there are repetitive needs for standard commercial and/or clearly defined goods or services and the exact quantities and delivery requirements (time, location) are not known in advance and/or may vary. Master Agreements list one or several goods or services to select from at the time of order.

Master Agreements provide set prices for an indefinite quantity of goods or services to be furnished during a fixed time period. Deliveries are scheduled by placing orders with the supplier. Master Agreements do not necessarily constitute a requirement to purchase anything from the supplier, but rather they set the terms for future purchases. It is possible to include minimum and maximum quantities to be ordered, however this is not a requirement, and it is not recommended to include quantities. The quantity may be stated in units or in monetary value. Master Agreements are valid for a maximum of 24 months before they must be re-competed. MSA/MPA may need to be re-competed more often or Economic Price Adjustment clauses may also be considered. Master Agreements can initially be established for 12 months with an option for a further 12-month extension bringing the total period to 24 months before re-competing is required. This is particularly suitable where supplier performance is unknown or there is high price volatility. Prior to a renewal taking place a market analysis, supplier performance review and new ICC must be conducted. Master Agreement templates as well as instructions for completing a Master Agreement can be found in the User Guidance.

MONOPOLY, EMERGENCY AND PRIOR APPROVAL BY DONOR (MEP)

MONOPOLY, EMERGENCY & PRIOR APPROVAL BY DONOR (MEP)

Country Offices may forgo normal competitive procedures detailed in the FP3 provided that the situation matches one of the narrowly defined conditions outlined below: Monopoly, Emergency, or Prior-Approval by Donor. In addition:

- ❖ The MEP classification applies only to a single individual transaction, and each transaction must be justified separately
- ❖ The classification of MEP must be approved by the Country Director

MONOPOLY

A monopoly exists when one supplier is in the exclusive possession or control of a good or ability to deliver a service in the operational geographic region. This could be:

- ❖ Mandated by a government or other controlling body (e.g. fuel)
- ❖ Due to the true uniqueness of the product (i.e. specialty goods or services that were created and/or only sold by one vendor and whose purpose cannot be fulfilled by a substitute good or service)
- ❖ A reflection of market realities (e.g. only one telecom service operator)
- ❖ Monopolies must be verified and documented as follows:
- ❖ For procurements under USD \$20,000, an explanation of why Mercy Corps believes a particular Supplier possesses a monopoly must be stated in the Negotiation Memo and approved by the Country Director. When available, documents that support the claim (example: law for government-imposed monopolies) must be attached to the Negotiation Memo.
- ❖ For procurements at and above USD \$20,000, the justification must be based on objective and independently verifiable sources:

- Mandated by law (include a copy of the applicable law)
- The monopoly is common public knowledge and confirmed by a Mercy Corps conducted market analysis and consultation with peer NGOs

Either situation must be documented in the Negotiation Memo and must be approved by the Country Director. If the situation does not meet the above requirements, a standard solicitation must be conducted.

EMERGENCY SITUATION

An Emergency is an unexpected situation that, if not corrected immediately, would endanger life, property, prolong suffering, or adversely disrupt critical operations or programs (e.g. fire, flood, generator breakdown that causes security concerns). It must be clear how each transaction processed under MEP for Emergency alleviates the cited urgent situation. When an emergency situation triggers repeated and/or large numbers of transactions, the MEP process should not be used. In these emergency situations, the MPP procedure will be followed and an MPP Memo will be submitted for approval to HQ Global Procurement within 5 business days. Recognizing that the emergency situation may require immediate action, the Country Director is authorized to approve individual transactions that would fall under the pending MPP request until a decision is received from HQ Global Procurement (for Transactional MPPs below \$20,000, HQ's approval is not required). In general, these types of emergency expenditures will be charged to private funding. In cases when such expenditures may be chargeable to a grant, the applicability of such a charge must be reviewed by HQ Finance or HQ Compliance. The need for urgent procurement resulting from delays in program start-up, inaccurate or insufficient planning, misjudgement of lead times, or the avoidance of procurement procedures, whether on the part of Mercy Corps or others, does not constitute an emergency under MEP. The Originator requests the determination of the emergency and obtains the Country Director's confirmation that it falls under MEP. It is the Head of Operations' responsibility in conjunction with the Originator and Procurement to determine how the Supplier is sourced, provided these minimum requirements are met. The emergency situation and supplier selection will be documented in the Negotiation Memo and must be approved by the Country Director.

PRIOR APPROVAL BY DONOR

Prior Approval by Donor to follow a no competition or limited competition procurement process for a specific purchase exists when:

- ❖ The donor's rules allow such prior approval, and:
- ❖ Mercy Corps has received written approval from an authorized donor representative in accordance with the donor's rules that states a supplier or supplier(s) may be selected with no competition or limited competition.

Rules vary greatly from donor to donor and Originators must consult the relevant HQ compliance team prior to seeking donor approval. A donor approved proposal and budget does not constitute prior approval and Originators must consult the relevant HQ compliance team prior to procurement. Written donor approval must be included in the procurement file and grant compliance file. Procurement in Prior Approval by Donor situations will be documented in the Negotiation Memo.

8. RESULTS MEASUREMENT

ALLIANCES: A RESULTS ORIENTATED MONITORING SYSTEM

The Alliances results measurement (RM) system has been developed in compliance with SDC's *Outcome Monitoring Concept* and *DCED Standard VIII 2017* as interpreted in the *ALCP Results Measurement Manual 2018* ³⁶ and in accordance with Mercy Corps' Monitoring Evaluation and Learning Policy (MEL, 2022) for measuring programme progress against objectives, usage as internal management tools, informing interventions and learning, feeding into and satisfying SDC reporting requirements and involvement in international community of practice.

REPORTING

The ALCP bases its reporting on the reporting format and schedule for Bi and Annual reports as outlined by the SDC and the Swiss Cooperation office in Georgia. Reports are published once approved by the donor on the ALCP website www.alcp.ge Please also see *Reporting on Co-Investment* Section 5 for more details.

COMPONENTS OF THE RESULTS MEASUREMENT SYSTEM:

The following section broadly outlines the main components of the RM system.

GEDSI Sensitized Results Chains: the *Programme Log Frame* is translated into a *Results Chain(s)* diagrammatic representations of the logical progression of the changes/impact that the programme expects to instigate in the market system at the intervention and outcome level through programme interventions. Key change steps which are necessary to ensure that interventions deliver equitable impact to women and men are included in the results chains and shaded in pink.

GEDSI Overt Results Chains: Developed for an intervention which targets women and/or across a variety of groups specifically, to tackle a key cross cutting constraint barring women/other groups from benefiting from programme impact.

Programme Team Involvement in RM: Each PO should be responsible for 'caretaking' the data generated from their interventions in tandem with the RM officer and be responsible for the construction of intervention RC's. This data will be GEDSI disaggregated and when feeding back from appropriately gender sensitized or overt interventions will when collected and analyzed regularly, be able to serve as a management tool for ongoing calibration of the intervention. For example too low a figure for women when compared to the target will immediately alert key team members to a problem and the analysis of this problem and allow for contextual and programmatic insights to be used to interpret the data and may result in re calibrating an intervention or undertaking a piece of research to further understand an aspect of an intervention which once understood may unlock the potential for further impact.

MAP Meetings: A bi-monthly meeting, where PO's aggregate impact to date per output for which they are responsible, with the help of the RM team and present it to each other and management bi-monthly. *MAP's* operationalize; broad staff ownership of RM, communication between RM staff and Programme Staff ongoing troubleshooting of issues which ensue and ongoing of calibration of intervention (management and monitoring) based on data.

³⁶ Available on www.alcp.ge for a full exposition of the results measurement system.

Monitoring plan: Consisting of an overview page, Intervention Rationale and Summary of Supporting Documentation, Monitoring Plan 1 Quantitative, Monitoring Plan 2 Qualitative, data sheets interview logs etc, shows precisely what is to be measured and how it is to be measured, and enables the tracking of whether these changes are happening. It includes a table containing specific indicators and the time schedule when they shall be measured, the means of their verification, baseline data, progress to date, data validation date and the person responsible for ensuring completion. A measurement plan is designed for each intervention with the timing of data collection established /intervention data collected from service providers being transferred to the plan.

Outcome Level Indicators: are detailed in an *Outcome Monitoring Plan*. Outcome level indicators are key elements of the monitoring system and show the corresponding measurement for each box of the Outcome Level Results Chains. They enable the programme to highlight and measure progress of the common scalable indicators for the whole outcome.

ROI (Return on Investment): A Predictive and Actual Return on Investment can be calculated for larger investments. Predictive and Actual ROI's can be calculated. A predictive ROI is designed based on the figures obtained in the *Investment Plan* which enables the definition of the optimal share i.e. percentage % of our co-investment per intervention and timeline for the breakeven point of the co-investment. It is a decision making tool in planning investments and setting targets and measuring impact.

Social Return on Investment (SROI) : A Predictive and Actual Social Return on Investment can be calculated for larger investments. It is the main means of quantifying the impact of an intervention on the target group i.e. SSLP's. It shows the benefits provided by service providers to SSLP's expressed in terms of additional income and (monetized) time saved increased sales, reduced transaction costs. Once raw financial data is received on-going financial calculations are made and a biannual SROI calculated per investment.

Surveys: Including programme wide and intervention specific baselines, impact assessment and additional research. See Annex 6 for full details of the data collection, research and impact assessment carried out on the ALCP.

Systemic Change Log: Table detailing instances of systemic change as logged per intervention or more broadly in the sector, data is cross checked with that entered into monitoring plans.

RM IMPLEMENTATION

The ALCP ensures that all programme staff i.e. PO's are cognisant of the project log frame and direct the construction of the resultant *Results Chains* and utilize them for informing their activities during programme implementation. They are involved in collecting and analysing information relevant to the interventions and portfolios that are their remit. The bi-monthly MAP Meeting ensures the management and monitoring feedback loop. The *RM Coordinator* works closely with RM Officers and PO's to develop intervention level results chains and indicators, ensure the timely collection of data as outlined in the *Monitoring Plan* and modify and adapt results chains and indicators as the programme develops.

ANNEX 1: KEY ELEMENTS TO CONSIDER FOR MAINSTREAMING GEDSI AND WEE

The following sections describe in detail key elements required and methods and tools employed to operationalize GEDSI Sensitized Impact and WEE.

TEAM BUILDING AND ETHOS

- * It is important to build team confidence and ownership of GEDSI and WEE leading to a permanent change in perception which includes harnessing existing knowledge and experience and good practice in MSD and expanding it to include GEDSI and WEE in MSD.
- * Teams should develop clarity in thinking surrounding GEDSI and WEE, acknowledging the need for rigour and comprehensive analysis into key areas of relevance to the programme. A key part of the above is maintaining clarity among team members of programme GEDSI and WEE aims; that of inclusive impact at scale. Focus should be put on seeing poor women and poor men, as part of the target group, a group with diverse needs and constraints.
- * Understanding should be developed amongst all team members of the relevance of GEDSI and WEE in the programme, their remit to it and the extent to which they can effect change. The development of an understanding of where gender sits, where the opportunity for WEE lies and the ability to identify the key WEE entry point or key constraint from amongst other constraints is crucial amongst the team. There must be an understanding that GEDSI and WEE will always be considered: in every sector scoping survey, every piece of analysis, every intervention, all data collection and every report. However depending on circumstances and the remit of the project this will vary according to sector and intervention and that where WEE can only be marginally affected in a sector, as long as due diligence has been done in analysis, intervention design and implementation, this is acceptable.

TOOLS AND TECHNIQUES

- * Without adequate research and analysis WEE cannot be properly effected or the full impact potential of an intervention exploited. Ongoing support to staff should include guidance in good research practices. The key factor that teams must grasp is that without the requisite analysis it is impossible to structure an intervention correctly to achieve this impact.
- * Teams must have knowledge of the most basic gender tools i.e. the Access and Control Matrix and the Roles and Responsibilities Matrix. GEDSI Sensitized Results Chains³⁷ (GSI's), are the main tool in ensuring that WEE activities are integrated into the programme cycle. Once the analysis has been done the results chains can be constructed with a separate box, boxes or chain of steps to address the key constraints affecting women under that particular intervention. These will lead to the same outcomes and impact as the rest of the intervention. In a Gender or GEDSI Overt Intervention³⁸ (GOI) the whole results chain will be constructed as normal with however the impact being specific to women and or certain groups as the target group.
- * Better calibration of GSI's and GOI's are dependent on sophisticated definitions of target groups based on thoughtful analysis. Attention must be paid to all demographic aspects to develop effective GEDSI sensitized and GEDSI or gender overt interventions, including ethnicity, age, and rural and urban differences.

³⁷ ©Alliances Programme 2014

³⁸ ©Alliances Programme 2014

RESULTS MEASUREMENT & REPORTING

- * Improved mechanisms within the RM system enable teams to plan, monitor and feed data back into the calibration and better targeting of existing interventions. The use of GEDSI sensitized results chains will result in monitoring plans with better defined indicators for women and potentially other groups which will in turn improve data availability. Once GEDSI sensitized boxes and their attendant indicators are in place in the results chains and monitoring plans this provides options for aggregating impact for women (and potentially other groups) across interventions in addition to the jobs, scale and income aggregated at outcome level. In addition to ensuring that all relevant data is gender disaggregated, attention should be paid to the qualitative monitoring system and ensuring that baseline information is gathered on qualitative indicators to allow a before and after comparison. Qualitative indicators will be ascribed to the GEDSI sensitized boxes in the GEDSI sensitized results chains, in addition to the quantitative indicators ascribed to them, for key changes in behaviour according to the definition of WEE. At output, outcome and impact level WEE indicators may be inserted where appropriate.
- * Capacity must be built to understand, generate & use WEE and GEDSI indicators. The generation of GEDSI and WEE indicators requires an understanding of what to measure, how to measure it and how to report it. It is reliant on a solid RM platform based on robust research and analysis, timely data collection and GEDSI disaggregated data for all relevant data as a minimum. WEE indicators have to go beyond gender disaggregated indicators and measure the change effected for women in terms of not just access but choice, decision making or increase in control over resources or life chances. This is easier for programmes to measure in the public sphere e.g. public decision making; otherwise impact assessment will largely be at the HH level³⁹ and require HH level surveys. Adequate research and analysis throughout the whole programme cycle is a MUST as the data must be available for the teams to make a before and after comparison as well as having the relatively sophisticated data and understanding of what is happening at the HH level in order to be able to measure it later on.
- * A bi-monthly meeting where data is presented by each respective PO and discussed by the team as a whole is a pre requisite of GEDSI and WEE mainstreaming which requires a well-functioning management and RM system which possesses the requisite feedback loops from data and analysis of the data into management. Regular discussion of impact with all figures gender and where possible GEDSI disaggregated allows for trouble shooting, capacity building, and feedback of impact into the calibration and better targeting of interventions. It is also of course good management practice for teams to have a greater ownership of their data but is particularly necessary in GEDSI & WEE where constraints are generally more hidden, often more persistent and may require facilitation to be more frequently calibrated to achieve the desired results.
- * Better reporting should be developed in which reporting on women and men and social inclusion is a given and which highlights the way in which interventions have been calibrated to overcome key constraints to women, ensure social inclusion and the specific impact generated as a result. This will include a synthesis of quantitative and qualitative data, showing how impact contributes to the goal of the intervention and the project goal. In the same way that all analysis, planning and design should incorporate GEDSI and WEE as a matter of course, so should reporting. Improved qualitative and quantitative data pertaining to all relevant WEE interventions should be available and included in reports clearly showing the specific roles of women within the intervention and the impact upon them. The resulting full and meaningful picture of women within the targeted sector will further improve the programmatic understanding and capacity of the team.

³⁹As many of the changes related to empowerment are linked to control, choice and decision making in the HH.

Application Form

Date received:/ მიღების თარიღი:

Application #:/ კლიენტის #:

1. CLIENT PROFILE / მონაცემები კლიენტის შესახებ

Company Name კომპანიის დასახელება			
Contact person and position საკონტაქტო პირი და მისი თანამდებობა			
Contact Information საკონტაქტო ინფორმაცია			
Country, Municipality ქვეყანა, მუნიციპალიტეტი			
Value Chain ღირებულებათა ჯაჭვი	<input type="checkbox"/> Livestock/Honey/Wild მესაქონლეობა/თაფლი/ველური მეაბრეშუმეობა	<input type="checkbox"/> Botanicals/Sericulture მცენარეულები/	<input type="checkbox"/> Other / სხვა
Type of Enterprise/ საწარმოს ტიპი	<input type="checkbox"/> Primary Production/პირველადი გადამამუშავება <input type="checkbox"/> Wholesaler/ბითუმად მოვაჭრე <input type="checkbox"/> Trader/მოვაჭრე <input type="checkbox"/> Exporter/ექსპორტიორი <input type="checkbox"/> Local, Regional and National Government/ადგილობრივი, რეგიონალური და ცენტრალური მთავრობა <input type="checkbox"/> Educational institutions/Collages/Universities /საგანმანათლებლო ინსტიტუტები/კოლეჯები/უნივერსიტეტები <input type="checkbox"/> Intermediary/შუამავალი <input type="checkbox"/> Processor/გადამამუშავებელი <input type="checkbox"/> Agricultural Service Provider/სასოფლო სამეურნეო სერვისის პროვაიდერი <input type="checkbox"/> Other:/სხვა:		
Legal Status/ იურიდიული სტატუსი	<input type="checkbox"/> LTD/შპს <input type="checkbox"/> Cooperative/კოოპერატივი <input type="checkbox"/> Friendship Society/ამხანაგობა <input type="checkbox"/> Non-commercial Legal Entity/Association/არაკომერციული იურიდიული პირი/ასოციაცია <input type="checkbox"/> Individual entrepreneur/ინდივიდუალური მეწარმე <input type="checkbox"/> Legal entity under public law/საჯარო სამართლის იურიდიული პირი <input type="checkbox"/> Civil Initiative Group სამოქალაქო საინიციატივო ჯგუფი <input type="checkbox"/> Other/სხვა		
Position/თანამდებობა	Part time/ნახევარი განაკვეთი	Full time/სრული განაკვეთი	
Male/მამაკაცი			
Female/ქალი			

Please indicate how long the enterprise has been functioning. მიუთითეთ საწარმოს ფუნქციონირების პერიოდი

☐ At this time enterprise is not functioning / ამ დროისთვის არ ფუნქციონირებს;

☐ Functioning / ფუნქციონირებს _____ ☐ Month/თვე ☐ Year / წელი.

1.1 Please provide a brief description of your enterprise (Also indicate experience of your enterprise) / მოკლედ აღწერეთ თქვენი საწარმო (მიუთითეთ საწარმოს სამუშაო გამოცდილება):

1.2 Estimated Annual Turnover: საწარმოს/ორგანიზაციის წლიური ბრუნვა: _____ \$ / ლ (USD/GEL)

1.3 What activities are you involved in and what % of your revenue do they comprise / რა საქმიანობებში ხართ ჩართული და თქვენი შემოსავლების რამდენ %-ს შეადგენს?

Type of Activity / საქმიანობა	Revenue / შემოსავალი %

1.4 What relationship do you have with smallholder farmers/rural producers? / როგორი სახის ურთიერთობა გაქვთ მცირე ფერმერებთან / სოფლად მცხოვრებ მწარმოებლებთან?

Suppliers / მომმარაგებლები ☐ Customers / მომხმარებლები ☐ Users / წევრები ☐ Members/წევრები ☐ Other / სხვა ☐
None / არანაირი ☐

1.5 Number of smallholder farmers/rural producers who are using/supplying/buying from your services : / დაახლოებით რამდენი მცირე ფერმერი/სოფლად მცხოვრები მწარმოებელი დებულობს თქვენს მომსახურებას და რამდენად ხშირად?

Per day / week / month / year / დღეში / კვირაში / თვეში / წელიწადში

2. OUTLINE OF THE NEW INVESTMENT IDEA / ახალი საინვესტიციო იდეის აღწერა

2 If you are responding to a specific call for applications please state the reference number here: / თუ თქვენ აკმაყოფილებთ რომელიმე კრიტერიუმს გთხოვთ მიუთითოთ შესაბამისი ნომერი

Reference Number: / განცხადების ნომერი _____

2.1 Please provide an outline of the new business idea/s. / ახალი ბიზნეს იდეის აღწერა.

2.2 What Investment/Assistance from ALCP 2 does your business idea require? / რა სახის ინვესტირება /დახმარება ესაჭიროება თქვენს ბიზნესს?

2.3 How will this investment benefit your business? / რა სარგებელი ექნება თქვენ ბიზნესს ამ ინვესტიციიდან?

2.4 How will this investment benefit smallholder farmers/rural producers? / როგორ სარგებელს მიიღებენ ფერმერები/სოფლად მცხოვრები მწარმოებლები ამ ინვესტიციიდან?

3. ESTIMATED FINANCIAL SUPPORT REQUIRED / მოთხოვნილი გაანგარიშებული ფინანსური დახმარება

3 Financial Support (Estimated): / ფინანსური დახმარება (გაანგარიშებული):

ALCP 2Investment / ALCP2 - ს ინვესტიცია (USD / GEL)	
Item/Activity / ნივთი / საქმიანობა	Estimated Cost / გაანგარიშებული ღირებულება
Subtotal / სულ	
Clients Co-Investment / კლიენტის თანამონაწილეობა	
Item/Activity / ნივთი / საქმიანობა	Estimated Cost / გაანგარიშებული ღირებულება
Subtotal / სულ	
Total Investment/ მთლიანი ინვესტიცია:	

3.1 Where will your financial contribution come from? (bank loan, capital, friends. investors?) / მიუთითეთ თქვენი თანადაფინანსების (ნაღდი ფულის) წყაროს წარმომავლობა: (საკუთარი შემოსავლები, სესხი ბანკიდან, სესხი მეგობრიდან, სხვა):

3.2 When will you approximately require assistance? / დაახლოებით როდის დაგჭირდებათ დახმარება?

Year/ წელი		Month / თვე	
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Applicants Signature/ აპლიკანტის ხელმოწერა _____ /

☐ Additional data required / საჭიროა დამატებითი მონაცემები

☐ Modify & Review at next Application Review Meeting / შესწორდეს და განხილულ იქნას შემდეგ სააპლიკაციო ფორმების კომისიის სხდომაზე

☐ Proceed to Investment Plan Stage / გადაყვანილ იქნას საინვესტიციო გეგმის ფაზაში

Programme Signature/ პროგრამის ხელმოწერა _____ Date / თარიღი _____

Programme Notes:/ პროგრამის შენიშვნები:



INVESTMENT PLAN / საინვესტიციო გეგმა

Investment Name: ინვესტიციის დასახელება:
Date Received-Date Finalized: მიღების თარიღი – დასრულების თარიღი:
Date of Intervention Completion: ინტერვენციის დასრულების თარიღი:
Outcome: რეზულტატი:
Output: შედეგი
Activity: საქმიანობა:

1. Client Profile / მონაცემები კლიენტის შესახებ				
Company Name კომპანიის დასახელება				
Contact person and position საკონტაქტო პირი მისი თანამდებობა				
Contact Information საკონტაქტო ინფორმაცია				
Country, Municipality ქვეყანა, მუნიციპალიტეტი				
Value Chain ღირებულებათა ჯაჭვი	<input type="checkbox"/> Livestock/Honey/Wild Botanicals/Sericulture მესაქონლეობა/თაფლი/ველური მცენარეები/მეაბრეშუმეობა	<input type="checkbox"/> Other / სხვა		
Type of Enterprise/ საწარმოს ტიპი	<input type="checkbox"/> Primary Production/პირველადი გადამამუშავება <input type="checkbox"/> Wholesaler/ბითუმად მოვაჭრე <input type="checkbox"/> Trader/მოვაჭრე <input type="checkbox"/> Exporter/ექსპორტიორი <input type="checkbox"/> Local, Regional and National Government/ადგილობრივი, რეგიონალური და ცენტრალური მთავრობა <input type="checkbox"/> Educational institutions/Collages/Universities /საგანმანათლებლო ინსტიტუტები/კოლეჯები/უნივერსიტეტები <input type="checkbox"/> Intermediary/შუამავალი <input type="checkbox"/> Processor/გადამამუშავებელი <input type="checkbox"/> Agricultural Service Provider/სასოფლო სამეურნეო სერვისის პროვაიდერი <input type="checkbox"/> Other:/სხვა:			
Legal Status/ იურიდიული სტატუსი	<input type="checkbox"/> LTD/შპს <input type="checkbox"/> Cooperative/კოოპერატივი <input type="checkbox"/> Friendship Society/ამხანაგობა <input type="checkbox"/> Non-commercial Legal Entity/Association/არაკომერციული იურიდიული პირი/ასოციაცია <input type="checkbox"/> Individual entrepreneur/ინდივიდუალური მეწარმე <input type="checkbox"/> Legal entity under public law/საჯარო სამართლის იურიდიული პირი <input type="checkbox"/> Civil Initiative Group სამოქალაქო საინიციატივო ჯგუფი <input type="checkbox"/> Other/სხვა			
Position/თანამდებობა	Part time/ნახევარი განაკვეთი	Full time/სრული განაკვეთი		
Male/მამაკაცი				
Female/ქალი				
Main Monitoring Indicators / მონიტორინგის მთავარი ინდიკატორები				
(If possible, please provide data for the last one year, the current year, and projected data for the following 2 years (factoring in the investment) (თუ შესაძლებელია წარადგინეთ ბოლო 1 წლის მონაცემი, მიმდინარე წლის და დაგეგმილი ორი წლის მონაცემები)				
	2021	2022	2023	2024
Smallholder farmers/rural producers				
Value of Sales				
Jobs				
Females (%)				
Youth (%)				
Qualitative changes expected				

2.1. Product Description/Service Description / პროდუქტის/სერვისის დახასიათება

Name:

Place:

Type of Business:

of Employees:

of Years in Operation:

Short description of business model (include relationship to target group)

2.2. Description of Ongoing Business & Market / მიმდინარე ბიზნესისა და ბაზრის დახასიათება

Include key systemic market constraints and a description of the existing intervention to date if applicable. აღწერეთ არსებული ინტერვენცია, თუ შესაძლებელია, ბაზრის ძირითადი სისტემური გამოწვევები

2.3. Problem Description & Planned investment / პრობლემათა აღწერა & დაგეგმილი ინვესტიცია

Describe the constraints faced by the business making the investment necessary and a summary description of activities that will be carried out under this investment to answer these constraints. აღწერეთ ის პრობლემები და ხელშემშლელი პირობები რომლებიც იწვევენ ინვესტირების აუცილებლობას და აქტივობების მოკლე აღწერა რაც განხორციელდება ამ ინვესტიციის ფარგლებში

2.4 Competitors/კონკურენტები

Describe businesses competitors. კონკურენტების აღწერა

3. Investment Overview /ინვესტიციის მიმოხილვა

3.1 Main Outcomes of the Investment/ინვესტიციის მთავარი შედეგები

Describe the specific aims of the investment and how they are addressing the key systemic market constraints. Include the anticipated benefits for the target group, the business/entity and its suppliers and customers. აღწერეთ სპეციფიკური ინვერვენციის სამიზნეები, რომელიც მოიცავს ბიზნესს, ასევე, მომხმარებლისა და მიმწოდებლის სარგებელს/აღწერეთ როგორ აწესრიგებს ინვესტიცია ბაზრის ძირითად გამოწვევებს

Business /entity level

Target group

3.2 Gender Sensitized & Social Vulnerability Aspects of the Intervention / ინტერვენციის გენდერულად და სოციალურად

მოწყვლადი ჯგუფებისთვის აქტიური ასპექტები

Describe how this intervention will be gender, diversity and social vulnerability sensitized. აღწერეთ თუ რამდენად იქნება ეს ინტერვენცია გენდერულად და სოციალურად მოწყვლადი ჯგუფები აქტიური Note: include GEDSI sensitized information management and marketing strategy (disaggregate data in terms of ethnicity, youth, people with different disabilities, gender, internally displaced people, ecomigrants, and people under the poverty line).

3.3 Business/ Intervention Sustainability & Risk Management / მდგრადობის/ბაზრის დატოვების სტრატეგია

Please include details of intervention activities to promote scale, sustainability and the potential for crowding in. Please outline all possible risks that may hinder project implementation. უჩვენეთ ინტერვენციის საქმიანობების დეტალები მასშტაბის, მდგრადობისა და პოტენციური გამყარების გასაზრდელად. მიუთითეთ ყველა შესაძლო რისკები რომლებსაც შეუძლია ხელი შეუშალოს პროექტის განხორციელებას

3.4 . Environmental Sustainability / გარემო ფაქტორები

Insert a paragraph indicating what the business/entity will do to be more environmentally and socially sustainable. Indicate any potential risk to the environment from the business' operation describe their resource use and waste management. Include their location from the nearest source of water (river, lake etc.), cultural and historical monuments (Churches, monasteries, cemeteries etc), Irrigation water and any other facility if applicable. Indicate if an external assessment is required in the table below. ჩაწერეთ ერთი პარაგრაფი ბიზნესის მდგარობაზე. აღწერეთ ადგილი სადაც განხორციელდება პროექტი;მიუთითეთ მანძილი უახლოეს სველ წერტილამდე (მდინარე, ტბა და ა.შ.), კულტურულ ან ისტორიულ ძეგლამდე, მნიშვნელოვან მენობამდე. უჩვენეთ დასუფთავების მოგვარების გზები.

Environmental, Occupational Safety and Social Risks Assessment Required/
საჭიროა გარემოსდავითი, შრომის უსაფრთხოებისა და
სოციალური რისკების შეფასებას

Yes/კი ☐
No/არა ☐

Comment/კომენტარი:

3.4 Description of Activities to be Undertaken / შესასყიდი აქტივების/აღჭურვილობების აღწერა

Insert workplan. Please present information about activities, assets/equipment to be purchased, including work plan. გთხოვთ წარადგინოთ შესასყიდი აქტივობების+აქტივების/აღჭურვილობების შესახებ მიმდინარე ინფორმაცია/სამუშაო გეგმა

Quarterly Activities (From start date of intervention add months if details available) კვარტალური საქმიანობები (ინვესტიციების პირველი დღიდან, მიუთითეთ თვეები)	Description of Key Activities/ საკვანძო საქმიანობების აღწერა

Note: in case of necessity please describe the technology to be used during the project implementation, price and characteristics, which of the assets is new and secondary. საჭიროების შემთხვევაში , გთხოვთ აღწერეთ პროექტის განხორციელებისათვის საჭირო ტექნოლოგიები, ფასები და მახასიათებლები, რომელი აქტივია პირველადი და/ან მეორადი მნიშვნელობის

3.5 Itemized Budget / ბიუჯეტი

Please insert the project budget according to the table below indicating required assistance and business/entity/other contribution. გთხოვთ წარადგინოთ პროექტი ბიუჯეტთან ერთად ქვემოთ მოყვანილი ცხრილის მიხედვით, მიუთითეთ საჭირო დახმარება და საკუთარი თანამონაწილეობა

Budget Currency ☐ ლ (GEL / Lari / ლარი) ☐ \$ (USD / US Dollar / აშშ დოლარი)

Source and % of Enterprise Contribution საწარმოს კონტრიბუციის პროცენტი და წყარო			
Own resources საკუთარი სახსრები	Loan from the bank სესხი ბანკიდან (მიუთითეთ ბანკი)	Investors ინვესტორები	Other სხვა
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#	Investment Type ინვესტიციის სახე	Unit საზომი ერთ.	Unit Price ერთეულის ფასი	Quantity რაოდენობა	Total სულ	Investment From კონტრიბუცია		
						ALCP 2	Client კლიენტი	Other
1								
2								

3								
4								
5								
6								

4. Financial statement/summary / ფინანსური ანგარიში

Summary Cash Flow/ფულადი ბრუნვის უწყისის შეჯამება				
	2021	2022	2023	2024
Turnover/ბრუნვა				
Gross Income/მთლიანი შემოსავალი				
Total Expenses/ ხარჯები				
Profit / მოგება				

Applicants Signature/აპლიკანტის ხელმოწერა -----

Date/თარიღი -----

☐ Data collection methods confirmed between Programme and RM Department

☐ Results chain and main MP1 and MP2 indicators jointly developed

Team Leader signature/თიმ ლიდერის ხელმოწერა -----

Date/თარიღი -----

RM Department signature/მედეგების გაზომვის დეპარტამენტის ხელმოწერა _____

Date/თარიღი _____

Intervention Profile
ინტერვენციის პროფილი

Investment/Entity Name: ინვესტიციის/საწარმოს სახელი

Outcome/რეზულტატი:

Output/შედეგი:

Activity/საქმიანობა:

Justification for Additional Investment/დასაბუთება დამატებითი ინვესტიციისთვის

History of Intervention So far and Problem Description/ინტერვენციის ისტორია და პრობლემის აღწერა

Describe the intervention so far. Insert the reasons (including key constraints at market and business/entity level) for the additional investment including a short problem description/history for why the additional phase is necessary. აღწერეთ ინტერვენცია. დაამატეთ მიზეზები (ძირითადი დაბრკოლებები ბაზრისა და ბიზნეს/საწარმოს დონეზე) დამატებითი ინვესტიციისთვის, რომელიც მოიცავს პრობლემის მოკლედ აღწერას/ისტორიას, რატომ არის დამატებითი ფაზა აუცილებელი.

Main Outcomes / Insert Main Activities ძირითადი შედეგები/დაამატეთ ძირითადი საქმიანობები

Describe in detail the activities that the additional investment will be used for. Use log frame Outcome and Outputs and their respective indicators and results chain to guide your explanation. Use results chain აღწერეთ დეტალურად ის აქტივობები, რომლისთვისაც საჭიროა დამატებითი ინვესტიცია. გამოიყენეთ ლოგიკური ჩარჩო დოკუმენტი (რეზულტატი, შედეგები და შესაბამისი ინდიკატორები) და შედეგების ჯაჭვი, რაც დაგეხმარებათ უკეთესად ახსნისთვის.

Business/ entity level ბიზნეს/საწარმოს დონე

Target Group სამიზნე ჯგუფი

Targets for this Phase აღნიშნული ფაზის მიზნები

	Original Baseline პირველადი ბეისლაინი	Impact to date (% of phase 1 targets) შედეგი დღემდე (% ფაზის 1 მიზანი)	Targets for 2023 მიზნები 2023 წლისთვის	Targets for 2024 მიზნები 2024 წლისთვის
Smallholder farmers/rural producers მცირე ფერმერები/სოფლად მცხოვრები მეწარმეები				
Value of Sales გაყიდვების ღირებულება				
Jobs სამუშაო ადგილები				
Females (%) ქალები (%)				

Investment Plan Appendix for Additional Phase

Youth (%) ახალგაზრდები (%)				
Qualitative changes expected მოსალოდნელი თვისობრივი ცვლილებები				

Budget ბიუჯეტი

Insert a budget table indicating line items and % co-financing of client and programme. it should be more than 40% for additional phases¹.
დაამატეთ ბიუჯეტის ცხრილი მიუთითეთ ჩამონათვალი და % თანადაფინანსება კლიენტისა და პროგრამის. დამატებითი ფაზისთვის კლიენტის თანამონაწილეობა უნდა იყოს 40%-ზე მეტი

Budget Currency ☐ ₾ (GEL / Lari / ლარი) ☐ \$ (USD / US Dollar / აშშ დოლარი)

#	Investment (Insert asset or activity) ინვესტიცია (დაამატეთ აქტივი ან საქმიანობა)	Unit/Quantity ერთეული/ რაოდენობა	Unit Price ერთეულის ფასი	Total მთლიანი	Investment From ვისგან არის ინვესტიცია		
					ALCP 2 პროგრამა	Client კლიენტი	Other სხვა
1							
2							
3							
4							
5							
6							
7							
8							
Total GEL/USD (%)							

Applicants Signature/აპლიკანტის ხელმოწერა -----

Date/თარიღი -----

☐ Data collection methods confirmed between Programme and RM Department მონაცემების შეგროვების მეთოდი დადასტურებული პროგრამისა და შედეგების გაზომვის დეპარტამენტის მიერ

☐ Results chain and main MP1 and MP2 indicators jointly developed
შედეგების ჯაჭვი და რაოდენობრივი და თვისობრივი მონიტორინგის გეგმები ერთობლივად შემუშავებული

Team Leader signature/თიმ ლიდერის ხელმოწერა -----

Date/თარიღი -----

RM Department signature/შედეგების გაზომვის დეპარტამენტის ხელმოწერა _____ Date/თარიღი _____

¹The % of co-financing paid by the programme often reflects the buying down of the risk of clients into what they see as risky ventures in untried markets. In the second phase this is unnecessary, and activities are mainly concentrated on expansion.

გრანტის ხელშეკრულება
№ 2.2.1 XXX /Theme-X XX-1

GRANT AGREEMENT
№ 2.2.1 XXX /Theme-X XX-1

ქპარე ხელშეკრულება დადებულია ქ. აში, XX წლის XX (თვე) შემდეგ მხარეებს

The present Agreement is prescribed in Tbilisi on XX (month), (year) by and between following parties:

იანერობო ორგანიზაცია XXX-ის ველოს წარმომადგენლობა (შემდგომში ს მიმცემი), იურიდიული მისამართი XXX რირებული XXX საქართველოს იუსტიციის ტროში, საიდენტიფიკაციო კოდი № XXX, გენილი მისიის დირექტორის XXX მიერ

Georgian representation of International NGO XXX, Regis on XXX in the Ministry of Justice of Georgia XXX, Identification code XXX, having its legal address at XXX, (hereafter referred to as 'Grantor'), represented by its Coun Director XXX

and

წარმეო (არაკომერციული) იურიდიული პირი შემდგომში 'გრანტის მიმღები' მისამართი: რეგისტრირებული XX წლის (რიცხვი, თვე), იის სამ. გადაწ. მიერ. საიდენტიფიკაციო 'არმოდგენილი აღმასრულებელი დირექტორის იერ.

Non-Entrepreneurial (Non-Commercial) Legal Entity (hereafter referred to as 'Grantee') address: XXX, Geoi registered on (month) XX, (year) (by XXX), (by Minis Justice), identification No XXX, represented by exe Director, XXX

ქპარე ხელშეკრულებაში 'გრანტის მიმცემი' და ს მიმღები' ერთობლივად მოიხსენიება, ც 'მხარეები'.

The 'Grantor' and the 'Grantee' shall collectively be refer in this Agreement as the 'Parties'.

პრეამბულა

ა. მხარეები აცნობიერებენ წინამდებარე ხელშეკრულების სოციალურ და ეკონომიკურ მიზნებს;

ა. 'გრანტის მიმღები' აცხადებს და გარანტიას იძლევა, რომ მას გააჩნია შესაძლებლობა და კვალიფიკაცია პროექტის მისი წილის ამოცანებისა და მიზნების განსახორციელებლად ქვემოთ მითითებულ ვადებში;

ა. 'გრანტის მიმცემი' აცხადებს, რომ ამ ხელშეკრულების ფარგლებში დაფინანსების მიმღებისათვის გადაცემული ან ამ უკანასკნელის მიერ შეძენილი საწარმოო საშუალებები, შემოსავალი, ფულადი სახსრები ან სხვა ქონება გამოყენებულ უნდა იქნას წინამდებარე ხელშეკრულებით გათვალისწინებული ამოცანებისა და მიზნებისათვის.

გ. 'მხარეები' თანხმდებიან წინამდებარე ხელშეკრულებაში განსაზღვრულ პირობებსზე:

ს მიმღები' გამოიყენებს შესყიდულ საშუალებებს ქპარე ხელშეკრულებით განსაზღვრული ბით.

ი' მოქმედებენ XXX ქვეყნის კანონმდებლობის ისად.

PREAMBLE

Whereas Parties acknowledge social and economic object of this Agreement.

Whereas 'Grantee' states and guarantees that he/she has th ability and qualification to meet the requirem of the Agreement in the below indicated time frame.

Whereas 'Grantor' states that the funds and property transi to or purchased by the Grant in the scopes of Agreement must be used for the purposes an objectives, outlined herein.

Therefore, 'Parties' Agree on the terms and conditions stipulated herein:

'Grantee' shall use the purchased equipment according to tl terms of agreement.

'Parties' shall adhere to the applicable legislation of XXX country.

მუხლი 1. გრანტის ოდენობა

1. AMOUNT OF GRANT

როექტის №2.2.1 XXX/Theme-X XX-1 (X/თვე/წლი-დან XX/თვე/წლა-მდე) საერთო ირებულება შეადგენს XXXX (სიტყვიერად XX) აშშ დოლარს (XX%).

ქედან XXX (სიტყვიერად XXX) აშშ დოლარი (X%) არის პროგრამიდან გაცემული გრანტი, ომელიც გაიცემა 1 (ერთი) ტრანშად:

ტრანში – XXX აშშ დოლარის ექვივალენტი არეში XXX კვეენის ეროვნული ბანკის მიერ აღკენილი ოფიციალური გაცვლითი კურსის ხედვით.

იშნული თანამონაწილეობით უნდა მოხდეს ანტის მიმღებისათვის' XXX ხარჯების არვა. ასევე, იმ ვალდებულებების შესრულება, ლებიც მოცემულია ამ ხელშეკრულების ართ 1-ში ('პროექტის ბიუჯეტი').

ანტის მიმღების' თანამონაწილეობა შეადგენს X (XX) აშშ დოლარს (XX%), რომლითაც უნდა დეს XXX ხარჯების დაფარვას.

რანტის მიმცემა' იტოვებს უფლებას აიბრუნოს გრანტით გაცემული თანხა, თუკი ქრ მოხდება დანართ №1 ("პროექტის ბიუჯეტი") ათვალისწინებული ვალდებულებების ესრულება და თანხის მიზნობრივი ხარჯვა, ა/და მოითხოვოს 'გრანტის მიმღების' მიერ რანტის თანხით შეძენილი მოძრავი/უძრავი ენების ან/და მასალები, მისი ანადაფინანსების ფარგლებში, რომლებიც ეტალურად გაწერილია ხელშეკრულების ანართ №1-ში ("პროექტის ბიუჯეტი") და ანამდებარე ხელშეკრულების 1 მუხლის მე-2 ექტში (თანამონაწილეობის ჩამონათვალში) უკი 'გრანტის მიმღები' არ შეასრულებს ანამდებარე ხელშეკრულების მე-3 მუხლში ხარეთა უფლებები და ვალდებულებები) აწერილ ვალდებულებებს, რაც XXX როგრამის' წარმატებით მიმდინარეობისთვის რის საჭირო.

როექტის წარმატებულად განხორციელების ახნით 'გრანტის მიმღები' ვალდებულია ზრუნველყოს ხელშეკრულების დანართში აინვესტიციო გეგმაში) აღნიშნული პუნქტების ათვალისწინება.

მუხლი 2. პროექტის ზოგადი აღწერილობა

ამდებარე ხელშეკრულებით განსაზღვრული გინანსების გადაცემა მიზნად ისახავს XXXX გენტოს მიერ დაფინანსებული და 'XXX-ის რ განხორციელებული 'XXX'-ს ფარგლებში, ახალისოს ფიზიკური პირები და განიზაციები – და შეუქმნას მათ საქმიანობის

1. The total amount of the budget of this Grant A #2.2.1 XXX/Theme-X XX-1 (from XX/month XX/month/year) is XXX (amount in words X) (XX%). equivalent in GEL based on the offici exchange rate provided by the National Bank c country at the date of payment.

2. The co-investment of the 'Programme' in this C Agreement is XXX (in words XXX) USD (XX' which will be transferred in 1 (one) tranche:

✓ I tranche – XXX USD equivalent in Gel based , official exchange rate fixed by the National Bar XXX country at the date of payment.

The above-mentioned co-investment will be used b 'Grantee' to cover costs of XXX, also to implemen liabilities, which are prescribed in Appendix 1 ('Pr Budget').

The co-investment of the 'Grantee' is XXX (XX) (XX%), which will be used to cover the costs XX

3. The 'Grantor' reserves its right to take back tra money if the 'Grantee' does not spend the total which is given in the Appendix 1 (Project Budg Appendix 2 (Investment Plan), or/and to take b movable/non-movable assets and materials that foreseen in the Appendix 1 ("Project Budget") ' budget of the co-investment and in the article 2 clause 1 (list of co-investment activities) if the does not implement activities prescribed in clau this agreement (Parties' Rights and Liabilities) successful implementation of the XXX Progra

4. In order for successful implementation of the tei agreement the 'Grantee' is liable to comply activities detailed in the Appendix (Investment

2. PROJECT DESCRIPTION

1. According to the agreement, the funding is ai under the scope of XXX funded 'XXX' impli by 'XXX', at encouraging physical persons a organizations to ameliorate and create better conditions for them which directly will reflec positive outcomes.

შლი 2. პროექტის ზოგადი აღწერილობა

ამდებარე ხელშეკრულებით განსაზღვრული ვინანსების გადაცემა მიზნად ისახავს XXXX გენტოს მიერ დაფინანსებული და 'XXX'-ის რ განხორციელებული 'XXX'-ს ფარგლებში, ხალისოს ფიზიკური პირები და განიზაციები – და შეუქმნას მათ საქმიანობის ებულზე უკეთესი პირობები, რაც პირდაპირ ახება მათი საქმიანობის შედეგებზე.

ექტის მიზანია ხელი შეუწყოს პროგრამის იენტს – XXX, რათა, შექმნას XXX რაც ხელს ეწეოს XXX გააუმჯობესონ მათი საქმიანობის ისი, სათანადო ინფორმაციის ღმისაწვდომობა და სოფლის მეურნეობასთან კავშირებული მასალების შინაარსი, რაც კის მხრივ დაეხმარება ფერმერებს კქონდეთ ღალი ხარისხის, სათანადო ინფორმაციის ღმისაწვდომობა, მიზნობრივი სერვისების ღყენება და გადაწყვეტილების მიღება, რაც არდის ფერმერების პროდუქტიულობასა და სისავალს.

3. მხარეთა უფლებები და ვალდებულებები

ანტის მიმცემი' ვალდებულებას იღებს 'უნველყოს დაფინანსების მიმღებისათვის ამდებარე ხელშეკრულებით გათვალისწინებული ების ან ფულის დროული და სრული უღება, 'გრანტის მიმღების' მიერ მისი ზიანობის შესახებ ინფორმაციის სრულად უღების შემთხვევაში.

ექტის ხანგრძლივობაა XX თვე, რომელიც ღაში შედის ხელის მოწერიდან და რძედდება XX თვის განმავლობაში.

ექტის დასაწყისი: XX (თვე) (წელი).
ექტის დასასრული: XX (თვე) (წელი).

ანტის მიმღები' იღებს ვალდებულებას რომ:

უზრუნველყოს (აქ უნდა დაიწეროს პირობები) XXX

'უნველყოს ყოველთვიურად და ყოველ ზტადურად ყველა იმ მოთხოვნილი იტორინგის მონაცემის მოწოდება 'გრანტის კემისთვის', რაც 'XXX პროგრამის' მატებით მიმდინარეობისთვის არის საჭირო.

ნტის გაცემა იწარმოებს 1 (ერთი) ტრანშად.

ანტის მიმცემი' არ იღებს პასუხისმგებლობას აელშეკრულებით განსაზღვრული საქმიანობის ეღებში ჩატარებულ სამუშაოთა დროს ანტის მიმღებს', XXX მცხოვრებ XXX და 74
ამერებს შორის წარმოშობილ დავაზე ან

2. PROJECT DESCRIPTION

1. According to the agreement, the funding is ai under the scope of XXX funded 'XXX' impl by 'XXX', at encouraging physical persons a organizations to ameliorate and create better conditions for them which directly will reflec positive outcomes.
2. The purpose of this project is to make an onli supplementary XXX which will help XXX in the quality of XXX content; improve access to appropriate information to support the use services and decision making related to impro more secure productivity.

3. RIGHTS AND RESPONSIBILITIES OF PARTIES

1. The 'Grantor' takes liability for ensuring timely of the money or the equipment described in the agreement to the 'Grantee', based on the disclo: the relevant information of the Finance's busin

2. The project duration is XX months, which is va the agreement is signed and lasts for XX month

The project starting date: XXth (month), (year)

The project completion Date: XXth (month), (year)

3. The 'Grantee' takes liability to do the following

- Provide: (here should be written terms of agre XXXXX

4. To provide all required monitoring data monthl quarterly to the 'Grantor', necessary for the suc implementation of the 'XXX Programme'.

5. The grant will be transferred in 1 (one) tranche

6. The 'Grantor' does not take responsibility for n implementation of liabilities and dispute, arisen of the activities defined by this agreement, betw 'Grantee' XXX and farmers living in XXX an which are caused by negligence or purposeful a the mentioned entities or the 'Grantee'.

3. მხარეთა უფლებები და ვალდებულებები

ანტის მიმცემი იღებს ვალდებულებას იღებს 'სუნველყოფის დაფინანსების მიმღებისათვის' მდებარე ხელშეკრულებით გათვალისწინებული ების ან ფულის დროული და სრული უდება, 'გრანტის მიმღების' მიერ მისი ჰიანობის შესახებ ინფორმაციის სრულად უდების შემთხვევაში.

იქმტის ხანგრძლივობაა XX თვე, რომელიც აში შედის ხელის მოწერიდან და რძელდება XX თვის განმავლობაში.

იქმტის დასაწყისი: XX (თვე) (წელი)..
იქმტის დასასრული: XX (თვე) (წელი).

ანტის მიმღები იღებს ვალდებულებას რომ:

უზრუნველყოფს (აქ უნდა დაიწეროს პირობები) XXX

'სუნველყოფის' ყოველთვიურად და ყოველ რტალურად ყველა იმ მოთხოვნილი იტორინგის მონაცემის მოწოდება 'გრანტის კემისთვის', რაც 'XXX პროგრამის' მატებით მიმდინარეობისთვის არის საჭირო.

ნტის გაცემა იწარმოებს 1 (ერთი) ტრანშად.

ანტის მიმცემი არ იღებს პასუხისმგებლობას ელშეკრულებით განსაზღვრული საქმიანობის გლებში ჩატარებულ სამუშაოთა დროს ანტის მიმღებს', XXX მცხოვრებ XXX და იმერებს შორის წარმოშობილ დავაზე ან ღებულებების შეუსრულებლობაზე, რაც უწვეული იქნება გრანტის მიმღების', XXX ოვრებ XXX, ფერმერების დაუდევრობით ან ანმიმართული ქმედებით.

ანტის მიმცემი იღებს ვალდებულებას 'გრანტის ღებს' თანამონაწილეობაში ჩაუთვალოს ის ჯები, რაც დეტალურად გაწერილია დანართ 1, პროექტის ბიუჯეტში და წინამდებარე ჟშეკრულების მუხლ-1-ში რომელიც კინანსდება არასამეწარმეო (არაკომერციული) იდული პირის "XXX ის' მიერ.

ანტის მიმცემი იღებს ვალდებულებას გრანტის ღებისათვის' წინამდებარე ხელშეკრულებით აზღვრული თანხის გადარიცხვა ახორციელოს მხარეთა მიერ წინამდებარე ჟშეკრულების ხელმოწერიდან 10 კალენდარული ის განმავლობაში.

ანტის მიმცემი იღებს ვალდებულებას ფიდენციალურად შეინახოს 'გრანტის ღების' მიერ მისთვის მიწოდებული ორმაცია ამ უკანასკნელის საქმიანობის ახებ.

3. RIGHTS AND RESPONSIBILITIES OF PARTIES

1. The 'Grantor' takes liability for ensuring timely of the money or the equipment described in the agreement to the 'Grantee', based on the disclosure of the relevant information of the Finance's business.

2. The project duration is XX months, which is valid from the agreement is signed and lasts for XX months.

The project starting date: XXth (month), (year)

The project completion Date: XXth (month), (year)

3. The 'Grantee' takes liability to do the following:

- Provide: (here should be written terms of agreement) XXXXX

4. To provide all required monitoring data monthly and quarterly to the 'Grantor', necessary for the successful implementation of the 'XXX Programme'.

5. The grant will be transferred in 1 (one) tranche.

6. The 'Grantor' does not take responsibility for non-implementation of liabilities and dispute, arisen from the activities defined by this agreement, between 'Grantee' XXX and farmers living in XXX areas, which are caused by negligence or purposeful actions of the mentioned entities or the 'Grantee'.

7. The 'Grantor' is obliged to count all expenses of the 'Grantee' as a co-investment as it is mentioned in appendix 1 – ("Project Budget") and in the agreement of article 1, which will be considered as Non-Entrepreneurial (Non-Commercial) Entity 'XXX'.

8. The 'Grantor' takes liability for transferring money described in the agreement to the 'Grantee' in 10 calendar days after the parties sign the agreement.

9. The 'Grantor' agrees to keep all information related to the 'Grantee's' business confidential.

მუხლი 4. ხელშეკრულების შეწყვეტა

ჰდებარე ხელშეკრულება შეწყდება მხარეთა ნაკისრი ვალდებულებების სრულად უღლების შემდეგ.

ჰდებარე ხელშეკრულება შეწყდება მისი ედების ვადის დასრულების შემთხვევაში, რაც აზღვრულია მე-3 მუხლში, გარდა იმ ხვევებისა, როდესაც იგი გაგრძელდება ეთა კონკრეტული შეთანხმების საფუძველზე. ატის მიმცემი უფლებამოსილია შეწყვიტოს შეკრულება, თუ 'გრანტის მიმღები' ბუთების გარეშე ვერ შეასრულებს პროექტის ებს, შეტყობინების მიღების შემდეგ და ვერ რულებს ხელშეკრულებით გათვალისწინებულ ანობას ან შეტყობინების მიღებიდან 30 დღის აგლობაში ვერ წარმოადგენს კმაყოფილებელ ახსნა-განმარტებას; ან თუ ატის მიმღები დასაბუთების გარეშე არ რადგენს კვარტალურ ან საბოლოო ანგარიშს შეტყობინების მიღების შემდეგ კვლავ არ რადგენს მათ ან შეტყობინების მიღებიდან 30 ა განმავლობაში ვერ წარმოადგენს კმაყოფილებელ ახსნა-განმარტებას. ჰდებარე ხელშეკრულება შეიძლება შეწყდეს ეთა მიერ სხვა მიზეზთა გამო, რომლებიც თებული არ არის აქ. მაგრამ აღისწინებულია ამავე მხარეთა შორის, ან წარმოადგენელთა მიერ ამავე საგანზე კბულ სხვა შეთანხმებებში. ჰდებარე ხელშეკრულების შეწყვეტის სხვა რთლებრივი საფუძველები განისაზღვრება რთველოს მოქმედი კანონმდებლობით, ედაც მხარემ ასეთი განზრახვის შესახებ ლობით უნდა შეატყობინოს მეორე მხარეს 2) კვირით ადრე.

მუხლი 5. ბარდამავალი დებულებები

ამდებარე ხელშეკრულება შედგენილია ართველოს კანონმდებლობის მოთხოვნათა აბამისად. ჰშეკრულების განუყოფელ ნაწილს რადგენს დანართი №1 ('პროექტის ბიუჯეტი'); ართი №2 ('თანხის მოთხოვნის ფორმა'), და კე დანართი №3 XXX 'საინვესტიციო გეგმა'. წინამდებარე ხელშეკრულების რომელიმე ულება მიიწნევა ძალადაკარგულად ან ილად, ამგვარი ბათილობა გავლენას არ ნიებს ხელშეკრულების სხვა ნებისმიერი ულების იურიდიულ ძალასა ან უნიერებაზე. 'მხარეები' ყველა მიზანშეწონილ ხს მიიღებენ, რათა შეცვალონ ამგვარად ილი დებულებები მსგავსი შინაარსის იიდიული ძალის მქონე დებულებებით. ამდებარე ხელშეკრულებაში ცვლილებების ან ატებების შეტანა შესაძლებელია მხოლოდ ილობითი ფორმით მხარეთა უფლებამოსილი მომადგენლების ხელმოწერით. ამდებარე ხელშეკრულება შედგენილია ლისურ და ქართულ ენებზე თანაბარი იიდიული ძალის მქონე 2 (ორი) ეგზემპლარად. იშნულ ენებს შორის ნებისმიერი საბამობის შემთხვევაში, ქართულ ენაზე გენილ ვარიანტს ენიჭება უპირატესი ძალა. რთულ მხარეს გადაეცემა ხელშეკრულების 1 თი) ეგზემპლარი. ჰშეკრულების მხარეები შეეცდებიან ჯაპარაკების გზით გააღატრან

4. TERMINATION

1. This Agreement shall be terminated at the ex the liabilities of the parties taken by the agreeer
2. This Agreement shall be terminated at the ex term, indicated in Clause 3, unless specifically at the agreement of the parties.
3. The 'Grantor' can terminate the Agreeeme 'Grantee' fails, without justification to fulfill th of the project for which finances has been n being given a notice, still fails to do so or to satisfactory explanation within 30 days of the the letter; or if the 'Grantee' fails without jus to submit its quarterly or annual reports, a given a notice by letter, still fails to do so or to satisfactory explanation within 30 days of the the letter.
4. This Agreement may be terminated by the I other purposes not indicated here, but stipulate agreements, on the same subject matter made the same parties and their counterparts.
5. This Agreement may be terminated for o grounds determined by the Georgia legislation. The Party has to notify the other Party al intention in writing 2 (two) weeks prior to terr

5. MISCELANEOUS PROVISIONS

1. This Agreement is produced according to the law of
2. Indivisible part of the agreement represents App ('Project Budget'); Appendix #2 ('Money request fi also, Appendix #3 XXX Investment Plan.
3. In the event one or more provisions of this Agree whatever reason will be held invalid, such invalid shall not affect any other provision of this Agreeeme 'Parties' shall negotiate in good faith to replace t provision by such provision as has the effect near provision being replaced.
4. This Agreement may be modified only in written by the authorized representatives of Parties.
5. This Agreement is executed in English and languages in 2 (two) original copies having equal le; In case of ambiguity between the English and versions, the Georgian language version shall pre; Party is given 1 (one) Copy of the Agreement.
6. The Parties shall undertake all reasonable measure any disputes, controversies or claims between tl

ნიშნულის დასტურად, მხარეების
ამოსილი წარმომადგენლები ხელს აწერენ
ქვემოთ ხელშეკრულებას.
ქვემოთ (არაკომერციული) იურიდიული პირი

In witness whereof, the authorized representatives of t
of this Agreement sign the agreement:

Non-Entrepreneurial (Non-Commercial) Legal Entity ‘

Bank information:

XXX Bank ‘

Code: XXX

Acct. XXX

Identification Code: XXX

*‘მერსი კორპს’-ის წარმომადგენლობა საქართველო
Mercy Corps representation in Georgia*

მიხილის დირექტორი/ Country Director

*ხელმოწერა: _____/ სახელი, გვარი /
Signature: _____/ name, surname /
თარიღი/ Date: _____*

თიმ ლიდერი/ ALCP Team Leader

*ხელმოწერა: _____ / სახელი, გვარი /
Signature: _____ / name, surname /
თარიღი/ Date: _____*

XXX ოფისის კოორდინატორი/XXX Office Coord

*ხელმოწერა: _____/ სახელი, გვარი /
Signature: _____ / name, surname /
თარიღი/ Date: _____
ფინანსური დირექტორი/ Finance Director*

*ხელმოწერა: _____/ სახელი, გვარი /
Signature : _____ name, surname /
თარიღი/ Date: _____*

ა რეკვიზიტები:

XXX

XXX

შის №: XXX

ჰიფიკაციის კოდი: XXX

უღებელი დირექტორი XXXX

Director of XXXX

წერა: _____/ წარმომადგენლის სახელი,

re: _____ / representative`s name, surname/

ა: _____