



ALCP | Alliances
Caucasus 2
REGIONAL MARKET ALLIANCES IN THE SOUTH CAUCASUS

ALLIANCES CAUCASUS 2
ANNUAL REPORT
MAY 1ST 2022 TO JUNE 30TH 2023



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

**Swiss Agency for Development
and Cooperation SDC**

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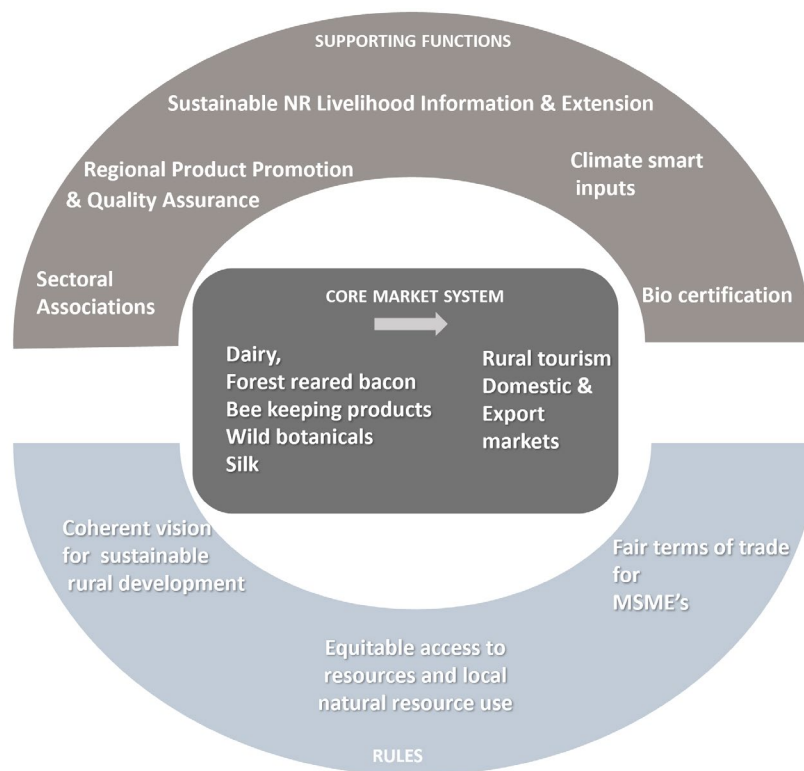
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**შვედეთი
Sverige**



Alliances Caucasus 2 runs from May 2022 to April 2026 with a budget of 6 million CHF. It is a market systems development programme funded by a consortium of donors, the Swiss Development Cooperation (SDC), Sweden and the Austrian Development Cooperation. It targets rural producers in Georgia, working 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 seeks 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 Areas of Intervention

ALCP 2 utilizes extensive networks with all levels of the private sector, civil society and government. It works 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 Northern Caucasus where entry points develop, for example for Georgian regional product development. It continues to promote regional cross border trade and initiatives in information and equitable access to decision making between Georgia, Armenia and Azerbaijan. It incorporated 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

Alliances¹ began in pilot form in 2008. 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 ALCP2 builds on and utilizes over a decade of impact, experience, thought leadership and materials development. 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, are being facilitated to equitably expand further in dairy, honey, rural start-ups and sustainable local rural development with impact registered from the beginning. The Alliances Results Measurement System has been run according to DCED standards since 2011 and was audited twice. The ALCP2 Results Measurement system is built according to DCED standards and will be audited around the 24-month mark of the implementation phase.

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 Ajara 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 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. Total scale half a million HH's, 1078 jobs, 56 million USD to farmers, businesses and employees. Export; 17 destination countries. See [Alliances Aggregated Results 2008-2021](#).

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LIST OF ABBREVIATIONS

ADA	Austrian Development Agency
ADC	Austrian Development Cooperation
AI	Artificial Insemination
AJ	Ajara
ALCP	Alliances Caucasus Programme
AMR	Animal Movement Route
BDS	Business Development Services
BEAM	Building Effective and Accessible market
BEAT	Business Environmental Audit Tool
BEC	Business and Economic Centre
BIG	Business Institute of Georgia
BSEA	Black Sea Eco Academy
CARM	Community Accountability Reporting Mechanisms
CBA	Cost-Benefit Analysis
CEDAW	Convention of the Elimination of Discrimination Against Women (UN)
CEDRIG	Climate Environment Disaster Risk Reduction Implementation Guidance
CENN	Caucasus Environmental NGO Network
CIS	Commonwealth of Independent States
CHF	Swiss Franc
CNF	Caucasus Nature Fund
CSR	Corporate Social Responsibility
DCED	Donor Committee for Enterprise Development
DCFTA	Deep and Comprehensive Free Trade Agreement
DRR	Disaster Risk Reduction
DRRWG	DRR Working Group
EASC	Euro-Asian Council of Standardization Metrology and Certification
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EEU	Eurasian Economic Union
E+I	Employment and Income Network (SDC)
ENPARD	European Neighbourhood Programme for Agriculture and Rural Development
EUAA	European Union Association Agreement
EU	European Union
FAO	Food and Agriculture Organization
FFI	Flora and Fauna International
FS&H	Food Safety and Hygiene
FSIB	Food Safety Inspection Body (Armenia)
GARB	Georgian Association of Regional Broadcasters
GBU	Georgian Beekeepers Union
GEL	Georgian Lira (currency)
GEDSI	Gender Equality, Diversity and Social Inclusion
GHG	Green House Gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GMF	Georgian Milk Federation
GNTA	Georgian National Tourism Administration

GoG	Government of Georgia
GOST	Technical Standards maintained by EASC
GMP	Good Management Practice (FS&H assessment)
GMA	Georgian Marketing Agency
GMM	Georgian Milk Mark
GRETA	Green Economy: Sustainable Mountain Tourism and Organic Agriculture
GSA	Georgian Shepherds Association
GWC	Georgian Wool Company
HACCP	Hazard Analysis Critical Control Point
HH	Household
HoReCa	Hotel Restaurant Café
IAAD	International Association for Agricultural Development
IE	Individual Entrepreneur
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILO	International Labour Organization
ISF	Investment Support Facility
IUCN	International Union for the Conservation of Nature
JBA	Jara Beekeepers Association
KK	Kvemo Kartli
LAG	Local Action Group
LHP's	Livestock and Honey Producers
LLC	Limited Liability Company
LSG	Local Self Government
MAP	Monitoring Action Plan Meeting
M4P	Making Markets Work for the Poor Approach
MC	Mercy Corps
MFI	Micro-Finance Institution
MIA	Ministry of Internal Affairs in Georgia
MOU	Memorandum of Understanding
MENA	Middle East and North Africa
MEPA	Ministry of Environmental Protection and Agriculture
MOAA	Ministry of Agriculture Ajara
MRDI	Ministry for Regional Development and Infrastructure
MSA	Market Systems Approaches
MSD	Market Systems Development
MSME	Micro, Small and Medium Enterprise
NAIC	Net Attributable Income Change
NAITS	National Animal Identification Registration and Traceability System
NDC	Nationally Determined Contribution
NLA	National Agency for Sustainable Land Management and Land Usage Monitoring
NFA	National Food Agency
NNLA	Non-entrepreneurial Non-commercial Legal Entity
NNLP	Non-entrepreneurial Non-commercial Legal Person
OPA	Outside Programme Area
PPP	Public Private Partnership
RC's	Results Chains
RDA	Rural Development Agency

SDA	Strategic Development Agency
SCCSF	Support Centre for Civil Society Formation
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goals
SCO	Swiss Cooperation Office
SECO	State Secretariat for Economic Affairs
Sida	Swedish International Development Cooperation Agency
SJ	Samtskhe-Javakheti
SME	Small & Medium Enterprise
SPPA	Support Programme for Protected Areas (GFA Consultants Group)
SRCA	Scientific-Research Center of Agriculture
TJS	Transboundary Joint Secretariat (WWF)
TOR	Terms of Reference
TRACES	Trade Control and Export System
UK	United Kingdom
UNDP	United Nations Development Programme
USA	United States of America
USD	United States Dollar
WEE	Women's Economic Empowerment
WWF	World Wildlife Fund

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INTRODUCTION TO THE ALCP2 REPORT

The ALCP2 report aims to give a thorough overview of programme implementation including progress against targets. To keep the main body of the report concise, detailed information has been included in comprehensive annexes. For a full and in-depth picture of programme activity and impact it is necessary to read the annexes. They include a description of qualitative, systemic and undefined impact, a selection of stakeholder perspectives, a full breakdown of all investments made in the reporting period and varying short case studies, reports or infographics highlighting happenings of note within the reporting period in more depth than is possible in the main body of the report. The ALCP2 maintains an extensive library of all publications on www.alcp.ge

1. STRATEGIC PROGRAMME OVERVIEW

This section contains a summary overview of the programmes achievements and progress to date and indication of the likelihood of achieving its stated aims. It includes a description of main steering implications for the direction of the programme in the next reporting period and any major constraints to programme implementation.

Table 1 Estimated Impact for ALCP2 to June 30th, 2023.

Purpose: Income increased, and livelihoods improved for rural producers due to better, sustainable productivity, resilient market access, local employment opportunities and more equitable inclusion in natural resource use.	
Purpose Level Indicators	Total estimated results (% Against Target)
# of smallholder farmers/ <i>rural producers</i> with increased incomes from agricultural production/ <i>natural resource-based livelihoods</i>	2,052 ⁱ (46% Women, 26% ethnic minority ⁱⁱ) (11% of targeted 20,000) <i>Ongoing²: 36%</i>
# of persons having new or better employment	44 (29 Women / 15 Men, 41% ethnicity) (29% of targeted 150) <i>Ongoing: 43%</i>
Increased income of rural households*	2,672,201 GEL / 932,705 CHF (54% for Women, 34% for ethnic minorities) (30% of targeted 9 million GEL / 2.8 million CHF) indirect <i>Ongoing: 64%</i>
NAIC value generated by employees	476,612 GEL / 166,357 CHF (66% for women) (24% of targeted 2 million GEL / 0.6 million CHF) <i>Ongoing: 43%</i>
NAIC value generated for programme clients	3,426,824 GEL / 1,196,099 CHF (69% of targeted 5 million GEL / 1.6 CHF) <i>Ongoing: 60%</i>
NAIC value generated by crowding in entities	N/A (1 million GEL / 0.3 million CHF)
NAIC value of MSME financing and public grants	706,820 GEL / 246,709 CHF ⁱⁱⁱ (35% of targeted 2 million GEL / 0.6 million CHF)
% of rural inhabitants/producers with improved general sense of wellbeing/positivity going forward/inclusion	N/A (20%).

* This will be measured as Net Attributable Income Change (NAIC) generated by activity directly attributable to the programme for the HH's of Rural Producers targeted and impacted by the programme.

² SDC requested data on what percentage of impact is based on interventions within sectors which were established under the previous Alliances programme. This is mainly dairies under the Georgian Milk Mark. I.e., New beneficiaries to dairies funded in previous phases who are benefitting from new sectoral facilitation of the GMM undertaken in the ALCP2.

1. *Programme Consortium:* Just outside the reporting period the programme has received verbal confirmation that the final consortium member ADC has concluded a delegated cooperation agreement with SDC for 1 million CHF, completing the full consortium budget of 6 million CHF.

2. *Programme Implementation:* In this reporting period the ALCP2 initiated interventions in all three outcomes, in climate-smart input suppliers, and extension, sectoral associations, private sector entities in dairy, honey and wild botanicals and conservation (see *Annex 8*). The programme facilitated the dairy fair-trade advocacy initiative, commissioned a consultant to develop standards for Traditional Rachuli Lori production and hired a local consultant for silk production. Exciting new entities have been engaged with in regions totally new to the programme such as Samegrelo, Lechkhum, Guria and Shida Kartli fulfilling the commitment to expansion in Western Georgia. The honey sector is now developing with a momentum that resembles that of the dairy sector under the ALCP years previously and the Georgian Milk Mark continues to grow. The sectoral umbrella associations for both honey and dairy association are also growing in strength to provide vital functions in support of the private sector. See *Annex 1*. The foundations have been laid for investments in the Lori and silk sectors which will unfold in the next reporting period. See *Annex 5* and *6*. Regional product development for Rachian Lori, Kakhetian Vichina and a mulberry product and work on disseminating information for sustainable rural development and local natural resource use will also unfold in the next reporting period. Climate change and GEDSI were fully integrated into the market research and new interventions mainstream both climate adaptation and ensure GEDSI e.g. in the choice of the target municipalities in the extension intervention.

3. *Results Measurement and Impact to Date.* As interventions commence huge efforts are underway in results measurement. Results chains have been developed and the concurrent monitoring plans, now baseline data is being collected for all new interventions. Emphasis is also being put on capturing impact for the effect of climate adapted extension and VET modules and to integrating online and digital methods of impact assessment e.g. online questionnaires. The ALCP2 held a meeting with the DCED and have requested an audit from November 2024. Current impact is fully in line with programme implementation.

4. *Government liaison:* In a disappointing set back in the excellent progress on the unfair trade advocacy initiative in which a draft law was finalized, the MOED pulled back from proceeding with the law despite earlier urgings to increase the speed of the consultations. See Outcome 2 for more details. Positives include the high quality of the draft law based on broad stakeholder consensus, the continuing strength of the consortium and the argument itself, which is sound, solidly presented and based on ensuring transparency in the trade agreements of suppliers with supermarkets. The issue is unlikely to go away as the consultation process revealed the breadth of sectors with grievances. The Georgian Milk Mark Federation will now pursue positive media coverage of the issue from the perspective of their dairies. In a great positive, work with the Parliamentary Gender Equality Council and the Women's Rooms Union has finally resulted in an official recommendation for the setup of women's rooms in all municipalities across Georgia as an official facet of local government services. The recommendations significantly strengthen the position of the existing rooms through a full clarification of their role, funding, and structure within the apparatus. Please see *Annex 7* for more details.

5. *Support to the Operating Environment:* Discussions held between SDC and senior programme management on potential areas for SDC Regional Support and Policy Support³ resulted in a concept note for improved media content for rural producers and MSME's in the region and subsequent tender. The ALCP2 also submitted a concept in June 2023 under Policy Support relating to support to Bio expansion in the Honey sector. The programme will work with the winner of the Regional Support tender to implement the project which the programme hopes will commence soon.

³ Described as a Partial Action, funds external to the programme are included under the credit proposal for the ALCP2I to support aspects of the operating environment. In this case Regional Support and Policy Support.

2. EVOLUTION OF THE CONTEXT (1 PAGE)

This section contains any major updates related to state institutions, state regulations, development programmes, economic changes or major internal and external events affecting the operating environment of the programme. It also describes any notable updates to the stakeholder analysis and any issues of note for policy dialogue at the donor level.

UPDATE TO THE OPERATIONAL ENVIRONMENT FOR THE REPORTING PERIOD

State Programmes: On April 3rd, 2023, Enterprise Georgia began accepting applications for the Micro and Small Business Support Program, registration ran until April 27th, 2023, covering any economic activity, except primary production of agriculture. In June, the Rural Development Agency began accepting applications for a new programme for high mountainous regions, registration will run until the budget allocated for this programme runs out. It covers any economic activities except those ones related to primary agricultural production, construction works, equipping slaughterhouses, shopping facilities, and sports services. In January 2023, the Agro Service Center of the Ministry of Agriculture of Ajara (MoA) announced the co-financing of 1,200 beehives for beekeepers in Ajara under the Beekeeping Support Programme. In June 2023, the MoA co-funded honey processing equipment for beekeepers in Ajara.

Food Security: In the reporting period the Georgian Lari (Gel) strengthened by approximately twelve percent against the US dollar⁴ however, food costs increased on average by 3.3% over the previous year. Prices of meat and meat products increased by 9.7%, milk, cheese, and egg increased by 9.3%, the price of vegetables increased by 6.3% and the price of fish increased by 6.0%, according to the latest inflation data from the National Statistics Office of Georgia⁵.

Dairy sector: A key constraint in the dairy sector is unstable and unfair terms of trade between supermarkets and dairy suppliers as currently there is no detailed provision in law for prosecuting unfair retail practices. In June 2023 the Ministry of Economy and Sustainable Development delayed the adoption of the law⁶ to rectify this. For detailed sectoral information see *Outcome 2 Intervention activities*. The USDA Land o Lakes SQIL project expanded provision of free milking machines to milk supplier farmers in Western Georgia and Samtskhe Javakheti regions. Six GMM dairies supported their milk supplier farmers to participate. In June the SQIL project announced a call for beef and dairy processors and feed and vet medicine manufacturers to obtain certified food safety management systems e.g., GMP, HACCP, ISO 22000:2018 for free. The deadline is February, 2024, with applications reviewed monthly. On June 21st the SQIL project also re-announced a grant competition for milk processors and collectors to improve access to infrastructure and modern technologies, the deadline is September 15th. Of undoubted help to those who do receive free services, long term attempts to develop sustainability in the BDS market system will be somewhat undermined.

Climate Change: The impact of climate change on the livestock sector is particularly evident this year. There were excessive rains in the spring and summer, while last year there was a drought in the same period. Frequent rains resulted in abundant grass yields which had a positive effect on the increase in milk production of cattle. Frequent rains also increased hay yields, with each farmer producing fifty more hay bales/ha (25% increase) this year than last year. Hay prices dropped by 2 GEL per bale. However, prolonged rainfalls negatively affected the honey harvest, particularly for acacia honey with an estimated 80% decrease on last year.

Natural Resource Use: In November 2022 changes were made in the Forest Code of Georgia, according to which any businessperson can present an investment proposal to the government and apply for the removal of forest status from a forest area to develop a resort or recreational zone as long as a minimum of 75% of trees have been preserved. There are serious concerns amongst stakeholders as to the inroads this may make in environmentally sensitive areas should local administrative efficiency and transparency not be improved.

⁴ www.investing.com

⁵ Geostat.ge

⁶ It is suspected that this was due to a strong lobby group of retailers/supermarkets.

Stakeholder Analysis: This reporting period continued to see a broadening of new stakeholders in new regions across Georgia. Under Outcome 1 these are the Skills Agency, Momavlis Fermeri and the Regional Development Agency and climate-adapted beehive producers in Guria and Samegrelo. Under Outcome 2 these are bio wax and honey producer companies in Kakheti and Imereti, wild botanicals and mulberry production in Shida Kartli, Samstkhe Javakheti, and Ajara regions, Rachuli Lori and Kakhuri Vichina bacon producers in Racha and Kakheti, Kakhetian breed pig breeders and the Ministry of Environmental Protection and Agriculture and the National Food Agency to develop regulations in Lori (bacon) sector in Racha and Kakheti regions and local self-government and Aisi VET college in the silk sector in Kakheti region. Under Outcome 3 stakeholders related to conservation, local government and natural resources include the Batumi Mayors Office, the Ministries of Agriculture and Finance and Economy of Ajara, Ajara Forest Agency, CENN, ELKANA, Ilia State University and botanical gardens in Zugdidi, Bakuriani and Tbilisi.

3. PROGRAMME OUTCOMES, THEIR PROGRESS AND IMPLEMENTATION

In this section, the ongoing status and impact to date for the reporting period per outcome will be described with their outputs and a narrative description of implementation activities per intervention. The intervention description includes details of main ALCP2 transversal themes, GEDSI, climate change and governance. For additional information on programme implementation see *Annex 1 Main Qualitative Findings*, *Annex 2 Stakeholder Perspectives*, *Annex 3 List of Interventions* (including financial contribution), *Annex 4 Tbilisi Honey Festival*, *Annex 5 Lori Producers Study Tour*, *Annex 6 Piloting Silk Production in Kakheti*, *Annex 7 Goderdzi Alpine Garden Facilitation* and *Annex 8 Recommendations for the Inclusion of Women's Rooms*.

OUTCOME 1 ACCESS TO CLIMATE SMART INPUTS, AGRI INFORMATION, VET AND FINANCING

Outcome 1: Rural producers increase profitability and sustainability due to access to target services and inputs.	
Outcome 1 Indicators	Total results (% Against Target)
# of smallholder farmers applying agro-ecological/sustainable farming practices	716 ^{iv} (10% Women, 2% ethnic minority) (7% of targeted 10,000) <i>Ongoing: 0%</i>
# and % of farm/rural households with increased crop, rural products and livestock productivity	N/A (Women/Men, ethnicity) (10%)
# of entities crowding in	N/A (5)
# of entities expanding their businesses	1 ^v (10% of targeted 10)
# of sustainability advocacy initiatives	3 ^{vi} (75% of targeted 4)
# of persons who consider that they are more resilient to deal with the adverse effects of climate change	N/A (TBD)
% of rural producers actively using learned sustainable practices	N/A (TBD)
# of local entities introducing climate smart initiatives	5 ^{vii} (33% of targeted 15)

Outputs	Indicators
1.1 Facilitated access to tailored agri-information and skills for rural producers and rural MSME's	5,650 ^{viii} of consumers of information products that have agricultural and environmental content (Women/men, ethnicity) 7 ^{ix} of information channels with agricultural and environmental content Inc. newspapers/ TV programmes/ internet/ courses N/A # of universities/ VET colleges integrating/augmenting agri/ environmental journalism/ VET study modules N/A # of journalism university degrees/ VET certifications with agri/ environmental content gained through universities/VET colleges 198* of knowledge transfer services (e.g. SMS's, video's) from industry association/member organizations to members N/A Rural producers' level of satisfaction with quality and applicability of facilitated content (qualitative)
1.2 Facilitated access to affordable climate smart sustainable technologies and production systems for rural producers and MSME's.	9 rural producers accessing target services & information (Women/men, ethnicity) 3 ^{xi} of service providers &/or input suppliers with improved business practices/acumen & outreach to rural markets Rural producers perception of usefulness of facilitated inputs (qualitative)
1.3 Facilitated access to financing, start-up funds and business support and compliance services (including environmental audits and planning) for rural producers and MSME's.	692,403 GEL / 241,676 CHF ^{xii} value of financing leveraged from external sources (women/men/youth) # of MSME's leveraging funding from external sources to the programme e.g. IFI's, government schemes, NGO's, and RSMEDP 47 of women/youth rural businesses started 3 ^{xiii} enterprises supported with business development services (e.g. business management certifications; Food Safety and Hygiene, Environment & Health and Safety 92 ^{xiv} jobs in new or developed financed enterprises (women/men/youth)

OUTCOME 1 INTERVENTION ACTIVITIES (1 PAGE)

This first year of implementation saw the six-month market research pinpointing the direct impact of climate related changes on livestock producers and beekeepers. The second half of the year has focused on commencing interventions targeted to provide inputs to help the target group counteract these adverse effects to their production. Interventions were commenced in veterinary and animal husbandry inputs, climate adapted beehives and equitable dissemination of climate adapted information through the Rural Development Agency network of Information Consultation centres. Access to funds facilitation continued with the expansion of Women's Room Union activities and the develop of a model with the SDC Rural Small & Medium Enterprises Development programme (RSMEDP) for the Georgian Milk Mark Federation to provide funds for business support to their dairies.

Agri Information Dissemination & Skills Development: The ALCP2 submitted a concept note to SDC for the partial action under the ALCP2 for regional support for *Improved media content for MSME's and rural producers dependent on natural resource use in Georgia, Armenia and Azerbaijan*. Proposals were received and ALCP2 facilitation of the chosen implementer will start in August 2023.

An agreement was signed with Momavlis Fermeri an NGO working with agricultural extension and skills development for farmers, to work with twelve select Rural Development Agency (RDA) Information Consultation Centres (ICCs) in twelve municipalities, including four based in Azerbaijani and Armenian communities. The centres will be facilitated to provide farmers with climate adapted extension to help them cope with the adverse of climate change on livestock production. Extension specialists have been trained.

Beekeepers throughout Georgia are being served under a partnership of the Georgian Beekeepers Union with the RDA a. A new module for more sustainable beekeeping was developed in May 2022. In the reporting period 146 trainings for 3,579 beekeepers (158 of whom were women, 21 were Armenian and 32 Azerbaijani beekeepers) were conducted. Four short videos attracted 51,500 unique views on Facebook. Forty-three livestreams have been aired reaching 144,800 views, 1,787 shares, and 4,809 comments. 4,960 leaflets on bee treatment and feeding were disseminated among beekeepers, vet pharmacies, VET colleges and ICCs, covering Armenian and Azerbaijani communities.

Outreach of climate-targeted sales and services: Facilitation of Roki Ltd the largest veterinary inputs and livestock husbandry supplier in Georgia commenced in April. Targeted sales of climate ‘smart’ packages to help livestock producers cope and successfully produce under adverse climate conditions will be undertaken through eighteen focal point vet pharmacies, including four in Armenian and Azerbaijani communities. Research revealed that drought, increased heat and unpredictable weather patterns are having the greatest adverse effects on livestock productivity, resulting in reduced grazing, reduced home grown fodder, heat stress and increased parasites. More limited feed resources must be maximized, and animal immunity must be improved. For example products include vitamins, probiotics and other feed additives to increase digestibility, boost immunity and productivity. Improved gut health improves overall immunity reducing harmful overuse of antibiotics and anthelmintics.

Two beehive producers in Western Georgia were financed to promote and expand their production of climate-adapted beehives. The hives feature better ventilation and thermal insulation protecting bee colonies from fluctuating and unpredictable weather conditions including more extreme temperatures and greater humidity within the hive. The hives are well-suited to transhumance due to their resilience, and lighter weight, also making them easier for female beekeepers to use. The two producers are also working with the Georgian Beekeepers Union (GBU) to establish and promote standardized measurements for beehive production.

The programme is exploring entry points for greater access to affordable no till⁷ technology with Marmot Ltd one of the most successful agricultural implement distributors in Georgia who are particularly interested in no till. The ALCP2 liaised with FAO who have been trialling no till demonstration plots and Marmot and the ALCP2 visited both autumn and spring sown plots plot in Gori and made comparisons between till and no till plots.

Access to Funds: In the reporting period the Women’s Rooms Union promoted access for rural women to government grants and information through the WR’s network including application form writing trainings and jobseekers database creation. Meetings were organized across the WR network in April for Enterprise Georgia and RDA to advertise their programmes. Forty-seven women (4% Armenian women) and nine men have got small grants for their business start-ups from the Micro & Small Grants Programme of Enterprise Georgia, the ENPARD Georgia programme, UNDP Local Action Groups (LAG), CENN, Agroservice Centre of Ajara, Keda and Shuakhevi municipalities. The total amount of funds was 584, 566 Gel and 56 jobs were created. As a result of ALCP2 facilitation, the GMMF applied for a tender for strengthening associations announced by RSMEDP. The total budget is 137,450 Gel, out of which 104,750 GEL is the investment of the programme. See *Outcome 2* for more details. Four WR’s (Keda, Khelvachauri, Shuakhevi, Telavi) started funding women’s start-ups, with the allocation of 30,000 Gel/municipality. Zugdidi Women’s Room established a database of job seekers where 200 women were registered from November 2022 to June 2023, thirty-six women found employment, mostly within the HoReCa sector.

Services to Vulnerable Groups: WR’s remain the chief conduit for GEDSI. Eighteen female victims of domestic violence received psychological and legal help through Akhmeta Women’s Room. Seven women received 500 Gel/each from the local budget to cover their expenses, two are receiving 200 Gel/month rent. In Gurjaani Women’s Room, twenty parents of disabled children received information about the association Dea which will support their interests and needs among public officials.

⁷ No till cultivation is part of conservation agriculture. It involves direct sowing of seed into the soil rather than ploughing and conserves carbon. It also includes specific crop rotations and mulching to conserve carbon and moisture in the soil rather than releasing it.

OUTCOME 2 SUSTAINABLE MARKET ACCESS IN DAIRY, BEEKEEPING, BACON, WILD BOTANICALS AND SILK MARKET SYSTEMS

Outcome 2: Sustainable and diversified MSMEs provide more reliable, value-added market access to rural producers.	
Outcome 2 Indicators	Total results
# of farmers/rural producers integrated into diversified value chains and markets	1,100 (53% Women, 36% ethnic minority) (16% of targeted 7,000) <i>Ongoing: 67%</i>
# of entities crowding in	N/A (5)
# of entities expanding their businesses	11 ^{xv} (110% of target 10)
# of sustainability advocacy initiatives	10 ^{xvi} (125% of targeted 8)
Value of exported products: (Cross border & other countries)	3,177,225 GEL / 1,108,979 CHF ^{xvii} (64% of targeted 5 million GEL / 1.6 million CHF)
Number of MSME's with access to value added and diversified markets (i.e. Bio certified, quality assurance, regional brand, diversified products)	1 ^{xviii} (8% of targeted 12)
% of rural producers' with increased satisfaction with improved access to reliable value-added markets	N/A (TBD %/ qualitative)
Outputs	Indicators
2.1. Increased sustainability, self-representation, empowerment and advocacy for equitable terms of trade by rural producer member associations.	24 ^{xix} of retailers making positive changes to sourcing, purchasing and marketing/sales practice 13 ^{xx} of suppliers with more positive experience of supply/sales 5 ^{xxi} of desired objectives reached by advocacy initiatives 2,696 ^{xxii} of services provided to members 89% ^{xxiii} increase in paying members N/A % of members and perception of improved sense of representation and empowerment (%/qualitative)
2.2. Increased value addition to rural products through enhanced image and promotion of Georgian regions, regional and national products.	N/A # of regional products developed # of products with enhanced value addition N/A # of breeds with enhanced image and recognition N/A # of promotion initiatives N/A Producers and entities' perceptions of product image (qualitative)
2.3. Facilitated access to affordable certification (e.g. bio) and quality assurance (e.g. GMM) for rural producers and MSME's	1 ^{xxiv} MSME's gaining certification (e.g. Bio) 26 of rural producers supply to certified MSME's 72,450 GEL Value of sales of certified MSME's (e.g. Bio) N/A Perceived benefit of attainment of certification. (qualitative)
2.4. Increased volume and value added MSME production of diversified rural products	7 ^{xxv} MSMEs with increased capacity/utilization of value-added meat, milk, honey, wool and other rural raw materials e.g. silk, wild flora, bee products, queen bees 1,074 (485 new and 589 ongoing) rural producers supplying supported entities (Women/Men) and gaining access to diversified markets

In this reporting period, the ALCP2 started implementation of interventions in Outcome 2 following market research which identified likely entry points; including emphasis on advocacy and self-representation of the Georgian Beekeepers Union and Georgian Milk Mark Federation, the development of regional products with forest reared bacon and mulberry, added value through certification and quality assurance in honey production and the Georgian Milk Mark and increased diversified MSME production from investments with new entry points in the sectors described below.

Dairy: In the reporting period focus was on supporting the development of a draft law for addressing unfair trade practices with supermarkets and strengthening the Georgian Milk Mark Federation. In March the ALCP2 facilitated the Georgian Milk Mark Federation to recruit an Executive Director to provide leadership and direction to the GMMF as it develops. The Director actively started engaging members of the federation in discussions on the issue of unfair competition. In November last year, a media campaign was launched on unfair competition. The Director has since given several interviews to thirteen online media outlets which had 43,329 views. As a result of ALCP2 facilitation, the GMMF applied for a tender for strengthening associations announced by the SDC Rural Small & Medium Enterprises Development programme RSMEDP. Just outside the reporting period the Federation signed a grant agreement with RSMEDP to improve the provision of business development and financial services⁸ to the members of the federation.

On February 20th, the Prime Minister announced government readiness to adopt a law on Fair Terms of Trade between suppliers and supermarkets. The ALCP2 provided inputs in discussions in multi-stakeholder meetings⁹ at the Ministry of Economy and Sustainable Development (MOESD) and prepared a draft law addressing unfair terms of trade. Supermarkets were generally vigorously opposed to changes, generally denying that they were required. The MOESD made changes to the submitted draft law and sent it to the ALCP2 and supermarkets for their feedback. Final feedback was submitted by the programme. In June, the Ministry of MOESD delayed¹⁰ the adoption of the law. Programme focus will now be on facilitating a positive media campaign through the GMMF to highlight the issue and to revisit the draft law with more leverage.

The Business Institute of Georgia (BIG) who administers the mark, now has twenty-five Georgian Milk Mark (GMM) dairies with permission to use the mark of whom twenty have started using the mark on their labels. Thirty-three dairies have applications in process. In June 2023, eight GMM dairies participated in the Tbilisi Cheese Festival organized by the Head of the Cheese Producers Guild. Three GMM dairies also participated in a World Milk Day event organized by the USDA SQIL project. One new dairy in Samegrelo has adopted the mark meaning that two new GMM factories are now operating in Western Georgia in the reporting period.

Honey: In the reporting period the ALCP2 signed grant agreements with the Georgian Beekeepers Union, Api Geo Ltd, Royal Honey Ltd, a bio wax producer in Guria and continued facilitation of the Jara Beekeepers Association. The Georgian Beekeepers Union increased its membership by 41%¹¹, uniting nine beekeeping associations and nine more honey companies (to a total of 22), with increased motivation to pay membership fees. GBU income has become more diverse and reached 42,462 GEL compared to 2,020 GEL for 2021. 59% of the income came from paid trainings, 14% from membership fees (a threefold rise from 2022), 26% from Tbilisi Honey Festival profits and 1% from other paid services, demonstrating signs of organizational sustainability. See *Annex 1* for an analysis of the GBU and GMMF.

⁸ Grants and bank loan applications, business plans, accountancy and financial audit, food safety, HACCP, health and safety, environmental assessment and marketing based on a concept agreed between the two programmes. To a total of 137,450 Gel, out of which 104,750 GEL is being funded by RSMEDP and the rest the co-investment of the GMFF dairies.

⁹ MOESD, ALCP2, programme consultants, supermarkets, Retail Associations, producers, and the Georgian Distributors Business Association

¹⁰ Seemingly due to push back from supermarkets an occurrence which happened before when a similar law was proposed in 2019.

¹¹ In 244% increase compared to 2018, GBU founding year.

The GBU has increased its mobility and responsiveness in providing apiary inspection services to beekeepers in seven regions. The GBU has been working with the NAITS programme facilitated by the ALCP2 on how to roll out the Apiary Identification and Registration and on a conference for queen bee export with FAO and the F Benton Association. The Chairman of the Union was invited to speak about *Beekeeping as a tool for local economic development* at the 13th Local Economic Development Forum¹² held in May, 2023. The GBU with the Tbilisi City Hall launched a new Tbilisi Honey Festival in June, 2023 and saw the participation of forty beekeepers, honey producers and beekeeping associations from all regions of Georgia, showcasing their unique honey varieties. 42% of the festival budget came from the participation fees showing the high interest from the companies to invest in promotion. See *Annex 4* for more details. A GBU member also participated in the London Honey Awards winning a platinum medal.

The Jara Beekeepers Association (JBA) is continuing provision of beekeeping services to its members and bio certified beekeepers. This year the JBA increased the number of Jara beekeepers involved in group bio certification from 24 to 32 Jara beekeepers, after a successful shift to group bio certification in 2022 with the support of the Agro Service Center of the Ministry of Agriculture of Ajara and bio farming association Elkana. The JBA will co-finance 30% of the costs with the Agro Service Centre covering the rest. The JBA chairman shared their experience of group bio certification at the Elkana organized Organic Farming and Agroecology conference in June. The JBA presentation spurred RDA representatives interest in supporting JBA group bio certification under the RDA's Bioproduction Promotion Programme. The JBA participated in the Tbilisi Honey Festival in June, where its new cold pressed Bio Jara honey was introduced. One tonne of bottled Bio Jara honey (500 kg of cold pressed Jara honey and 500 kg of Jara chunk honey) is ready for export to Japan. Negotiations with a US based company to export one tonne of Bio Jara honey to the USA is ongoing. Bio Jara honey was presented at BIOFACH 2023 in Nuremberg by Elkana, resulting in two travel agencies becoming interested in including Jara apiary visits in their tours next year.

For the purpose of facilitating the expansion of honey bio certification, the programme signed a target funding agreement with Tamaz Ghlonti, beeswax producer to produce high quality and bio certified beeswax foundation (a major component of organic conversion) for beekeepers throughout Georgia.

Bulk honey exporter Api Geo Ltd has an established market for its acacia bulk honey remaining the largest exporter¹³ to the EU. Despite the lower volumes of acacia honey harvest in 2023, the company has already purchased 20 tons from Lechkhumi region for export to France in August. In 2023, they successfully secured two tenders to supply up to 88 tons of blossom honey to government entities. In 2023, Taplikatsi Ltd exported 4.7 tonnes of five types of honey to Canada and the USA. Royal Honey is in negotiations with exporters from Belgium and Saudi Arabia for export once renovation works and compliance works are completed. The domestic market is also growing for the company with many new interested buyers. All three company's products were showcased at Tbilisi Honey Festival, organized by the Georgian Beekeepers Union.

Bacon (Lori): Work has been focused on building producer group cohesion and agreement on production standards which included a study tour of sixteen Racha Lori producers to Vichina producers in Kakheti. See *Annex 5*. In this reporting period the ALCP2 facilitated a gathering of Lori producers with the Ministry of Environmental Protection and Agriculture (MEPA) and the National Food Agency (NFA) in Racha region, to agree on what constitutes traditional production standards, record these standards and then officially register them in the National Intellectual Property Centre of Georgia as a Geographical Indication for Racha region. In July, the ALCP2 began facilitation with MEPA to prepare specifications for the compliant production of Kakhuri *Vichina* in Kakheti.

¹² Held with support of EU-UNDP M4EG, IOM Georgia, Embassy of Denmark in Georgia and Embassy of Switzerland in Georgia.

¹³ In 2022, 42% of total Georgian honey exported (97 tonnes) was from Api Geo. To date, the company has exported 183 tonnes.

Wild Botanicals: In the reporting period the ALCP2 co-financed pilot interventions with three rural aggregators in this new and extensive sector in Shida Kartli, Ajara regions and SJ regions. The first two collect wild botanicals from rural households all over Georgia which are then dried for both domestic markets and export. Less wastage and improved and compliant processing, storage and transport will increase throughput, sales and value per kg. Sustainable picking practices will be promoted. The third aggregator in SJ is a mulberry processor making Bakmazi¹⁴, fruit leather, mulberry distillate, and dried mulberry using traditional methods and a local white mulberry variety. Improved efficient and compliant processing will increase throughput and local sales to tourists generating income for more supplier HH's. Valuable local trees being cut down and sold to intermediaries who use the wood for furniture will be preserved and new ones cultivated. Development of Bakhmazi as a regional product with clear geographic origin will be facilitated.

Silk: Emphasis has been on identifying a viable geographical entry point in which to generate both production and supporting functions to begin building a silk value chain. Four HH's in Kakheti produced ten kg's of the first silk produced in Georgia for four years. The ALCP2 hired a local Kakhetian sericulture specialist as a consultant who obtained silk eggs from the state laboratory, and tutored the four families in how to rear the eggs please see *Annex 6*. The new silkworm farmers, rural women who wanted to try and learn the process, were identified with the help of Akhmeta Women's Room. Local and national media were intensely interested and picked up the story with alacrity. The programme identified a former cocoon collection and drying facility (standing empty and now degrading) in Akhmeta, Kakheti as the nexus for reinventing the silk value chain in Georgia. The programme hired an engineer who drafted drawings for preserving and renovating the structure. This one remaining soviet era facility from a once thriving industry, just within living memory, will serve as a focal point for rural tourism and education. The building is currently owned by the State Property Agency of the Ministry of Economy and the programme is facilitating local ownership. Aisi VET College, in Akhmeta, which has silk VET courses and is interested in customizing shorter courses to bring more people into silk making and production, was identified as the most viable stakeholder.

OUTCOME 3 EQUITABLE ACCESS TO LOCAL NATURAL RESOURCE USE

Outcome 3: Local institutions provide improved access to more equitable local decision making and agency over natural resource use for rural producers	
Outcome 3 Indicators	Total results (% Against Target)
# of rural producers with improved equitable access to local decision making and agency over NR use	N/A (Women/men, ethnicity) (5,000)
# of local institutions providing improved access to local decision making and agency over NRM and use	N/A (10)
# of entities crowding in	N/A (5)
# local entities expanding their businesses	N/A (10)
# of sustainability advocacy initiatives	2 ^{xxvi} (25% of targeted 8)
% of rural producers' and local MSME's with increased level of satisfaction with inclusive local decision making concerning local natural resource use	N/A (%/qualitative TBD)
Proportion of women with a positive perception of their influence on business and economic-related decision-making	N/A (target TBD)

¹⁴ A reduced mulberry sugar syrup in taste like a fruity treacle. A regional delicacy.

Outputs	Indicators
3.1 Increased informed, equitable participation in local natural resource use initiatives.	N/A # of rural producers with increased knowledge of local natural resource use and management N/A # of more inclusive local natural resource-based initiatives N/A # of rural producers benefitting from inclusive community initiatives N/A Rural producers' sense of empowerment (qualitative)
3.2. Facilitated access to resources and opportunities afforded by local rural hubs.	4,130 (3,212 women) of rural inhabitants with increased access to resources derived through rural hubs 2,508 outreach events e.g. trainings, seminars, open days, for local residents and invited visitors 2 ^{xxvii} of improved linkages public/private with rural hubs 4,130 visitors/users/accessing services of rural hubs. N/A ^{xxviii} # and of value women/men/youth instigated community/livelihood related initiatives N/A Perceived benefit to rural producers of these linkages (qualitative)
3.3. Increased cohesion and purpose of Caucasus region conservation and environment stakeholders.	1 ^{xxix} of regional environmental and sustainable rural development initiatives N/A # of desired objectives reached by environment and sustainable rural development initiatives N/A # of joint/regional education, knowledge exchange and awareness raising activities on sustainable development and climate change

OUTCOME 3 INTERVENTION ACTIVITIES (1 PAGE)

In the reporting period, work under Outcome 3 included laying the foundation for work on increased, informed, equitable participation in local natural resource use, developing rural hubs and forging a wider network of conservation stakeholders for the development of a sustainable rural vision.

Ensuring inclusive participation in rural development: According to ALCP2 market research, local natural resources are under threat from uncontrolled development and underused in terms of sustainable rural tourist initiatives that will sustainably benefit local MSME's and rural producers. Local governments need to be better informed, more efficient and more transparent in their ability to support the sustainable development of their municipality. The programme has started developing a handbook entitled, *A Simple Guide to Positive Rural Development*. This will aim to empower local government and their stakeholders to understand the value of rural natural resources and how to protect them. They will include simple guidelines on transmitting this to the local population and practical tips for starting sustainable rural tourism ventures with special emphasis on the need for preserving natural and cultural areas. A literature review of guidelines and handbooks of CENN, GRETA, Black Sea Eco Academy, Green Alternative, Georgian Speleologists Union, Research Center of the Parliament of Georgia, Ecotourism Association, National Tourism Administration, Batumi State University, Caucasus University has been conducted, ensuring that existing best practices and resources are amalgamated. The guidelines will be disseminated through the programme facilitated rural hubs, the Women Room's Network, botanical gardens and media outlets in targeted municipalities.

Rural Hubs and developing a broader conservation network: Following the market research period, emphasis was on the further development of rural hubs, increasing the sustainability and functionality of existing ones and fostering new ones. The Women's Rooms Union (WRU) intervention funded in March 2023 covers the network of thirty-two rooms and is building the sustainability of the Union to support increased access to equitable and inclusive local resources for rural women and all other parts of local populations. Many of the rooms function as rural hubs in remote areas reaching parts of the population which often go underserved. During the reporting period, the Women's Rooms network gave 4,150 individual consultations and conducted or hosted 2,508 meetings and trainings. The Union network also supports rural women/youth in accessing funds for business

start-ups and creation of new jobs which is reported in *Outcome 1*. The WRU was pivotal in the process of finalizing officially sanctioned recommendations for the set-up of Women's Rooms within the existing local government legislation. After a year of consultation the final recommendations were sent by the Permanent Parliamentary Gender Equality Council to all municipalities in Georgia finally fully validating the Women's Room as a permanent piece of local government services. This is the final fulfilment of ten years of seeking official national recognition for the rooms within the municipal structure. The recommendations were sent to all Local Self Governments in April 2023. See *Annex 7*. The union signed an MoU with the NGO Alliances of Women with Disabilities to increase disabled women and girls access to municipal services in Ajara and with NGO Ecovision to conduct awareness raising activities on sustainable use of forests and promote energy efficient stoves through a co-financing programme of the RDA. The union received two small grants: 5,900 euro from the Women's Fund in Georgia to create women's non-formal discussion spaces in rural Ajara and 2,222 euro from HEKS-EPER Georgia to support women's advocacy initiatives in Ninotsminda municipality, Samtskhe-Javakheti.

In the reporting period Goderdzi Alpine Garden (GAG), suffered a serious threat from unplanned and uncontrolled development¹⁵ next to the garden. Adjacent forest was leased by the Forest Agency with no consultation with the GAG and the leasee started construction without building permits. As a result of ALCP2 facilitation with Ajara Government, local stakeholders and conservation actors, the Ajara Forest Agency has now begun procedures to cancel the lease and the buildings already constructed are being dismantled. A proposition for the creation of a buffer zone, a *Natural Landscape Territory* around the garden was also put forward. See *Annex 8* for full details. The full plan was submitted to the Batumi Mayor, Khulo Mayor and the Ministers of Agriculture and Finance and Economy of Ajara who broadly support the idea. The GAG together with Goderdzi Friends will be facilitated to become the main advocate for environmental value of the Goderdzi Pass. The International Congress of Alpine and Arctic Botanical Gardens which was planned to be held in Goderdzi Alpine Garden in August 2023 was postponed until August 2024 and has been a useful incentive in discussions with government for highlighting the importance of the international reputation of the garden and Ajara.

The programme is continuing facilitation of the creation of an alpine garden in Samegrelo, supported by Samegrelo Governor's Office. *Zugdidi Botanical Garden* (ZBG) became a member of the European Route of Historic Gardens Association, which unites 47 Historic Gardens of thirty two countries in Europe. The Association plans to hold a conference in ZBG in May 2024. As a result of ALCP2 facilitation with the Bakuriani Development Agency and Ilia State University, *Bakuriani Alpine Botanical Garden* (BABG), which has the potential to become a rural hub for Samtskhe-Javakheti region, will soon open its doors to visitors, having been closed for years. The BDA will support improvement of garden infrastructure and the ALCP2 will facilitate the development of garden concept based on the GAG model. The BDA is proving an enthusiastic stakeholder for creating a united vision for rural mountain resort development and conservation. The programme also met with the *National Botanical Garden of Georgia* (NBGG) who are interested in the role of themselves and other gardens in educational programmes and as points of advocacy and dissemination for conservation and rural development in Georgia.

Coalescing of Conservation Stakeholders: In the reporting period it emerged that a draft large-scale plan, the Beshumi Resort and Nearby Territories Master Plan for the development of the Goderdzi pass has been announced for public feedback (which is legally mandated) on Khulo Municipality website. The ALCP2 is now involved in working with conservation and environment stakeholders to actively participate in the revision of the plan to ensure as many environmental safeguards are included as possible. The development of the document and its publication were not widely known. Conservation stakeholders including Batumi Botanical Garden,

¹⁵ A forest plot of 11 787 square meters leased by the Forestry Agency of Adjara. A large-scale project including the construction of 32 guest houses, two private houses, two restaurants, an administration building, parking space, picnic space, football stadium and playground without a construction permit was planned. The parking space of the Goderdzi Alpine Garden was to be used for access and deliver building materials to the mentioned land plot.

members of the local initiative group Goderdzi Friends¹⁶ Ilia State University and CENN. Stakeholders are also aligning around other issues including the idea of creating a Buffer Zone of the Goderdzi Alpine Garden and sustainable use of forests around GAG especially after changes in the Forest Code of Georgia in November 2022. See *Evolution of the Context*. CENN is an active member of Goderdzi Friends and Ilia State University field experts who actively involved in discussions and providing scientific consultation also intend to join Goderdzi Friends.

4. FINANCES AND OPERATIONS

In this section the status of the spending of the implementation budget, any significant budget deviations, the pattern of spending outputs and team management and human resources are discussed for the reporting period.

IMPLEMENTATION BUDGET STATUS UPDATE

No major budget deviations have occurred in the reporting period. Spending remained low in the first half of the period, concordant with carrying out the integrated market research. Spending on new programme interventions commenced in the second half of the reporting period.

Table 2: Investment Support Facility and Technical Contractors (including DCED Audit) Budget Funds and Spending Percentages

ALCP Support Facilities (CHF)	Total Budget from May 2022	Funds remaining December 31st 2022	Funds remaining June 30th 2023
Alliances Investment Support Facility	1,250,000	1,247,758 CHF (0.18% spent)	1,015,584 CHF (19% spent)
Technical Sub Contractors	55,000	50,392 CHF (8.38% spent)	45,357 CHF (18% spent)

DESCRIPTION OF SPENDING OUTPUTS

In this reporting period the ALCP2 commenced investments with private sector entities in three of the five value chains hence the spending on assets, two associations, consultancy and technical support for fair trade in the dairy sector, Lori and silk value chains and GIS mapping, and private sector entities in climate adapted technology (livestock husbandry and beekeeping inputs and climate adapted beehives) and extension interventions. See Figure 1 below and *Annex 3* for more details.

16 Black Sea Eco Academy (BSEA), Mtirala and Machakhela Protected Areas Friends Association, (BSEA), Environmental Association Psovi, Geographic Travel Ltd, Eco Tours Georgia Ltd, Eco Films Ltd, Caucasus Environmental NGO Network (CENN), Botanic Society of Georgia, NGO Environment and development, REC Caucasus, Association Flora and Fauna, Organic Farming Association ELKANA, Environment protection and Sustainable development Support Association Mta-Bari, NGO Green Step, Association Green Sector.

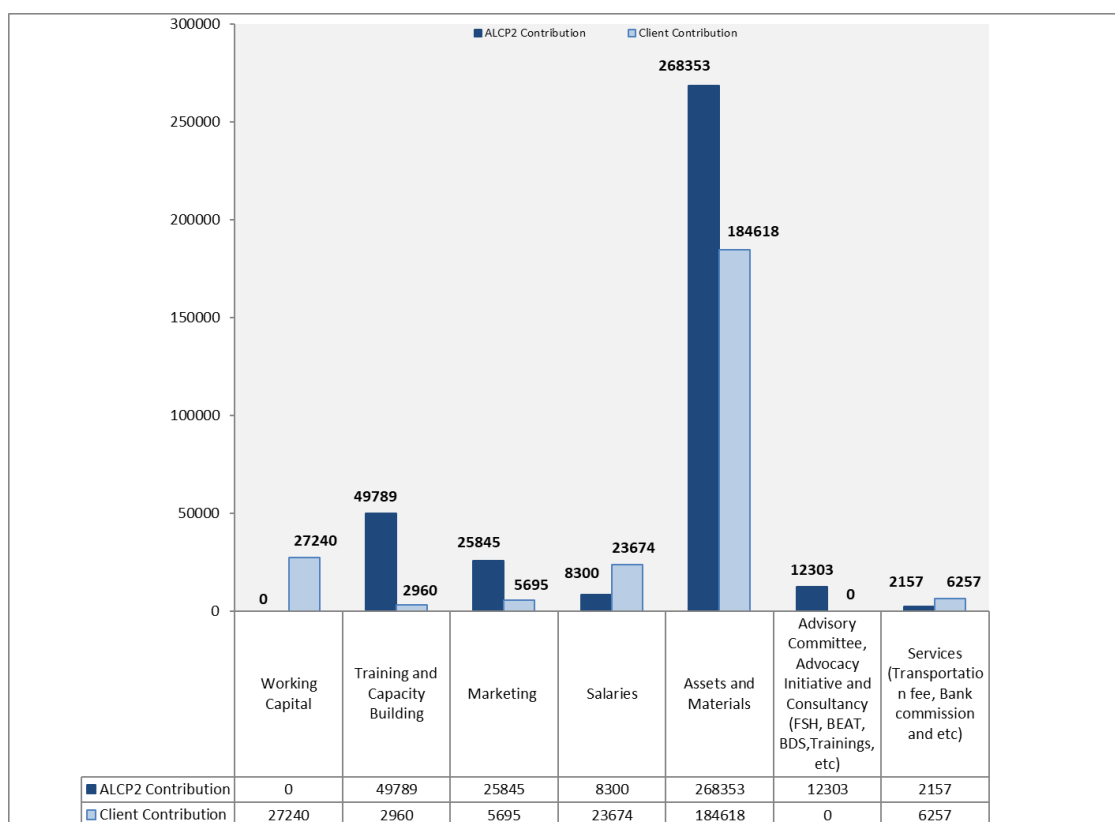


Figure 1. Showing the Outlay of ALCP2 and Client Contributions in the Reporting Period

TEAM MANAGEMENT, HUMAN RESOURCES AND OFFICE MANAGEMENT

All offices are functioning well across Georgia with the Oni office commencing interventions in Lori, honey and WEE. A Senior Programme Officer and the Senior Results Measurement database coordinator from Batumi office moved on in the first half of the reporting period and a part time finance officer moved to a full-time job in April 2023. A new Programme Officer is now fully integrated, a new Results Measurement Officer began work in February and a new financial officer has been recruited.

5. PROGRAMME RELATIONS

This section describes external programme relations in terms of self-review, external communication and dissemination of programme materials, research and publications and networking both internally and externally, coordination and collaboration with other development programmes.

SELF-REVIEW AND DISSEMINATION

The twelve market research reports completed in the first half of the reporting period are published on the new ALCP2 website www.alcp.ge in the Library section. The Livestock and Beekeepers Focus Group Survey was a particularly pivotal piece focussing on surveying farmers and beekeepers for their perspective on and the effects of climate change on their production systems. Climate change and GEDSI were considered as cross cutting themes in each report and a separate GEDSI report was produced.

The [ALCP End of Phase Impact Assessment 2017-2022](#) was completed and posted on the BEAM Exchange¹⁷ in the first quarter of the reporting period. And a [new BEAM ALCP2 programme profile](#) was created. An updated [ALCP2 Investments Manual Version 3](#) including a new chapter on facilitation was published on the BEAM Exchange with a [companion blog piece](#). The [ALCP's WEE work](#) was recognized by the DCED as one of four case studies on the new [WEE Gateway](#). An Alliances case study was included in a GIZ MSD toolbox. The Team Leader has been taking part in a Mercy Corps Technical Support Unit consultancy initiative for the future development of MSD Leaders within Mercy Corps. In May 2023 PMC Research Georgia published a [Honey Production Sector in Georgia Snapshot](#), an external appraisal of the honey sector which highlights the growth of the sector and its potential for export.

NETWORKING, COORDINATION

Coordination: Coordination was ongoing with the SDC RSMEDP for business support services to GMM dairies through the GMMF and the SDC/ADA FAO NAITS programme concerning the Animal Movement Route, registration of apiaries and queen bee export. The ALCP2 programme continues close sectoral coordination with the USDA Land o Lakes Safety and Quality Investment in Livestock (SQIL) project and supported public dissemination of the UNIDO *Typical Georgian Food Products, a National Mapping Summary document*. Just outside the reporting period the team held a meeting with the SDC funded Georgian Swiss Intellectual Property Project implemented by PMCG and two Swiss Government consultants concerning Geographical Indication for food products. The ALCP2 programme had several coordination meetings with the GiZ *Enabling the Implementation of Georgia's Forest Sector Reform/ECO* programme and shared market research documents.

In June 2022 the Ambassadors of Switzerland and Austria and Mission Directors of SDC and ADA celebrated thirty years of development assistance to Georgia by planting a tree in the Goderdzi Alpine Garden. An SDC programme coordination meeting was held in December 2022. The Helvetas Local Economic Development programme and Team leader were introduced and the ALCP2 Team Leader and West Georgia Coordinator attended their opening event in spring 2023. In April 2023 the Swiss Government's Consultative Commission on Development Cooperation visited the ALCP2 who expounded on work in the honey and dairy sectors in two private sector enterprises.

CONCLUSION

As the spending overview shows the programme is well on track. New interventions have begun in new regions and in new value chains with new private sector entry points. Figures based on the foundation laid by the Georgian Milk Mark intervention have been noted as ongoing and their percentage of reported impact will rapidly decrease in subsequent reporting periods. Exciting new inputs suppliers and core market entities have been identified and engaged with in regions totally new to the programme such as Samegrelo, Lechkumi, Guria and Shida Kartli, fulfilling the commitment to expansion in Western Georgia. The foundations have been laid for investments in the silk and Lori sectors which will occur in the next reporting period. The complex and important work in Outcome three will also begin to roll out further in the next reporting period. The team is enthused by the interesting new interventions in new sectors. The scope of results measurement offers a challenge but activities to capture impact are well in hand.

¹⁷The predominant community of practice and information hub for all MSD programmes globally run as part of the Donor Committee for Enterprise Development of which SDC, Sida and ADA are member agencies.

ANNEX 1 MAIN QUALITATIVE FINDINGS PER REPORTING PERIOD

This Annex is based on an overview of systemic changes across the programme. Qualitative assessment records behaviour change and systemic change which includes, crowding in, business expansion and sectoral change attributable to the programme.

In-depth changes were observed related to the dairy and honey sector interventions. Specifically the development of sector-wide associations. Historically, associations have been an extremely difficult development problem in Georgia. In previous decades associations were often thought of as one of the pivotal solutions to sectoral dysfunction, however, healthy associations were impossible in dysfunctional market systems. However, after years of building supporting functions and supporting core markets, sophistication and momentum have grown in the honey and dairy value chains to the point where an association performing multiple functions be they, advocacy, information or supporting functions such as audits are becoming necessary. Building sustainability is still an issue in a market that is still sometimes fragmented and dysfunctional with formalizing private companies who might still have an underdeveloped appreciation or knowledge of the potential and strength to be gained from collective activity.

Systemic Change

Systemic change indicates sustainable growth. Twelve cases of business expansion have been captured in this reporting period covering dairy (10), honey (1) and the Women's Room Union (1). The cases include investment in technology, production and marketing, increased human resources, new sales channels, branding and product development. The value of MSME financing and public grants used for business development is an indicator proving both this expansion and the qualification of the enterprise to gain the funding through formalized and compliant systems. No crowding in has been captured in this reporting period.

Two dairies in Kvemo Kartli (KK), one in Samtskhe Javakheti (SJ) and one in Kakheti upgraded equipment and storage with the help of government agri loans or invested their own savings. Two dairies in KK, one in SJ and one in Kakheti expanded their distribution to new selling points throughout Georgia. One dairy in SJ implemented ISO. One dairy in KK and one in Kakheti bought distribution vehicles. One dairy in Kakheti diversified its product by adding sour cream. One dairy in SJ and one honey company in Kakheti significantly increased their exports to the USA. Compliant FS&H and efficient operations helped the enterprises get loans and start cooperation with supermarkets and exporter companies. All the cases are documented in detail in the ALCP2 Systemic Change Log which is available on request.

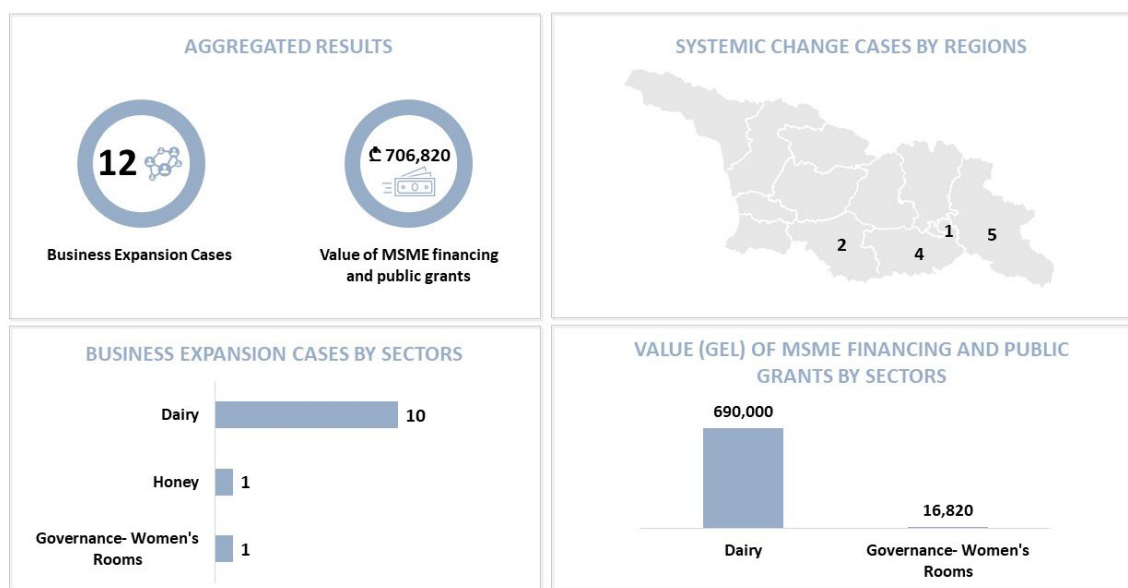


Figure 1 ALCP2 Systemic Change May 2022-June 2023

Dairy and Honey Sector Umbrella Associations

This section provides analysis of the development of the Georgian Beekeepers Union and Georgian Milk Mark Federation.

GBU: In 2018, the ALCP facilitated seven honey associations and two private companies to unite and create an umbrella association, the Georgian Beekeepers Union (GBU), for cohesive advocacy and representation. Now counting nine associations and twenty two private companies the honey sector has seen significant gains, under the auspices of the Union, including a huge decline in the use of prohibited antibiotics. The GBU has taken on the role of creating and enhancing the international image of Georgian honey.

GMMF: The development of the livestock system includes the successful launch and growth of the Georgian Milk Mark and the development of the Georgian Milk Mark Federation for GMM members. Created in 2019 from a coalition of twenty-four member dairies and facilitated by the Business Institute of Georgia (BIG) it currently numbers thirty two companies. The Federation is currently prioritizing advocacy with the government, banks, financial institutions and supermarkets regarding payment terms from supermarkets.

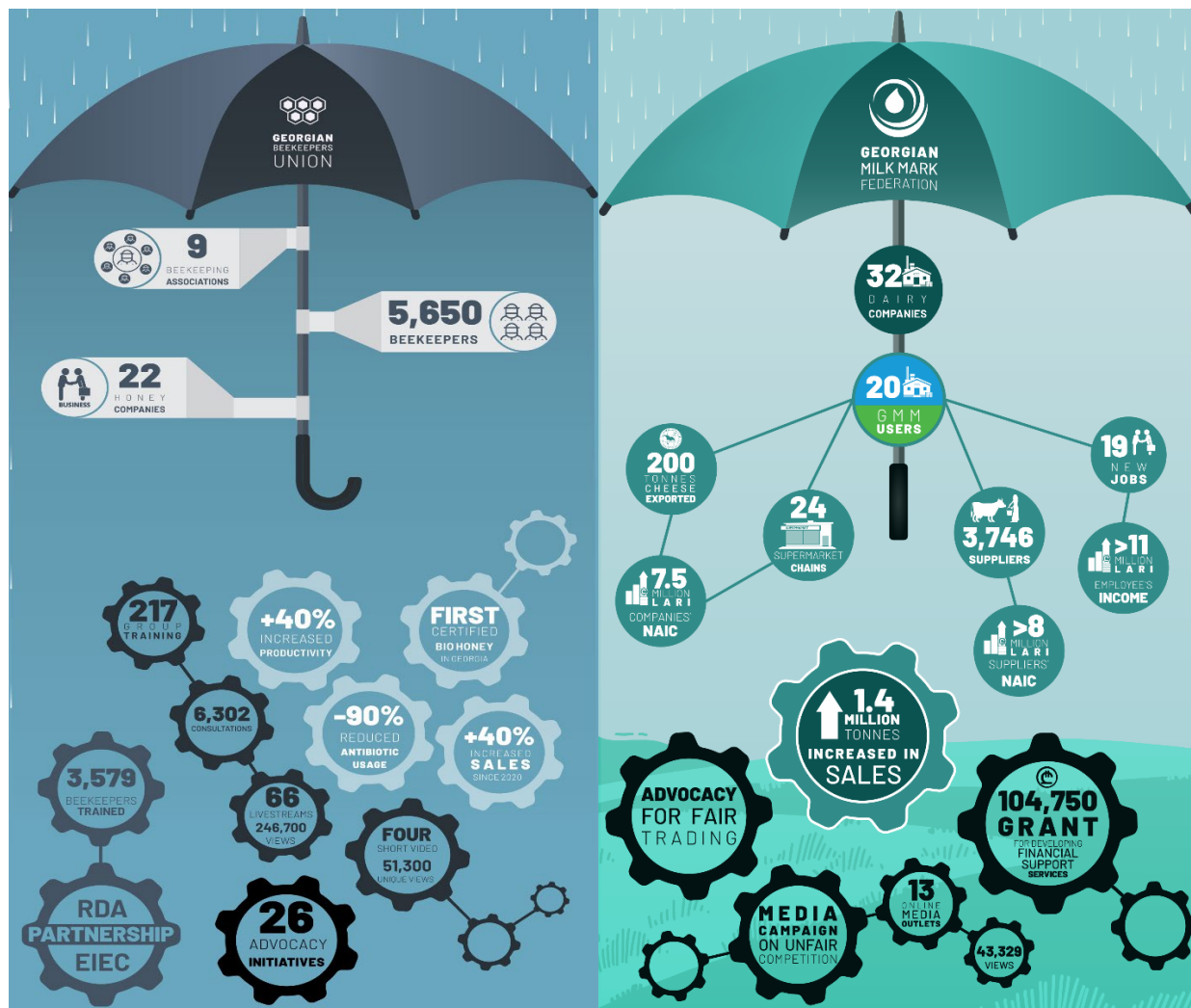






















Figure 1 Highlights the results of associations since 2018 (GBU) and 2019 (GMMF).

In this reporting period, since May 2022, the GBU and GMMF have made significant strides toward sustainability and growth, albeit at different levels. The GBU always had a leading driving force in the person of a technically expert Chairman driving the association's complex activities with excellent sectoral linkages. The main issue of the GBU was the inherent unsustainability of the management structure, with the Chairman as lynch pin of all activities and a lack of vision regarding expanding the beekeeper database and individual beekeeper membership. The GMMF was formed from regional member dairies with little experience of formal channels outside sales and lacked confidence and an experienced administrative and technical lead.

In facilitation with the ALCP2 the GBU is currently investing in knowledge and skills development, improving and adopting new technologies to enhance its management structure, database management and paid services offer. The GMMF also with ALCP2 facilitation have recently hired a new executive director and are actively working to strengthen their organizational structure and division of labour within the organization. Both associations recognize the need to improve their financial sustainability and have taken steps towards that by developing paid services for their members. Additionally, both associations have demonstrated a commitment to advocacy campaigns and have received positive feedback from their members and stakeholders. While the GBU is currently more developed and sustainable, both associations are on a positive trajectory, striving for improvement and growth.

Table 3 Comparison of Sustainability Indicators for Two Umbrella Associations

#	Sustainability Indicators	Georgian Beekeepers Union	Georgian Milk Mark Federation
1	Paying membership fees	97%	80%
2	Providing paid services		
3	Financially sustainable currently		
4	Strong organizational structure		
5	Knowledge & Skills		
6	Technological resources		
7	Strategic Planning: having short- and long-term plans		
8	Current likelihood of bringing plans to fruition		
9	Performing advocacy campaigns		
10	Performing complex and multiple functions		
11	Positive feedback from members		

JARA IN VET

The ALCP and now the ALCP2 engaged in VET as a natural progression to supporting the development of certain value chains. In attempting the renewal of the ancient and dying art of wild Jara beekeeping, VET was essential to spread information and uptake amongst new and perhaps younger people. The same will be seen in the silk value chain. It is essential therefore to capture behaviour change from taking the course rather than just the creation of the course and number of students attending. Fifteen graduates and current students were interviewed.

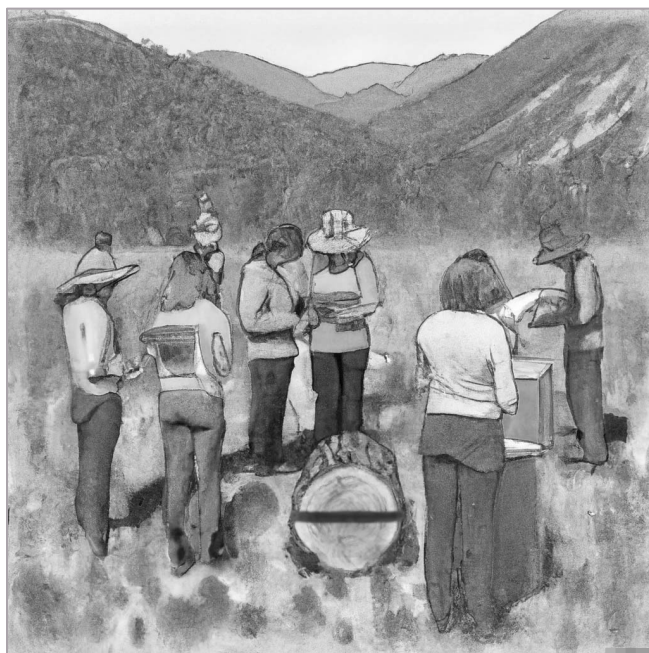
A Jara beekeeping module was inserted into the beekeeping VET course in eight colleges beginning in 2020.

Since 2020, 107 students, from Ajara, Samegrelo, Shida Kartli and Kakheti have studied the Jara module and 121 (30% are women) are currently studying a beekeeping course with integrated Jara module at eight VET colleges.

All students on the beekeeping course own frame hives and are already beekeepers. They generally hear about the VET beekeeping course through college promotions. The majority of the interviewed students who took the Jara beekeeping module intend to start keeping Jara hives alongside their frame hives as they are interested in Jara's traditional methods of beekeeping and high-value Jara honey. They perceive Jara beekeeping as a more manageable practice, as it involves stationary hives that do not require transhumance and are less labour-intensive compared to frame hives, as Jara beekeeping is based on very minimal beekeeper intervention.

25% have already started Jara beekeeping, managing up to six Jara hives each. Furthermore, all of them are going to increase the number of Jara hives for commercial harvesting. Lack of finances and access to Jara hive producers were named as constraints by the majority of students to uptake. Those who have already started production have revived their families' old Jara hives or made them independently.

One male student in Samegrelo utilized knowledge gained on the course to make his own Jara hives. The students want to acquire more information and expressed interest in becoming members of the Jara Beekeepers Association (JBA) to gain access to information and training opportunities.



Students show enthusiasm and engagement in learning about Jara beekeeping and its production prospects.

**DAIRY***Business expansion of GMM dairies*

'We added space for cheese storage and now we can double the amount of stored cheese and make Sulguni in winter when the price for Sulguni is much higher. Over the last two months, we have stored 28 tonnes of cheese.' **A male owner of GMM dairy Tsalka+.**

Satisfied Employee

'During the high milking period for six months, I was seasonally employed at the dairy factory Fidan Natura. This was an additional income for our family. I received 600 Gel/month, 3600 Gel in total.' **A female employee of Fidan Natura, Azerbaijani community.**

**HONEY***Increased role & representation of the GBU*

'I am really pleased with what the GBU has become, the main stakeholder and a voice of Georgian beekeepers while interacting with governmental, non-governmental, or private sector entities. Our ideas are heard, and opinions are considered. After our application, Tbilisi City Hall supported the idea of the first-ever Tbilisi Honey Festival to celebrate and promote the sector.' **A male representative of the GBU.**

Following the path of Jara honey making

'I found out about Jara on the internet and was fascinated by this unique tradition. So, I got some Jara hives just before enrolling in the VET beekeeping programme. I got valuable information about Jara beekeeping during the course and mentors shared important insights that I did not know about, especially treatment practices. I am planning to increase production because the price is higher for Jara honey.' **A female student of beekeeping programme at VET College Gantiadi in Gori.**

**MULBERRY**

'We are collecting mulberries from rural people and making products like Bakmazi (a kind of jam in Samtskhe-Javakheti), fruit leather (a kind of snack made by drying a puree of fruit), mulberry distillate, and dried mulberry. These products are popular among tourists, the demand is increasing every year. After the expansion, more rural people will be able to sell their entire mulberry fruit yield and get from 2 to 3 Gel/kg. Also, preserving mulberry trees will contribute to eco-restoration and soil conservation.' **Beka Vacharidze, the owner of BLG Company Ltd.**

**INPUTS***Climate change effecting livestock welfare*

'The risk of the spread of a number of infectious diseases has increased due to climate change. Heat stress also increased, therefore animal lactation decreased. Temperatures above 30 degrees reduce milk yield. We started working through 18 vet pharmacies to ease the situation of farmers in this regard.' **A communication specialist of veterinary inputs supplier company Roki**

Enhanced Climate adaptive beehive production

'I have been making beehives for seven years now. I have established a strong customer base and the demand is growing. I am booked with orders two months in advance. However, with a limited budget, I could not increase my production capacity. The ALCP2 stepped in and supported me with equipment to meet the increased demand. This will allow for at least 30-40% increase. I am now focused on increasing regional coverage and offering climate-adapted beehives, which are designed to help beekeepers in coping with climate change.' **A male owner of a beehive production facility in Samegrelo.**

Improved extension services in the country

'Our collaboration with the Rural Development Agency and their extension specialists in twelve municipalities will improve extension services in beekeeping, livestock and other sectors helping farmers cope with climate changes which are making production harder.' **The Head of Momavlis Fermeri**

'It is an important activity for the Rural Development Agency, and we embrace it. Strengthening extension specialists in these municipalities will undoubtedly enhance the service to farmers and improve the Agency's capacity to ensure the quality of our service to farmers.' **The Head of the Regional Relations Department at the RDA.**

**LORI**

'Working on the specifications of Lori production and creating an initiative group to have a written form of it, is the work of the century and count on the maximum involvement of our producers in this process at every stage.' **A male Lori producer from Racha region**

**WRU**

'Over the last year we have done a lot of activities, among them I want to highlight two things, first, we established a psycho-social and educational programme where women can speak out in a safe place. Secondly, it was revealed that our job seekers did not have a CV and we started improving their skills in this regard.' **Zugdidi WR's manager, Nino Gvavalia.**

ANNEX 3 LIST OF INTERVENTIONS IN THE REPORTING PERIOD MAY 1ST 2022 TO JUNE 30TH 2023

	Intervention #	Name	Contact	Location	Type	Date	Total Investment & % Contribution		ALCP	Client	3rd Party 18	Rating
1	1.1.1 Momavlis Fermeri/ALCP2 KK-1	Momavlis Fermeri	Rusudan Gigashvili	Tbilisi	To build linkages between rural producers, MSME's and MSME's start-ups to extension, skills, and available funds through the Rural Development Agency and other networks.	25/05/23	\$	35,619	19,815	15,804		Good
							%	100%	56%	44%		
2	1.2.1 I.E. Avtandil Khukhunaishvili / WG – 1	I.E. Avtandil Khukhunaishvili	Avtandil Khukhunaishvili	Lanchkhuti, Guria	To improve production and increase the outreach of climate-adapted beehives	30/03/23	\$	24,481	13,957	10,524		Very Good
							%	100%	57%	43%		
3	1.2.1 I.E. Vladimer Khaburzanian / WG – 1	I.E. Vladimer Khaburzanian	Vladimer Khaburzanian	Jikhashkari, Zugdidi, Samegrelo			\$	21,165	12,785	8,380		Very Good
							%	100%	60%	40%		
4	1.2.1 Ltd ROKI / KK – 1	ROKI Ltd	Davit Bostashvili	Tbilisi	Enhance awareness of Roki's veterinary inputs for sustainable livestock production and increase outreach	01/05/23	\$	33,797	14,622	19,175		Very Good
							%	100%	43%	57%		
5	1.3 /3.2 The Women's Rooms Union	Women's Room Union	Patima Bolkvadze	Khulo, Ajara	Strengthening and expansion of the Women's Rooms Union network	23/03/23	\$	29,090	24,252	2,120	2,718	Good
							%	100%	84%	7%	9%	
6	2.1 Georgian Beekeepers Union (1.1) / WG 1	Georgian Beekeepers Union	Avksenti Papava	Tbilisi	To strengthen the organizational capacity & service provision of GBU and its members.	15/03/23	\$	33,817	25,322	8,495		Very Good
							%	100%	75%	25%		
7	2.2.1 BLG Company/ SJ-1	BLG Company Ltd	Beka Vacharidze.	Tmogvi, Aspindza, Samtskhe-Javakheti	To improve and promote the production of traditional mulberry products like mulberry fruit leather, Bakmazi ¹⁹ , dried fruit and mulberry distillate	26/04/23	\$	75,849	37,398	38,451		Good
							%	100%	49%	51%		
8	2.3.1 I.E. Tamazi Ghlonti/ WG-1	IE Tamazi Ghlonti	Tamazi Ghlonti	Aketi, Lanchkhuti, Guria	To produce a high-quality bio-beeswax foundation using innovative technologies for beekeepers throughout Georgia.	21/03/23	\$	29,902	11,373	18,529		Very Good
							%	100%	38%	62%		
9	2.4 Noma Ltd / WG - 1	Noma Ltd'	Nodar Okropiridze.	Tsikhisdziri, Kobuleti, Ajara	To increase outreach and scale of wild botanicals collection and export, through achieving compliance with the facility and improving the collection process	31/05/23	\$	48,135	28,072	20,063		Good
							%	100%	58%	42%		

¹⁸ Third party contributions in the legal language of the ALCP2 grant agreements specifically refer to part payment or investment for services specified as part of the grant agreement. *Additional Investment: Including co-investment of local government, low interest government loans, bank loans and grants.

¹⁹ Bakmazi is a jam, typical of the Samtskhe-Javakheti region and used as a natural sweetener, often eaten with bread and butter and various cookies.

10	2.4.1 Akhali Produkti / WG – 1	Cooperative RK Akhali Produkti	Mamuka Danelia	Lekhaindrao, Martvili, Samegrelo	Facilitate expansion of Georgian Milk Mark (GMM) production to the WG Samegrelo region	29/12/22	\$	30,283	19,505	10,778		Good
							%	100%	62%	38%		
11	2.4.1 I.E. Giorgi Chkoidze / SJ– 1	I.E. Giorgi Chkoidze	Giorgi Chkoidze.	Zemo Khvedureti, Kareli, Shida Kartli	To be compliant and improve production technology supply and delivery systems of entry point MSMEs in wild botanical market	21/04/23	\$	103,500	64,930	38,570		Good
							%	100%	63%	37%		
12	2.4.1 Royal Honey Ltd / Theme - 1 Kakheti – 1	Royal Honey Ltd	Giorgi Gomelauri	Akhmeta, Kakheti	To increase the volume of production and to start export of Georgian honey	01/03/23	\$	74,036	46,600	27,436		Very Good
							%	100%	63%	37%		
13	2.4.2 APIGEO LLC WG-1	Apigeo LLC	Shalva Ioseliani	Samtredia, Imereti	To increase capacity, improve productivity and expand outreach through enhanced storage utilization, aggregation process and service provision including conducting quick laboratory tests for other MSMEs and beekeepers.	05/05/23	\$	68,201	38,801	29,400		Very Good
							%	100%	57%	43%		
14	3.3 Animal Movement Route /KK-1	Ministry of Environmental Protection and Agriculture	Giorgi Khanishvili	Tbilisi	Facilitate sustainable development of the Animal Movement Route Advisory Committee	07/12/22	\$	2,163	2,163			Very Good
							%	100%	100%			
Service Contracts												
15	Simple service contract	P/E Archil Guchmanidze	Archil Guchmanidze	Batumi	Hydrobiological study of the Goderdzi Alpine Garden Lake	02/08/22	\$	1,009	1,009			Very Good
							%	100%	100%			
16	Simple service contract	Star Consulting Company Ltd	Ekaterine Burkadze	Tbilisi	Assessment of cheese factory Akhali Produkti on Good Management and Good Hygiene Practices.	09/10/22	\$	235	235			Very Good
							%	100%	100%			
17	1.1/1.2 Beka Natsvlshvili/Consultant	Beka Natsvlshvili	Beka Natsvlshvili	Tbilisi	Consultant to assist BIG to facilitate the adoption of a law on the Equitable Terms of Trade between Supermarkets and Dairies	23/01/23	\$	1,000	1,000			Very Good
							%	100%	100%			
18	1.1/1.2 J&T Consulting Company/Consultant	J&T Consulting Company	Giorgi Tsertsvadze	Tbilisi	Consultant to assist BIG to facilitate the adoption of a law on the Equitable Terms of Trade between Supermarkets and Dairies	24/02/23	\$	3,000	3,000			Very Good
							%	100%	100%			
19	2.2.1 Ketevan Laperashvili/Consultant	Ketevan Laperashvili	Ketevan Laperashvili	Tbilisi	Development of specifications and compliance guidelines for Rachuli Lori and Kakhuri "Vichina", which will reflect the traditional method of production	22/05/23	\$	3,946	3,946			Very Good
							%	100%	100%			



To celebrate Georgia's diverse honey production, the unity and success of Georgian beekeepers, and the recent achievements of Georgian honey sector, [the Georgian Beekeepers Union \(GBU\)](#) in tandem with Tbilisi City Hall launched a new Tbilisi Honey Festival marking the beginning of a tradition that will continue annually. The event, which took place on June 24th-25th, saw the participation of about forty beekeepers, honey producers and beekeeping associations from all regions of Georgia, showcasing their unique honey varieties.

This festival attracted a large number of visitors, including locals and tourists, who flocked to the exhibition to experience Georgian honey. From the delicate floral notes of alpine honey to the robust and aromatic chestnut honey, visitors had the opportunity to sample exquisite flavours that capture Georgia's diverse flora.

The festival also featured honey cosmetics, beekeeping inputs, natural health and garden products and traditional and climate-adapted beehives. The Batumi botanical garden displayed their honey plants. The second day of the festival featured a special awards ceremony where winning companies were judged in five categories: Best Honey 2023, Original Branding, Best Branding, Best Beeswax Figures, Best Exhibition Stall.

The groundwork for the Honey Festival began in 2015 with the Batumi Honey Festival which has evolved into a cherished annual tradition. The Tbilisi Honey Festival received extensive coverage from ten media outlets with a total of sixteen reports. Agrogaremo TV dedicated five reports to festival and its participants. First Public Broadcaster produced two reports, a news slot and a report by Ferma. Also, the Ministry of Environment Protection and Agriculture (MEPA) and Tbilisi Mayor's Office published information about the festival on their Facebook pages.

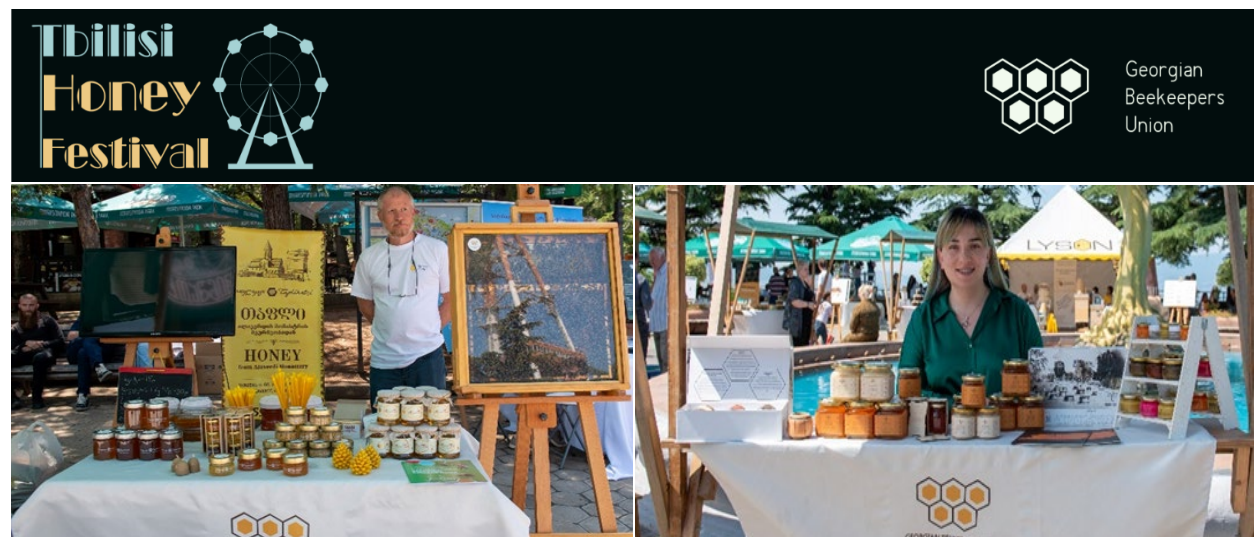




Figure 1 Kakhurian Breed Forest Reared Pigs and Piglets Foraging Naturally

Forest-reared pigs are a key component of traditional Lori production. The Kakhurian breed is a breed specifically adapted to foraging in the forest. In traditional Lori production pigs forage in the forest for acorns, nuts, fruits and greens and this feeding and movement as they forage, means that the fat is well distributed throughout the meat and has an incomparable taste.

A study tour for Rachuli Lori producers to Kakhuri pig farmers who have forest-reared pigs and piglets of the Kakhurian breed was facilitated by the ALCP2 on June 8th-9th 2023 to build linkages between them. These linkages will help the Lori producers to purchase this authentic breed for forest rearing. The study tour forms part of a suite of interventions including developing traditional Lori production standards and uniting Lori stakeholders.

‘By working on the specifications of Rachuli Lori production and creating an initiative group to preserve the artisan production of Rachuli Lori, the ALCP2 is doing the work of the century and can be sure of our support and involvement in this process at every stage. We highly appreciate and understand that Traditional Rachuli Lori production with labelling and packaging will survive against counterfeit Lori made using imported frozen pork’.

Lori producer from Racha.

The Lori producers were delighted by the tour, a growing isolation amongst producers as the requirements of more formal market outlets and food safety and hygiene regulations have increased in recent years, have meant a declining sense of legitimacy and image. Meeting producers in Kakhuri and creating linkages with each other and others outside the region is fuelling a renewed sense of purpose.

During the tour, Lori producers also visited a Kakhuri Vichina (bacon/ham) producer in Kvemo Alvani village, Akhmeta municipality, where they discussed the different techniques for making Lori and Vichina and differences and similarities in a taste and markets.

The programme will continue working with Lori Producers to support the production of compliant Lori as a sustainable rural livelihood for the region.



The ancient tradition of silk production in Georgia is currently on the verge of disappearance. To date there is only one remaining soviet cocoon collection and drying facility in Atskuri village, Akhmeta municipality, Kakheti Region. The facility built in 1971, was used to receive raw silkworm cocoons from farmers, dry and supply the dried cocoons to the silk thread factory in Telavi. Recognizing the untapped potential of this facility, the ALCP2 aims to create a nexus for the revival of the silk value chain in Kakheti as a silk workshop and a tourist attraction with producers in local villagers and the local VET college administering the building and offering short courses.

The interest of the rural population in rearing silkworms and producing cocoons was revealed in the ALCP2 Sericulture Market Research. A local sericulture specialist from the Soviet era who supervised the drying facility was hired as a consultant and supported the farmers who learned about the initiative through the Akhmeta and Gurjaani Women's Rooms. In June 2023, local women harvested ten kilograms of silkworm cocoons with immense enthusiasm, igniting the belief that silk production has the potential to thrive in Georgia. The eggs were obtained from the Sericulture laboratory of the Scientific Research Centre of MEPA. The women dedicated a month of their time in May and June 2023 to rear the silkworms at home.

'The past few weeks have been incredibly captivating for all of us involved; I aspire to continue this in the future and produce more silk cocoons. It is worth mentioning that the interest towards silkworm rearing and cocoon production is quite high. Whilst rearing the silkworms, groups of students and teachers from schools came to see the process. I know other farmers who want to produce silk cocoons next year.'

Farmer from Zemo Alvani village, Akhmeta municipality.

A cocoon harvesting event celebrated the successful production of silk once again, in the villages where silkworm rearing was part of the family tradition for centuries. The precedent has ignited local farmer interest to become involved in cocoon production next season. It has also captured the attention of the local VET college inspiring them to create a short-term course for silkworm rearing and traditional silk handicrafts. The dedication and enthusiasm showed by the local women and the growing interest among farmers and vocational institutions is a promising sign for the future revitalization of the silk industry albeit one now orientated to rural tourism and crafts.

Media too was enthralled by the story see: *A Reportage by the Georgian Public Broadcaster – [Sericulture in Kakheti](#)*;

Please also see: *A short video (ALCP2) - [Cocoon Harvesting in Kakheti](#), A short video (ALCP2) - [Silk Farming, Alvani Village, Kakheti Region](#).*



In April 2022 the Permanent Gender Equality Council of Parliament initiated contact with the ALCP2 facilitated Women's Rooms Union and proposed cooperation for formalizing the standing, functionality and operations of Women's Rooms within the local government structure nationwide. Official formalization of the Women's Rooms has been a goal of facilitation by numerous stakeholders for a decade.

Currently thirty-two municipalities have established WR's²⁰ which is half of the sixty-four rural municipalities in Georgia. This official formalization will make it easier for municipalities who want a room, to set one up and maintain it and it will also stabilize the functionality of the rooms in general, which were always dependent on the personal enthusiasm of the administration for their support and subsequent level of functionality and performance²¹.

The programme facilitated the WRU to hire a parliamentary approved consultant to fully review the issue and produce recommendations to finally absorb the WR's fully and officially into the local government structure nationwide. These recommendations were introduced in July 2022 to all main stakeholders in an online meeting, conducted by the Head of the Parliamentary Council, attended by sixty-two municipality representatives, MRDI and ALCP2 representatives. Further facilitation based on points of action and sticking points from that meeting continued. At the beginning of May 2023 the Council sent the fifty page, finalized recommendations and letter, approved by the Ministry of Rural Development and Infrastructure, to all Local Self Governments. See overleaf for more detail.

Feedback from Nino Tsilosani, Head of the Gender Equality Council of the Parliament:

'The Women's Rooms have been doing key work empowering women in municipalities for years, even when the need for municipal gender councils was not spelled out in legislation. We are glad that several months of tireless work have yielded this fruitful result and we have created a document on institutional strengthening of local gender equality and the Women's Support Spaces - Women's Rooms, which will help many women to be more actively involved in public life. A valuable part of this process was the involvement of the municipalities and practical advice from the Women's Rooms managers and the Women's Rooms Union on which the final recommendations are based. The main purpose of the recommendations is to be a guide for strengthening of gender equality in municipalities. The document was officially sent to the municipalities on behalf of the Gender Equality Council of the Parliament, and we will keep an eye on its effective implementation in future.'

²⁰ Two rooms in Rustavi and Akhaltsikhe are non-operational due to local administration issues.

²¹ Please see [A National Qualitative Review of the Municipal Women's Rooms](#) (Alliances, 2020)

The 50-page recommendation paper issued by the Permanent Parliamentary Gender Equality Council contains an introduction, a main recommendations page and three annexes: *Existing Best Practices*, *How to Allocate the Money for Gender Equality Related Activities in Municipal Budgets*, and *the Women's Rooms Action Plan and Latest Research*.

The recommendations are:

1. The name 'Women's Room' to be replaced with 'Gender Equality and Women's Support Space.' With the name Women's Room in brackets following the new official name for municipalities with existing Women's Rooms.
2. To retain and strengthen the Women's Rooms in those municipalities where this service exists.
3. To copy and create the Gender Equality and Women's Support Spaces in those municipalities where the service has not been implemented yet.
4. New Gender Equality and Women's Support Spaces should be set up under the administrative departments of the Municipality City Hall relevant changes should be made to regulatory documents.
5. The Space should be managed by a coordinator, who is a professional public servant (with the rank and category of the coordinator determined by the municipality).
6. It is important that the Coordinator of the Space and a Person Responsible on Gender (if different persons are employed in these positions) are part of one structural unit and have one direct supervisor who will coordinate both.
7. The roles and responsibilities of the Coordinator and the Person Responsible on Gender should be differentiated and written in detail in their job descriptions.
8. The Coordinator, together with the Person Responsible for Gender, will prepare reports on performed activities and submit them to the mayor of the municipality and to the Gender Equality Council of the Municipality.
9. The Space Coordinator should be appointed secretary of the Council. This will ensure that the activities defined by the action plan of the Council are performed more efficiently.
10. In the municipal budget, under priority 0100, a Gender Equality Support Program/Sub-program should be prepared, and a pertinent budget allocated to a minimum 10,000 Gel/year for conducting the activities of the Gender Equality Council and the Gender Equality and Women's Support Space.

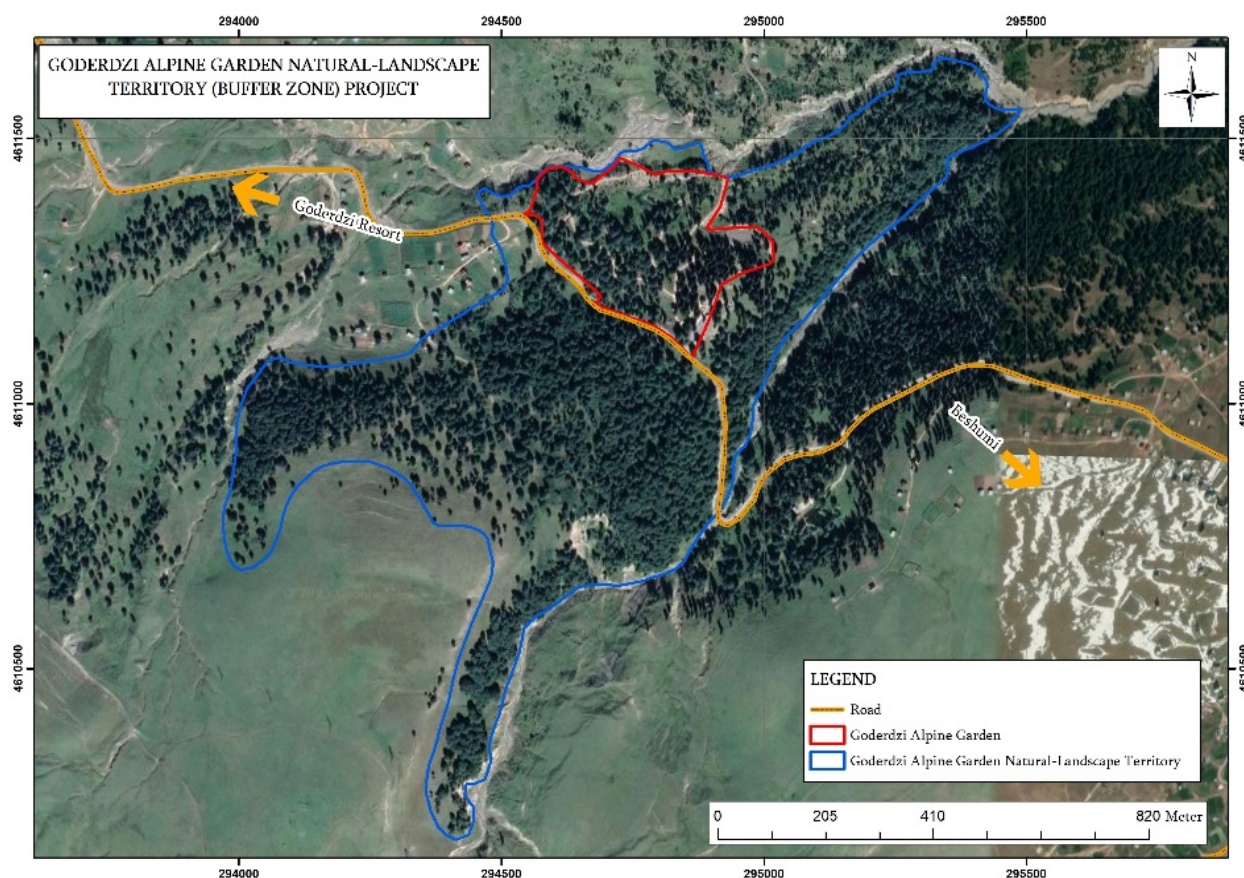


Figure 2 Shows the proposed natural landscape territory (buffer) zone of the Goderdzi Alpine Garden, which was developed based on the scientific consultations of key players in the biodiversity sector, including Batumi Botanical Garden, Ilia State University, and local initiative group Goderdzi Friends Buffer zones around protected areas are standard international practice.

In 2022, the ALCP2 Governance Analysis revealed that construction had started for a large-scale project²² in the forest directly adjacent to the Goderdzi Alpine Garden, using the garden's car park for access. The Forest Agency of Ajara had leased the land during Covid, and building had commenced illegally without a permit. The GAG was not informed. The development, symptomatic of uncontrolled and unsustainable local development clearly posed a risk to the existence of the Goderdzi Alpine Garden. The surroundings of the garden have a distinctive species diversity, level of endemism, taxonomic uniqueness, peculiarity of origin and rarity of habitat. The forest that surrounds the garden represents the subalpine forest ecosystem that sustains and forms a natural 'buffer' for the garden itself.

Therefore, in June 2023 the ALCP2 sent an official letter to Batumi Mayor, Khulo Mayor, Ministers of Finance and Economy and Agriculture of Ajara and the Forest Agency of Ajara proposing the protection of the forest around GAG by creating a Natural-Landscape Territory (buffer zone). The letter included information about the development of the GAG including Ajara government and private sector investments and the involvement of international botanical garden specialists. The letter emphasized the international scientific reputé of the garden and potential for showcasing Ajara region. Since 2016, Goderdzi Alpine Garden has participated in the prestigious Conference of Alpine and Arctic Gardens. The next conference will be held in September 2024 in the GAG, which will host scientists from more than ten European alpine gardens.

²² On a land plot of 11 787 m² leased to a local company by the Forestry Agency of Adjara. The project included construction of 32 guest houses, two private houses, two restaurants, administration building, parking space, picnic space, football stadium and playground.

END NOTES

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- ⁱ This indicator amalgamates impact from different indicators across all outcomes.
 - ⁱⁱ The programme collects breakdown data for different ethnic groups, including data about ethnic Azerbaijanis and ethnic Armenians.
 - ⁱⁱⁱ *Women's Rooms Union* (1); *GMM dairies* (4).
 - ^{iv} 3,579 attended *GBU* training; some have already applied new practices.
 - ^v *Women's Rooms Union* (1).
 - ^{vi} Beehives (1), *GBU* (1), and sustainability Animal Movement Route (1).
 - ^{vii} *Momavlis Fermeri, Roki, Beehives producers* (2), *GBU*
 - ^{viii} All, 5,650 beekeepers registered in *GBU* database covered through SMS, videos, Facebook live streams and TV/social advertisement.
 - ^{ix} *GBU*: training, brochures, SMS, Youtube, Facebook and two TV (Public broadcaster and Adjara TV).
 - ^x *GBU*: 145 trainings, 5 SMSs, 4 Videos, 43 Livestream, 1 brochure.
 - ^{xi} *Roki, Beehives producers* (2)
 - ^{xii} GMMF signed a grant agreement with RSMEDP to co-finance dairies for access to finance, accountant, and BDS services (107,837 Gel) & From the Women's Room total amount of funds amounted to 584,566 Gel.
 - ^{xiii} GMP/GHP assessments for Royal Honey, Akhali Produkti and Noma Ltd.
 - ^{xiv} 56 in financed businesses and 36 through Zugdidi Women's Rooms employment programme.
 - ^{xv} *GMM dairies* (10), honey (1).
 - ^{xvi} Dairy (2), Honey (7) and Lori (1): Out of them, 7 are ongoing and in 3 cases desired objectives have already been reached.
 - ^{xvii} Dairy (4), Honey (1).
 - ^{xviii} *JBA* started group bio certification for 26 beekeepers selling into the export value chain.
 - ^{xix} 24 supermarket chains with *GMM* products.
 - ^{xx} 13 *GMM* dairies started supplying dairy products to new selling points.
 - ^{xxi} In the honey sector, 5 advocacy initiatives reached desired objectives.
 - ^{xxii} *GBU* and *JBA* services to its members.
 - ^{xxiii} On average, 89% of *GMM* and *GBU* members pay the membership fee.
 - ^{xxiv} *JBA* bio certifications for 26 beekeepers.
 - ^{xxv} Dairy entity *Akhali Produkti* in Samegrelo, Beeswax producer, BLG (Mulberry), Sunelis Sakhli, Noma Ltd, Api-Geo & Royal Honey.
 - ^{xxvi} Women's Room (1) and Goderdzi Alpine Garden (1).
 - ^{xxvii} Women's Rooms Union signed memorandums with Ecovision and Heks-Eper Georgia.
 - ^{xxviii} Women's Rooms were involved in the community meetings and the data-gathering process is ongoing. This figure will be reported for the next bi-annual report.
 - ^{xxix} Creation of a Natural Landscape Area of Goderdzi Alpine Garden with the scientific consultations with experts of Batumi Botanical Garden, Ilia State University and Civil Initiative Group Goderdzi Friends uniting 15 organizations.