

**The European Union's ENPI Programme for Georgia**

**Capacity Development of the Ministry of Agriculture  
GCP/GEO/001/EC**

**ENPI/2013/317-764**

**Fifth Progress Report**

**Reporting period: 25 May 2015 to 24 November 2015**



*A project funded by  
the European Union*



*A project implemented by  
Food and Agriculture Organisation*



**Capacity Development of the Ministry of Agriculture of  
Georgia (GCP/GEO/001/EC)**



**Funded by the European Union and Implemented by the FAO**



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

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## PROJECT SYNOPSIS

<b>Project Title:</b>	Capacity Development of the Ministry of Agriculture (GCP/GEO/001/EC)
<b>ENPARD Financing Agreement</b>	13 <sup>th</sup> March, 2013
<b>Donor Contribution:</b>	Euro 2,300,000
<b>Project Duration:</b>	45 Months
<b>Starting Date:</b>	24 <sup>th</sup> May, 2013
<b>Completion Date:</b>	23 <sup>rd</sup> Feb, 2017
<b>Beneficiaries:</b>	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.
<b>Indirect Target Groups:</b>	Farmers, farmers' associations, rural families and other private sector stakeholders will be the ultimate beneficiaries.
<b>Inception Phase:</b>	1st July 2013 - 1st October 2013
<b>First Progress Report</b>	24 May 2013 - 24 November 2014
<b>Second Progress Report</b>	25 November 2013 - 24 May 2014
<b>Third Progress Report</b>	25 May 2014 - 24 November 2014
<b>Fourth Progress Report</b>	25 November 2014 - 24 May 2015
<b>Fifth Progress Report</b>	25 May 2015 - 24 November 2015
<b>Sixth Progress Report</b>	25 November 2015 - 24 May 2016
<b>Seventh Progress Report</b>	25 May 2016 - 24 November 2016
<b>Final Report</b>	25 November 2016 – 24 February 2017



## EXECUTIVE SUMMARY

The main achievements of the project during this reporting period (June – November 2015) have been the following:

1.- **Signature of the project addendum**, with modification of the duration of the project with an extension until end of February 2017, and an extra budget contribution of 300,000 EUR to a total of 2,300,000 EUR.

2.- **Monitoring of the Strategy for Agriculture Development and Action Plan** from 2015 to 2020. The project facilitated a third workshop in October 2015 for the MoA staff, including agencies dependant on the MoA. This workshop served to monitor the implementation of the Strategy of Agriculture Development and Action Plan.

3.- Support to MoA in meeting the ENPARD general and specific conditionality requirements for receiving the third tranche payment, and support to the MoA to address the **recommendations in Statistics and Extension from the ENPARD evaluation mission in May 2015**.

4.- Intensive work to support MoA in the creation of a **Results Oriented Monitoring (ROM)** system to track the implementation of the Strategy and Action Plan through the delivery of the Monitoring Handbook and Monitoring Templates.

5.- Finalisation of FAO support for institutional capacity building of the Agriculture Cooperatives Development Agency (ACDA) and hand over to the new contractor from the EU. The project delivered three critical documents to ACDA during this period:

- **Strategy for the Development of the Agricultural Cooperative Development Agency of Georgia 2015 – 2020**
- **Financing Schemes for Agricultural Co-operatives**
- **Report on analysis of tax treatment of Georgian agricultural cooperatives** and the relevant recommendations for their modifications

In addition, the Project supported the ACDA efforts in developing state-sponsored financing schemes for cooperatives operating in honey, dairy, and hazelnut sectors.

6.- The project developed the **First Draft Extension Strategy** (that was handed over to the MoA in December 2015), and continued the support to the MoA for preparation and publishing of **extension brochures** (hazelnuts, corn, mandarins, potatoes, apples, and animal care and primary treatment of milk), four of which were distributed to the Information Consultancy Service Centres (ICS-s) for extension purposes.

7.- Development of the **data warehouse system** aimed at systematization of statistical and analytical information within the MoA for the purpose of simplification of informed decision-



making and flow of information within the MoA system. The Project initiated **support to the GEOSTAT** in development of the improved sample frame, which would allow for development of more rigorous and precise statistical products.

8.- The project developed an intense work in the field of **Rural Development**, with an important deployment of national and international experts for capacity-building of the Working Group of Rural Development within the MoA, which was created and supported through this project, including a study tour to Slovenia in November 2015 and a Rural Development International Conference (out of the reporting period, in December 2015).

9.- The Project facilitated two **ENPARD Stakeholder Meetings** in Batumi on June 1<sup>st</sup> and in Tbilisi on October 12<sup>th</sup>, one ENPARD Steering Committee on October 12<sup>th</sup>, and one Project Steering Committee specific for the GCP-GEO-001-EC project on June 29<sup>th</sup>. For the ENPARD Stakeholder's meeting in Batumi, the FAO project facilitated the participation of a **delegation from ENPARD Armenia** composed of members of EUD, the Ministry of Agriculture of Armenia, UNDP, UNIDO and FAO Armenia. This initiative was highly successful in terms of experience-sharing.

## A. Activities Implemented During the Reporting Period

**Output 1: To improve the efficiency of the MoA, which will enable it to manage measures arising from the Strategy for Agricultural Development**

### 1.1. Medium Term and Annual Programmes and Budgets in place

The project facilitated a two-day workshop (24-25 October 2015) to follow up on the implementation of the Strategy for Agricultural Development in Georgia 2015-2020 and Action Plan. With the participation of the MoA top management, heads of departments and agencies, and the Policy Group members, FAO facilitated the workshop and delivered two presentations on international competitiveness of Georgian agriculture and rural development tools for better policy-making.

### 1.2 Effective system in place for monitoring and evaluating the Strategy of the MoA

A Designed a Results-Oriented Monitoring (ROM) system that follows up on the implementation of the Georgian Agriculture Strategy and Action Plan, as well as on the agricultural cooperatives registered by the ACDA. Several training workshops were delivered to the MoA central apparatus and representatives of its Agencies, including the Deputy Minister of Agriculture, Mr. Gocha Tsopurashvili.

In order to launch and test the Monitoring System, FAO has supported MoA to prepare monitoring templates in the Georgian language, and will continue its support to create a first minimum set of indicators to the MoA Departments and Agencies. This will be the basis for a gradual implementation of the ROM system, possibly starting with the Agriculture Projects



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Development Agency (APMA), an entity which already has a rather well-established system of monitoring.

### 1.3 Policy Unit established in the MoA and individual responsibilities defined

FAO supported the creation of the Policy Group, comprising several departments of the MoA and the Policy and Analytics Department, which was initially regarded as a Policy Unit. FAO continued building capacities of the Policy Group and other departments and Agencies of the MoA in policy design: drafting of policies, provision of the feedback and consultations with stakeholders.

The future technical work under this component shall deal with the implementation of specific measures defined under the Action Plan. Specifically, the project has been providing support to the Policy Group in the preparation of technical documents and reports. This support includes inputs to the annual report, value chain analysis, competitiveness to certain sectors or agriculture, and guides to investors on regions of Georgia. The project has also provided support on overall assessment and coaching on reporting mechanisms and workflows, quality control of products and documents prepared by MoA staff for senior management. In addition, the tailor-made trainings are ongoing for the Policy Group members.

### 1.4 Development and implementation of a human resources appraisal, training and development programme

FAO has continued the training of MoA officials during the implementation period, including the finalisation of the trainings of the assistants of the Minister and Deputy Ministers, trainings in Time Management, Communication, and Microsoft Outlook for the Policy Group Members, and finalisation of English Language trainings delivered to the Policy Group members and other representatives of the MoA. The English Language trainings, in particular, continue with success as they were delivered by native speakers and receive very positive feedback from participants. Other training activities, as already agreed upon by the MoA, will continue during the first quarter of 2016.

### 1.5 Environment, natural resource management, disaster risk management, gender and minority issues mainstreamed across all activities

The project is actively cooperating with other FAO projects and ENPARD projects in order to mainstream some of the work done in these areas (environment, management of natural resources, DRR, gender and minority issues) into the policy work done within the MoA. Some of the activities supported by the project are: the update of the national assessment for Georgia on Good Agricultural Practices, the support to the Ministry of Environment on the feasibility study to improve its work on agro meteorology, the study to mainstream Gender in the Agriculture Development Strategy and Action Plan (the technical delivery of



these components was provided by the FAO ENPARD project, funded by ADA GCP/GEO/004/ADA).

## **Output 2: Effective implementation of the EU's agriculture and rural development support programmes in Georgia**

The project has provided required support to overall implementation of the EU Sector Policy Support Programme for Agriculture and Rural Development in Georgia.

### 2.1 Effective system in place for monitoring and evaluating the Strategy of the MoA and progress in relation to the EU-funded Sector Policy Support Programme

As already mentioned, during the reporting period, the project developed the Monitoring Templates and Monitoring Handbook and training sessions to the MoA Central Apparatus and the MoA Agencies. The Project plans to pre-test the minimum set of indicators with the MoA and its agencies in 2016, and a mid-term workplan has been developed. It can be a possible to link this M&E system with the ENPARD governing mechanisms, such as Steering and Stakeholder Committee Meetings.

The Project will continue supporting the implementation of ENPARD conditions related to development of cooperation in Georgia although FAO handed the work of capacity building over to the EU contractor. FAO has also supported coordination among the EU NGOs that are developing pilot projects on Rural Development.

### 2.2. Build up the capacities of the Ministry of Agriculture regarding Rural Development

FAO was intensively involved in initiating Rural Development activities in the reporting period, with the deployment of significant human resources both national and international. This intense activity has led to the following milestones: In coordination with the ADA ENPARD project GCP/GEO/004/AUT, FAO has provided support to the MoA to set the Working Group on Rural Development and to implement an intensive workplan for capacity building of this Working Group, including a study tour in Slovenia; the preparation of the concept note on Rural Development, as well as the development of a Position Paper that will be the basis of the Strategy of Rural Development for Georgia; the coordination between the technical assistance to the MoA with the work of the EU grantees for pilots on Rural Development; the preparation of an international conference on Rural Development to be held on the 11<sup>th</sup> of December (out of the reporting period).

## **Output 3: To assist the MoA in implementing specific components of the Strategy for Agricultural Development as directly targeted by the EU's ENPARD Georgia Programme**

### 3.1 Strengthening Farmer Cooperation



During the reporting period, support has been provided to ACDA in the areas of tax modifications, financial schemes development, and elaboration of the long term strategy;

- ACDA was supported by FAO in designing financial schemes for registered cooperatives based on extensive research of Georgian agriculture seen from the perspectives of different players (farming cooperatives, government, financial and non-governmental sectors). Final report with recommendations on the conceptual as well as organizational structure of grant schemes implementation was delivered together with detailed suggestions on budgetary planning.
- FAO developed recommendations on improved taxation regimes for cooperatives. The study conducted comparative analysis of existing tax regimes for different legal entities and compared them to existent tax regimes for cooperatives. Based on this analysis, extensive recommendations were delivered to ACDA on the existing Tax Code and other legal documents to enable cooperatives to have better conditions under which to conduct their operations.
- The FAO team prepared the strategy document for development of the ACDA. The document effectively links the ACDA development strategy with the Agricultural Development Strategy of Georgia 2015-2020 and outlines major institutional, organizational, policy, and other steps necessary to support sustainable development of agricultural cooperatives in Georgia. The document also suggests the gradual transformation of ACDA into the umbrella, membership-based organization of Georgian agricultural cooperatives. The Document will be a cornerstone element for the development of ACDA and contains a detailed action plan for the period of 2015-2020.

### 3.2 Improved extension service provision and advisory capabilities

The FAO Project Team provided support to the MoA in the development of methodology for extension/information packages, as outlined in the relevant ENPARD Condition. As a major delivery, FAO supported the development of the First Draft of the Extension Strategy for Georgia, which was delivered to the MoA Working Group. During the first months of 2016, the project will finalize the Extension Strategy, which will include the training and action plans, as well as the budget for the extension service. In accordance with the MoA request, the Extension Strategy stipulates specific measures for the period of 2016-2018 aimed at transforming the existing Information and Consultation Centres (ICC-s) into a separate MoA Agency, solely responsible for extension.

The Draft of the Extension Strategy was developed with the participation of the MoA Department of Coordination with Regions, Policy and Analytics Department, as well as the Scientific Research Centre. In conjunction with the development of the Extension Strategy, steps were taken towards the fulfilment of relevant ENPARD conditions for 2016 and to strengthen the work of ICC-s.



The FAO Project developed the extension package methodology for core enterprises as it is required by the ENPARD Condition. Subject to the future adoption of the Extension Strategy by the MoA, it has been proposed to establish the standing working groups for the core enterprises.

FAO has developed the draft methodology for dissemination of extension materials through the existing information channel (Media Survey). The project started the work to create an Extension Knowledge Base, which will be an aggregation of extension materials available for a wide range of farmers.

Another area of work has been the development of a simple monitoring format for activities of ICC-s, which would be based on a user-friendly Advisor Checklist designed to improve efficiency and targeting of the extension advice. The proposed methodology is linked with actual demands of the target farming audience and is a step toward allowing the ICC-s to concentrate more on extension services.

Finally, FAO has acquainted the relevant MoA Departments and top management of the MoA with a technical proposal to improve the work of the ICC-s, primarily focusing on delivery of public goods, which the free market would not deliver in desired quantities.

### 3.3 Strengthening Institutions for Agricultural Information

The project has developed different lines of support to the MoA and GEOSTAT in the reporting period in the field of statistics and information:

- The project has supported MoA to prepare a framework for improvement of statistical systems in the MoA.
- The project has finalised the conceptual definition of a Data Warehouse, a statistical platform for storing available statistical data with tools for data export/import and reporting together with the predetermined calendar of new data addition, information flows and disseminations.
- FAO is moving forward together with MoA in the development of the Data Warehouse, including the preparation of the technical description and the design of the templates of periodical statistical outlooks to be produced by the MoA, including the creation of the metadata for the information provided by the MoA.
- The project team continues the work on Market Information System (MIS) for price forecast in order to further refine it and make it more user-friendly, and to write a new guide explaining underlying calculations and its usage. Also, the team is working to clean data from MIS that shall serve as the future source for the forecast file (current data is provided by GeoStat on quarterly basis) after the methodology is improved and confirmed to be statistically solid according to international standards.
- The project has been assisting National Statistics Service of Georgia (GeoStat) in re-designing the current survey of agricultural holdings, most notably in the preparation



of the sampling frame, development of weighing procedures, and mechanisms of automatic calculation of errors, etc. Detailed documentation for the survey has been developed, including the procedures necessary for efficient use of the redesigned survey in subsequent years by GEOSTAT.

- A detailed description of a new design of the current survey of agricultural holdings has been produced, including all of its stages, as an input to the FAO project to develop the Strategic Plan for Agricultural and Rural Statistics (SPARS) within the framework of the Global Strategy to Improve Agricultural and Rural Statistics.
- The Project is working on a Gross Margin Calculation spreadsheet as well as on a Data Library project that implies the creation of a database of all information materials, documents, video and audio files on various topics with appropriate descriptions, references and ratings.

### 3.4 “On demand” consultancy facility available to support implementation of the Strategy of the MoA

During the reporting period, the Ministry of Agriculture has increased the requests for “On Demand” support in an array of technical aspects from food safety for hazelnut production to the aquaculture law. Some of the concepts notes received and worked upon or ongoing are the following:

- Warehouse receipt system: National and international expertise have been deployed in the ongoing work to set up a warehouse receipt system in Georgia, starting with the hazelnut sector, but not restricted to it.
- Food security monitoring system: International expertise has been recruited to support the Food Security Working Group within the Ministry of Agriculture to set up a monitoring system in the coming months.
- Hazelnut GI and branding: Initial work has been done already by FAO supporting ACDA and the MoA in the evaluation of technical equipment for drying and processing equipment for hazelnuts. More work is to be done to support branding and marketing of Georgian hazelnuts in collaboration with USAID, and potentially with deployment of national and international expertise.
- Gross margin analysis of different farming activities: There has been a concept note prepared and delivered to the top management of the MoA, and international expertise made available. This will be another area of further work in 2016.
- Hazelnut sector survey: FAO has supported MoA in the preparation of a sound methodology for survey including questionnaires and inputs needed.
- FAO has supported MoA to develop some publications such as the investor guide for Agriculture or market digests for chosen crops. The MoA develops a report on investment opportunities on an ongoing basis, and the project team provides support.



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- In collaboration with the USDA, FAO supported the MoA policy and analytical department to establish the yield forecast system as a major analytical tool for the future. The project will continue to provide support in the form of analysis and data collection and processing as generated from the field. FAO will mobilise data analysis expertise from HQ divisions in 2016.
- FAO supported GEOSTAT during the reporting period to produce the initial results of the survey on cereal elevators, including the development of questionnaires, as well as questionnaires for warehouse and storage facilities and slaughterhouses.
- FAO is supporting the MoA in the elaboration of a concept for assistance related to innovative schemes of agribusiness financing.
- FAO has stated the elaboration of a concept for support of establishment of new sectorial associations, as well as rationalization of the work of the existing ones.
- The project developed a study on Georgia international agricultural competitiveness that was presented to the MoA top officials. In 2016, FAO expects to provide MoA with detailed commodity/regionspecific programs for the value chains identified by the study.
- The MoA requested FAO's support to develop an aquaculture law and FAO has mobilised international expertise on work that has started and will be completed in 2016.

In this “on demand” component, it is also important to highlight the coordination and synergies with the other FAO ENPARD project financed by ADA (GCP/GEO/004/AUT), and notably:

- Agrometeorology system establishment: Together with the activities of GCP/GEO/004/AUT, the Ministry of Environment in coordination with the MoA, have requested FAO to support in the installation of an agrometeorology system, that is currently ongoing.
- Technical advice to the concept drafted for rural development activities for the implementation of pilot projects on Sustainable Models of Agriculture Support.
- Technical advice provided to the ADA project management (GCP/GEO/004/AUT) in the review of the study to define the criteria to characterise the “Less Favourable Areas” in Georgia.
- Daily policy advice and technical support provided to the ADA project to ensure coordination and synergies between both projects, and ensure cohesiveness in the approaches given to the MoA in different fields.

### **Output 4: Improved overall donor coordination in relation to the development and implementation of agriculture and rural development programmes across Georgia**

During this reporting period, the FAO project supported MoA to develop the donor coordination procedures, including the update of the donor activities matrix on a regular



basis as well as some of the meetings of the working groups under donor coordination. So far, FAO has supported the MoA to organise two donor working group meetings on extension and infrastructure, respectively.

The mechanism of Donor Coordination proposed by the Project and adopted by the MoA stipulates continuous work with the donor community must be done toward removal of duplicate activities, enhancement of synergies, and more importantly, fundraising for new initiatives. Up until now, the donor coordination function was not maintained by the MoA with the desired regularity and focus. For the next reporting periods, FAO might consider a deeper involvement in Donor Coordination in order to increase efficiency of the MoA operations in this field. Much will depend on the readiness of the MoA to further formalize the activities of the relevant departments in conjunction with Donor Coordination.

## **B. Technical and operational Support to the Implementation**

### 1) Project staff:

The project team of GCP/GEO/001/EC has expanded with the inclusion of several national consultants on short or mid-term contracts, as well as a national communication consultant in the long term.

An FAO Lead Technical Unit consisting of a pool of technical officers from REU has provided advice, commented on drafted reports and analysed policy developed by national experts. In addition to deskwork and remote technical advice, FAO has provided backstopping (technical missions) support with the following officers visiting Georgia: Raimund Jehle (Senior Field Programme Officer, REU), Giorgi Kvinikadze (Statistics Officer, REU), Aroa Santiago (Gender Officer, REU), Nino Gosadze (Legal Officer, LEGN, HQ), Dmitry Zvyagintsev (Policy Officer, REU), Nevena Alexandrova (Agricultural Innovation Systems and Knowledge Sharing Officer, REU), Morten Hartvigsen (Land Tenure and Rural Development Officer, REU), Anetta Szilágyi (Rural Development Junior Technical Officer, REU), Katalin Ludvig (Rural Development Officer, REU), Stjepan Tanic (Agroindustries Officer, REU).

### 2) Recruitment of international experts:

This reporting period has been marked by intensive activity and important efforts were dedicated to mobilise human resources. Among others, several senior international consultants were hired, such as one Senior International Expert on Financing Schemes for Agriculture Cooperatives, a Senior International Expert on Agricultural Cooperative Development Strategy, two International experts in Statistics (Standardised Methodology,



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and Field Data), one Senior International Expert on Results Oriented Monitoring System and one Senior International Consultant in Extension Services.

3) Difficulties encountered and measures undertaken to overcome them

During the reporting period there have been no major difficulties encountered, other than the ones related to the normal implementation of a project of policy nature, such as the some delays in the provision of consultancy services because of lack of availability of top level international consultants, or small mismatches between the agendas of the high officers of the MoA to organise meetings, working groups or events. The Working Group on Rural Development initially created was very large (over 15 people) and it was very difficult to have regular meetings with such a big group, so it was decided to create a smaller group to ensure timely meetings.

4) Changes introduced in Implementation

No significant changes to report.

5) Communication and Visibility

There is a communication officer working for the project hired by FAO, that is ensuring timely visibility to the donor within FAO media coverage tools, such as the webpage of FAO Georgia and the webpage of FAO Regional Office. Amongst others, the work done under communication and visibility includes:

- In June-December, 2015 FAO communications officer created and disseminated electronic monthly newsletters which included the updates on the FAO projects in Georgia. Important news were also covered by the FAO regional website ([www.fao.org/europe](http://www.fao.org/europe)).
- The documentary film was created on the project of Policy Assistance to Develop Institutional Capacities in Agriculture. The film represents several components of this project - Cooperative Development, Seed Certification, Statistics and Farm Registry. It was presented on the World Food Day to the Government officials, representatives of donors, international organizations and NGOs. The film was uploaded to the FAO official YouTube channel and shared to FAO-Georgia website (<http://www.fao.org/georgia/resources/en/>).
- News within the project were covered by Georgian media, especially online editions. E.g. World Food Day event was covered by more that 20 news websites and 5 basic TV channels of the country. FAO has had an increased collaboration with the communication contractor for ENPARD hired by the EU Delegation. Updates on the project were published on ENPARD.ge and shared by the multiple online editions.



<http://enpard.ge/en/georgian-ministry-of-agriculture-and-enpard-georgia-host-the-delegation-from-armenia-armenian-agriculture-specialists-learn-best-practices-and-achievements-in-georgia/>

<http://enpard.ge/en/fao-offers-information-about-modern-agriculture-technologies-to-georgian-farmers/>

<http://enpard.ge/en/world-food-day-2/>

- Lasha Dolidze, Project Manager was invited to TV and radio channels. He talked about the project in the radio programme of the Public Radio FM 102.4 and in the agricultural programme on the cable network Agro TV.

## C. Project Planning for the Next Reporting Period

The areas that will receive more attention during the rest of 2015 and the first quarter of 2016 are the following per Output:

1.1. Medium Term and Annual Programmes and Budgets in place: FAO will continue monitoring the implementation of the Strategy for Agriculture and Action Plan.

1.2 Effective system in place for monitoring and evaluating the Strategy of the MoA. This will be a main area of work for 2016 that will require major efforts and resources.

1.4 Development and implementation of a human resources appraisal, training and development programme: FAO will continue with the training of MoA officials following the prepared training schedule.

1.5 Environment, natural resource management, disaster risk management, gender and minority issues mainstreamed across all its activities. Some activities will be developed in the frame of this Output during 2016.

2.2. Build-up the capacities of the Ministry of Agriculture regarding Rural Development. The work on Rural Development will continue in terms of capacity-building of the Working Group of RD within the MoA, the finalization of the position paper and the drafting of the Strategy for Rural Development of Georgia, likely including inter-ministerial discussions.

3.2 Improved extension service provision and advisory capabilities: The finalization of the extension strategy will take place in early 2016, and more work will be developed toward the finalization of extension brochures and extension packages.

3.3 Strengthening Institutions for Agricultural Information: Statistics will also be one of the areas of intense work at the end of 2015 and into 2016 to finalize and set up the Data Warehouse and fine tune the MIS and price forecast tool. FAO will also support GEOSTAT to



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process, analyze and disseminate the data of the Agricultural Census 2014, and to make the transition to CAPI in the Sample Survey of Agricultural Holdings.

3.4 “On demand” consultancy facility available to support implementation of the Strategy of the MoA: Important work will be developed here, along the lines already established in this reporting period, and likely with additional activities.

4.1 Donor coordination mechanism operating effectively are outlined in the workplan: FAO will continue the support to MoA to ensure an effective donor coordination in 2016 and will try to facilitate and improve donor coordination.

**ANNEX 1: Workplan (June 2015-February 2017)**

	2015			2016				2017	
Output	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Comments
1.1. Medium Term and Annual Programmes and Budgets in place									FAO will continue this activity during the whole duration of the project
1.2 Effective system in place for monitoring and evaluating the Strategy of the MoA									The monitoring of the implementation of the Strategy will be done twice a year
1.3 Policy Unit established in the MoA and individual responsibilities defined									The unit is established and working. FAO will continue support through capacity building under 1.4
1.4 Development and implementation of a human resources appraisal, training and development programme									

1.5 Environment, natural resource management, disaster risk management, gender and minority issues mainstreamed across all its activities									
2.1. Effective system in place for monitoring and evaluating the Strategy of the MoA and progress in relation to the EU's funded Sector Policy Support Programme									The system will be implemented during 2016 and regularly monitored
2.2. Build up the capacities of the Ministry of Agriculture regarding Rural Development									This will be one of the main activities until March 2016
3.1 Strengthening Farmer Cooperation									FAO handed over to the EU contractor in October 2015
3.2 Improved extension service provision and advisory capabilities									There is conditionality for 2016. In the end of 2015 and the beginning of 2016, the need will be assessed for any further support in 2017
3.3 Strengthening Institutions for Agricultural Information									

3.4 “On demand” consultancy facility available to support implementation of the Strategy of the MoA									This will be an important part of the work in 2016 and 2017
4.1 Donor coordination mechanism operating effectively									FAO handed donor coordination over to the MoA in March 2015. FAO will continue supporting and participating/co-chairing as required



**ANNEX2:**

**Meeting Notes**

**June 29, 2015**

**Capacity Development of the Ministry of Agriculture  
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Fourth Project Steering Committee Meeting**

**I. General Information**

**Date:** Monday, June 29, 2015; 17:00

**Venue:** Ministry of Agriculture of Georgia

**II. Attendees:**

1. Mr Nodar Kereselidze, First Deputy Minister of Agriculture of Georgia
2. Ms Khatia Tsilosani, Head of the International Relations Department of the Ministry of Agriculture of Georgia
3. Mr Juan Jose Echanove, Agricultural Attaché of European Union Delegation to Georgia
4. Mr Mamuka Meskhi, Assistant FAOR (FAOGEO)
5. Mr Javier Sanz Alvarez, Project Coordination and Support Officer, FAO
6. Mr Lasha Dolidze, National Team Leader/National Project Manager
7. Ms Elene Nemsadze, National Policy Advisor

**III. Agenda Topics:**

1. Opening remarks
2. Presentation of results of the ENPARD evaluation mission and steps forward
3. Updates on the project
4. Endorsement of the Fourth Progress Reports
5. Project Plans
6. Changes in project (including top up) and inclusion of Rural Development direction
7. Other Issues
8. Conclusive remarks

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

**1. Opening remarks**

The First Deputy Minister of Agriculture, Mr. Nodar Kereselidze welcomed the meeting participants and expressed his satisfaction with collaboration with EUD and the Capacity



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Development of the Ministry of Agriculture Project. Mr Juan Jose Echanove, Agricultural Attaché of European Union Delegation to Georgia expressed his satisfaction with overall quality of support to implementation of Agricultural Development Strategy and related technical assistance by the Project. The FAO representatives corroborated readiness for continuous assistance to the MoA related to the areas already stipulated in the Project Document, as well as tailor-made, on demand assistance as per the MoA future requests.

### **2. Presentation of results of the ENPARD evaluation mission and steps forward**

Mr. Nodar Kereselidze expressed his satisfaction with successful completion of ENPARD evaluation mission. He stressed the need for disseminating mission conclusions and recommendations among all relevant agencies of the MoA, as well as other governmental institutions. Mr. Echanove talked about the technical details of the third, biggest ENPARD tranche of €8 million, which was released to the GoG as a result of successful accomplishment of conditionality exercise. He talked about the EU evaluation mission recommendations regarding Strategy and Action Plan implementation monitoring system, statistics and extension and positively assessed their current state. The conversation concerned preparation for the final tranche within the first phase of ENPARD, specific conditions of which are related to cooperation, statistics, and extension, as well matching state funds for them in the years to come. Ms. Khatia Tsilosani, Head of the International Relations Department of the Ministry of Agriculture of Georgia, indicated that working with EU evaluation mission team was very productive for the MoA and underlined the importance of help rendered by the Project during the process. She stressed the importance of collaboration with the Project for subsequent progress in implementation of the Strategy and Action Plan.

### **3. Updates on the project**

Mr Lasha Dolidze, National Project Manager/Team Leader to Project “Capacity Development of Ministry of Agriculture of Georgia” briefed the meeting participants on the technical details of the third tranche payment within the ENPARD Programme. Also, he briefly talked about the next tranche conditions. He elaborated on on-going Project activities, such as work on potential tax modifications, financing schemes, and development of a long term strategy for ACDA. While informing the meeting participants on the recent project activities, he indicated that during the process of working with the ENPARD Evaluation Mission, the information related to establishment, functioning, and plans of the Information Consultation Service Centres (ICS-s) was obtained and systematized. Also, the tentative extension brochures for farmers were presented to the EU Evaluation Mission. He informed the meeting participants that brochures for selective crops and processes containing the information on major technological steps to improve yields have been and are being developed; He indicated that the Project has been regularly deploying international and national expertise to support the MoA in policy making; Also, he highlighted that working meetings with MoA representatives and donors are held regularly for the purpose of facilitating the Strategy and Action Plan implementation. He said that support has been provided to the MoA in establishment of an Extension Working Group and international experts in statistics were helping the MoA in arranging the data warehouse and the relevant procedures for betterment of intra-ministerial data collection process. Mr. Dolidze indicated that the MIS system facility was finalized and rendered to the MoA. Also, he discussed how support is being provided to the MoA in understanding clearly the duties of



GEOSTAT to avoid duplication in data collection process. Lasha Dolidze talked about the on-going training activities supported by the Project and potential for on-demand assistance.

#### **4. Endorsement of the Fourth Progress Reports**

Mr. Kereselidze positively assessed contents and quality of the fourth progress of the Project. Mr. Echanove indicated that production of several concise and one extended versions of progress reports would be sufficient for EUD. The concise reports would probably be produced quarterly, whereas a summary progress report in the format currently employed could be produced once a year. This notwithstanding, he suggested that the Project Steering Committee should meet at least twice a year.

#### **5. Project Plans**

Mr. Mamuka Meskhi, Assistant FAOR (FAOGEO) thanked the MoA representatives and Mr. Echanove for fruitful collaboration, assured the MoA of the availability of high level expertise in programmatic and on-demand directions, and mentioned that FAO would assist the MoA in upgrading the aquaculture related legislation and institutional framework to the best available international standards based on FAO experience. He welcomed the efforts of the MoA to streamline donor coordination in the process of implementation of the Strategy and Action Plan and offered FAO experience and existing platform in this endeavour. He indicated that the donor coordination mechanism supported by the FAO and the Project was an excellent tool for better planning of activities, as well as starting new initiatives in various areas.

Mr. Echanove indicated that in order to improve the overall quality of the Project assistance to the MoA, the addition of more HR resources to the existing project staff was needed. Also, he said that donor coordination efforts by the MoA should be synergized with the work of the Donor Coordination Unit at the PM Office. Also, Mr. Echanove suggested that the Project could help facilitate the Rural Development activities by organizing a study tour abroad for MoA decision-makers.

Mr Javier Sanz Alvarez, FAO Project Coordination and Support Officer, talked about activities and support that has been provided by the Project to the MoA. He explained to the participants the content of the presented fourth six months report, new budget and the activities added as a result of extension of project budget and lifetime (so called top-up). According to Mr. Sanz Alvarez, due to the fact that the Project would be extended until February 2017, the ministry would have more opportunities for additional technical assistance and new initiatives. He proposed that MoA representatives work together on action plan implementation issues and sectorial value chain issues.

#### **6. Changes in project (including top up) and inclusion of Rural Development direction**

Mr. Sanz Alvarez, Mr. Meskhi, and Mr. Echanove further elaborated on proposed changes in the duration and budget of the Project, notably in the areas of on-demand assistance and rural development.

Mr. Kereselidze talked about the need to establish a group within the MoA devoted to formulation of the rural development strategy and policies. He informed the participants that



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the issue has been raised with the Minister, Otar Danelia who would inform the Prime Minister to take further actions. 'Maybe some changes in laws will be needed and functions of other ministries will be moved to the MoA. I think we are on right track, at least we have internal decision and we gradually are pushing this process,' said Mr. Kereselidze. Mr. Kereselidze indicated that the Prime Minister understood the importance of rural development as a new and timely dimension to the overall economic and social development of Georgia. In this regard, he reckoned that initiation of joint activities in this area be of key importance for the GoG for the upcoming year.

Mr. Echanove underlined a leading role of the MoA in the process.

### **7. Other Issues**

While talking about further support of cooperation in Georgia, Mr. Echanove elaborated that the Agriculture Cooperatives Development Agency might employ a voucher scheme as a financing tool to support the nascent cooperation movement in Georgia. The suggestion was positively received by the meeting participants, including the MoA. Mr. Kereselidze underlined the need for further technical assistance, using hazelnut sector policy as an example. He once again touched on the need for improved donor coordination, which would allow for the removal of duplicate efforts and overall improvement of policy coordination. In this light, collaboration with the project was assessed positively by Mr. Kereselidze.

In addition, the meeting participants briefly discussed the on-going policy developments in the sector.

### **8. Conclusive remarks**

Mr. Kereselidze and Mr. Echanove once again thanked the FAO representatives for fruitful collaboration, expressed their overall satisfaction with the quality and pace of Project implementation and endorsed the fourth progress report.