



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

BI- ANNUAL REPORT APRIL 2021 – SEPTEMBER 2021



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

**Swiss Agency for Development
and Cooperation SDC**

With funding from

 Austrian
Development
Cooperation



KEY CONTACT POINTS

Mercy Corps Europe	Mercy Corps Georgia	Mercy Corps Georgia
Simona Hermelyova	Irakli Kasrashvili	Helen Bradbury
Programme Officer - Asia	Country Director	ALCP Team Leader
96/3 Commercial Quay	48 A.Tsagareli street	8 Megobroba street
Edinburgh	Tbilisi 0194, Georgia	Marneuli 3000, Georgia
Scotland, UK, EH6 6LX	Tel: + 995 (32) 25-24-71	Tel: + 995 (357) 22-00-20
Tel. +42 190 820 3518	Mobile: + 995 (599) 10 43 70	Mobile: + 995 (595) 56 00 69
Email: shermelyova@mercycorps.org	Email: ikashvili@mercycorps.org	Email: teamleader@alcp.ge

NOTE ON ANNEXES

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

LIST OF ABBREVIATIONS

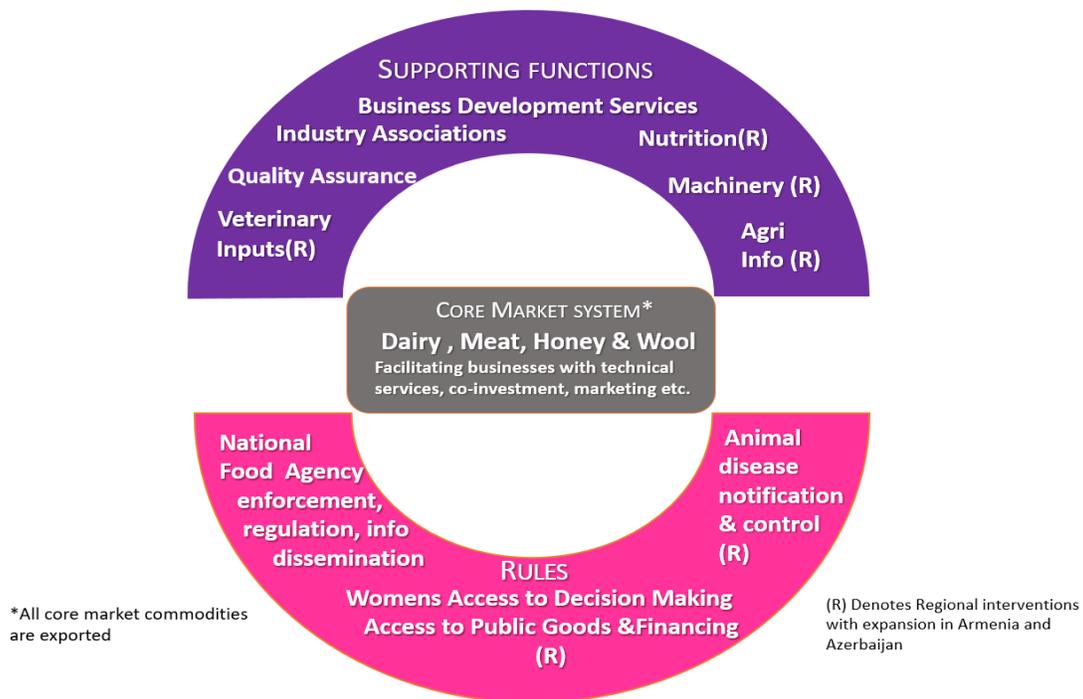
ADC	Austrian Development Cooperation
AI	Artificial Insemination
AJ	Ajara
ALCP	Alliances Caucasus Programme
AMR	Animal Movement Route
BDS	Business Development Services
BEAT	Business Environmental Audit Tool
BEC	Business and Economic Centre
CEDAW	Convention of the Elimination of Discrimination Against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

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

<i>Key Contact Points</i>	2
<i>Note on Annexes</i>	2
LIST OF ABBREVIATIONS	3
PROGRAMME DESCRIPTION	6
STRATEGIC REVIEW AND OUTLOOK	8
MAIN RESULTS ACHIEVED	8
MAIN STEERING IMPLICATIONS FOR THE NEXT PERIOD OF INTERVENTIONS	9
CHAPTER 1 – OPERATIONAL ENVIRONMENT	12
1.1 UPDATE OF THE STAKEHOLDER ANALYSIS	12
1.2 EVOLUTION OF THE CONTEXT (IN PARTICULAR POLITICAL RISKS AND OPPORTUNITIES)	14
1.3 BILATERAL OR MULTILATERAL ISSUES OF NOTE FOR POLICY DIALOGUE	15
CHAPTER 2 – OUTCOMES ACHIEVED SINCE APRIL 2017	16
2.1 QUANTITATIVE RESULTS PER OUTCOME	16
2.2 ASSESSMENT OF OUTCOME ACHIEVEMENT AND LIKELIHOOD OF ACHIEVING THE OUTCOMES IN THE CURRENT PHASE	18
2.3 INFORMATION ON UNDEFINED AND UNINTENDED EFFECTS OF PROGRAMME INTERVENTIONS	19
2.4 INFORMATION ON PROGRESS OF THE IMPLEMENTATION OF SCO TRANSVERSAL THEMES INTERVENTIONS	20
2.5 ILLUSTRATION OF THE PERSPECTIVES OF INVOLVED STAKEHOLDERS	23
CHAPTER 3: OUTPUTS AND PERFORMANCE PER REPORTING PERIOD 2017	24
3.1 SUMMARY OF OUTPUT DELIVERY UNDER THE THREE OUTCOMES	24
3.2 REFERENCE TO INTERVENTIONS/ACTIVITIES PROPOSED AND ACTUAL	30
3.3 IMPLEMENTATION CONSTRAINTS AND WAYS TO OVERCOME THEM	35
3.4 EVENTUAL CHANGES TO MAIN ASSUMPTIONS	36
CHAPTER 4 – FINANCES & OPERATIONS	36
4.1 PERCENTAGE OF BUDGET SPENT VS. PLANNED PER OUTCOME	36
4.2 BUDGET DEVIATIONS AND OUTLOOK FOR THE REST OF THE PHASE	36
4.3 APPRAISAL ON HOW EFFICIENTLY INPUTS WERE CONVERTED INTO OUTPUTS	36
4.4 HUMAN RESOURCES & TEAM MANAGEMENT	37
CHAPTER 5 – GOOD PRACTICE & LESSONS LEARNED	37
5.1 NETWORKING & INTERAGENCY COLLABORATION WITH KEY REGIONAL & NATIONAL PARTNERS, & STAKEHOLDERS	37
5.2 REVIEWS, SELF-EVALUATIONS, RESEARCH AND DISSEMINATION & INTERNATIONAL NETWORKING	38
CONCLUSION	38
ANNEX 1 MAIN QUALITATIVE FINDINGS PER REPORTING PERIOD	39
ANNEX 2 SYSTEMIC CHANGE LOG	42
APPENDIX 3: LIST OF INTERVENTIONS UNDERTAKEN IN THE REPORTING PERIOD APRIL 1ST 2020 TO SEPTEMBER 30TH 2020	43
ANNEX 4: ALCP PROGRESS ON THE INTEGRATION OF ADA ENVIRONMENTAL RECCOMENDATIONS	44
ANNEX 5 REPORT ON ALCP PROGRESS ON ADA SOCIAL STANDARDS APPRAISAL RECOMMENDATIONS	46

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

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



Key Areas of Focus in the Regional Livestock Market System Diagram

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

STRATEGIC REVIEW AND OUTLOOK

MAIN RESULTS ACHIEVED

Table: 1 Quantitative Purpose Level Achievements and Progress Against Targets

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

Actual ³ Impact for ALCP April 2017 to September 2021	
The major target beneficiaries of the programme	Total results (% Against Target)
# of LHP's generating tangible positive income changes due to improved services & markets (Women/Men) (40,000)	54,587 ⁴ (64% women, 36% men) ⁵ (136%) 10,269
# of LHP's served through crowding in	32,169
# of full time job equivalents (Women/Men) (220); (Indirect)	445 ⁶ (238 Women / 207 Men) (202%) 55 (12 women/ 43 Men) ⁷
# of entities crowding in (30)	33 ⁸ (110%)
# of entities expanding their businesses (40)	62 ⁹ (155%)
NAIC value in GEL generated for LHP's (11.5 million Gel) (2 million indirect)	31,440,003 Gel / 10,798,722 CHF (273%) ¹⁰ 2,088,987 Gel/ 717,506 CHF (104%) 671,635 Gel / 260,425 CHF
NAIC value in GEL generated for programme clients (8 million Gel)	13,639,262 GEL / 4,684,687 CHF (170%)

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

³ Estimated figures are adjusted through impact assessments. Previous reports have reported 'estimated' this report details 'actual' data from impact assessments.

⁴ In the current phase, new interventions are more disaggregated and geographically spread in Georgia and Armenia. Hence, there is only 5% overlap rate between outcomes.

⁵ This figure increased after the impact assessments, which showed that women's participation at the household level (64%) is higher than women's percentage who directly access to services (28%). In 64% of the households women takes decisions on how to spend income from the programme related activity independently or together with other households members.

⁶ Dairy (63), Meat (12), Wool (41), Machinery (17), Nutrition (19), Veterinary and ongoing interventions from the previous phase (16), Honey (3), Governance (274: Women's Rooms FS&H, BSPs, Goderdzi Alpine Garden in enterprises from Women's Access to financing. The garden is only counted in this main table and not under any outcome.

⁷ These jobs are from crowding in entities of ongoing and new phase programme interventions since 1 April 2017. Dairy sector (6), Nutrition (7), Meat (14), Veterinary (2), Wool (3). Six jobs were lost due to COVID-19 and six gained so the NET jobs is the same. 23 Jara beekeepers added in 2021.

⁸ Entities copying the business model from: *Agro Trading* (2, 2017,2018), *Roki Ltd* (2,2017, 2018), *Journalists Resource Center* (2, 2017, 2019), *Alali Ltd* (2,2018,2019), *ABBA* (3, 2- 2017, 1-2018), *Marneuli Library*, *Women's Rooms* (2, 2017, 2018), *Darts Group* (2017), *Georgian Wool Company* (3, 2016-2018), *Mar-Mot Ltd* (2, 2018), *Honey Sector Advisory Committee* (2,2018), *Black Sea Eco Academy* (BSEA) (2017), *Women's Business Forum* (Ajara) (3, 2019), *Wool House* in SJ (1,2016), Dairy in KK *Tsintskaro+ Ltd* (2019), *Goderdzi Alpine Garden* (2020), Jara Beekeepers (2021), *Peace Fund for Better Future* (2021), *Khareba Winery* (2021), *Kutaturi* (2021).

⁹ *Agro Trading* (2, 2017, 2018), *GARB*, *Mar-Mot Ltd* (7, 2- 2017, 1- 2018, 1- 2019, 1-2020, 2-2021), *Star Consulting* (3, 2- 2017, 1- 2018), *Intellect/BDS* service in AJ, Dairy in KK *Milken* (2, 1- 2017, 1- 2019), *Ori Gio Ltd* (3, 1- 2017, 1- 2018, 1- 2019), Dairy in AJ *Natural Produktsia Ltd* (6, 1- 2017, 1 – 2018, 2- 2019, 1 – 2020, 1 - 2021), *Georgian Wool Company* (4, 1 -2017, 1- 2018, 1 – 2020, 1 - 2021), *WR – village*, *Roki* (3- 2018), *Impervet.*, *Samkhretis Karibche*, Dairy *JTA*, Dairy in KK *Tsalka +*, *Darts Group/BDS* service in AJ, *Matchakhela Ltd* (2,1 – 2018, 1 – 2021), *EcoFilms Ltd*, *Journalists Resource Center* (2, 1-2018, 1- 2019), *Tsintskaro* (3, 1- 2018, 1- 2019, 1 - 2020), *Black Sea Eco Academy* (2018), *Wool House SJ* (2, 1 – 2019, 1 - 2020), *Goderdzi Alpine Garden* (2019), Newspaper in AJ *Ajara P.S.*(2019), and in 2020 dairies: *Tsivis Kvveli* , *Leanka Ltd* (3,2 – 2020, 1 - 2021), *Elguja Baramidze Ltd*, *Tsipora Samtskhe Ltd* (2,1 -2020, 1 – 2021), *Alpuri Javakheti Ltd*, *Cheese Hut*, and *Kutaturi* slaughterhouse, *Caucascert Ltd* (2021).

¹⁰ There is a 5% overlap rate between outcomes: some interventions operate within different outcomes (e.g. cheese export) and impact is calculated for each outcome. However, to avoid double counting the programme adjusts purpose level figure with the overlap rate.

NAIC value in GEL for crowded in entities ¹¹	2,084,830 GEL / 716,078 CHF
NAIC value in GEL generated by employees (3.5 million Gel, Direct); Indirect	7,413,576 Gel / 2,546,347 CHF (212%) (3,252,112 GEL for Women 4,161,464 GEL for men) Indirect: 482,446 GEL / 203,683 CHF
Total NAIC generated by the programme (Farmers, clients, employees direct/indirect) (25 million GEL)	57,931,308 Gel / 19,927,448 CHF (232%)
NAIC value in GEL SME financing (2 million)	3,823,985 ¹² Gel/ 1,313,427 CHF (191%)
% Social Return on Investment from Alliances Co-Investments	974% ¹³ (Targeted 200%)
% ROI of Alliances clients' investment	344% (Targeted 40%)
Productivity increase in milk, meat and honey yield of LHP's. (10%)	26,870 beneficiary households increased productivity: Agro Trading by 20%, Mar-Mot in Armenia by 32%, and, Jara beekeepers by 30% ¹⁴

MAIN STEERING IMPLICATIONS FOR THE NEXT PERIOD OF INTERVENTIONS

ALCP Operations including Effect of COVID-19: All offices are working successfully and maximizing the geographical synergy of their locations to enhance interventions. The ALCP offices have remained open during the reporting period operating according to strict social distancing, mask wearing and hygiene protocols. All ALCP team members are now partially or fully vaccinated. All team members have been retained despite the upcoming ending of the current phase. During the reporting period, the COVID-19 pandemic and remote working continued to impact to some extent, on interventions that usually involve face to face meetings to galvanize key government entry points, though not to the extent of the previous reporting period and the programme utilized online fora to good effect. The regulatory focus of the NFA which was worsened by the COVID-19 pandemic still has gaps, which increases constraints for clients such as insufficient policing of milk powder usage and sale as natural milk, unregistered factories and backyard slaughtering. The main concern is to now disperse the additional money placed into the Investment Support Facility sustainably and within the programme timeframe in terms of completing all financial due diligence, which at the moment of writing is proceeding well. See *Budget Reallocation and Project Duration below for more details.*

Summer and early autumn allowed more movement and on September 26th, 2021 ALCP Western Georgia office was delighted to host a three day SDC visit introducing work in the honey sector in niche, brand and bulk interventions with a Jara beekeeper and Jara Beekeepers Association Processing Unit, the KTW processing factory in Keda and the ApiGeo bulk honey factory in Imereti, now exporting to France. Environmental and sustainable local economic development work with the Batumi Botanical Garden and the programme facilitated Goderdzi

¹¹ This indicator has been included as sufficient time has now elapsed to enable us to measure it.

¹² Cheese factory, *Tsimtskaro+ Ltd* got 57,000 Gel low interest gov loan, 256,000 Gel from *ENPARD III* and a 50,000 Gel loan from *Crystal Bank* as its match funding for producing bottled milk; its milk collector took a 75,000 Gel loan, and bought a new milk collection car and built a big cowshed; *Milkeni* dairy 40,000 Gel, *Ori Gio* slaughterhouse in Khulo got 174,000 Gel from *ENPARD II* for entrail and fifth quarter processing, a local wool processor *Matkhilis Sakhli* in Akhaltsikhe got a 69,200 Gel loan and 13,600 Gel grants, *Georgian Wool Company* got low interest gov loan 144,600 Gel. *Cooperative Tanadgoma* got 150,000 Gel for construction of a cheese factory; *Goderdzi Alpine Garden* was awarded 28,000 Gel grant from the *ENPARD II* programme in Khulo to purchase solar panels for admin building in the garden; *Ajara P.S.*; 4,200 USD (12,180Gel) from an EU prog to develop export content. *Tsivis Kveli* 400,000 Gel loan from *VTB bank* to increase its turnover by purchasing more milk from farmers, and the company got 67,705 Gel Grant; Milk collector *Jaba Khozevanidze* 75,000 Gel low % loan; *Leanka* 26,000 Gel loan and 71,000 Gel grant; *Akhasheni Dairy Enterprise* 100,000 Produce in Georgia and 230,000 grant; *Marmot* 445,200 Gel low interest loan; *Tsipora Samtkhe* took 77,000 Gel grant. Kutaturi got 167,500 Gel and Agro Trading 1,005,000 Gel low interest loan. Ramaz Janashvili 90,000 Gel loan.

¹³ SROI and ROI calculations from April 2017 include: *Agro trading, Mar-Mot, Alali Ltd-2015, Georgian Wool Company, Dairy* (including GMM) enterprises from *Ajara, KK, SJ and Kakheti, Impervet and KTW.*

¹⁴ Figures for dairy suppliers is actual, adjusted from the [Productivity in ALCP Dairy Suppliers Impact Assessment, 2021](#): it illustrates increased productivity milk and meat due to better livestock feeding practices. Figure for Marmot is also adjusted through the impact assessment. The figure for Jara beekeepers is still estimated which will be adjusted at the end of the year.

Alpine Garden and the work done with the Ajara Chamber of Commerce and Industry with Batumi Business Women's Association, Batumi Women's Room and newly formed Women's Rooms Union and the Ajara Beekeepers Business Association and Georgian Beekeepers Union were also introduced in detail. Key market systems actors who have co facilitated the programme interventions in Ajara since 2014 were visibly enthused by the visit after the hardships and isolation of the pandemic, including the Minister of Agriculture of Ajara, the president of the Chamber of Commerce and Industry of Ajara, the newly elected president of the Women's Rooms Union, the Chairwoman of the Ajara Beekeepers Business Association and the Executive Director of the Georgian Beekeepers Union.

Ongoing Programming including Effect of Covid-19: the extent to which the effects of COVID-19 restrictions and constraints will further affect programming is still unknown. Much depends on whether further lockdowns are required and global impacts, such as increased prices for imports and shipping costs continue or worsen. The importance of an equitable business environment is imperative as margins tighten and transaction costs rise for entities investing in formalization. The dairy sector in particular, is at risk from the asymmetrical relationships and unequitable practices of supermarkets, which now form the main sales outlet for compliant dairies. The ability of businesses and the economy to recover and what the full effect on the operational environment and stakeholders still remains to be seen. The effects of COVID-19 on the operating environment and the businesses within it are now fully mainstreamed in all reporting and assessment. The Impact Assessments recently conducted (see below for more details) all contained questions pertaining to the effects of COVID-19 on programme beneficiaries and will be aggregated and analysed in the *ALCP Impact Assessment Report* to be delivered in the new year. Please see 3.2 *Reference to Interventions and Activities* and 2.4 *Transversal Themes* for more detail on these and other ongoing interventions. Please also see 1.1. *Update to the Stakeholder Analysis* for new players. As well as *Annex 1,2,3* for in-depth qualitative monitoring, systemic change, and interventions undertaken within the reporting period.

Ongoing Interventions: Almost all interventions are proceeding well despite the ongoing COVID-19 uncertainty. Of particular note is the continued growth of the *Georgian Milk Mark*, the *Georgian Beekeepers Union*, the growth in honey export, bio certification and *Jara beekeeping* and its inclusion in the VET college beekeeping curricula. Others include the ongoing regional expansion of *agri journalism* and desire of academic market players to continue the initiative and include more material related to environmental sustainability, the continued growth and function of the *Women's Rooms* as hubs for obtaining access to public goods and the self-propelled formation and functionality of the Women's Rooms Union by Women's Rooms managers. The continued use and functionality of water points and veterinary surveillance points including the new government funded veterinary surveillance point in Mtskheta-Mtianeti on the AMR, can be seen as a highly successful ongoing example of MSD with the public sector as a partner. Meat sector entities are continuing to slowly recover whilst markets remain open, the main casualty in this reporting period has been the Georgian Wool Company whose greasy wool export was brought to a standstill by a drop in global prices for wool combined with the global rise in the cost of shipping which have together made export untenable. Please see 3.2 *Reference to Interventions and Activities* for more detail.

Underpinning New Activities: Programme interventions in the dairy sector, honey sector and the environmental and sustainable local economic development sector are full of vigour and new activities are being generated within interventions which are now underway and would be taken forward to underpin ongoing programming in the proposed programme. In the dairy and environmental sectors these were based on two key pieces of market research undertaken during the reporting period, one investigating terms of trade between SME suppliers and supermarkets, *Investigating an Unlevel Playing Field. Experiences of Dairies Supplying Supermarkets in Georgia* and an in-depth *Conservation Stakeholder Analysis*, based on which multi stakeholder sustainability advocacy is ongoing. Neither are available on the website due to the sensitive market information both contain within ongoing interventions. In the Animal Movement Route new Sheep Dipping Guidelines have been developed to issue to Private Sheep Dip owners and users to limit environmental and health damage and an Animal Movement Route Stakeholders Meeting held just outside the reporting period which included representatives of the NAITS programme resolved that within the remaining ALCP programme the ALCP should facilitate the development of

an Animal Movement Route Road Map to support ongoing sustainability. Please see 3.2 *Reference to Interventions and Activities* and 2.4 *Transversal Themes* for more detail on these and other ongoing interventions.

Validated Approach through External Assessments: Two wide ranging external assessments of the market systems development approach were published during the reporting period and positively corroborated the validity of the MSD approach and the approach as used within the ALCP. The SDC (2021) *Independent Evaluation of SDC's Performance in Market System Development in Agriculture 2013-2019* and the BEAM (2021) [*BEAM Evidence Review. The Results Achieved by Programmes that Use the MSD Approach*](#) . Points of note included rigour in market research and results measurement, ability to generate and document systemic change and ability to generate of Women's Economic Empowerment through innovative and scalable mechanisms

*Impact Assessments*¹⁵: The field work for the programme's impact assessment cycle is almost completed¹⁶ save for some final field work to be completed in the honey sector, despite difficulties thrown up by COVID-19 including cross border travel logistics, as in the current phase, interventions are geographically spread across Georgia and Armenia¹⁷. This will not however affect the overall scale and NAIC, which in this final report of the ALCP is being reported as *actual* (verified by farmer level impact assessment) versus *estimated* (based on repetitive data collection from clients, third party sources and annual qualitative monitoring of farmers uptake, until verified by impact assessment). There is a 5% overlap rate between outcomes and the programme adjusts purpose level figures with the overlap rate.

The impact assessments showed that the estimated scale was in line with actual figures. After the impact assessments, the total scale amounted to 54,587 households, 3% higher than the estimated data. Net additional income however was found to be 2.3 times higher than the estimated figure. Mainly this is due to estimated data being inherently conservative, particularly in Outcome 2 where estimations for the impact for machinery and animal feed were particularly conservative as due to COVID-19 and the Nagorno Karabagh military conflict field trips were untenable, the programme was not in regular field contact with farmers and in these circumstances conservative estimations are used. During the Impact Assessment farmers reported higher benefits than expected. Another significantly higher result was the number of jobs created in Outcome 1 due to the success of the women's access to financing component and jobs created in micro enterprises formed or after receiving grants facilitated through the Rooms. However overall, jobs have been affected by COVID dating back to the lockdown and though recovering, new jobs were slightly under achieved in Outcome 2 and Outcome 3. However, the purpose target has been reached. Analysis of the results has begun and is being accompanied by rigorous triangulation using qualitative data at the farmer, business and sectoral level, monthly client-level data e.g., sales, volumes prices and third-party statistics e.g. government export data and systemic change surveys. An *ALCP Impact Assessment Report* will be finalized in the new year.

Achievement of programme objectives: To date all-purpose level targets have been exceeded. At outcome level they were nearly all exceeded with only a few indicators slightly below target. Impact shows the successful attainment of programme objectives to support the livelihoods of livestock and honey producers through SME sustainability and their outreach to cross border and export markets. 13 entities from four sector have started export within secure trading channels which will generate repeat trade, cross border trade in inputs and services has been established with Armenia, and with one Marmot partner in machinery and in information with Azerbaijan. The number of advocacy initiatives undertaken by programme supported entities also far exceeds the target, showing that system change has taken place and that market actors are acting by and for themselves. Where a few targets have not been quite reached as with scale in Outcome 1 which includes two slaughterhouses hardest hit by HoReCa and export restrictions, it is possible that these may be reached by the end of the programme if no large scale

¹⁵ Impact assessment for the ALCP means ground truthing with a statistically significant sample of end users or beneficiaries, the existence and extent of the benefits of interventions designed to impact them. For a complete explanation of the ALCP RM system please see the [ALCP Results Measurement Manual](#).

¹⁶ Comprising of nine completed and one honey to complete. An additional qualitative survey of the Goderdzi Alpine Garden will also be completed a quantitative Impact Assessment of the garden is untenable as the garden was partially shut due to COVID-19.

¹⁷ Impact assessments for machinery and information were conducted in Armenia.

COVID restrictions take place and the HoReCa sector remains open and SME's can benefit fully from New Year sales.

Future Programming: During the reporting period in June 2021, the ALCP submitted an unsolicited concept note entitled *ALCP 2 Preliminary Strategic Framework* to SDC, ADA and Sida, all donors in Georgia supporting market systems development, regional programming, environmental sustainability, WEE and sustainable rural development. The ALCP solicitation was based on its proven track record as a regional MSD implementer, extensive on the ground capacity and ability to start a new programme immediately. Programming would take the form of an enhanced and extended version of present programming including new agricultural sectors and regions with a strong emphasis on environmental sustainability and inclusive and equitable rural economic development. Just outside the reporting period the ALCP received formal feedback on the solicitation and an invitation from the three donors to prepare and submit a full proposal for submission in December. The proposed programme would be anticipated to begin on May 1st, 2022.

Budget Reallocation and Project Duration: In the *Annual Report April 2020 to March 2021* submitted on May 31st, 2021, an underspend of 516,342 CHF was noted due to COVID-19 related and other effects. A Budget Reallocation Request was submitted to SDC on July 28th, 2021, in which all offices and staff members were retained to the end of March 2022 and 180,000 CHF was reallocated to the Investment Support Facility to further current interventions and help mitigate some of the impacts of COVID-19, leaving an underspend of 260, 925 CHF. Following further discussions, outside the reporting period, on October 8th 2021, the programme was invited to submit an additional Budget Reallocation Request for a one month No Cost Extension in which all offices and staff members are retained to the end of April 2022 in order to be able to disperse a further 120,000 CHF from the Investment Support Facility, to further amplify current interventions and further mitigate some of the impacts of COVID-19. This would mean spending 80.3% of the remaining CHF 260,925 underspend. Spending of the initial additional 180,000 CHF is well on track and the rest has been allocated. Final approval for the second budget reallocation request is in process at the time of writing and a spending plan for the additional 120,000 CHF is in place. Please see *Annex 3 List of Investments made in the reporting period*.

CHAPTER 1 – OPERATIONAL ENVIRONMENT

1.1 UPDATE OF THE STAKEHOLDER ANALYSIS

A broadening of stakeholders continues: with dairies related to the GMM, dairy and honey stakeholders participating in an advocacy initiative to help establish equitable terms of trade between supermarkets and producers, HoReCa sector entities who participated in the Georgian Milk Day event, various university and media participants in regional agri-journalism and conservation stakeholders involved Goderdzi conservation. New stakeholders since the Annual Report April 1st 2020- March 31st 2021 reporting period are in italics:

Georgia: New stakeholders include: *Beka Natsvlishvili and J&T Consulting Company assisting the Business Institute of Georgia (BIG) in unfair trade advocacy*; *Distributors Business Association and Georgian Manufacturers Association*; *HoReCa sector entities, tourism association and tourism companies*¹⁸, *slaughter houses/exporters of live sheep and cattle*¹⁹, *honey export companies*²⁰, *honey producing companies*²¹, VET

¹⁸ Twenty HoReCa sector entities including Hotel Radisson, Tsiskvili restaurant Network, Madart Confectionery wine shop/restaurant 8000 Vintages; Gastronomic Tourism Business Association. Tourism companies: Redline and Saqekspeditia, Magazine 'Gemriaelia' participated in Georgian Milk Day event

¹⁹ Slaughterhouses/exporters: Alali 2015 Ltd, Lasharela Ltd, Kutaturi Ltd, I.E Akhmed Niazov, I.EAiad Safarovi, Meskheta Ltd, B&S Ltd, Shepherds Association, Irqa Ltd, Kusha Ltd, Meskheta Products Ltd

²⁰ Matchakhela Ltd, Taplikatsi Ltd, Geo Natural Ltd, Agro Factory Ltd, Rukhi Queen LLC, MF Company LLC

²¹ ApiGeo Ltd, Metaplia Ltd, Cooperative Racha 2014, Racha Natural Products Cooperative, Honey House, Irinola Ltd, Cooperative Kodi, Cooperative SKA, Bees Ltd, Eco Pack Ltd, AgriApi Ltd, I. E. Tamaz Glonti, Beekeeper Ltd, Cooperative Arto, I.E. Giorgi Kachkachishvili

colleges integrating Jara in their beekeeping programmes²², Agro Duo, dairy survey participants²³, dairy associations²⁴, dairy enterprises IE Ramaz Janashvili, *Fidan Natura Ltd*; cheese exporter companies Laki Ltd, Georgian Imports Ltd, Geoproduct Ltd, TV Pirveli, Imedi TV, Rustavi 2, Agro TV who promoted the GMM animated video, YouTube channel Emili and Emili Family TV, Instagram page ‘The Honey Road’ and Blog ‘Healthy with Honey’ on Jara honey, *Radio Free Europe/Radio Liberty*, *Al Jazeera on Jara Honey*, supermarket chains²⁵, slaughterhouses in Kakheti and Imereti regions: I.E Akhmed Niazov, Kutaturi Ltd; Wool House, Honey factory Api Geo Ltd, *Honey exporter Taplikatsi Ltd*; *vet pharmacies in Telavi and Akhaltsikhe Municipalities. Goderdzi Resort Conservation Stakeholders: Black Sea Eco Academy (BSEA); Mtirala and Machakhela Protected Areas Friends Association; Batumi Botanical Garden; Goderdzi Alpine Garden of the Batumi Botanical Garden; Environmental Association Psovi; Geographic Travel Ltd; Eco Tours Georgia Ltd; Eco Films Ltd; Caucasus Environmental NGO Network (CENN); Keda Lideri; the International Union for Conservation of Nature (IUCN) in Caucasus; Botanic Society of Georgia.* Vocational College Akhali Talgha Black Sea and Batumi State University vocational college in Ajara; College Prestige in Kakheti, The National Agency for Cultural Heritage Preservation of Georgia, Kakheti Beekeepers Association, United Water Supply Company of Georgia – Kakheti and Tbilisi Departments, ‘Georgian Young Lawyers’ Association, UN Women, Elkana, Caucascert, Multitest Ltd, Marketing Company Shindi Ltd, Georgian Hotel, Restaurant and Kafe Federation (HoReKa), Destination Management Organization’s (DMO’s) in Kakheti and SJ regions. Productive relationships with the Ministry of Environment Protection and Agriculture of Georgia (MEPA), Enterprise Georgia, the Rural Development Agency (RDA)²⁶, the NFA, The National Agency for Sustainable Land Management and Land Use Monitoring of the MEPA, The State Property Agency of the Ministry of Economy, National Intellectual Property Centre of Georgia (Sakpatenti) are ongoing. Government entities include: Head of the State Laboratory of Agriculture²⁷ (honey export), Ministry of Agriculture of Ajara (MoAA), Agro-service Center of MoAA, Ministry of Finance and Economy of Ajara, the National Centre for Educational Quality Enhancement of the Ministry of Education, Environment Protection Agency of Ajara, *Georgian National Tourism Administration*, Department of Tourism and Resorts of Ajara, Ministry of Education, Science, Culture and Sport of Georgia, Zestaponi and Ozurgeti Municipalities the Governor’s administration in Racha-Lechkhumi, Oni Municipality in Racha region, and *Zugdidi Municipality in Samegrelo-Zemo Svaneti region (WEE)*, Telavi Municipality City Hall and in agri journalism: Caucasus International University *Multimedia Centre* in Tbilisi and Samtskhe-Javakheti State University in Akhaltsikhe. ; *Kutaisi State University*.

Armenia: *Agri info:* the Media Initiatives Centre of the National Agrarian University of Armenia, Yerevan State University, Bryusov Linguistic University, Vanadzor State University, Armavir College and local ALT TV *Governance & Gender:* Alaverdi Municipality, Lori province, Tumanyan and Tavush municipalities of Lori province, NGO Association of Lawyers Community, Armenia; The Governor of Lori Province; In DRR related to Veterinary Surveillance Points the Food Safety Inspection Body of the Government of the Republic of Armenia (former the State Service for Food Safety of the Ministry of Agriculture of Armenia).

Azerbaijan: Odlar Iurdu University, Baku, NGO Social Progress, Baku. *Suliddin Baghirov freelance journalist*

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

Germany: QSI Laboratory, Eurofins, *German Standard LR-UG. Armen Huttenlocher independent consultant in agri-communication and agri-journalism*

²² Colleges: Iberia in Imereti, Opizari in Samtskhe-Javakheti, Gantiadi in Gori, Farmers’ house in Kakheti, Aisi in Kakheti, Horizonti in Guria, Iliia Tsinamdzvrishvili in Mtskheta Agro Engineering and Food Technology College of N. Nikoladze in Imereti, Shota Meskhia State Teaching University of Zugdidi, Shota Rustaveli State University in Ajara, Black Sea in Keda & Shuakhevi (in Ajara).

²³ Georgian Milk Federation has 25 members. 16 dairies out of 25 have GMM. The rest do not have GMM yet: JTA Ltd, Nobeko Ltd, Odlisi Ltd, I.E Mikheil Matiashvili, Bochola Ltd, Coop. Truth Ertobis Nobati, I.E Petre Feikrishvili, Alpuri Javakheti Ltd, I.E Ramaz Nazarashvili Five dairies/cheese distributors who are not the members of Georgian Milk Federation also participated in the Supermarkets’ Delayed Payment Survey, Shiraki Ltd, I.E Levan Abashidze, Naturaluri Rzis Products Ltd, Papuna Ltd, Cheeseline Ltd, I.E Tsolak Grigoryan, Tsalka +

²⁴ Association Georgian Milk, Association Dairy producers, Guild of Cheese

²⁵ Goodwill, Ori Nabiji, Zgapari, Tserti, Evroproduct, Agro Hub were participated the GMM Cheese evening at 8000 vintages

²⁶ In September 2020 the Agriculture and Rural development Agency (ARDA) was rebranded as a Rural Development Agency (RDA)

²⁷ The laboratory of the Ministry of Agriculture (LMA) was rebranded as the State Laboratory of Agriculture (SLA)

India: Wool intermediary/exporter: Alpha Ltd, Gimach Ltd. Rupesh Kumar & Sons Ltd, *Raju D Parakh Wool Co, Ltd, Vinayak Overseas Ltd*,

Afghanistan: Wool intermediary/exporter: Arif , Canada: Swezard Co, USA: LM-MAN Inc, *Zingerman's Mail Order* .

Ukraine: Regional Channels Union in Ukraine (NAM) ensuring dissemination Jara Movie among eighty local TVs, QTL Laboratory, *Volinsk Branch of AT, National Public TV and Radio Company*. Dubai: Future Five Exhibition Organizing L.L.C, Japan: STH Earth, *MYM International*, China: *Georgian Vine Ltd*

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

COVID-19: Some restrictions were lifted from June 1st, 2021, including reopening land borders for the citizens of EU states and 40 other countries as well as for residents of Georgia who must all satisfy stringent PCR testing requirements. The HoReCa sector reopened and curfew was cancelled, however holding weddings, funerals other social events with gatherings of more than ten people should not be held and restaurants and bars are allowed to operate only until 23:00. From the middle of July when the cases of infections and death significantly increased some restrictions were re-imposed. Vaccination commenced in March with a total of 1,882,118 persons vaccinated at the time of writing and is proceeding slowly.

State Programmes: In September 2021, a new farm mechanization programme was launched by the Rural Development Agency, with a budget of 50 million Gel. Co-investment from the government ranges from 30-35%. The programme is implemented in all municipalities and cities of Georgia. Outside of the reporting period, on October 4th 2021 the Government of Georgia launched a new programme Access to Pasture which will be implemented by the National Agency of Sustainable Land Management and Land Usage Monitoring of MEPA. The programme will allow livestock farmers to lease state owned pasture (in total 90,000 Hectares) for up to three years through auction.

Village Support Programme: Through the Village Support Programme 2021, more than 3700 projects initiated by local population were funded with a total budget of 40 million Gel.

Dairy sector: Insufficient control of unregistered dairy enterprises by the NFA still creates an unfair business environment for dairies processing natural raw milk. Implementation of regulations, which required all dairy producers to be registered in the NFA and in the public registry, has been postponed due to COVID-19. Another key constraint in the dairy sector is unstable and unfair terms of trade between supermarkets and dairy suppliers. There is currently no detailed provision for prosecuting unfair retail practices. For detailed sectoral information see 3.2 *Reference to Interventions/Activities Proposed interventions and Actual*.

Regulations: From June 1st, 2021, implementation of HACCP (Hazard Analysis and Critical Control Points) became obligatory for the HoReCa sector. For other types of food production businesses e.g. bread production, juice production. HACCP will be mandatory from January 2022.

Honey: A new regulation in which, beekeepers owning more than 10 beehives/bee colonies should register as business operators remains postponed due to COVID-19. According to another new Government Regulation, 173, which entered into force in January 2021, business operators producing honey are obliged to have HACCP implemented in the factory. The number of honey companies applying for NFA recognition²⁸ has significantly increased²⁹ in this reporting period. Honey export has increased fifty times since 2017 and five times since 2020³⁰. Eight Georgian companies³¹ are now exporting honey.

²⁸Granted based on NFA inspection of the factory/processing unit according to FS&H standard. The factory/processing unit recognition is a must for compliant honey packaging and labelling, especially for honey export

²⁹ Seven companies applied for and received NFA recognition in this reporting period becoming fourteen in total.

³⁰ From 2.2t in 2017 and 21.7t in 2020 to 117t in 2021 (9 months)

³¹ Taplikatsi Ltd, Geo Natural Ltd, Matchakhela Ltd, KTW Agro Keda Ltd, Rukhi Queen LLC Agro Factory Ltd Api Geo Ltd and MF Company Ltd

Veterinary: A National Animal Identification, Registration and Traceability System, facilitated by the FAO/NAITS programme, was finalized in 2020 followed by trainings for veterinarians on using the system. Up to 1,000 vets have been trained to date. Currently 184,774 heads of large and small ruminants have been entered into the system. From January 2022, the government will provide compensation for animal death caused by Anthrax. To receive the reimbursement the animals must be present in the NAITS database. The NFA is going to add information on apiaries to the system, the data of 5,500 beekeepers was provided by the Georgian Beekeepers Union. The NFA's free Brucellosis vaccination campaign continues. In 2021, 135 798 cattle and 2 730 sheep have been vaccinated so far. The campaign will continue without charge for the next few years.

Changes in Local, Regional and Central Government: In January 2021, Giorgi Romanadze was appointed as the new Chairman of the Ajara Chamber of Commerce and Industry (ACCI). Manana Bolkvadze was re-appointed as the chairwoman of the Ajara Beekeepers Business Association (ABBA) and was appointed as the Head of the GBU Board. Avksenti Papava was re-elected as the GBU Executive Director in August, 2021.

1.3 BILATERAL OR MULTILATERAL ISSUES OF NOTE FOR POLICY DIALOGUE

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

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

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

CHAPTER 2 – OUTCOMES ACHIEVED SINCE APRIL 2017

2.1 QUANTITATIVE RESULTS PER OUTCOME

Table 2: Achievements of Outcome³² Indicators Measured Against Target Values

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

OUTCOME 1: Livestock and Honey Producers in Georgia strengthen their position in the market system and increase their income thanks to reliable market access to diversified opportunities from sustainable SME's in the meat, dairy, honey and wool sectors.	
Indicators	Estimated Alliances Programme Results (2017-to date)
# of LHP's generating tangible positive income changes due to sustainable diversified market access and better terms of trade (Women/men) (7500)	5,950 ³³ (61% women, 39% men) (79%)
# of full time job equivalents (Women/Men) (80)	291 ³⁴ (208 Women / 87 Men) (364%)
# of HoReCa/retailer entities integrating food safety hygiene compliance and good management practices into business management (350)	485 ³⁵ (139%)
# of entities crowding in (13)	14 ³⁶ (108%)
# of livestock and honey sector sustainability advocacy initiatives (16)	40 ³⁷ (250%)
# of SME obtaining external funds / finances (20/2 million)	17 / 3,823,985 Gel (85% /191%)

³² Outcome values for NAIC have not been adjusted based on Impact Assessment they remain a reflection of aggregated data per intervention which does not capture the impact of synergy, information and governance.

³³ These figures come from dairy interventions (including GMM), and from Kutaturi and Niazovi slaughterhouses, both were badly affected by closure of the HoReCa sector and border trade respectively. The two slaughterhouses are now picking up.

³⁴ Dairy enterprises, GMM intervention, *Impervet* Zugdidi, BSP, GBU and *Women's Rooms* and *WR Access to Financing* micro enterprises.

³⁵ *Shervasi* provided disinfection services to 290 HoReCa entities *Star Consulting* trained 195 HoReCa sector representatives.

³⁶ Women's Rooms (2), Darts group, Honey Sector Advisory Committee (2), ABBA (3), Wool House in SJ, Dairy in KK Tsintskaro+Ltd, Women's Business Forum (Ajara) (3), Kutaturi (1).

³⁷ Meat Advisory Committee Meeting; Honey advisory committee (2); Meeting with honey stakeholders to create Honey Umbrella Association; *ABBA* database of honey producers in Georgia; Creation of GBU; 1st meeting with Dairy entities to present natural raw milk; *Natural Produktsia. Ltd* established dairy association of milk suppliers; 2 additional meeting with dairies; GMM official presentation *Hualing Hotel* January 22nd 2019; coordination meeting between BIG GMA and Dairies; Coordination meeting between *GMF* and dairies to lobby GMM in Government; Coordination meeting between *GMF*, dairies, Associations to lobby for Georgian Raw Milk in Government; meeting *FSIB*, former *SSF* to copy the *VSP* model; *AMR* Advisory Committee on Access to Water for Seasonal Migrating Animals; Presentation of the report *Livestock Seasonal Migration and BSP (VSP)* in Armenia; GBU advocacy to state procurement agency to buy Georgian honey (2019); Online meeting between *GMF* and *GMM* dairies to plan advocacy campaigns; GBU facilitated meeting with *VET* collages to add *Jara* in beekeeping progs; *JBA* advocacy to *Agroservice* to finance bio-certification of 24 *Jara* beekeepers; GBU advocacy prohibiting importing foreign queen bees to protect Caucasian grey bees (2020); GBU advocacy to increase of consumption of honey by broadcasting social add in media (2020); GBU advocacy for permits for beekeepers during the curfew (2020); GBU gaining permits for beekeepers in curfew (2020); GBU, *RDA*, *MEPA* advocated with *MOA* to increase awareness regarding most common bee diseases; GBU advocacy for usage of local laboratory services; GBU advocacy with professional collages to integrate and update *Jara* beekeeping study modules; GBU advocacy with *NFA* to identify and register bee colonies; GBU advocacy for gaining a cultural heritage status for *Jara* beekeeping; GBU advocated with *MEPA* and other honey stakeholders to open discussions about honey export; *JBA* advocacy for co-financing bio certification for its member beekeepers and its processing unit by the *Agro Service Centre* of the Ministry of Agriculture of *Adjara*; GBU advocacy for new regulations to control import of bee colonies in Georgia; GBU advocacy for the interest of beekeepers during forest regulation; In March 2021 the *BIG* with the *RDA* prepared and printed 10,000 flyers and 100 posters describing changes in regulations for farmers of *NFA* and promoting the *GMF* to (*ICC's*) in *KK*, *Kakheti* and *SJ* regions; *BIG* advocacy for equitable terms of trade between supermarkets and dairy producers; *JBA* second phase advocacy to obtain funds for bio-certification of *Jara* beekeepers in 2022; GBU advocacy to *MEPA* to finance veterinary education for 5 students in *EU* for 2022; GBU initiated and advocated the nationwide trainings in tandem with the *Rural Development Agency (RDA)* about widespread collapse of colonies. 14 brochures about bee diseases and bee products developed by GBU board members uploaded on the GBU web site and disseminated among 13 *VET* colleges, 6 large vet pharmacies, and *MEPA's* Information Consultation Centers; GBU facilitated linkages between the Ministry of Foreign Affairs (*MFA*) and four honey-producing entities to promote Georgian honey brands in the *London Honey Awards* 2021.

NAIC Value in GEL generated for LHP's with sustainable diversified market access and better terms of trade for LHP's (Women/Men) (5 million)	6,484,980 (130%) (3,966,682 for women and 2,518,298 for men)
NAIC value in GEL generated for programme clients (Women/men) (2 million Gel)	6,192,267 (310%)
OUTCOME 2: Livestock and honey producers increase profitability thanks to stronger regional linkages and cross-border availability of inputs and business	
Indicators	Estimated Alliances Programme Results (2017-to date)
# & % of LHP's generating tangible positive income changes due to enhanced regional linkages and services (women/men) (21,500)	40,102 ³⁸ (57% women / 43% men) (187%) Armenia: 16,995; Azerbaijan: 3,300
# of full time job equivalents (Women/Men) (70)	41 ³⁹ (7 Women / 34 Men) (59%)
# of entities copying &/or crowding in (10)	7 ⁴⁰ (70%)
# of issue specific cross border initiatives (women/men) (5)	12 ⁴¹ (240%)
# of service providers &/or input suppliers with improved business practices/acumen & outreach to cross border LHP markets (5)	5 ⁴² (100%)
NAIC value in GEL of cross border LHP's benefitting from supporting functions and compliant processing enterprises (Women/Men) (3 million Gel)	21,559,944 (719 ⁴³ %) (12,385,522 Gel Women/ 9,174,422Gel Men)
NAIC value in GEL generated for programme clients (2 million)	4,442,283 ⁴⁴ (222%)
Value in GEL of cross border trade inputs (5 million)	15,409,096 GEL / CHF 5,292,573 (308%) ⁴⁵
OUTCOME 3: Growing cross-border trade and export opportunities both within the South Caucasus and the larger region offers more diversified market access and terms of trade to livestock and honey producers	
Indicators	Estimated Alliances Programme Results (2017-to date)
# of LHP's generating tangible positive income changes due to enhanced market access (women/men) (11,000)	11,170 ⁴⁶ (40% women / 60% men) (102%)

³⁸ These figures come from Mar-Mot Ltd and Agro Trading.

³⁹ 17 by Mar-Mot Ltd and 19 by Agro Trading, 4 jobs by Roki, and 1 job created by TV in Armenia.

⁴⁰ Agro Trading (2), Journalists Resource Center (2), Mar-Mot Ltd (2) Black Sea Eco Academy.

⁴¹ Meeting with Georgian and Armenian governmental officials to establish Women's Room model in Lori province in Armenia; Armenian official delegation's visit to Georgia to attend National Women's Business Forum and visit Women's Rooms in Adjara; Memorandum and grant agreement signed with Alaverdi Municipality in Armenia to copy the Women's Room's model; the first municipal Women's Rooms Annual General Meeting in Tskaltubo; meeting/hiring an Armenian Gender and Governance Expert to make a Gender Guidelines for Local Self- Government in Armenia; meeting with the State Service for Food Safety of Armenia to copy the VSP model; Roki's participation in vet trainings in Armenia organized by SDA; meeting at Alaverdi, Armenia with the neighbouring municipalities for copying and scale up the WR service in other municipalities in Armenia. Online meeting Tumanyan and Tashir. One Women's Room financed in Tumanyan municipality and another in Tashir municipality in Lori Region. International Conference in Agricultural Journalism and education.

⁴² Mar-Mot Ltd, Agro Trading, Journalists Resource Center, Roki Ltd (improved sales of drugs to Armenia following SDA facilitation), Women's Room in Armenia.

⁴³ Estimates farmer level benefit for Marmot and Agro Trading were conservative, field trips to Armenia ceased due to war and COVID thus conservative estimates were made, the field impact at farmer level was greater than expected.

⁴⁴ This number includes Mar-Mot Ltd Ltd, Agro Trading and Roki

⁴⁵ Including Agro Trading's sales in Georgia.

⁴⁶ Slaughterhouse Alali Ltd, Georgian Wool Company Ltd, KTW, Cheese exporters.

# of service providers &/or input suppliers with improved business practices / acumen & outreach to export markets (10)	13 ⁴⁷ (130%)
# of entities crowding in (7)	8 ⁴⁸ (114 %)
# of full time job equivalents (Women/Men) (70)	56 ⁴⁹ (19 Women / 37 Men) (80%)
NAIC value in GEL of LHP's benefitting from supplying cross border trade and export enterprises (Women/Men) 3.5 million)	4,952,157 ⁵⁰ (141%) 1,980,863 Gel Women / 2,971,294 Gel Men
NAIC value in GEL generated for programme clients (4 million)	6,238,133 Gel (156%)
Value in GEL of cross border trade commodities (5 million)	2,0325000 ⁵¹ (407%)
Value in GEL of exported products (25 million)	66,032,162 Gel ⁵² (264%)

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

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

⁴⁷ One slaughterhouse Alali Ltd started to export processed meat, one wool collector improved / safeguarded export of wool, Tzerari Ltd/Natural Produktsia, Gocha Gagashvili/Tsivis kveli, Tsintsarko +, Milkeni, Alpuri Javakheti and Cheese Hut export cheese to US, Canada and Singapore, KTW, Api Geo and JBA exported honey. Leanka exported cheese and Neazovi slaughterhouse – processed sheep.

⁴⁸ Alali Ltd (2), Georgian Wool Company (3), Honey (3)

⁴⁹ The Georgian Wool Company created 41 (including intermediaries) and Alali Ltd created 12 new FTE jobs, Honey – 3.

⁵⁰ Alali and Wool: NAIC for cheese exporters is calculated in Outcome 1 and is not added here to avoid double counting.

⁵¹ Alali exported 13,550 live bulls to Azerbaijan.

⁵² Value of export has been updated according to the meat market research: Alali had significantly higher export figures compared to programme estimations. Meat – 52,975,620 Gel, Cheese factories – 3,129,340 Gel, Georgian Wool Company – 1,526,266 Gel, Roki – 3,890,320 Gel, Honey – 522,319 Gel, Inputs 3,988,296 Gel.

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

Fourth Georgian Milk Mark dairy Exports to the USA. The Georgian Milk Mark (GMM) dairy *Leanka* from Kakheti sent 837 kg of different types of cheese (Sulguni, Smoked Sulguni, Georgian cheese) via the exporter company *Geoproduct Ltd* for sale in New York and Philadelphia, USA. The company expects further increased orders in the near future.

Tsivis Kveli Abroad. In August, the GMM dairy *Tsivis Kveli* showed their dairy products along with wine, Chacha, nuts and Churchkhela at a Georgian corner arranged in [BMW Motorsport VIP Lounge](#) in Nurburg, Germany. Employees of BMW Motorsport, media representatives, participants of the championship attended the event. A popular Youtuber *Davdisbeenhere*, having 910K subscribers on Youtube, visited *Tsivis Kveli* this summer, published a [video vlog](#) on September 16th and reached 17, 076 views to date.

Successful Business Deal. Machinery implements and spare parts distributor company *Mar-Mot Ltd* became the official dealer of *Belarus* tractors and machinery equipment in Georgia (a highly sought-after brand in Georgia) in a partnership with *Minsk Tractor Works Holding*. *Mar-Mot Ltd* has already imported 48 Belarus tractors and 33 different types of machinery equipment at a wholesale price.

International Recognition of Georgian honey. Three Georgian honey producers⁵⁴ received *Silver Quality Awards* in the quality category at the [London International Honey Awards](#). The [Embassy of Georgia to the UK](#) and the [Georgian Beekeepers Union \(GBU\)](#) supported them to participate in this prestigious competition for the first time among 290 honeys from 20 countries. These three companies are now selling their honey with the award on their product, and have already been contacted by honey importers after seeing their honey at the awards ceremony. Orders are anticipated in spring 2022.

Jara attracts International Media. [Radio Free Europe/Radio Liberty \(RFE/RL\)](#), an international media organization broadcasting in twenty-seven languages in twenty-three countries, published an article about Jara: [Georgia's Cliff-Top Honey Harvest](#) by an international photographer/journalist [Amos Chapple](#). He reached out to the [Jara Beekeepers Association \(JBA\)](#) and travelled to Ajara to see Jara beekeepers climbing cliff to harvest Jara. *Radio Liberty Georgia* also put a Russian version of the article on [Radio Liberty Caucasus](#) and [Radio Liberty Kazakhstan](#). The article was featured among the [Week's Best Stories](#) on *RFE/RL*.

Local media about Honey and the Georgian Milk Mark. Eight media reports were published on the training of trainers in Jara VET teaching⁵⁵, nine on London Honey Awards⁵⁶, seven on the Georgian Milk Day⁵⁷. The 'Public Control'⁵⁸ programme together with the representatives of SJ Regional Division of the National Food Agency did an unscheduled inspection of one GMM dairy [Karen Simonyan](#). The inspection went well and the dairy was recognized as Food Safety and Hygiene compliant.

Continuous Teaching from the GBU. More than two thousand beekeepers in all regions of Georgia attended training on bee treatment practices as a response to the massive collapse in bee colonies this year. The *GBU* initiated and advocated this nationwide training with the [Rural Development Agency \(RDA\)](#) based on the online research data gathered. The *GBU* developed a trainer's handbook and [Varroa Treatment](#) guideline and delivered

⁵³ Undefined: reflects that the programme is able to capture few changes observable in the system that are genuinely 'unintended' i.e. that there was no plausible expectation or explanation of this type of change occurring. 'Undefined' effects: are changes plausibly attributable to the programme, which although not explicitly detailed in results chains and monitoring plans could nevertheless be logically expected to happen within the logical development of interventions grounded in thorough market research⁵³.

⁵⁴ [Nena Chestnut Honey / KTW](#), [Nena Jara Bio Honey / KTW](#), [Ninotsminda Honey \(Alpine\) / Cooperative KODY and Chestnut Honey / Rukhi Queen](#).

⁵⁵ [Agrokavkaz.ge](#); [MOAA](#); [Agrogaremo TV](#); [Batumi State University](#); [Akhali Talgha](#); [Black Sea Eco Academy](#); [25 TV](#)

⁵⁶ [honey london award](#); [tok.tv](#); [georgian chamber of commerce and industry](#); [interpressnews.ge](#); [kartuli.kvira.ge](#); [agro.jrc.ge](#); [tv9news.ge](#); [fortuna.ge](#); [infopostalioni.com](#).

⁵⁷ [bm.ge](#); [interpressnews.ge](#); [mepa.gov.ge](#); [MEPA Georgia](#); [Formula TV](#); [Businesspartner](#)

⁵⁸ This is a TV programme that investigates food safety and hygiene compliant or uncompliant of food producers and the HoReCa sector. They visit sites together with the National Food Agency representatives and do unscheduled inspections. They report the process of the NFA inspection in detail. Their reports are popular with high rates among viewers through Facebook.

a Training of Trainers for eighty-five beekeepers. The GBU members talked about bee colonies' collapse on [Euronews Georgia](#) and [Agrogaremo TV](#).

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

In a market systems development programme, transversal themes mainly relate to the Rules section of the doughnut (See P7 *ALCP Market System diagram*). In the ALCP they include facilitation with Government stakeholders and other civil society and private sector actors at National, Regional and Local levels in relation to key governance issues underpinning the livestock sector. These include food safety and hygiene regulations, gender related to equitable governance and access to resources and animal disease control⁵⁹. For detailed account of all activities being carried out in relation to ADA recommendations addressing the DRR themes of **reduced environmental damage and waste from livestock based enterprises and production** please see *Annex 4 ALCP Progress on the Integration of ADA Recommendations*. Please also see *Annex 5 Report on ALCP Progress on ADA Social Standards Appraisal Recommendations* for more information on social inclusion within programming.

National Animal Health Programme (NAHP) Steering Group: The NAHP meeting was not conducted during the reporting period⁶⁰. The NAHP meeting will be conducted in November-December 2021.

Veterinary Surveillance Points (VSP): During the 2021 spring movements 368,193 head of livestock were dipped/showered. In total, over 3.5 million heads have been dipped/showered in six VSPs between 2016 and 2021. According to a co-investment agreement between the ALCP and the NFA in 2020⁶¹, the NFA funded a 7th VSP in Dusheti municipality, Mtskheta Mtianeti region which was open for the 2021 spring movement and around 18,000 head of sheep have been dipped there. The number is expected to increase for the autumn movement in October as more farmers learn about the point.

Survey of Private Sheep Dips: After of [A Survey of Private Sheep Dipping Facilities in Georgia](#), in July, the programme commissioned Gergili Ltd to conduct an Environmental and Occupational Health & Safety Assessment on private sheep dipping facilities. Following this assessment the programme drafted Sheep Dipping Guidelines to provide simple operational and safety instructions for private sheep dip owners. The Guidelines aim to mitigate potential environmental harm that can be caused by the sheep dipping process and to ensure the safety of the animals and humans involved. Facilitation with the NFA is ongoing to approve the guidelines and disseminate them among sheep dip owners.

Water Points on the AMR: The NFA is maintaining and operating the four key water points on the Animal Movement Route facilitated by the programme in 2020. Up to 500,000 heads of sheep and cattle are benefitting from the new water points during transhumance. For more details see the [Further Animal Movement Route Development and Water for Migrating Animals Report](#) (November, 2020)

AMR Land Management: In tandem with AMR infrastructure development, the ALCP has facilitated AMR land related issues over many years, during the reporting period, the ALCP continued to work with the newly established (2020) *National Agency for Sustainable Land Management and Land Use Monitoring*. In June 2021, a working meeting was conducted with the agency to exchange updates on the AMR related activities. On October 8th an AMR stakeholders coordination meeting was conducted. The first deputy minister of MEPA, representatives of NFA, Land Agency, Shepherds Association, Georgian Farmers Association, FAO, NAITS and Land O'Lakes attended the meeting. For ensuring the sustainability of the AMR and its infrastructure, the stakeholders asked the ALCP to facilitate the process of making of an AMR Development Road Map with an action plan and management scheme. The document is expected to be finalized and approved by MEPA by February/March 2022.

⁵⁹ A main mechanism of the governance interventions is the Advisory Committee, where diverse stakeholders, often with intractable viewpoints are brought together in working meetings to overcome key constraints in the sector often insurmountable without external impartial facilitation based on existing relationships and market intelligence. They involve meticulous planning and preparation over months.

⁶⁰ For the background information, please, refer to the same section of the previous report.

⁶¹ A quadrilateral MOU with the ALCP, MEPA, the NFA and the Georgian Shepherds Association (GSA)

Copying the VSP Model to Armenia: All related activities have ceased since COVID-19⁶².

Facilitation of National Women's Room Scale Up: In December 2020, thirty Women's Rooms managers created an informal Women's Room Union. During the reporting period the managers conducted six monthly online meetings. In April the managers organized a Facebook Live webinar for their WR users with the cooperation of the Rural Development Agency (RDA) about the available grant programmes. The Union established good communication with the National Association of Local Authorities of Georgia⁶³ and the (NALAG) executive director who attended one of the above-mentioned meetings this summer encouraged the managers to legalize the Union for future cooperation. The programme helped the managers to hire a lawyer to make a charter in September. The Public Registry of Georgia registered the Women's Room Union of Georgia on October 6th, 2021. All municipal Women's Room members have stated their intent to formally become members.

New Women's Rooms in Racha and Samegrelo: In February 2021, the Gender advisor of the Governor of Racha-Lechkhumi region applied to the programme and asked for the ALCP facilitation to open Women's Rooms in Oni and/or Ambrolauri municipalities, having chosen the two municipalities in discussion with the Governor. In April and June, programme representatives met with the Governor and mayors. As a result, Oni municipality filled in the ALCP application form based on which the programme signed a grant agreement with the municipality in August 2021 to establish a room in Oni. Renovation works will be finished in October 2021 the opening is planned for November 2021. Because of interest and enthusiasm expressed by Zugdidi municipality, Samegrelo in September, 2021 the programme decided to facilitate one more Women's Room there by the end of this year meaning one Women's Room will be present in each region of Western Georgia by 2022.

Women's Rooms Operations: All Women's Rooms in Georgia and Armenia have mostly been working remotely with brief periods of being open in summer 2021. However, they have been conducting meetings and trainings online.

New Women's Rooms in Guria and Imereti regions: During the reporting period, Ozurgeti and Zestaponi Women's Rooms had 234 unique visitors (75% female) and organized 6 online meetings with 142 participants (83% female). The topics of the meetings were; employment possibilities for women, women's economic empowerment and prevention of violence against women.

Women's Rooms in Kakheti: Nine Women's Rooms in eight municipalities of Kakheti have been open since 2018. During the pandemic many of them were involved in information provision about COVID-19 and state subsidy programmes released by the government. The manager of Telavi Women's Room worked as an operator on the hotline created for Covid-19 related calls in Kakheti Governor's office. Kakheti Women's Rooms managers are updating a [common Facebook Page](#) regularly. During the reporting period, Kakheti Women's Rooms had 140 unique visitors (female 71%) and 50 meetings attended by 588 people (65% female). In total since opening in 2018, Kakheti Women's Rooms have served 3,956 unique visitors (71% female) and conducted 642 meetings/trainings with 12,112 participants.

Armenia: During the reporting period the Women's Room in Alaverdi municipality, Lori Province changed manager. From April 2021 to September 2021 Alaverdi Women's Room had more than 200 unique visitors, two trainings and five meetings of rural women with Alaverdi community leaders in spite of restrictions due to COVID-19 regulations. Local NGOs are still actively using the Women's Room space for meetings and trainings. In June the room hosted a series of seminar-discussions on *Promoting Leadership in the Community* for active youth; ten girls and two boys participated. In July the Association of Women with University Education NGO opened 'Women's Leadership School' classes in the room. Fifteen women studied leadership and got certificates. In August, the Women's Room helped SKY Alaverdi NGO to organize movie screenings at Alaverdi Cultural Centre, the money from the tickets' sales will be spent for the implementation of one community project.

In July programme staff visited Alaverdi, Tumanyan and Tashir municipalities for monitoring and administration purposes and to finalize the grant agreements with Tumanyan and Tashir municipalities for establishing WR's. In August their second tranches were transferred for purchasing furniture and computers. The procurement process

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

63 NALAG is an NGO founded by all existing LSGs of Georgia

is ongoing and will be finished in October 2021. The Alaverdi Mayor continues to promote the Women's Room to other municipalities of Armenia. Nine community leaders from Karabakh visited the Alaverdi Women's Room in July. The guests liked the room and discussed the possibilities of doing it in Karabakh. Gender Guidelines for Armenia LSG based on the programme facilitated Georgian version⁶⁴ are in use in the Alaverdi WR. The two new Women's Room managers for Tumanyan and Tashir municipalities will be trained in the guidelines as well.

Women's Access to Decision Making, Public Goods and Financing: The Women's Rooms continue to ensure the participation of rural women in the community decision-making fora. In the 2021 village meetings women's participation percentages were: Kakheti 45.5%, Ajara 27%, Kvemo Kartli 50%, Samtskhe-Javakheti 28%. Ozurgeti and Zestaponi municipalities have increased women's participation from 15% to 24% in Ozurgeti, and from 25% to 39% in Zestaponi since rooms opened in 2020. In total 884 village meetings with 44,938 participants were held in all 29 municipalities with Women's Rooms and the participation average was 35.5% . The Government started a new grant programme for businesses from September 1st through Enterprise Georgia and the Women's Rooms will help facilitate applications. Ten women and four men users of Women's Rooms from Ajara (11), SJ (1) and Kakheti (2) regions received 311,640 Gel in total from the existing Micro and Small Business Support Programme of Enterprise Georgia in May 2021. Out of them, six were start-ups and eight were business expansions. The businesses financed were guesthouses, a wood workshop, a sewing workshop, a Café, a pastry shop, and a beauty salon. In total 157 people applied, out of whom 95 were women. Three new jobs were created in Kakheti (2 male, 1 female) and fifteen in Ajara (all of them are women) in these businesses.

Georgian Beekeepers Union (GBU): Membership has increased to twenty in the reporting period with a further seven private companies joining the Union⁶⁵.

Progress on the integration of Jara Beekeeping in VET College Beekeeping Courses: In May 2021, the GBU with the Jara Beekeepers Association (the JBA is one of the founder-members of the GBU) organized a [Training of Trainers](#) in Jara Honey Production in Keda, Ajara attended by twelve VET college representatives from seven regions of Georgia⁶⁶. In June 2021, the GBU organized an online event *Highlights So Far: Jara in VET* to highlight the training and the facilitation process to date between the GBU, JBA and VET stakeholders⁶⁷ including VET specialists, agri-journalists, donors, and public officials. In July 2021, the GBU and the JBA handed over Jara equipment to eleven VET colleges who will teach beekeeping programmes across Georgia, eight of whom will start from November 2021 and have accepted 104 students on the one-year programme. A Memorandum of Understanding was signed between the GBU and the colleges according to which the GBU will continue to support them to improve the beekeeping curriculum. The programme is also working to help facilitate the formal accreditation of the Jara module. Five other colleges will start teaching from Spring 2022. Also in July the GBU became a working group member of the National Center for Educational Quality Enhancements under the Ministry of Education in order to work on further improving general beekeeping modules in VET programmes.

Information Dissemination to Beekeepers: In May 2021, more than two thousand beekeepers from 60 municipalities of Georgia attended a two-day online training on bee treatment practices as a response to the massive collapse of bee colonies this year. The Georgian Beekeepers Union (GBU) initiated and advocated the nationwide trainings in tandem with the Rural Development Agency (RDA) who approached them due to the widespread collapse of colonies. The GBU then developed a trainer's handbook and Varroa Treatment Guidelines, which was translated and made available for Azerbaijani and Armenian beekeepers⁶⁸; and delivered a Training of Trainers for eighty-five beekeepers who then conducted the two-day online trainings dividing participants by municipality.

⁶⁴ Developed by Gender Expert, Director of the Center for Gender and Leadership Studies at Yerevan State University

⁶⁵ In addition to ten associations and three private sector companies encompassing 5500 beekeepers.

⁶⁶ Public College "New Wave", Khulo, Shota Meskhia Zugdidi State Teaching University, Senaki, Georgian Technical University, Didi Jikhaishi Vocational College, Samtredia, College "Iberia", Baghdadi, Public College "Opizari", Akhaltsikhe, College "Gantiadi" Gori, Ilia Tsinamdzgvrishvili Public College, Mtskheta, "Farmers' House", Sagarejo, Public College "Aisi", Kachreti, Vocational College "Horizon" - Guria, Chokhatauri, Black sea collage, Keda and Shuakhevi, Batumi Shota Rustaveli State University vocational programme

⁶⁷ An MOU between Agro Duo was signed in October 8th 2020 to further the inclusion of VET

⁶⁸ The GBU [Varroa Treatment Guidelines in Georgian](#), [Armenian](#) and [Azerbaijani](#) languages are available online/electronic format on the GBU web site www.geobeekeepers.ge The Guidelines are available also at the MEPA's electronic library: [Georgian](#), [Armenian](#), [Azerbaijani](#)

During the reporting period [14 brochures about bee diseases and bee products](#) developed by GBU board members have been uploaded on the GBU web site and disseminated among 13 VET colleges, 6 large vet pharmacies, and MEPA's Information Consultation Centres. 4200 Georgian and 700 Armenian & Azerbaijani brochures were printed in total. The GBU manages three web sites, www.geobeekeepers.ge, www.honeyofgeorgia.com and www.jarahoney.com and two Facebook pages the GBU page and the Georgian Bee closed group with 21,300 members. To date, the honey promotion video *Discover Georgia: The Land of the Oldest Honey* has had 393,235 views and 7,917 shares on Facebook; 27,000 people have visited www.honeyofgeorgia.com and www.jarahoney.com with the top visits from the USA, China, Lithuania, Russia and the United Arab Emirates. The GBU has recently started to organize regular Facebook Live sessions for beekeepers, reaching 14,682 viewers to date.

In May-June 2021 the GBU facilitated linkages between the Ministry of Foreign Affairs (MFA) and four honey-producing entities to promote Georgian honey brands in the London Honey Awards 2021. In June three of them received a Silver Quality Award at the London International Honey Awards. Competition was fierce, 290 honeys from 20 countries were judged.⁶⁹

Goderdzi Alpine Garden (GAG) Sustainability: The Garden opened in July, 2021. 17,000 people visited the garden in 2021. To date the GAG has had 37,000 visitors in total. Forty media articles have been published about the garden since July 2021. From a total of 72 specific new endemic plants catalogued since the garden's inception (from a baseline of 161 conserved by the GAG), seven were added in the reporting period. The GAG has developed a new design and packaging of its bio certified Jara honey. The GAG manager has completed signage funded by the Department of Tourism and has also constructed a comprehensive plant nursery.

Goderdzi Pass Sustainable Development: A conservation sector stakeholders survey which also included government and private sector representatives related to Goderdzi Pass Development was conducted by the ALCP in the reporting period. The survey revealed plans to further develop the Goderdzi resort. A stakeholders group was created, who closely studied [an announcement](#) made by MEPA on August 5th, 2021, which included a 'Scoping Report of the Strategic Environment Assessment of the Development of the Goderdzi Resort Nearby Territory'. On August 26th the group sent initial collective feedback in the form of a signed letter to promote a more transparent, inclusive and constructive dialogue concerning the future development of the Goderdzi Resort. Eleven stakeholders⁷⁰ signed the letter. A response letter from MEPA was received on September 24th, 2021, stating that their concerns would be considered in future planning. The advocacy process continues.

2.5 ILLUSTRATION OF THE PERSPECTIVES OF INVOLVED STAKEHOLDERS

Perspectives of different programme stakeholders are prepared in an Annex per Annual report please see *Annual Report April 2020 to March 2021*, Annex 4.

⁶⁹ Now with 20 member organizations with more 10 honey companies applied for membership to increase private sector representation and advocacy of private sector interests.

⁷⁰ Ekaterine Khvedelidze - Executive Director, Black Sea Eco Academy (BSEA); Gulo Surmanidze - Executive Director, Mtirala and Machakhela Protected Areas Friends Association, (BSEA); Irakli Archaia - Director, Batumi Botanical Garden; Temur Vasadze - Manager, Goderdzi Alpine Garden of the Batumi Botanical Garden; Jimsher Mamutshadze - Chairmen of the Board, Environmental Association Psovi; Kartlos Manvelidze - Director, Geographic Travel Ltd; Giorgi Rajebashvili - Director, Eco Tours Georgia Ltd; Nika Tsiklauri - Director, Eco Films Ltd; Nana Janashia - Executive Director, Caucasus Environmental NGO Network (CENN); Nino Gafrindashvili - Project Coordinator, Keda Lideri; Caucasus Environmental NGO Network (CENN); Gia Nakhutsrishvili - President, Botanic Society of Georgia; Representative of the International Union for Conservation of Nature (IUCN) in Caucasus

CHAPTER 3: OUTPUTS AND PERFORMANCE PER REPORTING PERIOD 2017

3.1 SUMMARY OF OUTPUT DELIVERY UNDER THE THREE OUTCOMES

Table 4 below provides a breakdown of impact per output. Interventions/activities are being undertaken in all applicable outputs and indicators in the LogFrame. Please see Section 3.2 and 2.4 for descriptions of intervention activity in all sectors.

Table 4: Summary of Outputs Against Logframe Indicators

Output 1.1: Increased accountability and transparency in sourcing, purchasing and sales practices by retailers. (supermarkets, mini markets, agro markets, wholesalers)	
Number of retailers making changes to inspection procedures, sourcing, purchasing and marketing/sales practice	23 ⁷¹
Number of suppliers with more positive experience of supply/sales	17 ⁷²
Output 1.2: Increased self-representation, empowerment and advocacy by livestock & honey system processors & manufacturers.	
Indicators	Estimated Programme Result (2017-to date)
Number of advocacy initiatives/groups	41 ⁷³
Number of desired objectives reached by advocacy initiatives/groups	22 ⁷⁴

⁷¹ Spar, Nikora, Madagoni, Fresco, Zgapari, Willmart, Careffour, Goodwill Batumi and Tbilisi, Liderfood, Ori Nabiji, Natural Produktsia Ltd shop in Batumi, Milkeni Ltd shop in Rustavi, Daily, Smart, Foodmart, Universami, Libre, Bilioni, Vejini, selling cheese with GMM mark, Tsipora-Samtskhe shops (2), Magniti, Tserti.

⁷² *Milkeni, Tsintsikaro, Cheese Hut (Badri Gogoladze), Tsivis Kveli (Gocha Gagashvili), Shuamta (Levan Bejanishvili), Tsipora Samtskhe, Tsezari, Coop.Khiza and Tsaka +, I.E Tamaz Tagiashvili and Disveli*, supplying retailers with cheese with GMM mark; *I.E. Tsolak Grigolian, Leanka, Imeruli, Ramaz Janashvili, Fida Natura Ltd. Dertselis Nobati.*

⁷³ See next footnote for list.

⁷⁴ After the Meat Advisory Committee Meeting NFA intensified monitoring of backyard slaughtering and provided information to meat sector representatives in Kvemo Kartli; MEPA used the ALCP advisory committee model and created a Honey Committee; The GBU met with the minister of MEPA, they agreed on further cooperation and coordination; GMF, dairies, associations to lobby for raw milk in Government (06.02.2020) 24 dairies joined GMF to encourage raw milk production, GMF sent a letter to the Ministry asking to check information about constituents of Iranian evaporated milk and traceability of dairy products; VET college Akhali Talga started teaching of Jara in its one-year beekeeping programme in Kobuleti and Khulo (2020); *Agroservice* centre of the MOA Ajara agreed to finance the bio-certification of 24 Jara beekeepers inc GAG apiary in 2021. GBU gained permits for beekeepers in curfew (2020); GBU, RDA, MEPA advocated with ministry of agriculture to increase awareness regarding most common bee diseases; GBU advocated for usage of local laboratory services; GBU advocated with professional collages to integrate and update Jara beekeeping study modules; GBU advocated with NFA to identify and register bee colonies; GBU advocated for gaining a cultural heritage status for Jara beekeeping; GBU advocated with MEPA and other honey stakeholders to open discussions about honey export; JBA advocated for co-financing bio certification for its member beekeepers and its processing unites by the Agro Service Centre of the Ministry of Agriculture of Adjara; GBU advocated for new regulations to control import of bee colonies in Georgia; GBU advocated for the interest of beekeepers during forest regulation;. In March 2021 the BIG with the RDA prepared and printed 10,000 flyers and 100 posters describing changes in regulations for farmers of NFA and promoting the Georgian Milk Federation which already have been distributed by RDA to Municipal Information Consultations Centres (ICC's) in KK, Kakheti and SJ regions; BIG is advocating for the equitable terms of trade between supermarkets and dairy producers; JBA moved to second phase of its advocacy to obtain funds for bio-certification of Jara beekeepers in 2022; GBU advocated to MEPA to finance veterinary education for 5 students in EU for 2022; Goderdzi Stakeholders' group was created which has started advocacy to promote a transparent, inclusive and constructive dialogue concerning development of the Goderdzi Resort; GBU initiated and advocated nationwide trainings in tandem with the Rural Development Agency (RDA) due to the widespread collapse of colonies. 14 brochures about bee diseases and bee products developed by GBU board members uploaded on the GBU web site and disseminated among 13 VET colleges, 6 large vet pharmacies, and MEPA's Information Consultation Centers; GBU facilitated linkages between the Ministry of Foreign Affairs (MFA) and four honey-producing entities to promote Georgian honey brands in the London Honey Awards 2021.

Output 1.3: Increased consumer awareness of dairy, meat, and honey food safety and hygiene related issues and advocacy	
Number of advocacy initiatives from government, supermarkets and media towards consumer groups	24 ⁷⁵
Number of advocacy initiatives from consumer groups towards government, supermarkets and media	2 ⁷⁶
Output 1.4: Facilitated leveraging of access to funding and improved business management for SME's	
Number of SME's leveraging funding from external sources to the programme e.g. IFI's and government schemes	17 ⁷⁷
Value of funding leveraged from external sources	3,823,985 Gel
Number of SME's where funding has allowed development of business vision.	17 ⁷⁸
Output 1.5: Increased value added production and product diversification for SME's.	
# of SMEs with increased capacity/utilization of meat and milk, honey and wool	21 ⁷⁹
# of LHPs supplying supported entities (Women/Men)	4,146 (74% Women)
Number of value-chain actors in dairy, meat, honey and wool sectors gaining access to diversified markets	22 ⁸⁰

⁷⁵ Two consumer interest segments were launched in TV programmes Hashtag and *MeVarFermeri* at Adjara TV; Reports related to Do's & Don'ts Antibiotic Use (20); Reports related to the Georgian Milk Mark (51); 500 Infographics of Do's & Don'ts Antibiotic Use were distributed to Azeri (300) and Armenian (200) beekeepers in KK region; 400 – by Association of Future Farmers, 1000- by ten largest wax producer/ printing service providers, 250 – shared with beekeepers and 22 - beekeeping cooperatives by nine ICCs, 100 – shared with beekeepers by eight LAGs (*ENPARD*). The national channel TV Pirveli showed the GMM Animation for free five times/day in March, reached up to 230,000 viewers, GMM animation promoted through Media: *Me var Fermeri*, *Agroface.ge*, *Ferma*, *PNews.ge*, *Agrogaremo TV* and by the *Destination Management Organization* (DMO) in SJ; 33,500 leaflets disseminated through *Spar*, *Zgapari*, *Goodwill*, *Willmart* and *Madagoni* supermarkets, GMM dairies Tsintsikaro+ and Tsipora Samtskhe Ltd participated at the *Cheese and Hot Drinks Festival* in November in Tbilisi, *Tsezari's* new cheese shop exterior promoting GMM, plus 2,000 GMM flyers have been disseminated among customers, *Tsivis Kvli* in Kakheti is promoting the GMM through their Facebook, 6,500 followers; *Rustavi 2*, *Imedi* and *Agro TV* showed the *GMM Animation* for free (3), *Emily TV* showed GMM advertisement, BIG provided information to HoReCa entities (74 in WG and 50 in Kakheti regions) about GMM to spread it with their consumers, MEPA's newspaper advertised GMM; GBU made Georgian honey promotional videos which were broadcast through TV and social media (393,235 viewers and 7,917 shares), TV Imedi and Maestro advertised GMM (2). Georgian Milk Day – promoting GMM products (1).

⁷⁶ Social Network consumer engagement in GMM Facebook page, comments, feedback; December 2019, thirteen GMM dairies participated at the *Georgian Cheese and Wine Evening* at 8000 Vintages to introduce cheese with the GMM to supermarkets and encourage them to pass the information on the advantages of the GMM cheese to consumers.

⁷⁷ Milkeni, Tsintsikaro+, Matklis Sakhi, GWC, Tanadgoma, Ori Gio Ltd, Goderdzi Alpine Garden, Ajara P.S, Tsivis Kvli Tsintsikaro+ (Jaba Khozrevanidze), Leanka Ltd, Akhasheni Dairy Enterprise, Marmot, Tsipora Samtkhe, Kutaturi, Agro Traiding, Ramaz Janashvili.

⁷⁸ Milkeni, Tsintsikaro+, Matklis Sakhi, GWC, Tanadgoma, Ori Gio Ltd, Goderdzi Alpine Garden, Ajara P.S, Tsivis Kvli Tsintsikaro+ (Jaba Khozrevanidze), Leanka Ltd, Akhasheni Dairy Enterprise, Marmot, Tsipora Samtkhe, Kutaturi, Agro Traiding, Ramaz Janashvili.

⁷⁹ 17 dairy factories; Georgian Wool Company; Wool House, KTW, Api-Geo.

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

Output 1.6: Increased equitable (gender, ethnicity and youth) access to and diversification of rural/livestock market system related economic/entrepreneurial opportunities.⁸¹	
Number of women/youth rural businesses started	110 ⁸²
Number of initiatives for women/youth rural business	653 ⁸³ (166 men)
Value of financing for women/youth entrepreneurs from external agencies (Gel)	2,207,755 Gel
Number of jobs in diversified women owned enterprises	184 ⁸⁴
Output 1.7: Improved consistency, resilience and reduced risk in livestock market system.	
Number of Veterinary surveillance initiatives	15 ⁸⁵
DRR Coordination initiatives	11 ⁸⁶
% of households registered their cattle in the NFA	85% ⁸⁷
Output 2.1: Stimulation of cross border linkages (e.g. gender, local government, national government agencies e.g. NFA equivalent, border trade relations, society, media, academia)	
# of consultation fora between peer to peer actors to address livestock related cross border initiatives	11 ⁸⁸
% women representatives involved in consultation fora	50%

⁸¹ Figures for 1.6 output is actual, adjusted through Women's Access to Financing Impact Assessment 2021.

⁸² Three women funded following business forum by EBRD (Flower shop, poultry, green-housing). 59 rural women were funded by the *Enterprise in Georgia* through the *Women's Rooms* with total value 40,350 Gel. In this reporting period (April- October 2019) 11 businesses (7 females, 4 male owned 244,000 Gel, 223,000 Gel) were funded by the donors with the total value of 467,000 Gel; *Women's Rooms* helped 7 men to obtain the fund (46,100 GEL). *Women's Room* also helped one women to obtain grant (10,600 Gel) from Innovation and Reforms Center and employed two women (IRC); 7 women (Gel 442,000) SME taking Bank Business loans for expanding business; 1 (Gel 160,000) women funded by IFAD for business expansion; These figures include the number of SMEs (12) who received funds for business start-ups and for expanding their businesses; 5 women were funded by Donor NGOs in Ajara since September 2018. 13 applicants (9 women / 4 men) funded by the Enterprise in Georgia in 2020 (Gel 311,640). 6 women funded by Shuakhevi Municipality in 2021 (Gel 20,000).

⁸³ *Women's Rooms*: 434 women and 166 men applied for the state project, Enterprise in Georgia, 10 Women got bank loans / grants. 200 Women applied for USAID grants, 8 women ENPARD II, 1 woman IFAD; new applications for Enterprise Georgia were in October 2020. Ten women and four men users of *Women's Rooms* from Ajara (11), SJ (1) and Kakheti (2) regions received 311,640 Gel in total from the existing Micro and Small Business Support Programme of Enterprise Georgia in May 2021.

⁸⁴ In total 184 jobs created (75% women and 25% men) and their salaries amounted to 1.3 mln Gel. 88 new businesses started and 22 business expanded according to the Access to Finance Impact Assessments, 2020.

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

⁸⁶ One meeting with regional and municipal governmental officials to ensure sustainability of DRR working groups and facilitation with NFA & FAO/NAITS to develop a comprehensive public information provision campaign on animal identification & registration; Meeting Deputy Minister of MEPA to assign focal point and create working group on animal movement route issues; observer at National Animal Health Programme Steering Group at the MEPA; ongoing Coordination with the SDC funded UNDP project to involve the Ajara municipal DRR WGs; In November 2019, a 22 km (297 ha land), unofficial route in Shiraki pastures, Dedoplistskaro municipality, used for livestock seasonal migration for decades, registered as the part of the official AMR, June 2020. Permission from the United Water Supply Company for the Dedoplistskaro BSP water point and BSP. ALCP meeting with National Agency of Sustainable Land Management about AMR land issues in Marneuli. Coordination meeting with AMR stakeholders to insure its sustainability. AMR stakeholders took responsibility to develop AMR development strategy. Marneuli municipality allocated money for road signs for animals crossing the road.

⁸⁷ According to the NFA, 90% of the households in the west Georgia and 80% - in the east Georgia have registered their cattle in the NFA database;

⁸⁸ Linkages between Lori municipality in Armenia and Dmanisi Municipalities in Georgia; ALCP team Meeting with Strategic Development Agency (SDA) in Armenia; SDA client cheese producer Lori cheese in Georgia met ALCP in Georgia and SDA (Armenia) met the Georgian Wool Company and Mar-Mot Ltd cross border opportunities; Media Initiative Center in Armenia and JRC discussion/consultation over the Armenian Public Broadcaster to start an agricultural program and establish an agri course at four universities in Armenia (2); in May 2019, Food Safety Inspection Body of the Government of the Republic of Armenia (FSIB) visited the NFA and the VSPs; meeting at Alaverdi, Armenia with the neighbouring municipalities for copying and scale up the WR service in other municipalities in Armenia. International Agri- Journalism and Agri Education Conference (Geo, Arm, Az, BR, Moldova and Ukraine). Two meetings with Armenian universities, media representatives, students and JRC.

# of study tours / regional meetings facilitated between cross border stakeholders	11 ⁸⁹
Output 2.2: Facilitated outreach of inputs and input related services in the meat, honey, dairy and wool sectors in Armenia, Azerbaijan and Georgia.	
# of entities outreached sales in cross border regions	3 ⁹⁰
Number of customers accessing inputs	40,102 ⁹¹
Value of sales of inputs / Value of sales to women/Value of sales to LHP (Gel)	15,409,096 Gel
Number and increased trust towards exported products (from Georgia, Azerbaijan, Armenia)	1,813 ⁹²
Output 2.3: Facilitated outreach of business support services in the meat, honey, dairy and wool sectors in Armenia, Azerbaijan and Georgia.	
Number of value-chain actors in dairy/ meat/honey and wool sector receiving trainings on food-safety & hygiene/business management	79 ⁹³
Number of milk/meat/honey & wool supplier LHP's and businesses receiving trainings / information on quality, food-safety, hygiene & business management standards	194,182 ⁹⁴
Number of HoReCa sector actors receiving trainings on food safety and hygiene	485 ⁹⁵
Number of value-chain actors gaining business management certifications e.g. GMP HACCP (e.g. Global Gap, SALSA)	117 ⁹⁶
Number of value chain actors with business/marketing plans (including for rural tourism)	21 ⁹⁷
Number of value-chain actors gaining BEAT assessment & Health and Safety and Environmental Trainings	25 ⁹⁸
Output 2.4: Facilitated outreach of agri-information and agri-information initiatives to Armenia, Azerbaijan and Georgia.	
Number of information consumers of products that have agricultural content/Women readership/ LHP's readership	224,065 ⁹⁹

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

⁹⁰ Machinery input supplier Mar-Mot Ltd Ltd and nutrition input supplier Agro Trading, Roki Ltd (the Roki numbers are not included in the Outcome 2 LHP's generating positive income change as it is too hard to prove in Armenia.

⁹¹ Of these 20,493 are in Armenia and Azerbaijan.

⁹² Machinery Service providers in Armenia and Azerbaijan buy equipment from *Mar-Mot Ltd* partners in Armenia whose prices are at least 10% cheaper than in other shops in Armenia and Azerbaijan. Over the last year spare parts have been available in rural machinery shops and they are buying and repairing their equipment on time. The impact assessment in Armenia showed that these machinery service providers are positive about the quality of machinery equipment and choice they have related to new modern equipment.

⁹³ 79 meat, dairy, wool, honey and livestock feed producers were trained by *Star Consulting*. 173 businesses were trained by *Star Consulting* in other sectors (bakery, vegetable, alcohol & mineral drink, nuts production, rabbits, kindergartens).

⁹⁴ Web based information channel *Business.org.ge* includes information related to BDS. Number of unique web-site visitors from Georgia 191,859 and 208,504 from other countries. *Star Consulting* has 2,050 regular visitors and 273 milk supplier farmers received FS trainings.

⁹⁵ *Shervasi* provided disinfection services to 290 HoReCa entities *Star Consulting* trained 195 HoReCa sector representatives.

⁹⁶ *Star Consulting*: 22 Slaughterhouses, 31 Cheese factory, one animal feed producer, 63 other non-value-chain enterprises

⁹⁷ Business plans for 2 ALCP co-financed wool companies & JRC, APMA 5, private orders 13.

⁹⁸ *Gergili Ltd* provided BEAT assessment to local wool processor in Akhmeta region and GWC, 1 Slaughterhouse and 5 dairies in Kakheti, Slaughterhouse *Kutaturi* in Imereti & provided online trainings for 4 dairies on health and safety, and environmental assessment; *Gergili Ltd* provided new assessments to dairies (7), slaughterhouse (1), nutrition input supplier (1) and honey enterprise (1), BSPs (2).

⁹⁹ Radio listeners. 4 radio stations, *Roki's Agri Portal (Agroface.ge)*, ALT TV programme viewers in Armenia (weekly programmes) since February 2019

Number of information channels with agricultural content / of newspapers/of TV programmes/ of internet sites	16 ¹⁰⁰
Number of agro reports/programmes on cross border trade /export	82 ¹⁰¹
Number of information channels with coverage in cross border regions	6 ¹⁰²
# of universities integrating agro journalist study model	21 ¹⁰³
Number of degrees gained with agri journalism content	568 ¹⁰⁴
Output 2.5: Facilitated outreach of equitable public goods to Armenia, Azerbaijan and other areas of Georgia	
Number of gender related cross border initiatives	10 ¹⁰⁵
Number of women using women's room services Number & % of women participants in community meetings	12,112; 56,676 (36%) ¹⁰⁶
Number of women instigated community/livelihood related initiatives	359 ¹⁰⁷
Value of women instigated community/livelihood related initiatives	5,453,771 Gel
Output 3.1: Facilitated access to cross border markets for dairy, meat, honey and wool entities in Georgia, Armenia and Azerbaijan.	
# of processors of meat and milk, wool and honey starting to trade cross border	1
# & % of LHP producers supplying supported entities (Women/Men)	4422
Value of products traded cross border	20,325,000 Gel ¹⁰⁸

¹⁰⁰ JRC produced agricultural programme for 11 local radio stations in Georgia, *Hereti, Rioni, Tbilisi and Argo Apkhazeti, Vrastan FM, AG FM, Samkhretis Karibche, Odishi, Harmonia, Mtis Temi's Radio* radio stations and one TV station TOK TV, and Roki's Agri Portal; *Agro Garemo TV* channel through local broadcasters. Alt Tv's content is shared through online new portals A1+ and www.ecolur.org.

¹⁰¹ 6 reports/ programmes prepared and aired by Armenian journalists after the agri training; *ALT TV* has produced 76 agri reports (Weekly) since February 2019.

¹⁰² Local TV's in Armenia aired programmes with Agro content prepared with help of JRC: Jam news, ALT TV, Agropress.am, Public Broadcaster of Armenia, Online new portals A1+ and ecolur.org

¹⁰³ Georgia 15: Gori State University, Akhaltsikhe State University, Samtskhe- Javakheti State University, Batumi Shota Rustaveli State University, Kutaisi State University, Telavi Javakhisvili State University, International Black Sea University (IBSU) , Georgian European Higher Education University, National University of Georgia (SEU), Tbilisi State University, Tbilisi Georgian Technical University, Alma Mater Grigol Robakidze University, Tbilisi Caucasus International University (CIU), David Aghmashenebeli University of Georgia; Armenia 4: Yerevan State University, Bryusov Linguistic University, Vanadzor State University, National Agrarian University of Armenia; Azerbaijan 2: Odar Iurdu University Baku (Azerbaijan); Baku State University.

¹⁰⁴ 505 students in Georgia and 63 in Armenia. Apart from that, 40 students attended a lecture in agri journalism at Georgian Technical University.

¹⁰⁵ One meeting with Georgian and Armenian governmental officials to establish *Women's Room* model in Lori province in Armenia and Armenian official delegation's visit in Georgia to attend *National Women's Business Forum* and visit *Women's Rooms* in Adjara; *MOU* and a grant agreement was signed with Alaverdi Municipality in Armenia to copy the *Women's Room's* model and establish a municipal *Women's Room* service; first municipal *Women's Rooms* Annual General Meeting in Tskaltubo. Hiring an Armenian Gender and Governance Expert to make a Gender Guidelines for Local Self- Government of Armenia; opening first pilot WR in Alaverdi municipality, Armenia; meeting at Alaverdi, Armenia with the neighbouring municipalities for copying and scale up the WR service in other municipalities in Armenia. One Women's Room financed in Tumanyan municipality and another in Tashir municipality in Lori Region.

¹⁰⁶ 1,026 female 19 *Women's Rooms* users, 6,841 female users/ beneficiaries who participated in Meetings/Trainings and other events from 9 newly opened *Women's Rooms* in Kakheti region which started to operate from July 2018, and one *Women's Room* in Alaverdi, Armenia which opened in August 2019. In February-March 2019 and 2020 village meetings were held under the Village Support Programme in the whole country, 34,974 and 21,702 were female participants of the meetings in the respective years which is 36% of total number of attendants.

¹⁰⁷ 4 Women instigated community livelihood initiatives in Ajara funded with 439,000 Gel (a centre for the people with disabilities in Shuakhevi municipality, a kindergarten in Shuakhevi municipality, psycho-neurological hospital and brochures about artisans to promote traditional crafts). 22 women submitted applications for civil budgeting initiatives, 8 were funded with 189,000 Gel. 333 (173 in 2019, 160 in 2020) women's instigated community initiatives (water projects, kindergartens, village ambulances, roads, public toilets, parks and medical centres).

¹⁰⁸ Alali exported 13,500 live bulls to Azerbaijan.

Output 3.2: Facilitated access to export markets for dairy, meat, honey and wool entities in Georgia, Armenia and Azerbaijan.	
# of processors of meat and milk, wool and honey starting to export	13 ¹⁰⁹
# & % of LHP producers supplying supported entities (Women/Men)	11,494
Value of exported products	66,032,162 Gel
Output 3.3: Facilitated improvements to efficiency of outreach of key export supporting functions (freight, shipping, documentation, distribution) in dairy, meat, honey and wool value chains.	
Number of key entities with improved function/business practices	7 ¹¹⁰
Number of representatives of the key export supporting entities trained	2 ¹¹¹
Output 3.4 Improved transparency, accountability and efficiency of function and information transfer of key export related stakeholders to exporting entities in dairy, meat, honey and wool value chains (port officials, NFA and regional equivalent officials, border officials).	
Number of information initiatives from stakeholders to exporters	8 ¹¹²
Increased understanding and confidence in job remit (e.g. port/border officials)	5 ¹¹³
Increased transparency of function and information transfer of key export related stakeholders to exporting entities in dairy, meat, honey and wool value chains (qualitative)	3 ¹¹⁴

¹⁰⁹ One slaughterhouse *Alali Ltd* started to export processed meat, one wool collector improved / safeguarded export of wool, *Tzerari Ltd/Natural Produktsia*, *Gocha Gagashvili/Tsivis kveli*, *Tsintsikaro +*, *Milkeni*, *Alpuri Javakheti* and *Cheese Hut* export cheese to US, Canada and Singapore, *KTW*, *Api Geo* and *JBA* exported honey. *Leanka* exported cheese and *Neazovi* slaughterhouse – processed sheep.

¹¹⁰ Improved *NFA* functions in issuing necessary documentations for honey export; Improved *MEPA* function through the *MEPA Honey Committee*. Improved *State Laboratory of Agriculture* (SLA) function in conducting honey lab tests. Improved functions of shipping companies in sending honey samples overseas through increased knowledge of required documentation. *RDA* improved capacity in information dissemination related to beekeeping through partnership with *GBU* (trainings, meetings and workshops). *MEPA* developed beekeeping development strategy in partnership with the *GBU* and *ALCP*. Embassy of Georgia in Great Britain and Qatar increased capacity in honey promotion and export.

¹¹¹ *NFA* regional representatives increased capacity in preparing Vet Certificate for honey export in Ajara and Imereti.

¹¹² Information campaign against using antibiotics in honey sector by *GBU*. *Honey Advisory Committee*; *Honey Umbrella Association*; Honey Lab testing Subsidy Scheme initiated by *GBU* on Second *Honey Advisory Committee* and Honey Export guidelines (October, 2019); The Honey Export Guidelines by the *Business Institute of Georgia* (BIG) was uploaded on *MEPA* and *GBU* website, was shared with nine regional office centers of the *Rural Development Agency* (*RDA*), the *Agroservice Center of the Ministry of Agriculture* of Adjara and ten honey producing companies. *GBU* meeting with honey producing / export companies (February, 2021); Information about honey shipping companies was disseminated among honey export companies by the *GBU* (March, 2021). Embassy of Georgia to the UK has facilitated honey export companies to participate in London Honey Award in May 2021. Embassy of Georgia to Qatar has facilitated Jara honey producing companies to export in Qatar.

¹¹³ Regional *NFA* representatives in Ajara, Kakheti and Imereti to prepare documentation regionally for exporting honey. Key stakeholders (*NFA* and *SLA*) increased competence to support honey export.

¹¹⁴ *NFA* how to fill in hygiene certificate export to UAE. *Caucascert Ltd* to use EU BIO logo on the Jara honey label for export. *DHL* has increased understanding of required documentation for honey export.

Overview: Please see *Annex 3* for the list of interventions undertaken in the reporting period. Please see *Annex 1 and 2* for detailed qualitative and systemic impact, which includes reference to behaviour change wrought by COVID-19. See *Transversal Themes Section 2.4* for activities related to WEE and animal disease notification and control. Reference to COVID-19 is made where appropriate below and is being included as a factor in all ongoing surveys and impact assessments¹¹⁵.

Georgia and Cross Border Supporting Functions: Agricultural input suppliers have facing increased export costs due to COVID-19 procedures and the cost of imported raw materials remains higher than it was pre pandemic.

Mar-Mot Ltd Mar-Mot Ltd successfully resumed export with its partners in Armenia after the Nagorno Karabakh conflict. In summer 2021 they exported 50 rakes worth 35, 000 Gel. This cooperation will continue in the next agricultural season. Transportation/distribution costs to Armenia have increased by 20%¹¹⁶ and this is being reflected in an increase in prices. In January, *Mar-mot* moved their warehouse from Marneuli to Tbilisi, where they were renting 3500 square metres near his shop in Lilo. Mar-mot then decided to consolidate their holding in Tbilisi and are renting a new warehouse. The Tbilisi warehouse is three times bigger and more convenient for the company's customers. Since September 2021, Mar-Mot has been helping machinery service providers to apply for co-financing for machinery equipment from a new MEPA programme. In the reporting period, sixteen trips to Armenia were made by the company's distribution truck. 1,156 hydraulic hoses were sold in Armenia, 213 rakes and mowers (100% Armenia) to a value of 0.3 million Gel (100% Arm). 970 farmers were served (970, 100% Armenian).¹¹⁷ In September 2021, the ALCP conducted an intervention-specific impact assessment in Armenia. The study illustrated that *Mar-Mot Ltd* has significantly contributed to improved hay-making practices in Armenia. Net additional income (NAIC) for these 16,995 households amounted to 1,763,886,985 Dram / 11,230,712 Gel. In total, since 2017 one beneficiary HH generated 103,816 Dram / 661 Gel additional income.

Agro Trading Ltd Combined Feed Producer: Agro Trading Ltd has completed the building of a large new grain storage facility and has increased purchases of grains from farmers by 50%; 1,500 additional tonnes of grains from fifty large scale grain producer farmers (wheat, maize, barley) from all over Georgia. It will allow the company to produce feed when grain is cheaper as it now has storage space and will considerably reduce transaction costs. *Agro Trading* has increased prices by 10% as the price of imported grain rose by 10%, however sales and distribution are continuing within the country as before the COVID-19 pandemic. Negotiations with partners in Armenia will restart soon now that the expansion is complete. In the reporting period, 1,570 tonnes of combined feed as well as 7,700 tonnes of milled grain were produced and sold in Georgia. Sales are now back to pre-COVID levels. In April 2021, the ALCP conducted a farmer level impact assessment. The impact assessment showed that estimated scale from monthly data sheets was in line with actual figures, however the *actual* net additional income (NAIC) for farmers was 3 times higher compared to the estimated figure due to better capture of milk yield and meat yield increases at farmer level and improved triangulated sales data. The total amount of additional income (minus costs) generated for farmers amounted to 10,058,954 Gel (4,547,780 Gel in 2020).

Cross border facilitation: Roki has continued to export its products to Azerbaijan without any difficulties. Export to Armenia also continues uninterruptedly, since April 2021, Roki Ltd exported 71,440 USD of medicines. The company continues to produce hand sanitizer in response to COVID-19. Imported materials remain more expensive since the pandemic and prices are 10-15% higher.

¹¹⁵ Please also see [Effects of COVID-19 on the ALCP Client Businesses in the Dairy, Meat, Honey, Wool and Agricultural Impact Sectors](#) report submitted in October to SDC, covering the sixth months from the onset of the virus in Georgia to the end of September 2020. All clients' companies bar one dairy have remained open and have shown considerable resilience in adapting to the constraints brought about by the pandemic.

¹¹⁶ Due to COVID-19 related costs; i.e. to disinfection costs, PCR accommodation for drivers in quarantine etc.

¹¹⁷ A total of 153 trips, 28,945 hydraulic hoses, 1,813 rakes and mowers, 18,572 farmers. 3.9 million value of sales from the beginning of the phase April 2017. (Armenia and Azerbaijan only)

Information: Regional: in April the Journalism Resource Center held an online event the *(JRC) International Conference in Agricultural Journalism and Agricultural Education* which brought together regional academic and media representatives from Georgia, Armenia, Azerbaijan, Moldova and Ukraine. The enthusiasm for, dedication towards and interest in agri journalism and its importance for people and youth were striking. The JRC is publishing an e-book of the case studies from the event in three languages and sharing it with all universities¹¹⁸. In the reporting period a *Catalogue of Agricultural Topics* and the *Constructive Agricultural Journalism Book* were sent to Azerbaijan and Armenia. The JRC also added fifteen new video/online lessons to the agri journalism module. *Armenia:* In 2019, the JRC facilitated the *National Agrarian University of Armenia, Bryusov Linguistic University* and *Vanadzor State University* to establish the Agri Journalism module as a part of their journalism bachelor's degree. The JRC and their partner the *Media Initiative Centre in Armenia (MIC)* are now helping two more universities *Yerevan State University* and *Armavir State College* to establish the module in spring 2022. The JRC helped a regional channel *ALT TV* to launch regular agri reports, reaching up to 105,000 rural people. The JRC is planning a Training of Trainers in Teaching Agri Journalism for twenty university and media representatives in Armenia in November 2021. *Azerbaijan:* In 2019 the JRC facilitated *Baku Odlar Yurdu University* to establish the Agri Journalism module under their vocational education programmes in agriculture which is currently teaching it as an integrated part of their agricultural vocational programme. This year the JRC and the university are working together to establish the Agri Journalism module at two more universities in Baku¹¹⁹. The JRC is also planning a study tour and two-day agricultural training in Georgia for five representatives of three universities and five TV and press journalists from leading media in Azerbaijan in November.

Dairy Sector: Despite COVID-19 and the closures of the HoReCa sector, high demand for dairy products continued and ALCP facilitated dairies entered new supermarket chains and small shops and three more dairies expanded into export. Delayed payments and highly unfavourable trading conditions from supermarkets have increasingly become a threat to the sustainability of these enterprises. In autumn 2020, the ALCP team with the BIG (Business Institute of Georgia) began research into the issue. Phone interviews with thirty dairy enterprises were conducted. The survey was finalized in September 2021. It contains potentially sensitive information and is not available online. The survey revealed an asymmetrical power dynamic between the supermarkets and dairies including unfair trading practices and delayed payments meaning that large sums are tied up in supermarkets and can seriously impact investment and growth. The survey is available on request. In August 2021 the ALCP announced a tender for a consultant(s) to establish equitable terms of trade between supermarkets and dairy producers and hired a consultant Beka Natsvlshvili and J&T Legal Consulting Company to assist the Business Institute of Georgia (BIG). Beka Natsvlshvili is a former member of parliament and author of a draft law on the *Prohibition of Unfair Commercial Practice from Retailers towards Food producers* which was submitted to the Parliament of Georgia for consideration in 2020, but was rejected¹²⁰. Currently Beka Natsvlshvili with the ALCP, BIG, GMF and J&T Legal Consulting Company are facilitating meetings with local producers in different sectors dairy, meat, honey, tea, also with NGOs, Donor organisations, Associations e.g FAO, Georgian Farmer's Association, Distributors Business Association, Association Dairy Georgia and Georgian Manufacturers Association to ensure a broad representation and understanding of issues. Regulation of these practices through legislation, in line with that done in other countries, to level the playing field, establishing equitable terms of trade between supermarkets and dairies is the next logical step.

Georgian Milk Mark (GMM): The GMM is proceeding well. Since January 2019, when the GMM was launched, fifty-three dairy enterprises have submitted applications to the Business Institute of Georgia (BIG), which is the programme facilitated independent body administering the Georgian Milk Mark. Out of these applicants, twenty-

¹¹⁸ Akhaltsikhe State University, Samtskhe-Javakheti State University, Batumi Shota Rustaveli State University, Gori State University, Kutaisi State University, Tbilisi Georgian Technical University, Tbilisi Grigol Robakidze, International Black Sea University, Telavi State University, University-Alma Mater, Tbilisi Georgian-European Higher Education University, National University of Georgia (SEU), Tbilisi Caucasus International University (CIU), Tbilisi Javakishvili State University, David Aghmashenebeli University of Georgia, National Agrarian University of Armenia, Yerevan State University, Bryusov Linguistic University, Armavir College, Odlar Yurdu University, Baku

¹¹⁹ Baku State University and one more

¹²⁰ It is suspected that this was due to a strong lobby group of retailers/supermarkets

three dairy enterprises have been granted permission to use the mark. Seventeen¹²¹ of these have already started using the mark on their cheese label, while the other six¹²² are in the process of redesigning their labels to include the mark. The remaining thirty dairy enterprises (three¹²³ of whom are being facilitated by the ALCP) are in the process of improving traceability and implementing HACCP in order to become eligible to use the mark. GMM cheese is now available in twenty-three mainstream shop chains. Information about each enterprise is uploaded on the Georgian Milk Mark [website](#). In this reporting period the mark was promoted by *Imedi and Maestro TV*. The GMM animated video describing the mark has had 413,054 views, and on popular family YouTube channel Emili TV who was facilitated to test GMM products, the resultant videos have had 961,000 views. In September 2021 the programme conducted an impact assessment of GMM. The GMM user dairies all report benefits related to increased demand, sales and production and status attributable to the mark. Net additional income for dairies amounted to 2,553,113 Gel. GMM user dairies have created 62 full-time job equivalents (43 women / 19 men) and 1m Gel additional income for employees.

The *Georgian Milk Federation (GMF)* was created in June 2019 from a coalition of twenty- six dairies currently using or applying for the mark and facilitated by the Business Institute of Georgia (BIG). The Georgian Milk Federation registered a new charter on August 11th, 2021, based on a board with fourteen members and a chairman elected by them. The GMF is actively involved in the ongoing advocacy initiative to establish equitable terms of trade between supermarkets and dairy producers.

Promotional drive for GMM in the HoReCa sector: On July 9th, 2021 the Business Institute of Georgia (BIG) who manages the Georgian Milk Mark, and the Georgian Milk Federation held a Georgian Milk Day event. 161 people participated in the event. This B2B (Business to Business) event was held to bring together eighteen GMM dairies who presented their products to the invited HoReCa sector entities including Hotel Radisson, Tsiskvili restaurant Network, Madart Confectionery, 8000 Vintages, Tourism entities including the Gastronomic Tourism Business Association, Redline and Saqekspeditsia, Magazine ‘Gemriaelia’, retailers and consumers. COVID-19 has taken a toll on both sectors, and it is hoped that bringing them together will be advantage to them both, in terms of increased sales for the dairies and supplying quality Georgian dairy products supply for the HoReCa and retail sectors. After the event, eight GMM dairies out of the eighteen who participated in the event have already started cooperation with new HoReCa entities.

Business Development Consultancy Services: Since December 2020, Gergili Ltd¹²⁴ has conducted thirteen enhanced Business Environmental Assessment Tool assessments, which included additional aspects on Occupational Health and Safety for ten ALCP clients (dairy, slaughterhouses, wool, honey and bio security points).). The company was co-financed in March 2020 to integrate these new requirements into their existing BEAT tool, a vital component of the co-investment process with ALCP clients dealing with waste and significant resource use or production. Since September 2019, Georgian legislation has required all businesses with more than ten employees to have a trained Health and Safety representative on staff or a contracted consultant. Currently due to changes made in the course in January 2020, which remain un-finalized no training organization can become fully re-accredited and thus neither is their training¹²⁵. However, the accredited course should be available in autumn 2021. Gergili Ltd also conducted an Environmental and Occupational Health & Safety Assessment survey on three private sheep dipping facilities located in Kakheti and Kvemo Kartli Regions to find out how they deal with environmental, occupational health, safety, waste management issues and provide recommendations. Guidelines for private sheep dips are being finalized based on these recommendations.

¹²¹ Milkeni Ltd Rustavi, KK; Tsintsikaro + Ltd Tetrtsikaro, KK; Badri Gogoladze I.E brand name Cheese Hut, Bolnisi, KK; Dairy Products Company Tsezari, Tsalka, KK; Gocha Gagashvili I.E, brand name ‘Tsivis Kveli’ Telavi, Kakheti; Levan Bejanishvili I.E, brand name ‘Shuamta’, Telavi, Kakheti, Tsipora Samtskhe Ltd, Akahlsikhe, SJ, Coop. Khiza, Akahlsikhe, SJ, Tsalka + Ltd, Gumbati, KK, Coop. Disveli, Bolnisi, KK, I.E Tamaz Tagiashvili, Akhmeta, Kakheti; Lianka Ltd, Dedoflistskaro, Kakheti I.E Tsolak Grigorian Ninotsminda, SJ, Imeruli Ltd, Koda, Kvemo Kartli, I.E Ramaz Janashvili, brand name ‘Natural Milk Taste’, Adigeni, SJ, Coop. Dertseli, Fidan Natura Ltd, brand name ‘Bebos Kveli’

¹²² Karen Simonian, I. E Akhalkalaki, SJ; Hakob Hambaryan I.E Ninotsminda, SJ, Coop. Imedi, Adigeni, SJ, Heretuli Ltd Lagodekhi, Kakheti, Teleti Ltd KK, , coop. Tanadgoma, Kumisi, KK is currently stopped operational,

¹²³ Odlisi Ltd, Telavi, Kakheti, Apluri Javakheti Ltd, Ninotsminda, SJ; Cheeseline Ltd, KK,

¹²⁴ ALCP facilitated Environmental, Health and Safety Consulting Company

¹²⁵ The companies were initially accredited in 2019.

Meat: After the lifting restriction of COVID-19 and opening of the HoReCa sector the demand for domestic slaughtering services is recovering. Export of processed sheep meat to Iran, declined in 2019 and finally stopped in 2020 partially due to COVID-19 related restrictions and to currency fluctuation. Export of small quantities processed sheep meat is continuing to the United Arab Emirates, Kuwait, and Qatar in. For further detail, please refer to the [Meat Market Survey](#) (April, 2021). This survey, developed as a follow up to the Effects of COVID survey was conducted to monitor the changes wrought in the sector hardest hit by COVID-19 and develop follow up activities. These activities will focus on the promotion of processed meat to gulf countries and redoubled regulation of incompliant slaughtering and trade. Consequently, one of the biggest processed sheep exporters, ALCP client Alali Ltd slaughterhouse in Kvemo Kartli has stopped exporting processed sheep, as the Iranian trade remains closed¹²⁶ and started exporting live sheep and cattle instead. During the reporting period Alali Ltd exported 11,050 heads of sheep and 2,600 live bulls to Saudi Arabia as well as slaughtering for the domestic market. In August 2019, the programme co-financed Kutaturi Ltd, the largest pig and cattle slaughterhouse in Western Georgia to diversify its by-product production line and increase pig throughput. Since then the pig slaughtering business has grown. However, the planned reconstruction works for the by-product processing premises were delayed due to the financial constraints caused by COVID-19. In 2021 the slaughterhouse took a business loan worth 50,000 USD to stabilize their financial position and arrange gut cleaning premises. The company is currently trying to obtain a large bank loan (more than 400,000 USD) to finalize the reconstruction of the building, purchase additional equipment for processing the semi-finished products and open its own shop. Work on IE Niazovi slaughterhouse in Kakheti diversifying into processed sheep meat for export to foreign countries has been completed, the sheep slaughterhouse is HACCP certified and has recognition from the NFA; in the reporting period, it exported 100 heads of sheep in Qatar, another 100 heads were exported just outside the reporting period for the first time since the COVID-19 lockdown.

Wool: Georgian Wool Company (GWC): The company has had a difficult time during the reporting period due to still being unable to export greasy wool due to the low price/kg which has dropped by 30% since the pandemic and transportation costs which are also much higher than before the pandemic with an increase of 1000 USD per shipping container from Georgia to India. There is demand for unwashed wool in the UK, India and Afghanistan with India as the main market, but the price/kg and transportation costs make it unfeasible. At the end of the previous reporting period the company had received an order from India for twenty 20t containers of unwashed wool however this was cancelled as the price/kg and transportation made it unprofitable. It was planned to collect 400t's of wool in the spring season (May/June) but they only collected 25t and paid 0.45 Gel per kg (0.15 USD) per kg of wool on average. Farmers however have not suffered, sheep were sheared¹²⁷ and the wool was sold to other companies¹²⁸. The company closed the factory for three months in the summer for renovation in what is the low season for collection. It will be ready for the autumn collection season and will wash wool for the domestic market. If the price/kg increases then export will begin at once.

In the reporting period the ALCP facilitated *Wool House* to purchase advanced wool processing equipment including a new carding machine and set up its own shop in Akhaltsikhe Town. Wool House has been collecting wool from farmers as normal since its temporary closure due to the COVID 19 outbreak in October-November of 2020. The company is steadily increasing the volume of collected wool from farmers; with 14.5 tons/year in 2021 at 0.9 Gel per kg of wool (0.27 USD) on average, from 12 tons/year in 2020 0.9 Gel per kg of wool and 9.5 tons/year in 2019 at 0.80 Gel (0.27 USD) per kg of wool. The wool farmer level impact assessment was finalized in the summer showing scale 10% below estimated data and NAIC 30% above estimated for more than 4100 farming households selling wool on a repeat basis.

Honey: Core Market: Rebounding in spite of the pandemic, export markets for Georgian honey are beginning to flow and the volume of honey is growing rapidly. In the first nine months of 2021, 117 tonnes of honey were

¹²⁶ Due to currency fluctuation. Other markets became cheaper than Georgia for sourcing sheep.

¹²⁷ GWC's sheep shearing brigade worked independently and sheared 73,500 sheep for 350 farmers.

¹²⁸ The GWC shearers worked independently and sheared 73.500 sheep and 110t was sold to informal Turkish and Indian buyers.

exported to eleven countries: France, Bulgaria, USA, Canada, Hong Kong, Japan, Kazakhstan, Azerbaijan, UAE, Qatar, and Saudi Arabia. Five times more than the 21.7 tonnes of honey, exported to six countries in 2020, the average price of 1 kg of exported honey is 9 USD. A major recent development has been the establishment of a contract for wholesale bulk honey between Api Geo Ltd in Samtredia and Naturalim France Miel a large honey company in France. In September, forty-three tonnes of honey was delivered to France. The next order is now being prepared for shipment. Strict testing in France and Germany and a new factory and equipment capable of homogenizing 20t of honey at a time mean that the company is the first in Georgia to able to reliably service such a market.

In September Kakhetian Traditional Winemaking (KTW), producer of the Nena Honey brand which includes the first Bio-certified Jara honey in Georgia, shipped a second large order of six types of Nena honey to Hong Kong, including chestnut, blossom, alpine, linden, Bio Jara and honey with nuts. Nena Bio Jara honey is also on its way to Doha, Qatar. Overall, since January 2021, the company has increased the volume of honey exported by 110%, compared to 2020, to markets in Canada, USA, Hong Kong, Japan, Azerbaijan and Qatar. In Georgia, KTW honey is being sold in supermarket chains Carrefour, Goodwill, Europroduct and Agro Hub and small shops and KTW's own shops throughout Georgia¹²⁹, however in considerably lower volumes than in 2019 as demand in Georgia has considerably decreased as a result of reduced tourist numbers and reduced domestic demand¹³⁰. Nena BIO Jara honey, the first bio honey in Georgia, has been sold in shops and [online](#) in Georgia since December 2020. In 2020, the company aggregated a staggered amount of 4.2t of five types of honey. The company anticipates collecting at least the same amount in 2021. The company aggregated up to 1t of Jara honey (out of which 83.4% was BIO Certified) in spring, 2021 and is about to commence another round of Jara honey aggregation of around 2t this autumn.

The Jara Beekeepers Association (JBA) is consolidating its entry into the Japanese market in partnership with MF Company Ltd¹³¹. In September they exported honey to be shown at an exhibition in Tokyo in October, after which the next order will be placed. The JBA implemented HACCP in their own processing unit¹³² in Keda (previously all sales were from hive to consumer or to KTW) in April 2021, obtained recognition¹³³ from the NFA and received BIO certification from Caucascert Ltd¹³⁴ in September 2021. In a bid to diversify its market¹³⁵, the JBA¹³⁶ has started to aggregate Jara honey from its members and sell directly to two shops in Tbilisi and Batumi and directly to consumers. The JBA aggregated up to 400kg of Jara honey in Spring, 2021 and is about to commence another round in Autumn, 2021.

Export Facilitation: A comprehensive set of main export stakeholders of the honey sector were brought together online by the Georgian Beekeepers Union (GBU) on February 17th, 2021 to tackle ongoing barriers to the smooth process of honey export and thus export growth. Eight new private sector entities¹³⁷ then joined the Union after the meeting. Three Georgian honey producers, KTW Nena for Bio Jara and Chestnut honey, Honey Alpine / Cooperative KODY's alpine honey and Rukhi Queen's chestnut honey, received the Silver Quality Award in the quality category at the London International Honey Awards, facilitated by the GBU and the Georgian Embassy in London. Ten honey producing companies are being facilitated by the GBU to export honey to date including receiving information concerning interest expressed by other countries on the GBU's website. ApiGeo's successful export of bulk honey was discussed at an online meeting organized by the GBU in September 2021 to share

¹²⁹ 168 shops in total

¹³⁰ Due to a reduction in HH income.

¹³¹ Which is the partner of MYM International Co., Ltd in Japan, that signed the agreement with the JBA and MF Company to import 1t of BIO Jara honey from 2021 harvest. The first batch of 200 kg of Jara honey was exported in August 2021.

¹³² With ALCP support. Processing unit space was allocated by the Agro Service Center of the Ministry of Agriculture of Ajara as a result of the programme facilitation

¹³³ that granted the JBA the right to export honey and in the case of need, obtain a vet certificate.

¹³⁴ With ALCP support and Agro Service Center finance

¹³⁵ Addressing the risk of dependency on KTW and problems with sales

¹³⁶ www.jarabeekeepers.org , JBA [Facebook page](#)

¹³⁷ Taplikatsi Ltd, Rukhi Queen LLC, Matchakhela LTD, MF Company LLC, Ratcha Natural Products Cooperative, I.E. Giorgi Kachkachishvili, Api Geo LTD and Irinola LTD

experience and support other companies hoping to enter bulk honey export markets. The Embassy of Georgia to the State of Qatar has facilitated the export of four brands of Georgian honey to Qatar, including Nena BIO Jara honey. Georgian honey is being sold in the Lulu Hypermarket chain, one of the largest chains in the Gulf and will soon appear in Spar supermarket in Doha in October 2021. The Embassy used marketing materials and GBU/JBA websites to promote Georgian honey. Zingermans.com, a US online shop for food lovers, also started to sell Jara honey in the USA as a result of ALCP facilitation.

Supporting Functions: Bio Certification: Twenty-three BIO certified Jara beekeepers are about to receive bio certificates¹³⁸ for the 2021 harvest. The Agro Service Center of the Ministry of Agriculture of Ajara financed the Bio certification of these beekeepers in 2021 with a 10% contribution¹³⁹ from the beekeepers and will continue financial support in 2022. The Jara Beekeepers Association (JBA), facilitated by the programme, is leading the process, and promoting the use of bio drugs and better husbandry and hygiene practices in Jara apiaries. The productivity of Jara bee colonies has increased by 30% and thirty-six new beekeepers¹⁴⁰ have started producing Jara honey. To date, the JBA has ninety-three¹⁴¹ Jara beekeepers in its database from a baseline of 57 when it was created.

Jara in VET: See 2.4 Transversal Themes

Rules: Laboratory Capability and Reduced Antibiotic Use: The State Laboratory of Agriculture of Georgia (SLA)¹⁴² is continuing to conduct the tests for the annual Residue Monitoring Plan (RMP) after five years of outsourcing to the BIOR laboratory in Riga. Programme facilitation significantly contributed to the process¹⁴³. According to the RMP test results for 2020, only 6% of the samples (6 out of 100) were contaminated, the second year of low contamination¹⁴⁴ since the active anti antibiotic campaign and other facilitation in partnership with the GBU and government. The results for this year's testing will be known in 2022.

3.3 IMPLEMENTATION CONSTRAINTS AND WAYS TO OVERCOME THEM

COVID-19: As COVID-19 is ongoing and numbers yet again surging, with at the time of writing a new variant emerging, the extent to which the effects of COVID-19 restrictions and constraints will further affect programming is still unknown. Much depends on whether further lockdowns are required and global impacts, such as increased prices for imports and shipping costs continue or worsen. The ability of businesses and the economy to recover and what the full effect on the operational environment and stakeholders will be, still remains to be seen. During the reporting period, the COVID-19 pandemic and remote working continued to impact on interventions that usually involve face to face meetings to galvanize key government entry points through not to the extent of the previous reporting period and utilizing online fora to good effect. The regulatory focus of the NFA still has gaps, which increase constraints for clients such as insufficient policing of milk powder usage and sale as natural milk, unregistered factories and backyard slaughtering. Additional upcoming registration requirements in the honey and dairy sectors may place additional strain on the agency unless operational capacity is increased. With regard to external constraints in the operating environment see 1.2 *Evolution of the Context* and 1.3 *Bilateral and Multilateral Issues of Note for Policy Dialogue*. Other main constraints remain consistent with previous phases of the programme. The current political situation though it remains something of a stalemate is not as yet a constraint although there is concern it may impact the will and divert the energy of government entities in the spheres of programme intervention if it continues.

¹³⁸ Certificates are valid for one year. Therefore, BIO certification is conducted every year

¹³⁹ 1,100 USD contribution out of 11,000 USD (in total)

¹⁴⁰ Who have taken up or revived Jara beekeeping. 11% are from other regions (outside Ajara)

¹⁴¹ 63% increase compared to baseline - 57 Jara beekeepers in JBA database (2018)

¹⁴² Formerly the Laboratory of the Ministry of Agriculture (LMA).

¹⁴³ [Discussion](#) at the ALCP Honey Sector Advisory Committee meetings and linkages, improving the information exchange between the laboratory and NFA, speeding up the process of implementing testing standards in the laboratory and increasing its reputation among honey sector stakeholders

¹⁴⁴ 8% in 2019, 56% in 2018, 54% in 2017

3.4 EVENTUAL CHANGES TO MAIN ASSUMPTIONS

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

CHAPTER 4 – FINANCES & OPERATIONS

4.1 PERCENTAGE OF BUDGET SPENT VS. PLANNED PER OUTCOME

For the ALCP support lines^[1] as of September 30th, 2021, the spending percentage of 93.76% reflects robust investment of the additional 180,000 CHF reallocated to the Investment Support Facility in July, aimed at maximizing impact within the remaining time frame. See 3.2 *References to Activities Proposed and Actual* for details. The percentages represent the rate for the full five-year phase.

Table A. Budget Support Funds and Spending Percentages

ALCP Support Facilities (CHF)	Total Budget from January 2020	Total Revised Budget from July 2021	Funds remaining September 30 th 2021
Alliances Investment Support Facility (Including Gender and Governance)	1,428,366	1,608,366	100,437 (93.76% spent)
Technical and Transversal Themes Sub Contractors	42,000	42,000	13,996 (66.68%)

4.2 BUDGET DEVIATIONS AND OUTLOOK FOR THE REST OF THE PHASE

In the *Annual Report April 2020 to March 2021* submitted on May 31st 2021, an underspend of 516,342 CHF was noted due to COVID-19 related and other effects. A Budget Reallocation Request was submitted to SDC on July 28th, 2021, in which all offices and staff members were retained to the end of March 2022 and 180,000 CHF was reallocated to the Investment Support Facility (as documented in the table above) to further current interventions and help mitigate some of the impacts of COVID-19, leaving an underspend of 260,925 CHF. Following further discussions, outside the reporting period on October 8th 2021, the programme submitted an additional Budget Reallocation Request for a one month No Cost Extension in which all offices and staff members are retained to the end of April 2022 in order to be able to disperse a further 120,000 CHF from the Investment Support Facility, to further amplify current interventions and further mitigate some of the impacts of COVID-19. This would mean spending 80.3% of the remaining CHF 260,925 underspend. As noted above, spending of the initial additional 180,000 CHF is well on track and the rest has been allocated. Final approval for the second budget reallocation request is in process at the time of writing and a spending plan for the additional 120,000 CHF is in place. Please see *Annex 3 List of Investments made in the reporting period*.

4.3 APPRAISAL ON HOW EFFICIENTLY INPUTS WERE CONVERTED INTO OUTPUTS

The efficiency of input conversion is enhanced through the use of the co-investment mechanism. Programme co-investment is currently running at an average 58 % down from 61% (*Annual Report March 31st 2021*), reflecting the financing of asset purchase, materials and marketing activities for peak rate implementation. This includes the establishment of a new Women’s Room in Oni Municipality Racha region, facilitation of GMM dairies for

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

expansion and product diversification, establishment of a shop by Wool House in Akhaltsikhe, strengthening the teaching of Jara at VET colleges and support to the export of Georgian honey. See Figure 1 below.

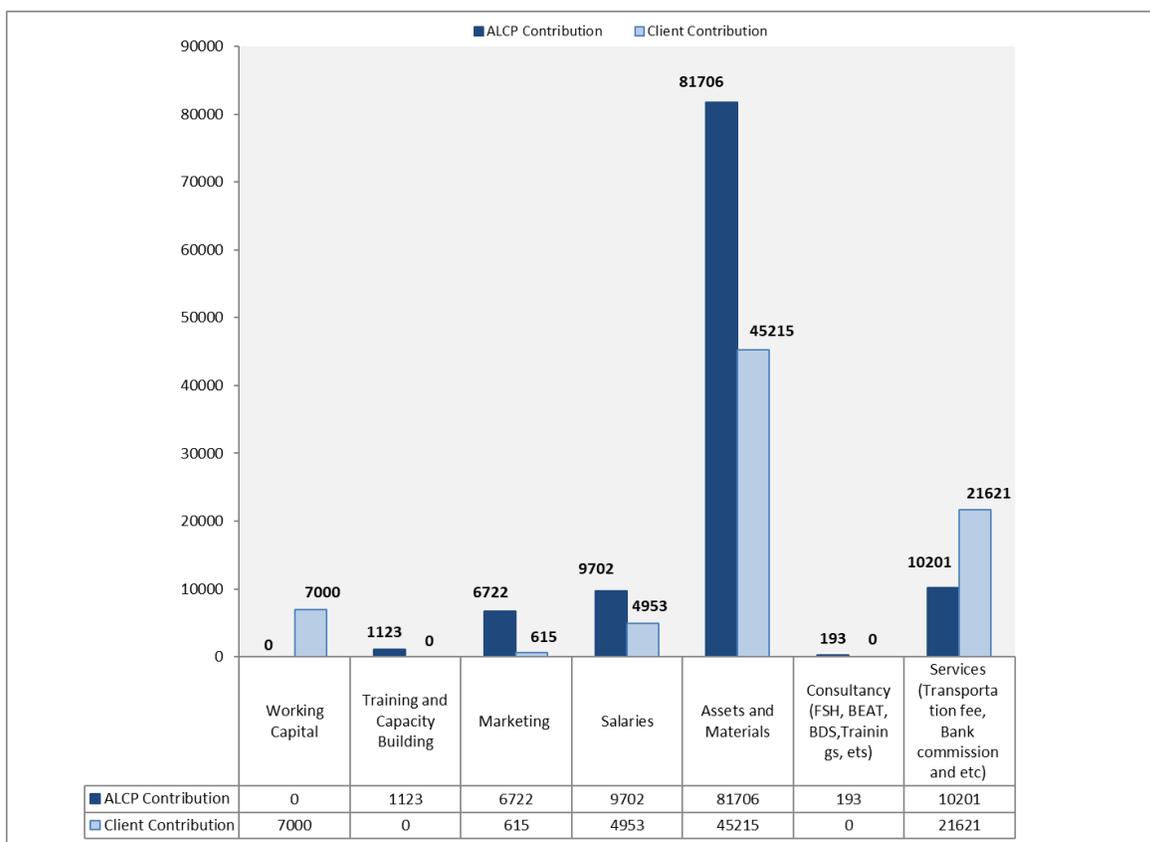


Figure 1. Showing the Outlay of ALCP and Client Contributions

4.4 HUMAN RESOURCES & TEAM MANAGEMENT¹⁴⁵

All offices are working successfully and maximizing the geographical synergy of their locations to enhance interventions. The ALCP offices have remained open during the reporting period operating according to strict social distancing, mask wearing and hygiene protocols. All team members have been retained despite the upcoming ending of the current phase.

CHAPTER 5 – GOOD PRACTICE & LESSONS LEARNED

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

SCO in Georgia: Coordination between the SDC Rural SME’s Development programme launched in December 2020 and the ALCP is ongoing with meetings in February and March 2021, sharing experience and collaborating with intervention design and stakeholder engagement and in June, 2021 when the Rural SME team presented the findings from their inception phase for discussion. Working relations with the NAITS programme and UN Women are ongoing. NAITS representatives were part of the AMR stakeholders coordination meeting convened by the ALCP on October 8th just outside the reporting period to discuss next steps in the future sustainability of the Animal Movement Route (See 2.4 *Transversal Themes* for more details). Regular communication with the SCO continues to include working closely with the SDC Media and Communications Officer to relay news stories

¹⁴⁵ NB: it must be continually noted that though requiring effort to manage and document, flexibility in staffing and altering staffing to suit needs as the programme develops rather than slavishly following fixed budgets is one of the key tenets of the organisational ‘adaptive’ culture that allows for effective MSD implementation.

developed on the ALCP website highlighting ongoing developments and sharing new research. The USDA SQIL programme has been in ongoing communication with the ALCP.

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

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

External Review: In summer 2020, the ALCP was part of a global SDC independent evaluation of SDC's Agricultural Market Development programmes from 2013 to 2019. Key team members as well as the veterinary company Roki and a veterinary pharmacy, engaged with the evaluator, sending programme documents and links to resources and data, to best illustrate and verify decision-making rationale, implementation and impact. The *Independent Evaluation of SDC's Performance in Market System Development in Agriculture 2013-2019* was released to the team just outside the reporting period and positively corroborated the validity of the MSD approach and the approach as used within the ALCP. Points of note included rigour in market research and results measurement, ability to generate and document systemic change and ability to generate of Women's Economic Empowerment through innovative and scalable mechanisms. Another positive large scale review in which multiple ALCP documents were included was the BEAM (2021) *BEAM Evidence Review. The Results Achieved by Programmes that Use the MSD Approach*.

Self-Evaluation: The ALCP close out Impact Assessment Cycle developed according to a timetable and methodologies developed with the programme's DCED consultant backstopper in January 2020, has almost been completed in spite of difficulties¹⁴⁶ thrown up by COVID-19. Analysis of the results is ongoing and is highly favourable with scale mostly in line with estimated data from the programmes repetitive monitoring system and net attributable income notably higher than estimated. A consolidated Impact Assessment Report will be submitted early in the new year. Please see *Steering Implications* for more details.

Market Research: Two key pieces of market research underpinning current and potential future initiatives, one in complex multi stakeholder advocacy for fair terms of trade between SME suppliers and supermarkets, *Investigating an Unlevel Playing Field. Experiences of Dairies Supplying Supermarkets in Georgia* and one an in-depth *Conservation Stakeholder Analysis* on which multi stakeholder sustainability advocacy for Goderdzi Pass development is ongoing, are not available on the website due to sensitive market information both contain but will be made available on request.

CONCLUSION

Despite the ALCP entering into the final six months of programming, activity is characterized by new and robust growth in interventions, which would form the basis for ongoing and essential programming in the programme proposed by the ALCP team and Mercy Corps Georgia. It would form a natural progression of the programme into further safeguarding the sustainability of market sector actors and the target group by an even wider focus on sustainability in every sense; of business, environment, production methods and governance. The programme team, the most vital resource of the ALCP, remain enthused and loyal to what the programme is achieving now and what it hopes to expand into. The impact assessment results prove that the rationale of the programme for this phase was accurate, cross border trade and export based on a more sustainable business environment allowing profitable access to market and decent jobs for LHP's, has been proved to be feasible. And this in spite of some of the most challenging programmatic conditions ever faced throughout the Alliances programme. For this, the dedication and energy of the team and the programme clients and other market actors who give of their enthusiasm, drive, energy and hope to make the interventions a success in reality, are acknowledged with gratitude, admiration and thanks.

¹⁴⁶ E.g. Cross border travel. Staff self isolation after COVID-19 contacts.

ANNEX 1 MAIN QUALITATIVE FINDINGS PER REPORTING PERIOD¹⁴⁷

QUALITATIVE IMPACT PER SECTOR MARCH 2021 – SEPTEMBER 2021	
MACHINERY	
BUSINESS	<ul style="list-style-type: none"> * <i>Credo Bank</i> agreed to reduce its 8% base interest rate to 5% and has reduced the financial burden on <i>Mar-Mot Ltd</i> as this is covered by them so that the loan is interest-free for customers * <i>Mar-Mot Ltd</i> helped fifty machinery service providers apply for a hundred different types of machinery equipment from a new state programme co-financing agricultural machinery 30-up to 35%. It will allow these service providers to upgrade their equipment. * <i>Mar-Mot Ltd</i> hired one female full-time financial administrator with a salary of 1000 Gel/month. She has a formal contract, overtime, paid annual vacation. * Out of eight machinery shops, <i>Mar-Mot</i> resumed export with five of them in Armenia after the situation became more normalized after the war in Nagorno-Karabakh. The sales of the other three shops remain low, so they have not resumed trade yet. During COVID-19, all these five machinery shops increased sales because many Armenians could not emigrate for seasonal employment, so they engaged in agriculture and are thankful for this option. Before the war, machinery service providers from Nagorno-Karabakh used to buy equipment from <i>Sev-Agas Ltd</i> in Sevan, which amounted to about 10% of total sales. After the war, <i>Sev-Agas</i> lost these customers. However, increased demand for the machinery service within the country has compensated for this loss.
FARMER	<ul style="list-style-type: none"> * Due to the availability of a new or upgraded machinery service, the majority of the farmers in Armenia are getting better quality hay on time. Some of them have bought or rented additional plots and increased the amount of land for haymaking, which has allowed them to buy one more cow compared to 2017. Before their machinery service providers were using old equipment, which used to break down, wasting time. During the waiting period, their hay used to spoil. * Some of them have been able to sell excess hay bringing in additional income. On average each farmer sold 231 bales, about 394,000 AMD/2,561 Gel a year. * <i>Mar-Mot</i> is reporting a considerable 150% increase in the sale of milking machines this year. Since January they have sold 250 50% through in store credit. The majority of the customers are farmers from Kakheti, Gori, Akhalkalaki, and Kvemo Kartli.
NUTRITION	
BUSINESS	Since May, after building a new grain storage facility, <i>Agro Trading</i> has increased purchase of grain from farmers by 50%, 1,500 additional tonnes of grains from fifty large scale grain producer farmers (wheat, maize, barley) from all over Georgia.
FARMER	<ul style="list-style-type: none"> * The majority of farmers buying <i>Agro Trading's</i> affordable combined feed for cattle <i>Universal</i> are doing so because it increases milk yield, from 2.2 litres to 4 litres more milk per milking cow per day; it is ready-mixed and easy to use and it increases the live weight of cattle. Feeding heifers with <i>Universal</i> for one year has increased the live weight of heifers by 13 kg, and bulls by 20 kg. * These farmers reported that <i>Universal</i> is the most productive affordable animal nutrition on the market with tangible effect.
HONEY	
BUSINESS	<ul style="list-style-type: none"> * In June, the <i>Jara Beekeepers Association</i> processing unit obtained temporary recognition from the National Food Agency (NFA), which allowed the unit to export honey to Japan and obtain a vet certificate. The JBA is now waiting for the next inspection to gain permanent recognition. * <i>Api Geo Ltd</i> in Samtredia and a large honey company in France established a contract for wholesale bulk honey. In September, forty-three tonnes of honey was shipped to France. A second order is now being prepared for shipment. Strict testing in France and Germany and a new factory and equipment capable of homogenizing 20t of honey at a time mean that the company is the first in Georgia to be able to reliably service such a market.

¹⁴⁷ Note: Qualitative Data is measured annually. However not all occur at the same time. This report includes all those interventions which were due for their annual qualitative impact assessment in the reporting period.

	<ul style="list-style-type: none"> * <i>Api Geo Ltd</i> have established a permanent contract to supply repeat orders to a company in France Naturalim France Miel up to 150t's is planned to be sent this year. This means that the company will need to broaden their net of suppliers increasingly buying from smaller-scale beekeepers giving them regular access to market which has been a problem for years. * <i>3 Beekeepers in Guria, Samegrelo, and Imereti</i> inspired by Bio certification of Jara honey have used IFC grants to gain bio certification from <i>Caucasuscert</i>. Increased outreach saw <i>GBU</i> and Pennsylvania State University working together to develop joint guidelines for <i>Varroa</i> treatment. <i>USAID ZRDA</i> financed the visit of one professor to Georgia.
FARMER	<p><i>National and international access to quality beekeeping information is increasing. Over the last nine months, 31,311 people have visited the GBU's website www.geobeekeepers.ge. Out of them, 65% were from Georgia, the rest were from Russia, China, Israel, Bulgaria and Greece.</i></p> <p><i>Nationwide uptake of Jara beekeeping courses in Twelve VET colleges is ongoing. 8 VET colleges are starting to teach Jara honey production from November 2021 and accepted 104 students on a one-year programme, five VET colleges are starting teaching from Spring 2022. Jara beekeeping will be a fully accredited subject or short-term course in its own right. It is anticipated to start from September 2022.</i></p> <p><i>Increased contact with members has seen the GBU holding online weekly Q and A sessions since August. Topics include export, preventions of bee diseases and use of antibiotics. 29, 870 people viewed, 432 beekeepers asked questions and received answers during these sessions.</i></p>
GMM DAIRIES	
BUSINESS	<p>The Georgian Milk Mark and the Georgian Milk Mark Day in July linking GMM dairies to the HoReCa sector are fueling business expansion, product and market diversification and improved sustainability and resilience post COVID-19.</p> <ul style="list-style-type: none"> * <i>Tsalka +</i> hired five additional staff and pays 500 Gel/month/employee. They also added three villages and are collecting five tonnes more milk/day in the high milking season. Three new milk collectors started working with them who previously collected for <i>Sante</i> one of the largest dairy producer companies in Georgia. They moved to <i>Tsalka+</i> as the dairy offered stable payments once in ten days while <i>Sante</i> had payment delays. * Launched on the Georgian Milk Day <i>Milkeni</i> started selling new niche product Tenili cheese. Currently 15 bottles/week a total of 150 bottles have sold to date, through online shop soplidan.ge. * Since December, <i>Tsezari Ltd</i> has been exporting steadily to the Canadian market, the total amount of cheese exported is 3.08t. * <i>Leanka Ltd</i> entered all branches of the <i>Nikora</i> Supermarkets chain in Kakheti, they are fifteen in total. * <i>Shuamta Ltd</i> and <i>Tsivis Kveli Ltd</i> are promoting the GMM through Facebook. <i>Shuamta</i> has 101 new followers and in total 654 and <i>Tsivis Kveli</i> 1,462 new followers and 9,563 in total. * <i>Shuamta Ltd</i> and <i>Tsivis Kveli</i> were producing specialty cheese, during the pandemic, the demand for this type of cheese decreased drastically during lockdown, but resumed orders several months ago, though not yet at the pre pandemic levels. <i>Tsivis Kveli</i> has also open to tourists over the last six months they visit the dairy for cheese tasting. <i>Tsivis Kveli</i> also participated in the Wine Festival in Batumi in August. * <i>Ramaz Janashvili's</i> Kakheti dairy has almost doubled the volume of daily processed milk over the last six months, compared to the same period of the last year. It added five new selling points, out of them, two are restaurants, they contacted the dairy after seeing their dairy products at the Georgian Milk Mark Day
FARMER	<ul style="list-style-type: none"> * The majority of the milk suppliers of these dairies are satisfied with the conditions offered, timely payment and advance payment at need. They are motivated to increase production as demand is strong, and they are assured that they have regular access to a stable income. However, they wish the milk price was higher than it is, as the price of animal feed has increased by 10%. * This year more than twenty female suppliers of <i>Tsalka+</i> and fifteen suppliers of <i>Tsezari</i> have bought milking machines. Female farmers who own more than five cows are buying milking machines to save time for doing other activities. Female farmers are buying milking machines from milk sales savings.
BIO SECURITY POINT IN MTSKHETA-MTIANETI REGION	
FARMER	<ul style="list-style-type: none"> * Shepherds now have access to a new Mtsketa-Mtianeti VSP which started operation in spring 2021. About 20,000 sheep and 10,000 cattle have already been dipped in the first dipping season. In the autumn the NFA vets expect to dip 30-40% more animals as many farmers didn't know about the newly opened BSP. * It is free, shepherds save about 250 Gel per 500 head. Less labour help is needed during and after animal dipping/ showering process at the NFA BSP's than at private sheep dipping facilities. Access to the watering points at the newly opened BSP points helps maintain animal condition during the movement. Local sheep farmers who graze their sheep locally also bring their sheep for dipping. * Farmers from other regions are also using this BSP on their way to high pasture as they prefer dipping their sheep right before they go up the mountains.

WOMENS ACCESS TO DECISION MAKING AND PUBLIC GOODS	
ENTITY	* The Union of Women's Room was registered as a formal legal entity. The idea of the creation of the Union of Women's Rooms came up during one of the self-organized meetings of the Women's Rooms managers. They believe that the union will help them with implementing joint projects and finding additional finances thus encouraging the process of civic and economic empowerment of women and girls. Thirty Women's Rooms of twenty-nine municipalities from six regions of Georgia became union members. They are planning to cooperate with Women's Rooms in Armenia and promote Women's Room in Azerbaijan.
FARMER	* WR's are facilitating access to financing and public goods. Ten women and four men users of Women's Rooms from Ajara (11), SJ (1) and Kakheti (2) regions received 311,640 Gel in total from the Micro and Small Business Support Programme of Enterprise Georgia in May 2021. Out of them, six were start-ups and eight were business expansions. The businesses financed were guesthouses, a wood workshop, a sewing workshop, a Café, a pastry shop, and a beauty salon. In total 157 people applied, out of them 95 were women. Three new jobs were created in Kakheti (2 male, 1 female) and fifteen in Ajara (all of them are women) due to the support of these businesses.

ANNEX 2 SYSTEMIC CHANGE LOG

#	Programme Client's & Intervention Name	Type of Systemic Change	Verification		Impact Calculation added to system (Y/N) (Direct/Indirect/Quant/Qual/Both)	Location (Region, Municipality)	Starting Date	Business Description & Stability	Systemic Changes Attribution to the Programme
			Source	Verified/not Verified (& date if verified)					
1	Bio beeswax Production	Sectoral Change	STO	May/2021	Y Indirect Qual	Racha	Spring/2022	Bank of Georgia awarded <i>Racha Sustainable Development Association</i> 15,900 USD to produce bio beeswax under the programme of helping social enterprises. It is anticipated that it will provide a bio beeswax printing and sales service to local beekeepers from Spring 2022	Honey contamination in Racha showed by the Residue Monitoring Plan results and subsequent laboratory analysis of beeswax made by the ALCP in conjunction with the Ajara Beekeepers Business Association (ABBA) in 2018 generated this idea of bio beeswax production by a close contact of ABBA. The <i>Elkana</i> consultant and <i>Caucascert Ltd</i> organic certification company, who were involved in the Jara bio certification which was the first in Georgia, gave them confidence and expertise now being used to help the association with implementing their bio certification.
2	Jara Beekeepers Association (JBA)	Sectoral Change	Client/ STO	September/2021	Y Direct Both	Ajara	January/2022	From January 2022 the Agro Service Center of the Ministry of Agriculture of Ajara is financing the JBA 60,000 Gel from the public budget. The centre has also allocated has 41,500 Gel from the public budget, 8,500 Gel more compared to last year for the bio certification of twenty-three Jara beekeepers.	After ALCP facilitation the Agro Service Center of the MOA of Ajara funded the JBA 33,000 GEL for the bio certification of 23 JBA members in 2020. The MOA of Ajara decided to increase financing this year due to their successful cooperation in 2020-21. The MOA is aiming to support Jara beekeepers with increasing bio honey production in the region.
3	Machinery implements and spare parts distribution company <i>Mar-Mot Ltd</i>	Business Expansion	Client/ STO	July/2021	Y Direct Both	Tbilisi	July/ 2021	In July <i>Mar-Mot Ltd</i> became the official dealer of <i>Belarus</i> tractors and machinery equipment in Georgia (a highly sought after brand in Georgia) in a partnership with <i>Minsk Tractor Works Holding</i> . <i>Mar-Mot Ltd</i> has already imported 48 <i>Belarus</i> tractors and 33 different types of machinery equipment at a wholesale price. Previously <i>Mar-Mot Ltd</i> could only buy from six to ten <i>Belarus</i> tractors a year ordered online as an ordinary customer.	Programme client. <i>MTW</i> representatives visited <i>Mar-Mot's</i> new warehouse. <i>Marmot's</i> growth and expansion to Armenia saw the company consolidate its holding in Tbilisi building a new warehouse in Tbilisi. <i>MTW</i> saw that it offered the necessary platform for their cooperation and establishment in-country.

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

Intervention #	Name	Contact	Location	Type	Date	Total Investment & % Contribution	ALCP	Client	3rd Party ¹⁴⁸	Rating
1	1.5.1 Milken/ Theme - 1 KK - 3	Milken Ltd	Iveri Gabarauli	Rustavi	Facilitate the dairy company for expansion of the business, sell GMM product at diversified market	05/07/2021	\$ 52,858	28,858	24,000	Very Good
							% 100%	55%	45%	
2	1.5.3 Teleti / Theme - 1 KK – 2	Teleti Ltd	Davit Kikolashvili	Teleti	Facilitate the dairy company for expansion of the business, sell GMM product at diversified market	02/06/2021	\$ 49,277	25,777	23,500	Very Good
							% 100%	52%	48%	
3	1.5.3 Business Institute of Georgia/Theme-1 KK-3	Non-Entrepreneurial (Non Commercial) Legal Entity Business Institute of Georgia	George Gigolashvili	Tbilisi	Facilitate the Business Institute of Georgia (BIG) to develop a concept for the administration and to audit + administer the GMM	14/05/2021	\$ 24,742	16,475	8,267	Very Good
							% 100%	67%	33%	
4	1.6 Oni Municipality/ALCP WG-1	Oni Municipality	Davit Chikvaidze	Oni, Racha	Establishing Municipal Service Women's Room	26/08/2021	\$ 16,866	13,656	3,210	Very Good
							% 100%	81%	19%	
5	3.2.1 APIGEO LLC /Theme – 3 WG - Amendment	Api Geo LLC	Gia Ioseliani	Bashi, Imereti	Facilitated access to export markets for honey entities in Georgia	16/06/2021	\$ 4,086	1,906	2,180	Very Good
							% 100%	47%	53%	
6	3.2.3 Manana Tsikarishvili/Theme-2 SJ -2	Wool House	Tamar Tsikarishvili	Akhaltzikhe, SJ	Market diversification/ own brand shop of Wool House Company in Akhaltzikhe	19/04/2021	\$ 17,752	10,732	7,020	Very Good
							% 100%	60%	40%	
Service Contracts										
7	1.3/1.5 GMM/Theme1 KK-1	Business Institute of Georgia	George Gigolashvili	Tbilisi	Georgian Milk Day Linking GMM dairies to HoReCa	09/07/2021	\$ 3,070	3,070		Very Good
							% 100%	100%		
8	1.1/1.2 Beka Natsvlshvili/Consultant	Beka Natsvlshvili	Beka Natsvlshvili	Tbilisi	Consultant to assist BIG to facilitate establishment of the equitable terms of trade between supermarkets and dairies	17/09/2021	\$ 7,000	7,000		Good
							% 100%	100%		
9	1.1/1.2 J&T Consulting Company	J&T Consulting Company	Giorgi Tsertsvadze	Tbilisi	Consulting Company to providing legal consultation to facilitate establishment of the equitable terms of trade between supermarkets and dairies	17/09/2021	\$ 3,000	3,000		Good
							% 100%	100%		

¹⁴⁸ Third party contributions in the legal language of the ALCP grant agreements specifically refers to part payment or investment for services specified as part of the grant agreement. *Additional Investment: Including low interest government loans, bank loans and grants are recorded in Annex 2 Systemic Change Log under 'Business Expansion'.

ANNEX 4: ALCP PROGRESS ON THE INTEGRATION OF ADA ENVIRONMENTAL RECCOMENDATIONS

This Annex was based on ADA recommendations to the 2020 May *Annual Report*. Sustainability based on market actor ownership of said activities is built in, to ensure continuation after the project ends; farmer behaviour change is also being facilitated through information and subsequent market opportunities. DRR components addressed in the following interventions are *reduced environmental damage and waste from livestock based enterprises and production*.

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

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

Improved Environmental Consulting to Rural SME Companies: Health, Safety and Environment Consulting Company Gergili Ltd has been conducting BEAT (Business Environmental Audit Tool) assessments for dairy, meat, honey and wool enterprises for programme clients since 2009. Following a new Health and Safety Law that entered into force in September 2019, Gergili Ltd with ALCP facilitation updated their Business Environmental Audit Tool to include new health and safety sections, to ensure that enterprises comply with national legislation and environmental law. Since December 2020, Gergili Ltd has conducted thirteen enhanced Business Environmental Assessment Tool assessments, out of which three were in the reporting period. The assessments include additional aspects on Occupational Health and Safety for eleven ACLP clients (dairy, slaughterhouses, wool, honey) and private sheep dips. Gergili's online training about national requirements of Environmental protection, Health and Safety and prevention of COVID-19 is still available upon the request from businesses. Currently due to changes made by the government in the course in January 2020 that remain un-finalized, no training organization can become fully re-accredited and thus neither is their training¹⁴⁹. However, the accredited course should be available in autumn 2021. In July-August 2021 Gergili Ltd conducted an Environmental and Occupational Health & Safety Assessment survey on private sheep dipping facilities located in Kakheti and Kvemo Kartli Regions to find out how they deal with environmental, occupational health, safety, waste management issues. See Below.

Survey of Private Sheep Dips: After [A Survey of Private Sheep Dipping Facilities in Georgia](#), conducted by the ALCP in July 2021, the programme commissioned Gergili Ltd to conduct an Environmental and Occupational Health & Safety Assessment on three private sheep dipping facilities in Kakheti and Kvemo Kartli regions including interviews with the owners/shepherds on personnel and operational safety practices. The assessment included simplified recommendations for private sheep dip owners based on existing laws and regulations and the best practices of other countries. This assessment confirmed the findings of the above-mentioned survey and the necessity of making of simple safety guidelines for private sheep dip owners and users to follow. Following this assessment, the programme has drafted *Sheep Dipping Guidelines* to provide simple operational and safety instructions for private sheep dip owners. The Guidelines aim to mitigate potential environmental harm that can be caused by the sheep dipping process and to ensure the safety of the animals and humans involved. It includes information on types of dip chemicals which are less harmful for the environment as well as the tips on disposal and dilution of sheep dip wastewater to protect land and water at the private sheep dips. Facilitation with the NFA is ongoing to approve the guidelines and disseminate them among sheep dip owners.

Reduced Waste, Increased Efficiency: Sheep Shearing: In 2018, the Georgian Wool Company purchased twelve sheep shearing machines and trained a group of twelve shepherds, to provide [a shearing service](#) to sheep farmers. The service is available on the pastures at the beginning of spring and at the end of summer, when sheep are usually sheared in Georgia. This year (2021) the shearers worked independently¹⁵⁰ with two hundred and eighty thousand sheep of 350 farmers were sheared¹⁵¹. Before sheep were sheared by hand, which damaged the wool fibre and the quality of wool was poor. Incompliant shearing and storage was decreasing the quality of wool and causing about a ten percent loss, which was often left on pastures polluting the local environment. Now, the sheep shearing machines decrease wool fibre damage, improving the quality of the wool.

¹⁴⁹ The companies were initially accredited in 2019.

¹⁵⁰ The GWC has been unable to buy as much wool this year to the cessation of export due to price/kg see 3.2. 5

¹⁵¹ The wool was purchased by Turkish buyers.

ADA Recommendation: To support and facilitate the system to develop so as to be able to support increase of production and quality for increased market penetration and volumes with a parallel enhancement of the natural inputs (water, fodder) and improvement of stress conditions (temperature, humidity) under a changing climate.¹⁵²

Animal Welfare and Improved Productivity: Access to water for seasonally migrating livestock has been a critical issue related to transhumance for decades. Without sufficient water, the animals are placed under stress and their condition declines during transit. In addition to the water points created at existing Biosecurity points (BSP's) several critical stretches of the routes were in urgent need of water points for the provision of water to migrating animals. A major challenge however to the creation of water points was land ownership and the difficulty of obtaining water at critical sites, hence the reason why the issue had not been solved before. Four new water points for migrating animals and a 7th BSP with a 10th water point on the AMR were opened in May 2021 in Dusheti municipality (part of the ALCP and the NFA agreement). Now up to 800,000 heads of sheep and cattle benefit from the ALCP facilitated (ten in total) water points during the transhumance season.

Reduced Antibiotic Use in the Honey Sector: During the reporting period the GBU has continued informing the beekeepers regarding the harm of antibiotic use in beekeeping. Several warnings were posted on Georgian Bee Facebook page to prevent the use of antibiotics. September 11th 2021, an online live session was conducted on this topic during which the GBU representatives answered 108 questions of beekeepers, 7,548 people have viewed the video [on the GBU Facebook Page](#).

Mitigating Varroa and Other Bee Diseases: Following a GBU online survey conducted in spring 2021, on the reasons for the recent frequent collapse of bee colonies in Georgia, *Varroa* was identified as a main reason. In May 2021 the GBU with the collaboration the RDA selected 85 beekeepers for a Training of Trainers course using the GBU [Guideline for Varroa Treatment](#). The trained beekeepers, supervised by the GBU board members, then provided two-day trainings for more than two thousand beekeepers from all regions of Georgia. The GBU made and disseminated brochures on nine bee diseases common for Georgia. The GBU Beekeepers Database is in use by the MEPA information-consultation centres and the NFA as a primary source for consideration during activities which could impact beekeeping e.g. spraying against stink bugs. It will also be used by MEPA and FAO when the identification-registration of apiaries (mandated but delayed by COVID-19) starts.

Bio Production: Twenty-three Jara beekeepers are now registered as Bio producers. As well as the Goderdzi Alpine Garden Apiary (which is used as a training and demonstration centre) and the KTW honey production factory, the new production Jara Beekeepers Association unit also became Bio certified during the reporting period. Material explaining Bio Honey production are part of the Jara module being inserted into VET beekeeping courses across Georgia¹⁵³. Jara production is the production of honey from captured swarms in hollowed logs, it is sustainable, produced in tandem with nature and non-invasive. Please see the [Bio Certification Guidelines for Beekeepers](#) produced through facilitation with the Jara Beekeepers Association and Caucasus Cert.

Sustainable Production: Improved Resource Use, Information to Farmers: The programme facilitated agricultural Portal [Agroface](#) is still planning to develop a series of videos related to organic and bio production, processing, certification, and marketing with Caucascert Ltd and Elkana once the COVID-19 pandemic lessens further. Agroface developed by veterinary inputs suppliers company Roki is now reaching up to 71,000 unique visitors/year. Its main purpose is to inspect and certify organic products. [Agrogaremo TV](#) a channel developed by programme facilitated Journalism Resource Centre, has broadcast thirty studio discussions and 130 in-depth reports later shared with eighteen regional TVs¹⁵⁴ since 2019 related to environmental issues and sustainable production with the participation of public officials and farmers.

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

¹⁵² The ALCP works with farmers mainly through market actors including the private sector and government who relate to farmers as either customers, consumers (of information), members (of an association) suppliers or citizens. This is reflected in this section.

¹⁵³ General Beekeeping is taught in fourteen VET colleges of Georgia, to date 13 of them are working with the ALCP facilitated Georgian Beekeepers Union now to include the Jara beekeeping in their General Beekeeping curriculum in 2022-2023 Academic year

¹⁵⁴ Also 500 entries on Facebook

ANNEX 5 REPORT ON ALCP PROGRESS ON ADA SOCIAL STANDARDS APPRAISAL RECOMMENDATIONS

All relevant ADA social standards are considered by the programme¹⁵⁵: Gender equality is mainstreamed in all interventions, social inclusion of vulnerable people (ethnic minorities, rural women, persons with disabilities, people under absolute poverty line) is one of the main goals of the municipal Women's Rooms; the WRs, Bio Security Points and dairies are taking measures and actions to improve the health and safety of workers and communities and a cultural heritage protection case is connected to Jara honey;

Ethnic minority / rural women social inclusion: the municipal Women's Rooms (WRs) ensure rural women's inclusive and equal participation at local decision-making fora by increasing women's attendance at the village meetings (from 3-5% in 2011 to 35% in 2021) and supporting women's community initiatives/ideas to be funded from local municipal budgets. Bilingual Women's Room managers are hired in the areas with significant ethnic populations to ensure inclusion and equal opportunities. In the municipalities of Kvemo Kartli and Samtskhe Javakheti regions where ethnic minorities still have strong cultural-traditional restrictions for women, these restrictions were relieved when local governments through the Women's Rooms encourage women to participate in village meetings. Women started writing applications for village projects, with the help of the managers, mainly asking for water and kindergartens. In 2018-2020 women initiated 301 village water small projects and 80 kindergartens renovation/equipment projects and total funds issued through municipal budgets was 2,062,471 USD equivalent in GEL. Early marriage and domestic violence are problems women were and are ashamed to speak out about in Georgia. To support women and girls from ethnic minority communities, where these problems are based on traditions and culture, Women's Rooms managers from the municipalities with ethnic minority population collaborate with the office of Public Defender of Georgia, police and NGOs and conducting regular information meetings and events. The WRs have hosted 22 NGOs to provide information to rural women related on gender equality and domestic violence. The Women's Rooms' managers were involved in providing information in ethnic minority languages and the governmental/municipal aid to the people under absolute poverty line and persons with disabilities during the COVID-19 pandemic. For more information see [A National Qualitative Review of the Municipal Women's Rooms](#) (June 2020) and [Women's Access to Financing Impact Assessment](#) (March 2020), and 2.4 section of the donor reports.

Community Health, Safety and Working Conditions: In terms of community health, the Women's Rooms are continuing to conduct webinars about health and women's rights, including mental health in children and teens, against early marriage, domestic violence, and common reproductive health concerns for women. Tbilisi Based hospitals are often providing free consultations to rural people (women and men equally) through the Women's Rooms.

Since December 2020 programme client Gergili Ltd have included additional aspects on Occupational Health & Safety for workers and Workplace Risk Assessments into their Business Environmental Assessment Tool (BEAT) and assessments of ten ALCP clients (dairy, slaughterhouses, wool, honey). *Please, refer to Annex 4 and 3.2 section of the report.* The programme also commissioned Gergili Ltd to conducted Environmental and Occupational Health & Safety Assessments of three private sheep dipping facilities in Kakheti and Kvemo Kartli regions. Following these assessments, the programme has drafted Sheep Dipping Guidelines to provide simple operational and safety instructions for private sheep dip owners to safeguard human and animal health when handling potentially hazardous chemicals and prevent environmental degradation. *For more details, please, refer Annex 4 of this report.* ALCP facilitated, National Food Agency owned, Veterinary Surveillance Points are also safeguarding the health of the communities, near which the seasonal migration occurs. The quarterly bulletin of the World Organization for Animal Health OIE (February 2019) reported about the tradition of livestock seasonal movement in Georgia and the importance of the BSPs for animal health control throughout the country. The BSPs have improved the health of animals and decreased the risk of spreading diseases.

Forty-two ALCP facilitated dairies are continuing to provide 170 employees (86 women/84 men) with a sense of income security, employer-employee written or verbal agreements that are adhered to, access to training and information, a safe working environment, and equal pay for women and men. All the dairies are implementing an Occupational Health and Safety in the workplace law adopted in September 2019. They are supporting their employees to participate in the country's new pension fund which has been operated since January 2019.

Cultural Heritage: The ALCP is continuing to ensure the protection, development, and promotion of Jara honey, officially granted Intangible Cultural Heritage status by the National Agency for Cultural Heritage Preservation of Georgia in 2020. Jara honey is the first bio-certified honey in Georgia and won a silver medal at London Honey Awards in May 2021. The Georgian Beekeepers Union (GBU) with 5,500 beekeepers and the Jara Beekeepers Union (JBA) with ninety Jara beekeepers continue working for increasing interest in Jara honey abroad and within the country with the help of public officials, private entities, and educational institutions.

¹⁵⁵ The ALCP is following the Mercy Corps Gender Equality, Diversity and Social Inclusion (GEDSI) Strategy to address systemic issues within the communities with whom the programme works.