

The European Union's ENPI Programme for Georgia

Capacity Development of the Ministry of Agriculture

ENPI/2013/317-764

Fourth Progress Report

Reporting period: 24 November 2014 to 25 May 2015



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the European Union*



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

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Contents

1. PROJECT SYNOPSIS	6
2. EXECUTIVE SUMMARY	10
3. SUMMARY OF PROJECT PROGRESS TO DATE	Error! Bookmark not defined.
4. REVIEW OF PROGRESS IN THE REPORTING PERIOD	17
General Description of task(s) and objectives to be achieved	Error! Bookmark not defined.
key performance indicators.....	Error! Bookmark not defined.
 Annex 1: Workplan	
Annex 2: Minutes Project Steering Committee, February 2015	
Annex 3: List of technical reports prepared by project	



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List of Abbreviations

AAP	Annual Action Programme
ACDA	Agricultural Cooperative Development Agency
ADA	Austrian Development Agency
AIS	Agriculture Information Systems
CTA	Chief Technical Advisor
DCFTA	Deep and Comprehensive Free Trade Agreement
DTL	Deputy Team Leader
EaPIC	Eastern Partnership Integration and Cooperation
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
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
NPM	National Project Manager
NPP	National Project Personnel
PMO	Producer Marketing Organization
REU	FAO Regional Office for Central Asia and Europe
ROM	Results Orientated Monitoring
SPA	Senior Policy Advisor
TAPS	Technical and Administrative Provisions (ENPARD Financing Agreement)
ToR	Terms of Reference



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PROJECT SYNOPSIS

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 by 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, are orientated upon the following:

- 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 more effectively mainstreamed.

In relation to **Output 2** the main activity that needs to be completed will be:

- **Supporting implementation of the EU's Sector Policy Support Programme for Agriculture and Rural Development in Georgia, ENPARD**

In relation to **Output 3**

- **Assisting the MoA in implementing specific components of the Agricultural Development Strategy as related to the EU's ENPARD Programme in Georgia**



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Technical assistance in support of the implementation of the Strategy for Agricultural Development will be provided under four components:

- 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

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

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

ENPARD financing

Agreement 13 March 2013

Donor contribution: EUR 2 000 000

Project duration: 36 Months

Starting date: 24 May 2013

Completion date: 23 May 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:	1 July 2013 - 1 October 2013
First Progress Report	24 May 2013 - 24 November 2014
Second Progress Report	25 November 2013 - 24 May 2014
Third Progress Report	25 May 2014 - 24 November 2014
Fourth Progress Report	25 November 2014 - 24 May 2015
Fifth Progress Report	25 May 2015 - 24 November 2015
Final Report	25 November 2015 - 24 May 2016



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EXECUTIVE SUMMARY

During the reporting period the Project supported the finalization of the Agriculture Development Strategy for the period 2015-2020 along with the Action Plan. Among other things, the project facilitated two workshops for MoA staff and agencies dependant on the MoA in December 2014 and March 2015. These workshops served to facilitate consensus and finalize the relevant documents.

The project initiated the work to develop a Results Oriented Monitoring system to track the implementation of the Strategy and Action Plan, and also supported the launch of the donor coordination mechanism aimed at facilitating the implementation of these important documents.

The project supported the Agriculture Cooperatives Development Agency (ACDA) by elaborating the long term strategy, development of sectorial financial schemes (honey, dairy and hazelnuts), and tax modifications in tax provisions, as well as facilitating coordination between ENPARD partners on a regular basis and providing technical support to ACDA officials.

The project supported the MoA and MoA Research Centre in the design of standardized trial extension brochures to be used by the Information Consultancy Service Centres (ICs) for extension purposes.

The Market Information System facility, the first web-based portal for collecting primary product prices was developed with the support of the project and handed over to the MoA in February 2015. During this reporting period, the Project also initiated the development of the data warehouse aimed at systematizing statistical and analytical information within the MoA. This data warehouse will act as a simplified informed decision-making process, and will facilitate the information flow within the MoA structure. During this period, the project developed strong working relationships with GEOSTAT and other external data providers.

During the reporting period, the project provided continuous support to MoA in meeting the general and specific ENPARD conditionality requirements for receiving the third tranche payment. The project helped in the preparation of the EU evaluation of the implementation of the ENPARD project in May 2015. The status on general and specific conditions as of 25 May 2015 is presented in Annex 2. The project also supported the organization of the Steering and Stakeholder ENPARD Committees (16 and 17 March 2015 respectively).

In the remaining part of 2015 the project will concentrate on providing support and technical advice to implement activities related to ENPARD BSP, i.e.:

- MoA's implementation of the Agricultural Development Strategy and Action Plan (sub-sector specific activities, budgeting of national support measures, monitoring and evaluation of support programs, on-demand);
- Organizing the Steering and Stakeholder Committees and Donor Coordination meetings under the direct management of the MoA;
- Strengthened co-operation between farmers under the ACDA. Support has been provided to ACDA in the areas of tax modifications, financial scheme development and elaboration of a long term strategy. (The activities will be handed



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over to an EU contractor that will take the role of technical assistance for ACDA in Autumn 2015).

- Capacity Building of the Institutions involved in agriculture, driven by the Policy Unit of the MoA. The Agricultural Extension Development Strategy will be elaborated, which was declared as one of the key strategic policy measures in the newly adopted Strategy for Agricultural Development of Georgia 2015-2020.



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A. Activities implemented during the reporting period

1. 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 two workshops for the finalization of the Agriculture Development Strategy (2015-2020) and the action plan, with the participation of MoA officials as well as officials of the different agencies that depend on the MoA:

- Policy workshop for the finalization of the updated version of the Agriculture Development Strategy in Georgia. It was held on November 28-29 with representation of the MoA top management, heads of departments and agencies, as well as the Policy Group representatives.

Policy workshop to update the Agriculture Development Action Plan was organized in March 13-15; The MoA top management, heads of departments and agencies as well as the Policy Group representatives participated in this workshop. \

The team helped MoA to reflect on and incorporate comments and suggestions provided from governmental entities, the donor community and other stakeholders into the Agriculture Development Strategy and Action Plan, and also supported in the launch events of both documents.

Though the work developed with ACDA, the project also supported the MoA and ACDA in developing some sectorial supporting schemes for cooperatives.

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

An International Results Oriented Monitoring Expert was recruited and carried out a first mission in Georgia to set up a Results Oriented Monitoring system framework to monitor the overall implementation of the Georgian Agriculture Development Strategy and Action Plan developed by the MoA. There will be a follow up mission in June 2015. This system will be the basis for monitoring the implementation of the Strategy and Action Plan.

1.3 Policy Unit established at the MoA and individual responsibilities defined

The policy group was established (the group is established by ministers decree) and the meetings and support of the project to this policy unit are held regularly.

The project has built capacities of various MoA departments on policy design; specifically, drafting of policies, provision of the feedback and consultations with stakeholders. The future technical work under this component will deal with the implementation of specific measures defined under the Action Plan. Specifically, the project has provided support to the policy group in the preparation of technical documents and reports, as well as overall assessment and coaching on reporting mechanisms and workflows and quality control of products and documents prepared by MoA staff for senior management.



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

Training programs covering a variety of topics such as Value Chain Analysis, Analysis of Statistical Methods, Financing Instruments and Models, and Geographic Information Systems are being provided and MoA capacities in these areas are now being built. During the reporting period, the main developments have been:

- Ms. Salome Makaridze, the National Trainer of Personal Assistants of the Minister and Deputy Ministers was recruited in April 2015. She has been delivering training modules in time management, communication, and Microsoft Outlook.
- Mr Nikoloz Arevadze, the National Trainer in Database (MS Access) and Geographic Information Systems (ESRI ArcGIS) was recruited during the reporting period. He developed and delivered the training module on the following subjects: databases (MS Access) and GIS (ESRI ArcGIS).
- The project is actively working on identification of suitable experts for other training modules such as the English language training course.

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

The project is actively cooperating with other FAO projects and ENPARD projects in order to mainstream some of the work done into the policy work done within the MoA. The areas of cooperation are technical guidance and policy advice to coordinate information and knowledge sharing from different experiences. For example, the project provides direct policy advice and technical support to GCP/GEO/004/AUT Capacity development of the Ministry of Agriculture, funded by Austrian Development Agency and implemented by FAO. Some of these include updating the national assessment for Georgia on Good Agricultural Practices, supporting the Ministry of Environment on Agro-meteorology, updating the Gender Assessment done by FAO in 2013 and the mainstream of Gender in the Agriculture Development Strategy and Action Plan. More specifically, during the reporting period, the project 001/EC was actively involved in facilitating the first mission of an international consultant in March 2015 for the assessment of Good Agricultural Practices. It also helped to organize the mission and technical consultations and provided input to reports prepared by the expert. The project has provided input to the ToR on Agro-meteorology for the Meteorological Agency. The advice and recommendations from the project were taken into consideration in the updated Gender Assessment done by FAO in 2013 for the mainstreaming of Gender into the Agriculture Development Strategy and Action Plan



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2. Output 2: Effective implementation of EU 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

During the reporting period, the expert made a mission to develop the M&E system for the MoA and ACDA (already explained above).

The project has provided support in terms of human resources and co-organization with ACDA to establish a working group at ACDA represented by the ENPARD Consortia and MoA representatives. It ensures continuous and intense collaboration in the form of monthly meetings at which the partners update the status of their particular projects, as well as ad hoc meetings (normally technical) to review any important technical documents, such as the cooperative law or some of the reports and recommendations given by FAO international experts.

The project also played a key role in the preparation of the EU ENPARD Review Mission, helping the MoA to prepare the information necessary for evaluators to assess the fulfilment of the conditions of the ENPARD third Tranche payment (8 MM EUR). The table below summarizes the work done by the FAO project to support the MoA to meet the conditionality.

Project support to the MoA to meet the conditionality
General condition. Satisfactory progress in of the partner country sector policy and strategy etc.
<ul style="list-style-type: none"> - Support provided to the MoA in updating and finalizing the Agriculture Development Strategy and Action Plan; - Support provided to the MoA in collecting the evidence on the Strategy implementation in a unified format; - Contribution to the preparation of an Evidence based Annual Report produced in English and Georgian, summarizing achievements according to the Strategy results, including detailed consolidated data; - International consultant on Results Oriented Monitoring Systems deployed. - Support provided to the MoA for the quick launch of the donor coordination system (plenary and sub-groups' meetings); - Support to the organization of the ENPARD Steering and Stakeholder Committee meetings on 16 and 17 March 2015 respectively;
Specific Condition 3.1. At least 50 agricultural cooperatives are registered.



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<ul style="list-style-type: none"> - Support has been provided to ACDA in the areas of tax modifications, financial schemes development, and elaboration of the long term strategy; - Ongoing technical assistance rendered to ACDA on a regular basis.
<p>Specific Condition 3.2. At least 30 district level ICSs centres already providing consultation and advice to small farmers based on international standards and proven models.</p>
<ul style="list-style-type: none"> - Narrative reports from all ICSs obtained and analysed; - Systematic compilation of available extension materials that were presented to the EU Evaluation Mission; - International and national resources deployed, as required; - Standardized brochures for selective crops and processes containing the information on major technological steps to improve yields have been and are being developed; - Working meetings with MoA representatives and donors held regularly; - Support in the establishment of an Extension Working Group within the MoA.
<p>Specific Condition 3.3. Annual agricultural statistics report is produced according to international standards.</p>
<ul style="list-style-type: none"> - International statisticians deployed; - The MIS system facility finalized and working; - Trainings provided to ICS-s representatives in using the MIS; - Evidence collected on the quality census; - Support provided to the MoA in understanding clearly the duties of GEOSTAT to avoid duplication, and the MoA concentrates on specific information collection tasks not covered by Geostat; - Working relationships continued to be established with GEOSTAT and other external data providers; - The MoA data flow continued to be improved both from internal sources (MoA agencies and ICS-s and external sources, such as other ministries and agencies).



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3. Output 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

3.1 Strengthening farmer cooperation

Support has been provided to ACDA in the areas of tax modifications, financial scheme development, and elaboration of the long term strategy;

- The project has collaborated in the review of the legislation on cooperatives and assessed the final result to make sure that the modified law still matches international standards;
- Ciaran Gannon, an international expert in support programmes, has run a long mission in Tbilisi to support the ACDA in developing a strategic framework for support programmes for cooperatives, and has supported them in developing three concrete proposals for sectorial support programmes for honey, dairy and hazelnut cooperatives;
- Support has been provided to ACDA by suggesting expertise in some areas such as the development of exemplary models for cooperatives;
- Upon request of ACDA, Mr. Levan Bortsvadze, the National Expert on Agricultural Cooperatives Taxation was recruited in April 2015, for 30 days. He has been reviewing the existing Law of Georgia on Agricultural Cooperatives, the Tax Code and Law on Entrepreneurs, and other strategic documentation related to the long term development of ACDA and agricultural cooperation in Georgia. The goal of his work is to identify taxation-related bottlenecks to cooperation development and suggest possible tax amendments to further support cooperation development and introduction and implementation of financing schemes to be developed by the GoG;
- The project has provided continuous assistance to ACDA in technical aspects, capacity building and overall coaching;
- The project is actively collaborating with ACDA on the preparation of an international conference on Cooperatives to be held in October 2015.

3.2 Improved extension service provision and advisory capabilities

The project has delivered intense work on this particular topic in this reporting period, in line with the challenges identified to meet the conditionality. The FAO project team has dedicated an important part of its resources to supporting the MoA in agreeing a model of extension services, looking for consensus within the different opinions in the MoA and putting forward practical work in the frame of the review of extension materials and development of extension packages.

- Advice given to the MoA top management on the need to improve the MoA deliverables in order to ensure the EU conditionality was met in this particular area;
- The project has promoted a working group on extension services within the MoA;



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- The project assistance to the MoA has been formalized (through minutes and maintaining correspondence with the top management);
- International and national resource deployed to give technical support and guidance to the MoA officials;
- The project has supported the preparation of extension brochures by MoA (potato, livestock, maize, mandarin, apples, hazelnuts);
- A ToR for the International Expert on Development of Agriculture Extension Strategy has been developed.

Two National Experts in Design of Extension Brochures were available to the MoA (Ms. Salome Skhirtadze and Mr. Levan Butskhrikidze) in April 2015.

3.3 Strengthening institutions for agricultural information

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

- The project has supported MoA to prepare a framework for improvement of statistical systems in the MoA;
- Two international Agriculture Statistics Experts have been deployed in the reporting period to give technical assistance to the MoA and GEOSTAT in strengthening data collection, analysis and storage;
- The Market information system (IT portal) was finalized by the MoA with the support of the project; Mr. George Nozadze (the MoA), Mr. Lasha Labadze (ISET), Mr. Rati Shavgulidze (FAO) and Mr. Levan Alibegashvili (FAO) prepared a detailed methodology on how and where the officers from ICCs (Information Consultation Centres) would gather information. The Market Information System gives producers insight into market demand while providing policy makers with a tool to ensure fair and stable food prices for consumers. This online software will allow Georgians to monitor local prices for 100 agricultural and food products on all the main markets throughout the country. As of now it is located on the MoA internal servers and currently can not be observed from outside until enough data is collected, analysed and cleaned for end users. The Department of Analytics is supervising the software.
- The project facilitated several trainings for MoA officers at different levels (HQ and decentralized offices of the ICCs) to build capacities in order to successfully deploy this MIS. To prepare the Ministry's staff for this initiative, FAO partnered with the International School of Economics at Tbilisi State University and trained up to 100 data collectors, including the MoA staff. Staff trainings first covered collection methodology; in other words, how, when and where to collect accurate market price information. The Ministry's team also learned how to approach field work, from asking vendors the right questions to recording products missing from the market. The trainings then gave an overview of the features of the software for price information collection and reporting.



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- On an on-demand basis, the project provides technical support, making data and analysis from the agricultural sector available based on requests from EUD or ENPARD stakeholders.
- The project has developed a comprehensive collection of agricultural studies relevant to Georgia and information, and it is supporting the MoA to develop a data warehouse where all relevant information will be safely and systematically stored and made available to various MoA entities and bodies.

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

Although in this reporting period the main focus has been directed towards meeting the conditionality, as the EU Review Mission was held in late May 2015, a significant amount of “on demand” work was developed by the FAO Team (specifically, by pool of national policy advisors available in MoA), based on ad hoc requests made by various government units and bodies of the MoA.

- Conceptual contribution and technical support to the MoA to develop a Warehouse Receipt System;
- Advice provided to the MoA and ACDA, regarding work on technical specifications for drying and storage facilities, the construction of which is an integral part of a newly initiated MoA program for strengthening cooperatives in the hazelnut sector;
- In collaboration with USDA donor funded projects, the team supported the MoA policy and analytical department in establishing the yield forecast system as one of the major analytical tools for Ministry operations in the future. The project will continue to provide support in the form of analysis, data collection and processing, generated from the field. The project team held several preliminary discussions with USDA and MoA to find synergies and complementarities on crop forecasting. This will be addressed in the coming months. FAO contributions are ensured by HQ divisions, including Natural Resources and NR. Other divisions related to the analysis of data (EST, for example) are to be considered in upcoming months;
- In the beginning of May 2015, following the request from MoA, technical review and advice was provided to the MoA on the developed questionnaires for elevators, storage facilities and slaughterhouses. Lasha Dolidze and Rati Shavgulidze provided supported to this process. These questionnaires will be the basis of statistical annual surveys by GEOSTAT;
- Support to the MoA in the quarterly monitoring and evaluation of the MoA programs. Based on the data collected for the M&E consultant (Juan Manuel Santome) there was an initial input for the project to set a system for quarterly monitoring of the Strategy of Agricultural Development of Georgia and related Action Plan;
- Having received a request from MoA technical advice provided the MoA document on portfolio for investment opportunities. The MoA develops this document on an ongoing basis and the project team provides support on a daily basis;
- Start of elaboration of a concept for assistance related to innovative schemes of agribusiness financing. A request by the MoA is currently under discussion to develop these innovative schemes, which will be further developed in the coming months;



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Capacity Development of the Ministry of Agriculture of Georgia



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- Start of elaboration of a concept for supporting the establishment of new and rationalization of work of existing sectorial associations. Based on a request for support from the MoA this will be further elaborated in the coming months;
- Support provided to initial consultations of the study on Georgia's international agricultural competitiveness by the Project Senior Policy Advisor, Mr. Goran Zivkov. A draft outline of this proposal was produced and there have been several discussions. The policy advisors are providing SPA with data and additional information to support the study. The methodology and structure of the work is to be further developed. Once the work has been finalized and the results presented to the MoA the project expects to provide the MoA with detailed commodity/region specific programs for the value chains identified by the study.
- Request to support the MoA in the development of an aquaculture law. The official request was received and there has been a process to identify suitable legal backstopping with the intervention of the legal department at HQ (currently, the FAO Legal department is engaged in supporting this work (Blaise Kuemlangan, Carmen Bullon and Ravelomanantsoa, Lalaina). Efforts will be made to engage FAO Fisheries division).

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); notably:

- Technical input to the ToR to support the development of an agro-meteorology system (ToRs have been produced and the selection of international consultants is 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 ADA project management (GCP/GEO/004/AUT) in the review of the study to define the criteria to characterize 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 coherence in the approach given to the MoA in different fields.

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

The donor coordination meeting organized by the MoA was a major event in this reporting period, which served to make the Action Plan to develop the Strategy of Agriculture Development public to the international and national partners, as well as to formally hand over the responsibilities for organizing and chairing the donor coordination meeting from FAO to the MoA.

The project team supported the MoA in the finalization of the Strategy and Action Plan (already mentioned), and gave advice on the operationalization of the donor meetings and working groups. Specifically, the project supported the MoA in developing the donor coordination procedures, the relevant draft decree by the Minister, technical procedures,



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staffing requirements, mechanisms of functioning, and a draft memorandum between the MoA and the Project. These documents were delivered to the MoA and officially approved. The project regularly supported the update of the donor activities matrix, especially in relation to updating the Agricultural Strategy and collaboration in the areas of statistics and extension.

Overall, during this period, FAO has increased provision of technical topic – specific expertise. The FAO Lead Technical Unit consists today of a pool of technical officers from REU and HQ that have provided advice, commented on draft reports and policy analysis developed by national experts. The FAO Regional Office for Europe and Central Asia’s input to work on agriculture and rural development policy (technical comments to Action Plan, Strategy, input/clearance of ToRs, work plans, reports of consultants, facilitation to consultations between experts, technical advice on methodologies in policy analysis, value chain analysis) is provided through daily support to the project from the Policy Officer, Dmitry Zvyagintsev. Input to the work on advisory services and extension is coordinated by Agricultural Innovation Systems and Knowledge Sharing Officer Nevena Alexandrova. Input on work on cooperatives is provided by Senior Policy officer David Sedik. Input and clearance of work on statistics is coordinated by the REU Statistician Giorgi Kvinikadze. Overall operational supervision and support to the team is provided by Raimund Jehle, Senior Field Programme Officer.

B. Implementation support

1) Project staff , FAO REU and HQ Officers:

A.- Project Staff: There are no changes in the project team except for:

- The International Coordination and Support Officer, Javier Sanz Alvarez, joined the team in February 2015. He is responsible for coordination and support of both FAO ENPARD projects (GCP/GEO/001/EC and GCP/GEO/004/AUT).
- The Communication Consultant, Ms. Tamuna Kvaratskhelia was supporting project until April 2015.

B.- Technical Support: The LTO for the project is Dmitry Zvyagintsev/Raimund Jehle. The LTO is supported by various technical officers from HQ and from the Regional Office in the following technical areas:

- Giorgi Kvinikadze (Statistics Officer, REU)
- Aroa Santiago and Abdurazakova Dono (Gender Officers, REU)
- Carmen Bullon, Blaise Kuemlangan, Lalaina Ravelomanantsoa and Nino Gosadze (Legal Officers, LEGN, HQ)
- Nevena Alexandrova (Agricultural Innovation System and Knowledge Sharing, REU)
- Stjepan Tanic (Agribusiness and Business Development Officer, REU)
- Katalin Ludvig (Rural Development Consultant, REU)



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- Wilson Hugo (Agricultural Officer, AGP, HQ)
- Danilo Mejia (Agr-Industry Officer, AGS, HQ)

C.- Support Missions: FAO has provided technical backstopping support with following officers on mission in Georgia:

- Raimund Jehle (Senior Field Programme Officer, REU), two operational backstopping missions in February and May 2015.
- Giorgi Kvinikadze (Statistics Officer, REU) , one technical mission in May 2015.
- Aroa Santiago and Abdurazakova Dono (Gender Officers, REU), with one mission in December 2014 under the project GCP/GEO/004/AUT, provided advice on the issues of gender streamlining in the Strategy of Agricultural Development and Action Plan.
- Lalaina Ravelomanantsoa and Nino Gosadze (Legal Officers, LEGN, HQ), visited Georgia in several missions to support the legal component on seed law under GCP/GEO/004/AUT and provided advice to the project in relation to the aquaculture law. The follow up is planned for after the task force consultations.

2) Recruitment of international experts :

- The International Expert on Financing Schemes for Agriculture Cooperatives, Mr. Ciaran Ganon was recruited (up to 50 days) and made several missions to Tbilisi.
- The International Expert on Agricultural Cooperative Development Strategy, John Millns, was recruited for the second time in February 2015.
- The Senior Policy Advisor Goran Zivkov was under contract during the reporting period, and he completed two missions to Tbilisi to give senior policy advice in the ongoing portfolio.
- Two International STEs in Statistics (Standardized Methodology and Field Data) Mr. Pal Boday and Mr. Gyorgy Lengyel were recruited in January 2015. They have already completed a first mission and will make the second mission in early June 2015.
- Mr. Morten Kvitsgaard, International Consultant, Agriculture and Rural Development Policy Expert was recruited in February 2015 for the purpose of internal evaluation of the mid-term implementation performance of the Project. He accomplished his mission in March 2015. Senior International Expert on Results Oriented Monitoring System, Mr. Juan Manuel Santome was recruited in March 2015 (15 days). He made his first mission to Tbilisi and will do the second and final mission in the end of June. Draft report will be available in the next progress Report.
- Mr. Steve Goss was contracted in September 2014, he was on mission to Tbilisi in 2015 and provided technical advice and developed some technical documents regarding the extension system.



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- The ToR for the International Expert on Development of Agricultural Extension Strategy was developed. Mr Steve Goss – selected to support this work – will start his assignment in July.
-
- 3) Mid-term project evaluation mission:
The project conducted an internal evaluation in March 2015, which was made by Mr. Morten Kvistgaard, an international consultant. The assignment comprised of a mission to Tbilisi and some work from home. The report was finalized and circulated to the EU Delegation and it is now available. It provided useful recommendations for the second half of the project.
- 4) Set up project procedures for payment, decision making, budget plan and monitoring system:
 - The Coordination and Support Officer joined the team in February 2015 and has been supporting the project team in operations related matters (HHRR, payments, procurement, budget revisions, FPMIS project management and liaison with the donor on financial issues).
 - In the reporting period, project operations have been developed without major problems. The preparation of ToRs and the overall time needed for recruitment was generally satisfactory, with few delays to be reported. The general processes of support to the project in procurement services have also worked smoothly.
 - Regarding the budget planning and follow up, the project is preparing budget monthly monitoring, to ensure proper delivery and avoid any over expenditures that could lead to non-eligible expenses.
 - An improved workflow has been developed to mainstream operational support to the project, mainly to speed up recruitments and ensure correct management of presence sheets, payments, etc.
 - In the frame of the project M&E system, the project has adopted monthly internal task forces to go through the workplan, update the status, identify bottlenecks, ensure visibility of achieved results and improve coordination with the other FAO ENPARD project (GCP/GEO/004/AUT). Several monthly task forces have been held so far in April and May 2015, coordinated by the Coordination and Support Officer (Javier Sanz Alvarez).
 - The project held a workshop for the internal task force of the project (including administrative issues) in Batumi in the end of May 2015.
- 5) Set up of IT, communications and data services
 - All the project office locations have been equipped with high speed internet access (Wi-Fi), printing and copying, and with laptops for national experts. An NAS device (cloud type) is in the process of being incorporated within the MoA Policy Unit support office, to provide for centralized structured data access. The Project Staff also maintain a Google Drive data storage facility.



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- 6) Logistical arrangements including transportation arrangements, mission and activities support
- The Administrative Assistant is responsible for executing all administrative and logistical actions for recruitment and procurement. This includes project staff, services procurement, and procurement of non-expendable items (IT equipment). In addition two vehicles have been acquired; one Mercedes as a donation from EBRD and a new SUV procured through the complementary ADA-FAO Capacity Development of the MoA Project.
- 7) Under take budget revisions and amendment
- The project is preparing the documentation to require the payment of the second instalment of the funding agreement. The financial report for the period (May 2013-May 2015) has been prepared and sent to HQ for signature by the HQ finance division.
 - An internal budget revision of the project was made in March 2015 to accommodate the changes in the EUR/USD exchange rate. This was input in FPMIS, as it does not require agreement from the donor.
 - The Coordination and Support officer organized several meetings with the EU Delegation (both project management and finance and administration officers in the EU delegation) to agree on the process of preparing the cost extension (EU extra contribution of EUR 300 000 and the extended implementation period until the end of February 2017), which will serve as a top-up for the project.
 - The project team has prepared a draft version of the narrative of this top-up project, including the actualization of the work done and pending, as well as including a new Output (3.4) for Rural Development under the Output 3.
 - The project team has prepared a new budget for the revised project (that will include the top-up) and will be also helpful as a budget revision to adjust some of the budget lines.

Communications and visibility

1) Visibility plan

- The ACDA website has been prepared and is up and running, financed through the project budget (www.acda.ge)
- The project team is working closely with the ENPARD Communications Unit, although efforts need to be made to improve the communication and visibility of the project.
- The Communications Consultant, Tamuna Kvaratshelia appointed by the FAO Representation in Georgia, is leading visibility and communications with the ECU and a preparation of a monthly newsletters.
-

C. Project planning for the next reporting period

The activities to be implemented for the rest of 2015 are outlined in the workplan, Annex 1. The technical policy work will be streamlined to support MoA to prepare medium term and



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annual programs and budgets, monitoring and evaluation system for Strategy of Agricultural Development, further institutional enforcement of Policy Unit, capacity building of MoA staff (Output 1). Second, the project will provide support to the MoA in meeting strategic targets defined in the conditionalities from ENPARD Sector Support Programme. Following official approval of the Strategy for Agricultural Development by the Government of Georgia, the project will provide support to activities related to the implementation of the National Strategy for Agricultural Development and Action Plan in four components: strengthening of farmer cooperation, capacity building to improve agricultural extensions services, strengthening institutions for agricultural information and on demand assistance (Output 3). Technical and operational guidance will be provided to the ENPARD stakeholders and ENPARD Steering and Stakeholder Committee Meetings (Output 2) and to MoA to initiate policy domain of donor coordination (Output 4).

During Q3-Q4 2015 the activities will be supported by the Senior Policy Advisor, two international experts (on cooperatives), one international expert (on extension), two international statisticians (data management and analysis in MoA and GEOSTAT) and team of national experts (to support work of international work and provide technical input directly to MoA). The project will continue to build MoA capacities and provide topic specific trainings as agreed.

In accordance with the Training Plan developed at the request of MoA in 2014, the National Trainer on Financial Instruments and Models should be recruited, who should operate under the direct supervision of National Team Leader in close collaboration with the National Policy Advisors. The National Trainer on Financial Instruments and Models should train the newly created Policy Group members, Scientific Centre, and other representatives of the MoA in quantitative and qualitative analysis of agricultural value chains for the purpose of producing policy recommendations for the management of the MoA. Currently, several potential candidates are already identified but timely execution of the training ultimately depends on finalization of recruitment of new staff, by the Policy and Analytics Department of the MoA. It is also anticipated that the recruitment of trainer (s) in English language, experts in statistics, and other areas will be finalized in the upcoming operating period. Currently, the MoA is forming the groups of participants for the trainings. In July, the MoA should establish the priority groups for trainings, after which recruitment of trainer(s) is to take place.

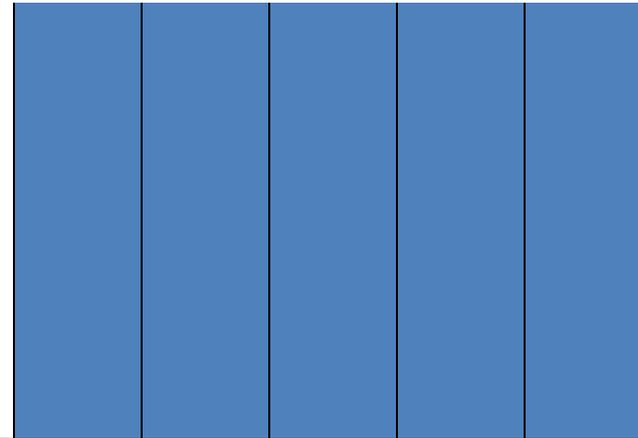
ANNEX 1: Workplan (June 2015-May 2016)

Outcome	Output	2015			2016		Comments
		Q2	Q3	Q4	Q1	Q2	
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						
	1.2 Effective system in place for monitoring and evaluating the Strategy of the MoA						
	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						

Output 2: Effective implementation of the EUs agriculture and rural development support programmes in Georgia	· 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 M&E system will be in place in Q3 2015. Activities of progress analysis will fall under 1.2		
Output 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	3.1 Strengthening Farmer Cooperation				FAO will hand over to the EU contractor by Q3 2015, coordination with ENPARD consortia will continue through output 4		
	3.2 Improved extension service provision and advisory capabilities						There is conditionality for 2016. In the end of 2015 it will be assessed the need for any further support
	3.3 Strengthening Institutions for Agricultural Information						The need of further support in 2016 will be assessed by end of 2015
	3.4 "On demand" consultancy facility available to support implementation of the Strategy of the MoA						This will be the core intervention in 2016 and 2017

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

· Donor coordination mechanism operating effectively



FAO handed over the donor coordination to MoA in March 2015. FAO will continue supporting and participating/co-chairing as required



**ANNEX 2: Steering Committee Progress Reports
Joint Project Steering Committee
Meeting Minutes
Capacity Development of the Ministry of Agriculture
ENPARD Georgia
GCP/GEO/001/EC and
Capacity Development of the Ministry of Agriculture
GCP/GEO/004/AUT**

Date: February 24, 2015, 11:00

Venue: The Ministry of Agriculture of Georgia

Meeting Participants:

1. Mr Otar Danelia, Deputy Minister of Agriculture of Georgia
2. Mr Nodar Kereselidze, Deputy Minister of Agriculture of Georgia
3. Ms Khatia Tsilosani, Head of Department for International Relations of the Ministry of Agriculture of Georgia
4. Ms Nutsa Topuridze, Assistant to the Minister of Agriculture
5. Mr Juan Jose Echanove, Agricultural Attaché of European Union Delegation to Georgia
6. Mr Nikoloz Grdzeldze, National Programme Officer, South Caucasus, Austrian Development Agency
7. Mr Raimund Jehle, Senior Filed Programme Officer, FAO REU
8. Mr Javier Sanz Alvarez, Project Management and Support Officer, FAO
9. Mr Goran Zivkov, Senior Policy Advisor, FAO REU
10. Mr. Beka Dzadzamia, National Project Manager, Capacity Development of the Ministry of Agriculture, GCP/GEO/004/AUT
11. Ms Elene Nemsadze, National Policy Advisor, Capacity Development of the Ministry of Agriculture, GCP/GEO/001/EC
12. Mr Lasha Dolidze, National Team Leader/National Project Manager, Capacity Development of the Ministry of Agriculture, GCP/GEO/001/EC

Agenda topics:

1. Updates on the projects
2. Endorsement of the Second Progress Reports of GCP/GEO/001/EC and the S Progress Report of GCP/GEO/004/AUT
3. Plans of the projects
4. Conclusive remarks

Meeting Minutes:

1. Introduction and updates

Mr Otar Danelia opened the meeting welcoming the members of the Steering Committee and underlined the importance of approval of the Strategy of Agricultural Development. He also thanked the representatives of donors and projects in the process of strategy formulation.

Mr Nikoloz Grdzeldze welcomed the participants and outlined the major programmatic directions of the capacity building project funded by Austrian Development Agency and implemented by FAO, such as least favoured areas, seed certification, and other technical assistance. According to him, ADA is permanently abreast of needs of government of Georgia and is permanently upgrading its technical assistance package to Georgia that might subsequently incorporate new directions.

Mr Juan Echanove stressed the importance of technical assistance that both projects provide the MoA in the process of Strategy and Action Plan implementation. He also underlined the



importance of preparation for fulfillment of ENPARD conditions, and assured the meeting participants of the readiness of ENPARD to continue support to MoA notably in the areas of capacity building, on demand assistance, policy consultations, and etc.

Mr Raimund Jehle on behalf of FAO as the implementing partner of both projects thanked the meeting participants and assured them in readiness of FAO to continue support to fulfillment of ENPARD conditions and policy formulation and implementation.

Updates on the project

Mr. Beka Dzadzamia updated the meeting participants on the achievements of GCP/GEO/004/AUT project during the reporting period, namely work done in terms of organizing capacity building activities and workshops, farm registry and related identification of pilot areas, development of software.

Mr Lasha Dolidze updated the meeting participants on activities accomplished by the GCP/GEO/001/EC related to cooperation, extension, statistics, donor coordination, and training of the MoA personnel. Lasha Dolidze emphasized the need for furtherance of collaboration between the FAO and the MoA in the process of preparation for the upcoming EU review Mission.

Decision and agreement

Both the donors and the beneficiary confirmed their satisfaction with the current pace and quality of implementation of the projects.

2. Endorsement of the Second Progress Report

Lasha Dolidze briefly summarized the work undertaken for preparation of the Progress Reports and announced that the final versions for endorsement would be available during the week.

3. Plans of the projects

Mr Beka Dzadzamia briefly presented the GCP/GEO/004/AUT Project plans including workshop in March, continuation of work in relation to seed certification scheme in collaboration with the Scientific research Centre. He also covered the livestock sector assessment, work to be accomplished in relation to mountainous area development and design of pilot projects thereof.

Mr Lasha Dolidze offered the MoA management to organized back to back ENPARD Stakeholder and Steering Committee Meetings in the second half of March. The Stakeholder Meeting would be concentrated on cooperation issues. He also informed the participants on upcoming TA activities related to cooperation, extension, statistics, results oriented monitoring system, and training of personnel. He also offered to start organizing an international conference on cooperation movement development as initiated by the Agency for Agricultural Cooperatives Development.

He also covered the topic of preparation for the upcoming EU Review Mission and stressed the importance of placing special emphasis on demonstrating successful accomplishment of the relevant condition for extension system development. He presented the draft brochure for the farmers that should subsequently become a part of a nationwide information campaign for extension and organization of efficient system of farm advice implying tripartite collaboration



between the Scientific Centre, Information Consultancy Service Centres, farmers, and other stakeholders. In this light, according to him, the key would be to collect all the necessary evidence for the Review Mission through the process of generation of documentation in the relevant MoA department.

Decision and Agreement:

- **The Steering and Stakeholder Committees will be organized in March**
- **The workshop for finalization of the Action Plan will be organized in March**
- **For furtherance and sustainability of the MoA HR development, work for establishment of the training centre would start**
- **The preparation for international conference on cooperation will start**
- **The work on extension system strategy development will continue**
- **The work for upgrading the statistical and information analysis systems at the MoA will continue**
- **Work on farm registry will continue**
- **Work on seed certification will continue**
- **Work on elaboration of LFA strategy will continue**
- **The MoA and the projects will continue collaboration on formulation of ENPARD II conditions**

Conclusive remarks

Mr Kereselidze, Mr Echanove and Mr Grdzeldze once again expressed their satisfaction with the overall success of the project and pace of its implementation. It was decided that the next PSC meeting date would be set through e-mail communication for summer 2015.



ANNEX 3: List of technical reports prepared by project

Steve Goss

- Economic/cost benefit analysis developed to be used by Agricultural Extension Services provided
- Drafted concept of Models of Agricultural Extension Services
- Crop forecasting and Price information surveying methodology developed
- Training materials, guidelines and questionnaires for PRA and actor surveys (English and Georgian languages) developed and delivered to MoA
- National Strategy for Extension Services, based on AIS approach (National and Regional basis)
- Support to agriculture extension and advisory services in Georgia

John Millns

- Review on legislation promoting business-oriented small farmers group Review of the Farmer Cooperative Awareness Action Plan
- Report drafted on trend of small farmers in targeted areas who are aware about business-oriented cooperation
- Advice provided to ACDA to elaborate and adopt agricultural cooperative monitoring and evaluation policy
- Advice provided on developing an external institutional auditing program for agricultural cooperatives
- Advice provided to the MoA/ACDA on a framework for the national strategy and an action plan for the development of farmer organizations in Georgia
- Advice provided on how to address agriculture cooperative education and extension program for cooperatives

Bo Rosenquist

- Report on district-level MoA (Regional Information Consultancy Service) Centres Report on the MoA Policy Unit Human Resources appraisal, training and development program developed
- Report assessing incentives for cooperatives formation and development and policy recommendations
- Advice provided on how to address agriculture cooperative education and extension program for cooperatives
- Advice provided on how to develop and implement a training program for agriculture cooperative education program staff

Goran Zivkov (policy note)

Mini-sector analysis prepared on-demand in Georgian for the following sectors: wheat, flour, mandarins, citrus.

Pál Bóday and György Lengyel

- Review of the Annual Agriculture Statistics Report

Morten Kvistgaard



Mission report (Review of the Project (GCP/GEO/001/EC))