

The European Union's ENPI Programme for Georgia

Capacity Development of the Ministry of Agriculture

Delegation Agreement No

First Progress Report

Reporting period: 24 May 2013 to 24 November 2013



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Food and Agriculture Organisation*

EU/FAO Program in Georgia

“Capacity Development of the Ministry of Agriculture”

Delegation Agreement No:

Progress report

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GCP/GEO/001/EC (Contribution Agreement ENPI/2013/317-764)

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Project Number:	GCP/GEO/001/EC	
Contract Number:	ENPI/2013/317-764	
Country:	Georgia	
	<u>Counterpart</u>	<u>Local project partner</u>
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Date of report: 1st February 2014

Reporting period: 24 May 2013 to 24 November 2013

EC Delegation

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Contents

1. PROJECT SYNOPSIS	7
2. INTRODUCTION.....	9
3. EXECUTIVE SUMMARY	12
4. REVIEW OF PROGRESS	15
Review of Progress in the reporting period	17
5. PLANNED ACTIVITIES IN THE NEXT REPORTING PERIOD.....	22
Overall project activity plan	22
Monitoring and Evaluation	23
Project Resources.....	24
Project activity plan for the period March - August 2014	25
6. ANNEXES	29
1: Selection of the National Junior Policy Advisors	
2: Follow-Up of the Conditions for the ENPARD Second Tranche Payment	
3: Project resources use summary	
4: First Meeting of the Project Steering Committee, November 2013	



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List of Abbreviations

AAPs	Annual Action Programme
ACDA	Agricultural Cooperative Development Agency
ADA	Austrian Development Agency
AIS	Agriculture Information Systems
CTA	Chief Technical Advisor (and International Policy Advisor)
DCFTA	Deep and Comprehensive Free Trade Agreement
DTL	Deputy Team Leader
EaPIC	Eastern Partnership Integration and Cooperation (Programme)
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ENP	European Neighbourhood Partnership
ENPI	European Neighbourhood Partnership Instrument
ENPARD	European Neighbourhood Programme for Agriculture and Rural Development
EU	European Union
EUD	Delegation of the European to Georgia
FAFA	Financial and Administrative Framework Agreement
FAO	Food and Agriculture Organization of the United Nations
FEGEODTL	
GCP	Government Cooperation Programme (FAO)
GDP	Gross Domestic Product
GEOSTAT	Georgian Statistics Agency
GoG	Government of Georgia
IT	Information Technology
LoAs	Letters of Association
LTU	Lead Technical Unit
MoA	Ministry of Agriculture
NPP	National Project Personnel
PMO	Producer Marketing Organization
REU	FAO Regional Office for Central Asia and Europe
SPA	Senior Policy Advisor
TAPS	Technical and Administrative Provisions (ENPARD Financing Agreement)
ToR	Terms of Reference



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PROJECT SYNOPSIS¹

Project Title:	Capacity Development of the Ministry of Agriculture
Project Number:	GCP/GEO/001/EC
Contract Number:	ENPI/2013/317-764
Country:	Georgia

Overall Objectives:

The overall objective of the Capacity Development of the Ministry of Agriculture of Georgia, is to improve the competitiveness of the agricultural sector in Georgia through supporting improved policy making and effective implementation of the Strategy for Agricultural Development.

Specific Project Objectives:

The impact of the project will be to contribute to increased food production in Georgia and to reduce rural poverty, aiming:

1. To improve the efficiency of the MoA so as to enable it to manage measures arising from the Strategy for Agricultural Development
2. To support the implementation of EU agriculture and rural development support programmes in Georgia
3. To assist the MoA in implementing specific components of the Strategy for Agricultural Development which are directly targeted by the EU's ENPARD Georgia Programme
4. To improve overall donor coordination in relation to development and implementation of agriculture and rural development programmes across Georgia

Overall Project Activities

In relation to **Output 1**, improving the efficiency of the MoA the main activities, which will need to be completed will be:

- Supporting the Preparation of Medium Term and Annual Programmes and Budgets
- Monitoring and Evaluating Implementation of the Strategy for Agricultural Development
- Supporting the MoA in Establishing and Managing a Policy Unit
- Developing and Implementing a Human Resources Appraisal, Training and Development Programme
- Creating a further enabling environment; natural resource management, disaster risk management and gender and minority issues to be better mainstreamed

In relation to **Output 2** the main activity which will need to be completed will be:

- **Supporting Implementation of the EUs Sector Policy Support Programme for Agriculture and Rural Development in Georgia**

¹ This Project Synopsis reflects the Logical Framework included in the Inception Report



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In relation to **Output 3**

- **assisting the MoA to implement specific Strategy components related to the EU's ENPARD Programme in Georgia**

four specific technical assistance components of the Strategy for Agricultural Development will be provided:

- Strengthening Farmer Cooperation
- Capacity Building to Improve Agricultural Extension Services
- Strengthening Institutions for Agricultural Information
- Providing On-Demand Technical Assistance to the MoA

In relation to **Output 4** the main activity that will need to be completed will be:

- **Improving overall donor coordination in relation to development and implementation of agriculture and rural development programmes**

Project starting date:	24th May, 2013 (date of contract signature)
Project duration:	2013-2015
Donor Contribution:	Euro 2,000,000
Project Duration:	36 Months
Starting Date:	24th May, 2013
Completion Date:	23rd April, 2016
Beneficiaries:	The primary Beneficiaries are the Ministry of Agriculture and the Agricultural Cooperation Development Agency. Secondary Beneficiaries are other line ministries/government agencies, regional departments of agriculture, local authorities and agricultural service providers.
Indirect Target Groups:	Farmers, farmers' associations, rural families and other private sector stakeholders will be the ultimate beneficiaries.
Inception Phase:	1st July 2013 - 1st October 2013
Planning Period 1	July 2013 – January 2014
First Progress Report	24 May 2013 - 24 November 2014



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INTRODUCTION

In February 2012 the Government of Georgia finalized its Agriculture Sector Strategy (2012/2020), which was produced by the Ministry of Agriculture (MoA) in consultation with line agencies, donors and other stakeholders and reviewed by the Prime Minister Office. The main objective of the Government sector programme (i.e. Agriculture Strategy) is the 'development of agriculture through strengthening of small households and forming of profitable production chains'.

The Agriculture Sector Strategy was followed by an Action Plan, 2013-2015, approved by the Minister of Agriculture on 29th March, 2013, but under the auspices of the new government following the national elections held on 1 October 2012. This may also result in changes being made to the Agriculture Sector Strategy, 2012 version.

The European Neighbourhood Programme for Agriculture and Rural Development in Georgia (ENPARD Georgia) aims to support the implementation of the above mentioned Agriculture Sector Strategy and Action Plan, which as an overall objective, aims to increase food production and reduce rural poverty in Georgia. The specific objective of the SPSP is to improve the agriculture sector in Georgia by supporting the implementation of the Agriculture Sector Strategy and strengthening small farmers' organizations.

Launched in 2013², the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) was developed by the European Union to boost the production of food in Georgia and to reduce rural poverty. The duration of the support programme is three years, March 2013 – March 2016.

The Ministry of Agriculture as well as other line Ministries/Government Agencies, Agricultural Service Providers will be the main partners for the programme. Farmers, farmers associations, rural families as well as other private sector stakeholders will be the ultimate beneficiaries. ENPARD's expected results include the strengthening of co-operation amongst small farmers; improved performance of the institutions engaged in agriculture.

The levels of the Georgian food production and the index of rural poverty will be used as the key indicators of progress. The budget modality includes a combination of Budget Support, Grants and Technical Assistance to the Georgian Government, and co-financed projects with International Organisations.

The programme addresses reforms and the implementation of the Strategy for Agriculture that the Georgian government will carry out in the next ten years. This support will be coupled with technical assistance to national agencies and ministries may need. At the same time, the programme targets the establishment and the strengthening of small farmers which may become the backbone of the agriculture sector in the country.

The overall budget is € 40 million, to be used as:

² Decision Number ENPI/2012/2023-280 - ENPARD Georgia, set out in the Financing Agreement, signed by the GoG 13th March, 2013, and announced in a news release from the Delegation of the EU to Georgia: http://eeas.europa.eu/delegations/georgia/documents/news/annex_enpard_20130313_en.pdf



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- € 18 million for Budget Support. The transfer to the Georgian state budget is allotted in three single tranches, if the general and specific conditions set out in the Financing Agreement are met.
- € 15 million in Grants, to support the establishment of small farmers' business-oriented organisations: grant contracts awarded to NGOs through a call for proposals (now completed)³.
- €3 million as Contribution Agreement: a sub programme in support to agriculture in the Region of Adjara in a joint management with the UNDP.
- €2 million in Technical Assistance. The technical support will contribute to train institutions engaged in agriculture and will enhance the capacity building process that the European Union is to strongly support."
- €2 million as a Contribution Agreement. The Ministry of Agriculture will benefit from this programme managed jointly with FAO. It will help the ministry to develop the capacity needed in order to carry out the Strategy for Agriculture and its Action Plan. This is a very significant component of the ENPARD, since it will aim to improve the competitiveness of the agriculture sector in Georgia. It will improve both the policy making and the effective implementation of the Strategy for Agricultural Development.

Under the ENPARD-Georgia, Annex 1 to the Financing Agreement sets out the EC-FAO Programme in Georgia. The Project Title, ENPARD Technical Assistance - "Capacity Development of the Ministry of Agriculture of Georgia", carries the project Symbol: GCP/GEO/001/EC, FAO being the project implementing agency.

Project Deliverables: reporting responsibility lies with FAO's Regional Office for Central and Eastern Europe in Budapest. Direct responsibility for the preparation of the reports rests with the SPA and CTA of the project. Assistance to the advisors will be provided by the National Deputy Team Leader. The following outputs will be delivered:

An inception report (completed within six weeks of the start of the project), progress reports delivered every six months (in line with FAO and EU reporting regulations) and a final report.

In addition, annual progress reviews will be prepared in association with FAO, the EU and the MoA and a mid-term review will be carried out to upgrade and revise the project implementation if required. The final report, presenting the main results and conclusions of the project, will be prepared by the SPA together with CTA for clearance by the FAO lead technical officer in consultation with other relevant FAO technical officers.

Reporting will be carried out in compliance with the Special Conditions to the General Conditions, FAFA Agreement and Joint Guidelines on reporting obligation under the FAFA. Provisions included in the relevant Framework Agreements signed with the EU will apply. All reports and documentation produced during the assignment shall be in the English Language and FAO will provide the EU and the MoA with electronic copies of all reports and documentation produced during the assignment.

³Small grants component, to be by December 2013, with 4 x consortia: Mercy Corps / ABCO / GYPA / Agrosar; People in Need / Elkana / AYEG; CARE International / SET / GFA; OXFAM UK / ACF / Elkana.



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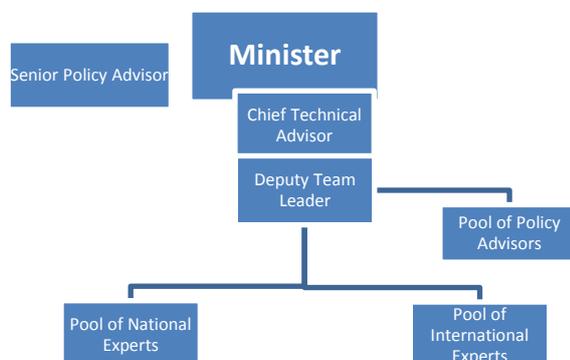


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Operational level: the FAO project team implements the activities agreed in close cooperation with the Ministry of Agriculture. The project organisation is presented in the diagram below.



Deliverables to date

1. The Inception Report was presented and approved by the Project Steering Committee, 7th November 2013 (Minutes Annex 4).
2. This First Progress report covers the period from the date of contract signature, 24 May 2013 to 24 November 2014. The Inception Report covered the reporting period, 01 July - 01 October 2013. Reports have been prepared in compliance with the requirements for reporting of the project activities stated in the *Project Document* and the *Inception Report*. The objective of the progress report⁴ is to provide information regarding the activities accomplished in accordance with the *Project Document* and in the *Inception Report*. The report mainly describes the activities accomplished during the period from 24 May 2013 to 24 November 2013.

The progress report is structured as follows:

- Chapter 1 - Introduction
- Chapter 2 provides an *Executive Summary*.
- Chapter 3 provides a *Review of Progress* in terms of accomplished activities and the capacities employed to support activities. It discusses the reasons for delay in implementing of activities and delivery for some outputs identified in the project document.
- Chapter 4 provides information about the *Planned Activities* for the successive planning period, 1st March 2014 to 31 August 2014, including expected utilization of staff resources.

⁴ The Progress Report is an operational report and not a technical report.



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EXECUTIVE SUMMARY

The project aims to improve the competitiveness of the agricultural sector in Georgia through supporting improved policy-making and effective implementation of the Strategy for Agricultural Development of Georgia (“the Strategy”). The Government of Georgia owning the Strategy and the Ministry of Agriculture being capable of carrying out policy measures are two important preconditions for successful implementation of the relevant policy interventions. Therefore, the objective of the project is to support the Ministry of Agriculture in implementing the Strategy.

The impact of the project will be to contribute to increased food production in Georgia and towards reducing rural poverty. Four main outputs from this project are targeted:

- (i) To improve the efficiency of the MoA so as to enable it to implement measures arising from the Strategy
- (ii) To support the implementation of EU agriculture and rural development support programmes in Georgia
- (iii) To assist the MoA in implementing specific components of the Strategy which are directly targeted by the EU's ENPARD Georgia Programme
- (iv) To improve overall donor coordination in relation to development and implementation of agriculture and rural development programmes across Georgia

The main project partners are the Ministry of Agriculture and other line ministries/government agencies, regional departments of agriculture, local authorities and agricultural service providers. Farmers, farmers' associations, rural families and other private sector stakeholders will be the ultimate beneficiaries.

The project implementation strategy is based on **ownership, participation and synergy**. The project will provide the Ministry of Agriculture with technical guidance to support implementation of the Strategy. The Ministry of Agriculture having ownership of the overall process to implement priorities of the Strategy is a basic requirement for the success of the project.

Activities Schedule

Reporting on activities in the reporting period, follows the structure as set out in Annex 2 to the Inception Report for the period July 2013 – January 2014, followed in the 'Review of Activities' in Chapter 3. An updated activity work plan for the period 1 March 2014 to 31 August 2014 is presented in Chapter 4.

Monitoring and Evaluation

Annex II to the Georgia-ENPARD Financing Agreement, Technical and Administrative Provisions, includes the schedule of expected results and main activities and the Monitoring, Evaluation and Audit procedures. The appendixes to Annex II are the following:

- i. Performance Criteria and indicators used for disbursement
- ii. Disbursement arrangements and timetable
- iii. Indicative disbursement timetable for the Small Farmers Co-operation Component



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iv. Logical Framework

The M&E condition fulfilment, set out in the TAPS will be the basis of M&E to be used by the Project, in respect to both the General and Variable Conditions as set out in the TAPS. In this respect the first Fixed Tranche release, following the signing of the Financing Agreement, € 4 million, was released in Q2 of 2013.

The next review of General (fixed) and Specific (variable) Conditions is scheduled for Q2 of 2014. The M&E of project activities and outputs will be focused on support to the achievement of these conditions, with an objective of 100% fulfilment. A snapshot of current status on conditions is presented in Annex 02, was prepared by the EUD as of November 2013.

A number of risks were outlined in the Project Document and assessed during the inception phase. The risks remain valid, though currently no external risks (to the project environment) present any threat to activity implementation.

The primary risk relates to the achievement of the Specific and General Conditions as set out in the TAPS, to fulfil various steps, and produce assessment reports upon which the external review planned for Q2 2014, will base its fulfilment reviews of condition fulfilment.

Summary of project since start

The Inception Report, for the reporting period: 01 July - 01 October 2013 was presented to the first Steering Committee Meeting, 7 November 2013 to the agenda:

1. Discussion and endorsement of the Terms of Reference for the Steering Committee.
2. Discussion and endorsement of the Project Inception Report.
3. Endorsement of the short-list of candidates for the position of an International Team Leader (CTA)
4. Update on National Cooperatives Agency: a brief presentation by Head of ACDA
5. Update on activities under the Grant Component of ENPARD: EU Delegation
6. Any Other Business

The Minutes of the First Project Steering Committee are included (Annex 04). The Steering Committee endorsed and accepted the Inception Report, which sets out the project deliverables and operational organisation.

Inception Phase Activities

The full time National Project Manager - *Deputy Team Leader (DTL)*, was recruited during the Inception Period, Mr. Lasha Dolidze, for three years from 15 July 2013.

An Administrative Assistant, Tornike Gogorishvili was recruited from May 2013.

A (temporary) project office was allocated to the project at that time within the MoA.

Overall, project activities have been delayed. The implementation of activities foreseen for the reporting period (May to November 2013) as per the Inception Report's Overall Work Plan have been carried out, and set out in Chapter 2.



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Conclusions and Recommendations

The main focus for the period December 2013 - April 2014 needs to be upon actions required for the condition portfolio of the ENPARD-Georgia, as set out in the TAPS, and in anticipation of a review mission (service call by the EUD), to review condition fulfilment.

In this respect several steps are highlighted:

- Focus on preparation and review activities that need to be organised through the project, related to the ENPARD BSP review scheduled for Q2 2014, regarding EUR 6 million of BSP funds, and the general and specific conditions required to be demonstrated as fulfilled by the MoA.
- Establish functional project offices in the MoA, the ACDA as well as the FAO GE Office
- Progress recruitment of key personnel, including the DTA, SPA, National and Junior Policy Advisors, and International Experts especially in the domains - Farmer Organisations, Extension, and Statistics;
- Support the ACDA
 - in a baseline assessment, awareness campaign and subsequent evaluation of the impact of the awareness campaign (linked to ENPARD Specific Condition (1.2).
 - in preparation of key steps regarding preparation of: mission; statement, strategy and cooperative formation documents including pro-forma statutes
 - Consider provision of further support resources to the ACDA, as a membership based organisation
- Support the MoA in policy paper preparation according to a defined policy agenda, beginning with citrus (mandarins)
- Review the project budget in consideration of a budget amendment relating to resources earmarked, but unused, during 2013



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REVIEW OF PROGRESS

The progress report covers the 6-month reporting period, 24 May 2013 to 24 November 2014. Activities, in respect to the schedule set out in the Action Plan (Annex 2 to the Inception Report) and reported below, have been delayed. Delays mainly relate to the formation of a new government, following parliamentary election, held on 1 October 2012. The election, won by the Georgian Dream Coalition, was followed by Presidential election, held on 27 October 2013, also saw a Georgian Dream Coalition candidate, Mr. Giorgi Margvelashvili, Minister of Education and Science and Deputy Prime Minister, elected as President. A vote of the Parliament on 20 November 2013, confirmed the nomination of a new Prime Minister, the former Interior Minister, Mr. Irakly Garibashvili, who succeed Mr. Bidzina Ivanishvili, who had voluntarily resigned from both government and party positions.

The Minister of Agriculture, David Kirvalidze, resigned on 2 May 2013. This followed the detention of ten ministry employees suspected of being involved in a fraud in connection with an agricultural voucher programme (the so-called 'ploughing programme'⁵). The acting head of the Ministry of Agriculture Ministry was subsequently confirmed as Mr. Shalva Pipia.

Agricultural Cooperative Development Agency (ACDA)

Capacity building for small farmer cooperation is central to the objectives of the Georgia-ENPARD. The President signed the Law of Georgia on Agricultural Cooperatives on July 12, 2013. The Law also established the ACDA a regulatory body subordinated to the Ministry of Agriculture. The ACDA is mandated to regulate the formation of cooperatives, their membership, functions, and procedures. The ACDA will monitor cooperative activity and implement state programmes for cooperative support - mechanisms to boost long-term development of cooperatives. A national publicity campaign will raise awareness as to the benefits of cooperation and cooperatives. Benefits will include access to state programmes and grants and education programmes, taxation preferences including exemption from property and profit taxes. An information base will be created that will enable definition of priorities by regions. Authorities believe cooperatives will boost job creation, the adoption of new technologies in agriculture, and increase the export of agriculture products, as well as might help consolidation of lands.

The MoA Policy Unit

A policy unit has been established within the MoA. However the functions and procedures of the unit need to be defined, an agenda and time line established. The function and procedures of the policy unit, to be set out in due course by order of the MoA, will be based upon interactions between the International Relations, Amelioration, Policy and Analytical and Agricultural Development Departments

No major contextual changes have been identified since the finalization of the inception report in October 2013. It is recommended to maintain the focus on the content of the project as it is presented in the Project Document: provide on-demand technical assistance, assistance in relation to the Agency in support of cooperatives and Policy Unit, continue the capacity

⁵ January 2013: over 700 000 entitled farmers received vouchers for spring agricultural works



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building activities supporting staff of MoA in their policy programming and implementing preparations and their work with the adaption of the regulatory framework.

Recruitment

The organization of work proposed in the Inception report proved to be operational and technically more fitting to the current situation. The project introduced the position of the Senior Policy Advisor to the MoA, dividing technical and operational responsibilities between CTA of the project and Senior Policy Advisor (SPA).

Taking into consideration number of growing on-demand tasks performed for the MoA and activities identified in the project document, additional three, young, professional technical expertise (Junior Policy Advisors) will be recruited from January 2013 (Annex 01).

Between 19 and 23 September 2013, the FAO conducted interviews with candidates for position of CTA. As a result of such exercise, the members of the panel (Mr. Raimund Jehle, Senior Field Programme Officer, Mr. Mamuka Meshki, Assistant FAOR for Georgia, Mr. Dmitry Zvyagintsev, Junior Agricultural Policy Officer and Ms Ia Mirazanashvili), FAOGEO Programme team.

The panel selected Mr. Mark Le Seelleur as the CTA of the project, one of three pre-selected candidates, including Mr. Illic Boban and Mr. Adrian Neal. The candidate demonstrated appropriate skills related to all of the selection criteria and provided in the interview solid experience regarding various technical and capacity building assignments (both as Team Leader and leading technical expert) in the region with special emphasis on agriculture and rural development (including Georgia), as well as projects which provide budgetary support. He had validated experience and skills managing multidisciplinary teams as well as planning and organizing complex projects. He has led the EC project on Assessment of agriculture and rural development sectors in ENPARD countries (including Georgia). Therefore, he knows well the political, institutional set-up of the country and overall situation in agriculture and rural development. He has good communication skills. He also has basic Russian language skills. Mr Le Seelleur emerged as the best candidate against the selection criteria and therefore has been selected for the position of the CTA of the project. He is expected to start assignment in the second part of January 2014.

Resources

Table 1 (Annex 3) shows the use of financial resources (on expenditure basis) for the period 24th, May to 31st, December 2013. At this point \$1.1 million of resources planned for 2013 remain unused.

Table 2 (Annex 3) shows the use of staff resources for the period from May to November 2013 as well as the planned employment from December 2013 – March 2014. In the period May 2013 to March 2014, the projection is some 24.65 months of the total budgeted 368 man months of available months, approximately 7% of this resource, will have been utilised.



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Given the significant amount of unused resources, various budget revisions followed by a budget amendment is planned to be undertaken during Q1 of 2014.

Review of Progress in the reporting period

Area/Activity

Responsible, Time frame

1. Project management

Operational structure is built to support implementation of the project

1.1. Accomplish recruitment and provision of office space for the DTL

FEGEO, MoA, July 2013

In progress: The Project DTL, Lasha Dolidze was recruited in July 2013 and office space was provided for him in the MoA. The space available to the DTL is insufficient to accommodate CTA and additional staff members, as well as to host equipment and paraphernalia necessary for efficient and effective functioning of the project. Currently, the MoA is undertaking a restructuring process that will end by 31 December, 2013. The restructuring process involves the hiring and rehiring of all MoA low and middle level staff members, as well as recruitment of additional staff, of up to 30 personnel from January 2014. This increase in numbers creates additional pressure on office space at the MoA, which is already constrained in accommodating existing staff. The project will make all efforts to secure sufficient office space for existing and planned staff members. Office space will also be prepared within the ACDA, and additional space in the FEGEO offices in Radiani Street.

1.2. Identify administrative resources necessary to support project implementation

FEGEO DTL, SPA, REU, 1–31 October 2013

Accomplished. The administrative resources to support its activities were identified at the FEGEO office. FEGEO Administrative Assistant, Mr. Tornike Gogorishvili became available for the aforementioned services. Subsequently, with gradual increase of the project workload and acceleration of its pace, additional resources might become necessary to provide administrative support to the project.

1.3. Accomplish recruitment process for the CTA and SPA

FEGEO, 1–30 November 2013

In progress. The recruitment process of the CTA and SPA (contract extension) was underway during the progress report period. It is anticipated that the process of their recruitment is finalized during the second part of December, for mobilisation in January / February 2014.

1.4. Finalization of detailed work plan and ToRs, confirmation with the MoA and EUD

SPA, DTL, 1–30 November,

In progress. Finalization of detailed TOR-s and work plan and their confirmation with the MoA and EUD falls on the period of November 1-30, 2013. Due to delays associated with recruitment of the senior project personnel, a detailed work plan for the next reporting period is included in Chapter 4

1.5. Provision of the office space for the CTA and DTL

MoA, 1–30 November

In progress. The project DTL is actively liaising with the senior level staff at the MoA in order to secure permanent office space for effective functioning of the project.



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1.6. Preparation of the work plan by the CTA and the SPA

CTA and SPA, DTL, 1–31 December

Accomplished. A combined work plan (EC-FAO and Austria-FAO (GCP/GEO/001/EC and GCP/GEO/003/AUT) Capacity Development to the MoA, has been prepared, set out in Chapter 4 - Planned Activities for the Period March - August 2014

2. Policy Unit

MoA is able to develop, implement and monitor policies in agriculture and rural development

2.1. Preparation of detailed proposal for organization of the policy unit based on the agreement made with the MoA

DTL, SPA, National Policy Advisor (NPA), FECEO, MoA, 1 November – 10 December

In progress. The development of proposal for organization of a policy function rather than a policy unit is well advanced. Currently, the Department for Policy and Analytics is functioning at the MoA. This department will act as one of the key project counterparties. In order to ensure broader collaboration of the MoA and the Project, the DTL proposed to the MoA senior staff formation of a "policy function group" staffed with the representatives of the abovementioned department, as well as Department for International Relations, Department for Agriculture and Food, as well as Amelioration Policy Department. It is anticipated that the relevant draft ministerial order is developed during Q1 2014..

2.2. Finalization of human resources restructuring programme

MoA, 31 December – 1 June 2014

In progress. The junior and middle level staff of the MoA must be hired/rehired by December 31, 2013. The heads of Departments must be hired/rehired by June 1, 2014. The MoA will retain its current organizational structure.

2.3. Based on human resources restructuring programme, prepare skills database and ToR for each of the employees in the departments linked with the policy function

DTL, SPA, December 2013 – 31 January 2014

In Progress

2.4. Following human resources restructuring programme and adoption of new policy structure, create the first training programmes

DTL, MoA Departments forming the policy function, 20 December – 31 January 2014

In progress. DTL and NPA in collaboration with the SPA should complete the first training programs during Q1 of 2014

2.5. Prepare proposals for policy procedures

SPA, DTL, 1–30 November

In Progress. The SPA and DTL are preparing the policy procedures



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2.6. Agree with the MoA about policy procedures that will be adopted

DTL, NPA 30 November – 10 December

In Progress. The SPA and NPA are to agree the procedures with the MoA after the procedures are prepared.

2.7. Select the first NPA and provide him or her with initial information and training regarding projects and policies.

FEGEO, TDL, 1–15 November

In progress. Three Junior NPAs have been identified, justification in Annex 1. Expected to commence duties by January 2014

3. Cooperative development

MoA has developed structures and support measures to enable farmer organizations to grow sustainably

3.1. Prepare assessment of the situation (staff, programmes, duties.) in the newly formed Agency for Agricultural Cooperative Development

Initially DTL, Farmer Organizations Specialists afterwards, 1 November – 15 December

In progress. Currently, the newly formed Agricultural Cooperative Development Agency (ACDA) employs only four individuals. This number is expected to arise to 28. These are the Head, PR Manager, Head of Monitoring Service, and Head of the Targeted Programs. The staff recruitment process is underway. The budget of the Agency was obtained. No programmatic activities are defined at the agency as of yet.

3.2. Define, in cooperation with EU and other partners, detailed ToR for Farmer Organizations Specialist

DTL, TL, 1–25 October

Accomplished. The ToR for Farmer Organizations Specialist is developed. The recruitment process is to be accomplished in December. There is also the need to consider parallel support to the ACDA, currently being provided by the DGRV - the German Cooperative umbrella organisation.

3.3. Finalize recruitment process for International Farmer Organizations Specialist

FEGEO, DTL 15 November – 15 December

In progress. The ToR has been developed, recruitment process will proceed in January 2014

3.4. Provision of office space for the expert in the Agricultural Cooperative Development Agency

MoA 1–30 November

In progress. The preliminary agreement was reached with the Agency on this subject. Currently, the Agency is renovating their newly acquired office space. Indicative allocation of project space in this building is underway.

3.5. In cooperation with the Agricultural Cooperative Development Agency perform initial training needs assessment

Farmer Organizations Specialists 30 November – 31 December



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In progress, is to be completed during Q1-Q2 2014.

4. Donor Coordination MoA has established a Donor Coordination mechanism that supports development and implementation of agriculture and rural development programs

4.1. Organize regular donor coordination meetings

DTL, FECEO, MoA 15 November – 15 December

In progress. The FECEO and DTL are actively liaising with the MoA on the issue of transferring the donor coordination function to the Department for International Relations, and also for his Department to take responsibility for the Steering and Stakeholder Meetings, as set out in the General Conditions of the ENPARD-Georgia

4.2. Inform donors about project activities regarding donor coordination

DTL, FECEO, 1–15 December

In progress. DTL and FECEO agreed with the Minister of Agriculture, Mr. Shalve Pipia that he attends the planned donor coordination meeting on December 9, 2013

4.3. Creation of the activity plan for transfer donor coordination from FAO to the MoA

DTL, MoA, FECEO, 1–31 December

In progress. The relevant list of donors attending the regular donor coordination meetings organized by FAO will be transferred to the International Relations Department of the MoA in December.

5. Extension Service MoA has developed structures and support measures to enable farmers and farmer organizations to improve productivity

5.1. Start discussions with the MoA about main direction of the extension service in Georgia

MoA, EUD, FECEO 1 November – 10 December

In progress. Meetings at the deputy ministerial and head of department levels are taking place regularly. The MoA ascertains the need to create a comprehensive program for effective functioning of the donor coordination mechanism, as well as the specific provisions set out in Specific Condition 2.1 of the ENPARD TAPS.

5.2. Support the MoA in daily operational activities and assistance provided to identified additional technical capacities, ToRs developed

DTL, October

The ad-hoc element of support to the MoA is becoming more and more a feature of the assistance being provided by the project. This ad-hoc element will need to be formalised as the project implementation continues.

5.3. Finalize recruitment process for extension service expert

FECEO, DTL 15 November – 15 December

This recruitment is being progressed and will likely be a combination of the International Farmer Organisation / Cooperative Expert. Recruitment is expected to be finalised Jan-Feb 2014, for mobilisation in March 2014.

6. Statistics and market Information



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MoA has improved data collection and introduced advanced methods of analysis to better program and forecast development of the agricultural sector

6.1. Start to collect existing statistical and market information

DTL, SPA, NPA, 1–30 November

In progress. The statistical databases related to agricultural production, resources, prices, exports, imports, and foreign direct investment are being obtained. It is also likely that complementary actions by the USDA (Foreign Agricultural Service) will be taken into account.

6.2. Draft and gain technical clearance of the ToR for position of National Policy Advisors (NPAs)

SPA, DTL, CTA, NPA, FEGEO October 20 – November 15

Accomplished. The draft ToR-s for the NPA was developed and recruitment process underway.

6.3. Selection of the NPA

FEGEO, REU, SPA, CTA, DTL 1 November – 31 January

In progress. The finalization of selection process is anticipated to take place by end of December.

6.4. Prepare work plan listing activities and results

SPA, DTL, coordination with CTA, REU, 1–31 December

Work plan is set out in Chapter 4

6.5. Research/academic institution identified to support activities , LoA drafted

DTL, 1–30 November

In progress. The research/academic institutions to support activities are being identified.

6.6. Start creating information database available to and filled by all employees

MoA, DTL, 1 December – 31 December

In progress. The DTL is liaising actively with the Policy and Analytics department for the purpose of optimal utilization of the database at the Departments premises created by FAO. The existing database allows the access for the relevant departments' employees.

6.7. Create detailed work plan for component in cooperation with statistical office and based on their time line of activities in regard to agricultural census

DTL, NPA, 15 October – 30 November

In progress. The DTL and the representatives of the Policy and Analytical Department worked extensively with the national statistical office, GEOSTAT on elaboration of the draft questionnaire for agricultural census to be conducted in November 2014.

6.8. Create activity plan for setting up a market information system

CTA, DTL, 15 November – 15 December



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In progress. The statistical information from GEOSTAT is being obtained. The DTL assisted MoA in drafting the Memorandum of Understanding between GEOSTAT and the MoA stipulating for regular transfer of information to the MoA. DTL is conducting regular consultations with the Department for Agriculture and Food, as well as Amelioration Policy Department for the purpose of identification of the MoA field personnel to be in charge of supplying the price information on a regular basis.

6.9. Discuss activity plan and recruitment of the MIS expert with the MoA

CTA, DTL, FEGEODTL, 1–15 December

In progress.

7. On demand training Improved efficiency of MoA enabling measures arising from the Strategy of Agricultural Development to be managed

7.1. If the decision to start implementation of the land and farmers register is made, the work plan will be developed and ToRs revised to meet targets identified in the work plan

SPA, CTA, DTL, REU

This action will be clarified during Q1-2 2014.

PLANNED ACTIVITIES IN THE NEXT REPORTING PERIOD

Overall project activity plan

In relation to **Output 1**, improving the efficiency of the MoA the main activities are:

- Supporting the Preparation of Medium Term and Annual Programmes and Budgets
- Monitoring and Evaluating Implementation of the Strategy for Agricultural Development
- Supporting the MoA in Establishing and Managing a Policy Unit
- Developing and Implementing a Human Resources Appraisal, Training and Development Programme
- Creating a further enabling environment; natural resource management, disaster risk management and gender and minority issues to be better mainstreamed

In relation to **Output 2** the main activity is:

- **Supporting Implementation of the EUs Sector Policy Support Programme for Agriculture and Rural Development in Georgia**

In relation to **Output 3**

- **assisting the MoA to implement specific Strategy components related to the EU's ENPARD Programme in Georgia**

four specific technical assistance components of the Strategy for Agricultural Development will be provided:

- i. Strengthening Farmer Cooperation
- ii. Capacity Building to Improve Agricultural Extension Services
- iii. Strengthening Institutions for Agricultural Information
- iv. Providing On-Demand Technical Assistance to the MoA



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In relation to **Output 4** the main activity that will need to be completed will be:

- **Improving overall donor coordination in relation to development and implementation of agriculture and rural development programmes**

Monitoring and Evaluation

Priority actions during Q1 2014 relate to support the MoA in the achievement of the relevant General and Specific Conditions set out in the ENPARD, upon which Budget Support Funds are contingent. The conditions, and the related benchmark indicators and source of verification, are set out in the Technical and Administrative Provisions of the ENPARD Financing Agreement, as::

1. **Georgia-ENPARD budget support conditions** (General and first variable tranches): an external review mission is due in Q2 2014, as and when requested by the Government regarding the achievement of the Georgia-ENPARD Budget Support Conditions. The conditions were reviewed to consider what actions are to be taken, especially regarding:

General Condition:

- The establishment (for 1st tranche) and subsequent meetings, at least three times a year (for 2nd and 3rd tranches) of the ENPARD Steering Committee, composed by the EU Delegation and the MoA, and the ENPARD Stakeholders Committee, composed by all the entities relevant in the ENPARD Georgia implementation (e.g. MoA, EU Delegation, FAO, Adjara MoA, UNDP grantees of the small farmers' co-operation component)
- **ACTION:** First General ENPARD Steering and Stakeholder Committee meeting to be organised in the first half of March 2014, and all meetings documented. Responsibility of the MoA, Department of International Relations.

Specific Condition 1: Strengthened farmers' co-operation

(1.1.) Legislation to promote a business-oriented small farmers group, which is approximated with International and European criteria and standards and that removes disincentives and establish incentives is adopted

- **ACTION:** a report to be produced by the International Expert on cooperatives assessing if the new legislation matches international and European criteria/standards
- **ACTION:** Support the ACDA in the finalisation of the awareness campaign, including media and dissemination plan.
- **ACTION:** initial steps in developing the workplan with the ACDA and its outlook to be developed in February 2014

(1.2.) A 30% increase in the percentage of small farmers in targeted areas who are aware about business-oriented co-operation.

A baseline assessment of percentage of awareness at the baseline date (effective date of financing agreement) has been produced by the National Expert (based upon a defined methodology on source of data). At the date of the review mission the figures, based on the



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same methodology and figures will be updated to establish the percentage increase. Figures will come from the ACDA, NGOs and the UNDP in Ajara.

- **ACTION:** finalise and agree the methodology and establish the sources of data for the assessment data
- **ACTION:** a review by the international expert on Farmer Groups of the awareness programme and the methodology for increased awareness measurement.

Specific Condition 2: Capacity building for small farmers

(2.1.) At least 30 district-level MoA centers to provide consultation and advise to small farmers, are officially established and staffed

- **ACTION:** International expert on extension services to be recruited by FAO during the first Q/2014 and to undertake a review mission confirming that the centers are staffed and working. Interaction with the UNDP extension component in Ajara and their specialists

(3.1) Policy Unit established in the MoA, individual responsibilities in the Unit defined and staff recruited and working according to the unit's mandate

- **ACTION:** Special Policy Advisor (Goran Zivkov) to undertake assessment of the Policy Unit in the MoA.

(3.2) „Human resources appraisal, training and development program” approved and funds for its implementation allocated

- **ACTION:** International Advisor with support from MoA Policy Advisers) to undertake an assessment, based upon:
 - MoA decree approving the human resources appraisal, training and development program”
 - Foreseen budget for the implementation of the human resources plan is fully available

Project Resources

2. **Project Budget:** to facilitate the effective use of allocated resources there will need to be project budget line amendments for specific actions, as well as a change in the budget structure, requiring a contract addendum.

- **ACTION:** budget review will need to be undertaken Q1/Q2 2014.



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Project activity plan for the period March - August 2014

Management	Responsible	Timing	Status
Contracting CTA and SPA	FAO BUD, FAO GEO	Nov 2013 - Jan 2014	CTA, Selection completed and approved Mark Le Seelleur: SPA, Goran Zivkov
Employment of DTL for ADA project	TL, FAO GEO	Feb 2013 - March 2014	To be launched Feb-march 2014
Official allocation of the office space	FAO GEO, MoAg	Mar 2014	MoA: office space allocated ACDA: Office space identified
Setting up office space	FAO GEO, PM	Mar 2014	ACDA and MoA
Setting up project procedures for payment, decision making	FAO GEO, PM	Jan - Mar 2014	
Preparation of the detail project budget plan and monitoring system	FAO GEO, TL	Mar 2014	
Set up cloud based data services	FAO BUD, PM	Mar 2014	
Contract Administrative assistant on ENPARD project	FAO GEO, PM, MoAg	Mar 2014	
Contract Administrative assistant on ADA project	FAO GEO, PM, MoAg	Mar 2014	
Needed transport services to be define and settled	FAO GEO, PM, MoAg	Mar - May 2014	
Purchase project vehicle	FAO GEO	Mar 2014	
Project Budget amendment	FAO BUD/GEO, CTA	Mar 2014	
Monitoring and Evaluation			
General conditions: Support in achievement	FAO GEO, SPA, CTA, DTL, NPA MoA Dept Int Rel	March - August 2014	General Condition of ENPARD SPSP, Review Tranche 2, Q2 2014
Variable Condition 1, 2 and 3 Support in achievement	IntCoopE, IntExtE, IntStatE, SPA, CTA, DTL, NPA	March - August 2014	Specific Condition of ENPARD SPSP, Review Tranche 2, Q2 2014
Communication			
Prepare text and web page structure	DTL	March - August 2014	
Contract company for preparation of the project web sites	FAO GEO, PM	March - August 2014	
Prepare position and detail plan for setting up donor driven agriculture TV programmed	PM, MoAg, STA, donors	March - August 2014	ENPARD Communications Unit
Effective implementation of EU programmes			
Establishment of permanent working group for cooperative development (parliament, MoAg, ACDA, 5	PM, MoAg, IntCoopE, ENPARD	March - August 2014	



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<i>implementing agencies and project).</i>			
<i>Adjustment of the OCAT (organizational capacity Assessment Tool) for Georgia conditions</i>	<i>STA, IntCoopEx, ACDA, ENPARD</i>	<i>March - August 2014</i>	
<i>Training of the ACDA and implementing agencies how to perform self assessment</i>	<i>STA, IntCoopEx, ACDA</i>		
<i>Agriculture Development Strategy and Action Plan update</i>	<i>MoA, CTA, SPA, DTL, REU LTU</i>	<i>Q1 2014</i>	
<i>Support Ministry in updating Strategy and Action plan</i>	<i>DTLs, NPEs</i>		
<i>Support MoAg in organization Strategy and action plan promotion event</i>	<i>FAO GEO, PM, NPE, Aas</i>		
<i>Support MoAg in publishing Strategy and Action plan</i>	<i>FAO GEO, AA</i>		
Medium term and annual programmes and budget			
<i>Work on policy agenda: Budget analysis and long term budget plan</i>	<i>SPE, DTL, IPE, NPE, PD</i>	<i>Mar - Aug 2014</i>	
<i>Work on policy agenda: Three years National programme and midterm expenditure</i>	<i>SPE, DTL, IPE, NPE, PD</i>	<i>Mar - Aug 2014</i>	
Implementing a human resource appraisal, training and development programme			
<i>Analysis of the Ministry appraisal programme</i>	<i>DTL, NPER, MoAg</i>	<i>Mar 2014</i>	
<i>Grouping Ministry people based on skills</i>	<i>DTL, NPER, MoAg</i>		
<i>Perform training need assessment of all employees in headquarter</i>	<i>STA, TL, DTL, NPER, MoAg</i>		
<i>Perform training needs assessment of employees in field based on given new tasks to them</i>	<i>EXTE, Outsourcing</i>		
<i>Preparation of the training plan for MoAg</i>	<i>STA, TL, DTL, NPER, MoAg</i>		
<i>Implementation of the training plan planned by the EC and ADA / FAO project</i>	<i>PM, STA...</i>		
Policy organisations, procedures and agenda			
<i>Contract 3 national policy experts</i>	<i>FA GEO, PM</i>	<i>Feb 2014</i>	



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<i>Contracting International policy expert</i>	<i>FAO GEO, TL</i>	<i>Feb 2014</i>	
<i>Preparation of policy procedures plan</i>	<i>STA, DTLs, IPE, NPEs, NPER, MoAg</i>	<i>Mar 2014</i>	
<i>Adoption of policy procedures</i>	<i>MoAg</i>	<i>Mar - April 2014</i>	
<i>Design appropriate managerial and operational structure</i>	<i>STA, IPE, DTL, MoAg</i>		
<i>Adopt organizational structure for policy group on the MoAg level</i>	<i>STA, IPE, DTL, MoAg</i>		
<i>Build capacity of Ministry staff for programming and policy development and implement appropriate policies and programs</i>	<i>STA, IPE, DTL, MoAg</i>		
<i>Organize three day conference with policy group</i>	<i>TL, STA, IPE, DTL, MoAg, AA,</i>		
<i>Work on policy agenda: Develop special incentive tools for cooperatives and farmer groups</i>	<i>STA, IPE, DTL, MoAg</i>	<i>Mar - Aug 2014</i>	
<i>Work on policy agenda: Privatisation in agriculture</i>	<i>STA, IPE, DTL, MoAg</i>		
Donor coordination			
<i>Update of the donor project matrix</i>	<i>NPER, DTL, FAO GEO, MoAg</i>		
<i>Activity transfer of donor coordination to MoAg</i>	<i>DTL, FAO GEO, MoAg</i>		
<i>Preparation of donor coordination rules and procedures</i>	<i>DTL, STA, FAO GEO, MoA, donors</i>		
Support to cooperatives			
<i>Contracting international policy expert</i>	<i>FAO GEO, PM, MoA, REU LTU</i>	<i>Feb 2014</i>	
<i>Explore possibility and find the most appropriate and fastest way to contract experts who will train ACDA</i>	<i>FAO BUD, FAO GEO, PM</i>	<i>March - Apr 2014</i>	
<i>Develop ToR and contract ACDA trainers</i>	<i>PM, ACDA, REU LTU</i>		
<i>Make decision regarding budgeted 2 national experts that were supposed to work in ACDA in cooperation with MoAg and ACDA</i>	<i>IntCoopEx, PM, ACDA</i>		
<i>Support ACDA to prepare M&E tool for cooperatives</i>	<i>IntCoopEx</i>		



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<i>Support ACDA to prepare cooperative audit rules and documentation</i>	<i>IntCoopEx</i>		
<i>Support ACDA and MoAg in creation of cooperative database</i>	<i>IntCoopEx, IT</i>		
Statistics and information			
<i>Create detail plan of support in cooperation with NStatA and MoAg</i>	<i>PM, NPER, coordination with REU Statistician</i>		
<i>Contracting Statistician</i>	<i>FAO GEO, REU LTU, PM</i>		
<i>Contracting FAO backstopping statistical mission</i>	<i>SIE, FAO GEO, PM</i>		
<i>Implementing support to the NStatA and census</i>	<i>SIE, NPER</i>		
Farm Register			
<i>Initial identification steps as to the Background and Development Concept regarding a Farm Register</i>	<i>FAO GEO, REU LTU, PM</i>	<i>April 2014</i>	
Agri-Extension, Advisory and Information Systems			
<i>Contract International Extension Expert</i>	<i>FAO GEO, PM, MoA, REU LTU</i>	<i>March 2014</i>	
<i>Assessment of the system of Agri-Advisory Services - 59 centres subordinated to the MoA</i>	<i>IXTE, FAO GEO, REU LTU, PM</i>	<i>April 2014</i>	<i>ENPARD TAPS Specific Condition</i>
<i>Concept for System Development: model and procedures</i>	<i>IXTE, STA, PM</i>		
<i>Prepare training needs assessment</i>	<i>IXTE, STA, PM</i>		
<i>Conduct training programme</i>	<i>IXTE, STA, PM</i>		
<i>Market information system (MIS): Background and Concept, following the EU supported concept for MISs</i>	<i>NPER, STA, STA, MoA</i>		



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ANNEXES



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ANNEX 1: Justification for the Model of Selection of the National Junior Policy Advisors

General rationale for selecting young professionals for the vacant NPA positions and the area of expertise required

It is now clear that that high quality senior expertise and policy advice capacity is already present and sufficient to direct the project successfully towards the goals stated in the Inception Report. Due to the fact that the project confirmed that limited national senior-level expertise is available in country and current activities are require extensive engagement in data processing, analysis, and reporting necessary for the senior staff of the project, it is proposed to simplify the qualification requirements of the remaining three National Policy Advisors. This will implies that the project at current stage will recruit young professionals-candidates with good data processing, spreadsheet, and presentation skills, as well as relevant academic performance, hard working attitude and well-established motivation for engagement in agricultural policy formulation. These young professionals will facilitate analytical work of the senior consultants of the project and provide assistance to the staff of the MoA to which they are assigned. It is envisioned that young professionals will provide additional analytical assistance to the DTL, analyzing and managing databases provided by Geostat and National Agency for Public Registry (information on land parcels, ownership and land use patterns) that requires prioritising exercise and set up of efficient system of information gathering, processing, and analysis. Data, processed by the experts will be used in the presentation of Agricultural Development Strategy to donors, public, and the MoA staff (the event is planned to take place in mid January).

To sum up, by this proposal, we could build new capacities available for the recruitment by the Ministry and agroindustry.

Overall approach for recruitment

It is advised that young professionals are hired for the initial period of two months conditioned by their performance, needs of the project and MoA support for further engagement.

Consultation process in relation to the proposal

The idea of identifying and recruiting young professionals for the vacant position of the NPA was initially proposed by the DTL, Lasha Dolidze and mentioned during the visit of Alternate FAOR for Georgia, Mr. Raimund Jehle during his visit on Georgia in November 5-8 2013. It was well communicated by DTL to Budget Holder , Mr.. Mamuka Meskhi, FAO Assistant Representative for Georgia in the second half of November. Meanwhile, the proposal was discussed with the Deputy Minister of Agriculture, Mr. Iliia Kvitaishvili, who endorsed it.

On November 29, Mr. Mamuka Meskhi and Lasha Dolidze conveyed the message to the Minister of Agriculture, Mr. Shalva Pipiaand endorsement was well received. The proposal was also agreed with Agriculture, Rural Development, and Food Safety Attaché of EU Delegation to Georgia, Mr. Juan-Jose Echanove.

The consultations were held with REU, International Senior Policy Advisor, Mr. Goran Zivkov and the Chief Technical Advisor, Mr. Mark Le Seilleur.



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Selection process

Given the urgent need to have new personnel in place, as well as strong endorsement of the idea of promoting young professionals by the project stakeholders, the vacancy announcements were prepared and issued with closing date as of 19 December 2013. . 15 CVs were received and 3 qualified experts were selected.

1. Levan Alibegashvili
2. Jaba Dolidze
3. Elene Nemsadze

It is currently expected that newly selected young professionals will be joining the team from February 2014, on an initial 2-month trial basis.

Prepared by Lasha Dolidze, Deputy Team Leader
Endorsed by Mamuka Meskhi, Budget Holder



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Job Title:	Junior National Policy Advisor		
Division/Department:	Regional Office for Europe and Central Asia		
Project Symbol:	GCP/GEO/001/EC		
Location:	Tbilisi, Georgia		
Expected Start of the Assignment:	December 2013	Duration:	3 Months
Reports to:	CTA		
General Description of task(s) and objectives to be achieved			
<p>The Programme Assistant shall operate under the overall guidance and responsibility of the FAO Representative for Georgia, Assistant FAO Representative in Georgia, the guidance and technical supervision of CTA and DTL, in close collaboration with the other international and national consultants, FAO Office and Ministry of Agriculture (MoA) in Georgia</p> <p>Duties and Responsibilities:</p> <ul style="list-style-type: none"> • Support CTA, DTL and NPA in everyday activities related to the following: <ul style="list-style-type: none"> ✓ Creating a functional policy analysis/advisory function relying on the relevant departmental resources of the Ministry; ✓ Identification of the priority areas for policy intervention by setting up the relevant information gathering/analysis/presentation mechanism based on the criteria of relevance, reasonability, efficiency, and short and long term policy implications; ✓ Preparation of position papers on selected subjects at the request of the Minister, as well as in relation to the strategic directions outlined by the Strategy and Action Plan; ✓ Actively liaise with local farming, business, and NGO community for the purpose of broadening the project's presence in the field and support to the Ministry from the outside agriculture community; ✓ Assist CTA and DTL to liaise with the Donor Community in order to ensure its activities are synchronized with the Ministry's policy stance and major directions; • Any other duty as assigned by the DTL 			
Key performance indicators			
Expected Outputs:		Required Completion date:	
<ul style="list-style-type: none"> • To be defined by the DTL 		To be agreed with the Team Leader and the Ministry	
Qualifications			
<ul style="list-style-type: none"> • At least a Bachelor's degree in agriculture and/economy/finance or a related field; • Good written, oral, and analytical skills; • Good computer skills; • Demonstrated ability to work as an effective team member; • Fluency in English is a must 			



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ANNEX 2: Follow-Up of the Conditions for the Second Tranche Payment (Eur 5m), Foreseen for 2/Q 2014
Annex II to financing agreement N° ENPI/2012/23280, Technical And Administrative Provisions (TAPS)

ENPARD GEORGIA – BUDGET SUPPORT COMPONENT (CRIS 317 280)		
Follow-up of the special conditions for the second tranche payment (EUR 5M), foreseen for 2/Q 2014		
Green: Indicator already available/condition fulfilled		Orange: indicator pending
GENERAL CONDITION	INDICATOR	STATUS/COMMENTS – as of 1/Oct 2013
Sector Policy and Strategy	The adoption (for the 1st tranche) and subsequent satisfactory implementation (for the 2nd and 3rd tranches) of the Agriculture Sector Action Plan, which shall be aligned with the adopted Sector Strategy and include specific objectives and results, measurable indicators and budget plans for the different activities	<ul style="list-style-type: none"> • Government Decree on adoption of the Agriculture Strategy and MoA Decree on adoption of the Action Plan: <i>Status done</i> • MoA reports on the implementation of the Strategy and Action Plan: <i>pending</i> • External Review missions: <i>pending</i>
	The establishment (for 1st tranche) and subsequent meetings, <i>at least three times a year</i> (for 2nd and 3rd tranches) of the ENPARD Steering Committee, composed by the EU Delegation and the MoA, and the ENPARD Stakeholders Committee, composed by all the entities relevant in the ENPARD Georgia implementation (e.g. MoA, EU Delegation, FAO, Adjara MoA, UNDP grantees of the small farmers' co-operation component)	<ul style="list-style-type: none"> • MoA Decrees defining the responsibilities, functions, working modalities and composition of the ENPARD Steering Committee and ENPARD Co-ordination Committee: <i>March 2014, first meeting</i> • Minutes of the Meetings of the ENPARD Steering and Stakeholder Committee Meetings: <i>March 2014, first meeting</i>
Macroeconomic stability	Satisfactory progress maintaining stability orientated macroeconomic policy	IMF, WB and EC Reports IMF reviews reports under the Stand-by



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		Arrangement (SBA) including possible precautionary SBA
Public Financial Management	Satisfactory progress in the implementation of public financial management	Sources of verification indicated in the matrix of EU PFM reforms support programme in Georgia
Conditions for Tranche Release		
2nd tranche fixed component	Euro 1 million, Q2 2014	Sources of verification as set out above
2nd tranche variable component	Euro 5 million, Q2 2014	Conditions as below
(1) Strengthened farmers' co-operation		
(1.1) Legislation to promote a business-oriented small farmers group, which is approximated with International and European criteria and standards and that removes disincentives and establish incentives is adopted	Legislation adopted by the Parliament	Law on farmers' coops and MoA Decree creating National Cooperative Agency (ACDA) are adopted.
	<u>External Review Mission</u>	Short report to be produced by the International Expert on coops (to be recruited by FAO Nov/13 ToR already ready) assessing if the new legislation matches international and European criteria/standards
(1.2) 30% increase in the percentage of small farmers in targeted areas who are aware about business-oriented co-operation	Awareness Rising Plan (APR) by MoA to promote the concept of business-oriented small farmers' co-operation	The APR is yet to be produced. This shall be one of the first tasks of the newly created ACDA. The National Policy Advisor and the International Expert on coops will support the ACDA in producing it. Then MoA shall approve it.
	Baseline and evaluation surveys	Baseline information is available (e.g. FAO report from 2010). Grantees of ENPARD grants are selected and will be contracted during Nov. 2013. They will be asked to undertake a survey, during 1 st Q/2014 in their



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		respective targeted areas, on the actual level of knowledge on coops by farmers. ACDA shall consolidate this info, compare to baseline and produce a report
(2) Capacity building for small farmers		
(2.1) At least 30 district-level MoA centers to provide consultation and advise to small farmers, are officially established and staffed	MoA decree establishing the centers	MoA centers to provide consultation and advice to small farmers have been created in all districts of the country (70+) by MoA decree.
	Lists of the staff working in the centers	All the centers are staffed with 3 to 6 staff recruited by the MoA
	<u>External Review Mission</u>	International expert on extension services to be recruited by FAO during the first Q/2014 and to undertake a review mission confirming that the centers are staffed and working
(3) Capacity building of the institutions involved in agriculture		
(3.1) Policy Unit established in the MoA, individual responsibilities in the Unit defined and staff recruited and working according to the unit's mandate	MoA decree establishing the Policy Unit	Policy Unit is already officially established.
	Assessment by the External Review Mission	International advisor (to be recruited by FAO during last Q/2013) to undertake the assessment.
(3.2) „Human resources appraisal, training and development program” approved and funds for its implementation allocated	MoA decree approving the human resources appraisal, training and development program”	The program is yet to be produced by MoA Policy Unit
	Foreseen budget for the implementation of the human resources plan is fully available	MoA Budget for 2013 has been drafted. No information available yet if there are resources foreseen for this
	<u>External Review Mission</u>	International Advisor (to be recruited by FAO during the last Q/2013) to undertake the



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		assessment.
Foreseen Q2 2015		
Conditions for Tranche Release		
3rd tranche fixed component	Euro 1 million, Q2 2014	Sources of verification as set out above
3rd tranche variable component	Euro 7 million, Q2 2014	Conditions as below
(1) Capacity building of the institutions involved in agriculture		
(1.1) At least 50 agriculture cooperatives officially registered	Report from ACDA / MoA on Agriculture Cooperatives Registry	<ul style="list-style-type: none"> • Agriculture cooperatives registry of the Ministry of Agriculture/ or other official institutions
(1.2) MoA's HR appraisal, training development programme	External review mission report	<ul style="list-style-type: none"> • Records by centres • Reports by MoA • External Review mission
(1.3) Annual agriculture statistics report according to int. standards	External review mission report	<ul style="list-style-type: none"> • Annual agriculture statistics report • FAO reports • External Review mission



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ANNEX 3: Resources use summary

Table 1; Resource Use, Financial

Annualized Budget - GCP/GEO/001/EC			1.36				
Parent Account Description	Parent Account	Account Description	2013 Budget €	2013 Budget \$	2013 Actual \$	2013 Balance \$	Balance €
Salaries Professional	5011	5300 Salaries Professional Budget	174,348	237,114	0	237,114	174,348
Salaries General Service	5012	5500 Salaries General Service Budget	39,835	54,176	0	54,176	39,835
Consultants		5542 Consultants - Internationally-recruited	138,960	188,986	8,036	180,950	133,051
		5543 Consultants - Locally-recruited	61,760	83,994	1,183	82,810	60,890
		5551 Consultants - National Projects Personnel	189,912	258,280	19,082	239,199	175,881
Contracts	5014	5650 Contracts Budget	28,564	38,847	0	38,847	28,564
Travel	5021	5661/92 Duty Travel FAO Technical Officers	4,207	5,722	4,061	1,661	1,221
		5684 Travel - Consultants - International	61,374	83,469	6,240	77,229	56,786
		5696+5684 Travel -National Project Personnel	7,720	10,499	0	10,499	7,720
Training	5023	5920 Training Budget	10,808	14,699	0	14,699	10,808
Non Expendable Procurement	5025	6100 Car and IT Equipment	29,336	39,897	0	39,897	29,336
Technical Support Services	5027	6111 Report Costs	0	0	2,048	-2,048	-1,506
		6116 Project Evaluation Costs	0	0	0	0	0
		6150 Technical Support Services Budget	24,434	33,230	0	33,230	24,434
General Operating Expenses	5028	6300 General Operating Expenses Budget	16,212	22,048	976	21,073	15,495
Project Servicing Costs		6130 Servicing Budget (7%)	55,123	74,967		74,967	55,123
Total			€ 842,594	\$1,145,928	\$41,626	\$1,104,302	€ 811,987



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Table 2: Resource Use, Project Personnel

Parent	Child	EOD	Resource Use - Personnel												Total	Used	Balance	
			Actual => 2013						Planned => 2014									
Component: Component Specific Inputs			May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar					
			Line: Chief Technical and Policy Advisor (International)												months	24	2	22
5013	5542		Mark Le Seelleur														2	
			Line: Administrative Assistant - G-5,												months	36	11	25
5012	5337	11-Apr-13	Tornike Gogorishvili														11	
			Line: Administrative Assistant - G4												months	36	0	36
																	0	
			Line: Deputy Team Leader:												months	36	8.5	27.5
5013	5551	15-Jul-13	Lasha Doridze														8.5	
			Line: Farmer Organization Specialist (International)												months	9	0	9
			TBA														0	
			Line: Agriculture Extension Specialist (International)												months	3	0	3
			TBA														0	
			Line: Agriculture Statistics Expert (Int)												months	3	0	3
																	0	
			Line: Policy Advisor (1)												months	12	0	12
5013	5543	01-Jan-14	Levan Alibegashvili														0	
			Line: Policy Advisor (2)												months	12	0	12
5013	5543	01-Jan-14	Jaba Dolidze														0	
			Line: Policy Advisor (3)												months	12	0	12
5013	5543	01-Jan-14	Elene Nemsadze														0	
			Line: Policy Advisor (4)												months	12	1.15	10.85
5013	5542		Goran Zivkov														1.15	
			Line: Short Term Consultancy Pool (Int)												months	23	0	23
5013	5551		Line: Short Term Consultancy Pool (Nat)*												months	60	2	58
5013	5551	04-Dec-14	Rati Shavgulidze														1	
5013	5543	04-Dec-14	Irakli Toloraia														1	
			Line: TSS Standard - Policy Support												months	90	0	90
															months	368	24.65	343.35
			Average days per working month													21.7		93.30%

ANNEX 4: First Meeting of the Project Steering Committee (PSC), November 2013

ENPARD STEERING COMMITTEE

GCP/GEO/001/EC - Capacity Development of Ministry of Agriculture of Georgia

I. General Information

Date: 7th November, 2013

Location: Ministry of Agriculture

II. Invited Attendees: See Annex A

III. Attendees:

1. Mr Shalva Pipia, Minister of Agriculture of Georgia
2. Mr David Shervashidze, First Deputy Minister of Agriculture of Georgia
3. Mr Ilia Kvitashvili, Deputy Minister of Agriculture of Georgia
4. The State Ministry of Georgia of European and Euro-Atlantic Integration
5. Mr Giorgi Misheladze, Head of National Agency for Cooperatives Development
6. Mr Juan Jose Echanove, Agricultural Attaché of European Union Delegation to Georgia
7. Mr Raimund Jehle, Senior Field Programme Officer, FAO REU
8. Mr Mamuka Meskhi, Assistant FAOR (FAOGEO)
9. Mr Lasha Dolidze, Deputy Team Leader to Project "Capacity Development of Ministry of Agriculture of Georgia"
10. Ms Lamze Mirazanashvili, Programme Assistant (FAGEO)

IV. Agenda:

1. Discussion and endorsement of the Terms of Reference for the Steering Committee.
2. Discussion and endorsement of the Project Inception Report.
3. Endorsement of the short-list of candidates for the position of an International Team Leader (CTA)
4. Update on National Cooperatives Agency: a brief presentation by Head of ACDA
5. Update on activities under the Grant Component of ENPARD: EU Delegation
6. Any Other Business
7. Establishment of date for next Programme Steering Committee.

IV. Reflection of proceedings of the meeting as per agenda:

Mr Shalva Pipia, the Minister of the Ministry of Agriculture, functioning as acting Chair of the meeting welcomed the participants and introduced the agenda.

1. Discussion and endorsement of the Terms of Reference for the Steering Committee

The draft version of the ToR has been shared with the members of the Steering Committee. It was agreed that the final version, integrating some adjustments and better formulation of the narrative would be shared for the final approval and endorsement. However, the substance of the document would remain unchanged.

Mr Shalva Pipia highlighted that the ToR were acceptable for the ministry without major disagreement or objections; therefore, upon receiving the final version of the document via email, it would be approved and endorsed by email.

2. Discussion and endorsement of the Project Inception Report

Mr Lasha Dolidze briefly summarized the Inception Report (IR). Mr Ilia Kvitashvili requested clarification of the procedure that should be undertaken in regards to the IR. It was explained that the prepared report should firstly be agreed on the level of content and commented by the Ministry of Agriculture of Georgia (MoA). Afterwards, it would be finalized and submitted to the European Union.

The second enquiry of the deputy minister related to the operational level of the project, namely, the project organization diagram. Mr Ilia Kvitashvili, prior to providing any comments and/or the position of the ministry in this respect, requested: i) some time to study the diagram; and ii) the budget reflecting the role of the Senior Policy Advisor (SPA).

It was made explicit by Mr Raimund Jehle and Mr Juan Echanove that the IR reflects the discussions and conclusions of the kick-off meeting. The substance and basis of the report was shared two weeks earlier the meeting and only the editorial comments were provided later.

In addition, Mr Raimund Jehle underlined that Senior Policy Advisor (SPA) is not a short term position but a complementary support to the team leader taking the discussions at the kick-off meeting into consideration as well as the desire from the Ministry to have at disposal advise from a experienced international recognized expert in policy formulation and implementation.

3. Endorsement of the short-list of candidates for the position of an International Team Leader (CTA)

Mr Raimund Jehle informed the members of the PSC that FAO conducted the interviews with the shortlisted candidates. Mr Mark Le Seelleur was identified as the first candidate (out of 42 candidates) based on the CV and the experience. He is the strongest candidate in terms of having experience in managing EU projects and working in the region, and in Georgia. FAO would initiate the recruitment process in case of endorsement of the candidate by the MoA and EU.

Mr Juan Echanove endorsed the candidate referring to project organizational chart. Mr Ilia Kvitashvili, who participated in the interview panel, agreed that among the shortlisted candidates Mr Mark Le Seelleur was the best, however, according to him, Mr Le Seelleur lacks the experience of a high level policy advisor. Though, he could well act as the technical advisor for the project. He also underlined that the endorsement of the candidate by the MoA would be done when upon a decision on the project module taking into account the budget implications, if any.

The urgency of the issue was prioritised by the members of the SC setting 12 November 2013 as the deadline for provision of the comments from the side of the MoA. Endorsement of the candidate, also being a matter of urgency, was highlighted as an important step to proceed further with the major activities planned under the project.

4. Update on National Cooperatives Agency: a brief presentation by Head of ACDA

The Head of ACDA informed the SC that on 12 June 2013 the Parliament of Georgia adopted the law on Farmer Cooperatives. According to this law, the MoA that was responsible to set up the Agency issued the Order on its establishment. The official presentation of the Agency was planned on November 11, 2013. Informative consultations were planned immediately following the presentation of the functions and responsibilities of the agency in all 10 regions of Georgia; firstly, for the extension divisions of the MOA and later for all the interested parties in order to share the benefits of agricultural cooperation.

The agency would soon be assisted by a local and international specialist, to be shortly identified and recruited by the project. The possibility of bringing the German umbrella cooperative association experience (as well as other European countries, if needed) to Georgia, under the framework of the project, was also considered at the meeting.

5. Update on activities under the Grant Component of ENPARD: EU Delegation

Mr Juan Echanove informed the members of the SC that EU already selected the proposals under ENPARD Small Farmers Cooperation Component and 15 million Euros was allocated accordingly on establishment of the cooperatives, in total 164. The proposals also include trainings and capacity development for the cooperatives. 16 bodies, in coordination with each

other, will be involved in the implementation process. The detailed scheme of collaboration as well as the contacts of the key partners, shared by Mr Echanove, is enclosed to the notes. Mr Echanove also updated on the status of budget support component.

In addition, Mr Echanove proposed to find the ways to translate into Georgian some interesting documents that EU in collaboration with FAO produces which could be useful for the agency and other partners.

At the end of the meeting, an importance to accommodate the project as well as the consultants coming under the project was discussed. Mr Shalva Pipia mentioned that the ministry is working on some options to solve the issue connected with the lack of space. According to some calculations, extra 300 square meters is needed to fully accommodate the MoA personnel. In this context office space for a fully operational project could be also considered.

6. Any Other Business

The ENPARD BSP Monitoring Assessment (Annex B) was presented as the template for ENPARD condition fulfilment review and assessment

The template was accepted

7. Establishment of date for next Programme Steering Committee.

The next PSC meeting will be announced by email.

3. Conclusion

The meeting was thus concluded by the Acting Chair who thanked all participants for their good cooperation

Tbilisi, 07.11.2013

Acting ENPARD-Georgia Chair

Mr Shalva Pipia
Minister of Agriculture

Annex A:**List of Invited Attendees (alphabetical order English acronyms)**

Organisation	Person
Mr Shalva Pipia	Minister of Agriculture of Georgia
Mr David Shervashidze	First Deputy Minister of Agriculture of Georgia
Mr Ilia Kvitaishvili	Deputy Minister of Agriculture of Georgia
Mr Giorgi Misheladze	Agricultural Cooperatives Development Agency
Representative	The State Minister of Georgia of European and Euro-Atlantic Integration
Mr Juan Jose Echanove	Agricultural Attaché of European Union Delegation to Georgia
Mr Raimund Jehle	Senior Field Programme Officer, FAO REU
Mr Mamuka Meskhi	Assistant FAOR (FAOGEO)
Mr Lasha Dolidze	Deputy Team Leader to Project "Capacity Development of Ministry of Agriculture of Georgia
Ms Iamze Mirazanashvili	Programme Assistant (FAGEO)

Annex B – ENPARD BSP Monitoring Assessment

General Conditions				
Status Report: November 2013				
Performance indicators	Benchmark Indicators (TAPs)	Achievement to date	%	Source of Verification (SoV)
General Conditions Tranche 1 Q2 2013 EUR 4.0 million Tranche 2 Q2 2014 EUR 1.0 million Tranche 3 Q3 2015 EUR 1.0 million				
Macroeconomic stability Satisfactory progress maintaining stability-oriented macroeconomic policy	Compliance	✓ Tranche 1 Q2 2013 Compliant Tranche 2 Q2 2014 Likely to be compliant		IMF, WB and EC Reports. IMF reviews reports under the Stand-by Arrangement (SBA) including possible precautionary SBA
Public Financial Management Satisfactory progress in the implementation of public finance management (PFM).	Compliance	✓ Tranche 1 Q2 2013 Compliant Status: Tranche 2 Q2 2014, Likely to be compliant		Sources of verification indicated in the matrix of the EU Public Finance Policy Reforms support programme to the Republic of Georgia
Sector policy and strategy Satisfactory progress in the implementation of the partner country sector policy and strategy as evidenced inter alia by: (1) The adoption (for the 1 st tranche) and subsequent satisfactory implementation (for the 2 nd and 3 rd tranche) of the Agriculture Sector Action Plan, which shall be aligned with the adopted Sector Strategy and include specific objectives and results, measurable indicators and budget plans for the different activities.	Compliance	✓ Tranche 1 Q2 2013 Compliant Status: Tranche 2 Q2 2014, Likely to be compliant, subject to MoA reports and analyses		Government decree on adoption of Agriculture Strategy and MoA decree on adoption of the Action Plan MoA reports on the implementation of the Strategy and Action Plan External Review missions

<p>(2) In particular: the establishment (for 1st tranche) and subsequent that meetings, at least three times a year (for 2nd and 3rd tranches) of the ENPARD Steering Committee, composed by the EU Delegation and the MoA, and the ENPARD Stakeholders Committee, composed by all the entities relevant in implementation</p>	<p>3 meetings per year</p>	<p>✓ Tranche 1 Q2 2013 Compliant</p> <p>Status: Tranche 2 Q2 2014, Likely to be compliant</p>		<p>MoA Decree defining the responsibilities, functions, working modalities and composition of the ENPARD Steering Committee and ENPARD Co-ordination Committee.</p> <p>Minutes of the meetings of the ENPARD Steering Committee and ENPARD Stakeholders Committee.</p>
<p>OVERALL ACHIEVEMENT RATIO</p>			<p>67%</p>	

SPECIFIC CONDITIONS				
Status Report: January 2014				
Performance indicators	Benchmark Indicators (TAPs)	Achievement to date	%	Source of Verification (SoV)
Specific Conditions (Tranche 2, Q2, 2014, EUR 5 million)				
1) Strengthened farmers' co-operation				
(1.1) Legislation to promote a business-oriented small farmers group, which is approximated with International and European criteria and standards and that removes disincentives and establish incentives is adopted.	Legislation and reviews	✓ Status: Tranche 2 Q2 2014, compliance based on the report on the criteria and standards and external review mission	0%	Legislation adopted by the Parliament External Review missions
(1.2) 30% increase in the percentage of small farmers in the targeted areas who are aware about business-oriented co-operation	30% increase on baseline	✓ Status: Tranche 2 Q2 2014, compliance based on the report on the baseline and impact assessment and external review assessment	0%	Awareness Rising Plan (ARP) by MoA to promote the concept of business-oriented small farmers co-operation Baseline and evaluation surveys
2) Capacity building for small farmers (Tranche 2, Q2, 2014, EUR 1 million)				
2.1) At least 30 district-level MoA centres to provide consultation and advice to small farmers, are officially established and staffed	At least 30 district-level MoA centres	✓ Status: Tranche 2 Q2 2014, compliance subject on the report on the operations of MoA Centres and the external review assessment	0%	MoA decree establishing the centres Lists of the staff working in the centres External Review mission
(3) Capacity building of the institutions involved in agriculture				
(3.1) Policy unit established in the MoA, individual responsibilities in the unit defined and staff recruited and working according to the unit's mandate	Policy unit established in the MoA	✓ Status: Tranche 2 Q2 2014, compliance subject on the report on the MoA Policy Unit and the external review assessment	0%	MoA decree establishing the Policy unit Assessment by the External Review mission

Specific Conditions (Tranche 3, Q2, 2015, EUR 7 million)				
1) Strengthened farmers' co-operation				
(1.3) At least 50 agriculture cooperatives officially registered	50 Coops	Review Q2 2015	0%	Agriculture cooperatives registry of the Ministry of Agriculture/ or other official institutions
2) Capacity building for small farmers				
(2.2) At least 30 district-level MoA centres already providing consultation and advice to small farmers, based on international standards and proven models	At least 30 district-level MoA centres providing consultation and advice	Review Q2 2015	0%	Records by centres Reports by MoA External Review mission
(3) Capacity building of the institutions involved in agriculture				
(3.3) Annual agriculture statistics report is produced according to international standards	Annual agriculture statistics report	Review Q2 2015	0%	Annual agriculture statistics report FAO reports External Review mission
OVERALL ACHIEVEMENT RATIO			0%	

Annex C - Established Payment Values GEORGIA ENPARD-1 BSP

Date: 07.11.2013

	Component	Weighting	Max. Value	Achievement 04.2013	Value 04.2013	Achievement 04.2014	Value 04.2014	Achievement 04.2015	Value 04.2015
	<i>General Condition Tranche 1</i>	22.2%	4,000,000	100%	4,000,000				
	<i>General Condition Tranche 2</i>	5.5%	1,000,000			0%	0		
	<i>General Condition Tranche 3</i>	5.5%	1,000,000				0	0%	0
1	<i>Strengthened farmers' co-operation</i>	22.2%	4,000,000			0%	0	0%	0
2	<i>Capacity building for small farmers</i>	27.8%	5,000,000			0%	0	0%	0
3	<i>Capacity building of the institutions involved in agriculture</i>	16.8%	3,000,000			0%	0	0%	0
Total		100%	18,000,000		4,000,000		0		0
					22%		0%		0%