



Contracting Authority: Delegation of the European Commission to Georgia

**European Neighbourhood Programme for Agriculture and Rural Development
In Georgia (ENPARD Georgia): Small Farmers Co-operation component**

**Programme: Strengthening Farmers Cooperatives
In Rural Municipalities of Georgia**

Duration of Grant: 01 January 2014 – 31 December 2017

Year 1 Interim Report (January - December 2014)



Implementing Agencies

Lead agency: Mercy Corps

Partners:

- 1) Association of Business Consulting Organizations of Georgia (ABCO)
- 2) Union Agro-Service
- 3) Georgian Institute of Public Affairs (GIPA)

Table of Contents

1	DESCRIPTION	3
2	ASSESSMENT OF IMPLEMENTATION OF ACTION ACTIVITIES	4
2.1	EXECUTIVE SUMMARY OF THE ACTION	4
2.2	ACTIVITIES AND RESULTS.....	4
2.3	UPDATED ACTION PLAN.....	16
3	BENEFICIARIES/AFFILIATED ENTITIES AND OTHER COOPERATION	19
3.1	RELATIONSHIP BETWEEN THE BENEFICIARIES/AFFILIATED ENTITIES OF THIS GRANT CONTRACT	19
3.2	RELATIONSHIP WITH STATE AUTHORITIES	19
3.3	RELATIONSHIP WITH OTHER ORGANISATIONS INVOLVED IN IMPLEMENTING THE ACTION:	20
3.4	LINKS AND SYNERGIES DEVELOPED WITH OTHER ACTIONS	20
3.5	BUILDING UPON/COMPLEMENTING PREVIOUS EU PROGRAMMES.....	21
4	VISIBILITY	21

List of Annexes

Annex No.	Description of Annex
Annex 1	Informational Brochure
Annex 2a	Qualitative Baseline Survey
Annex 2b	Quantitative Baseline Survey
Annex 3	Introductory Training Schedule
Annex 4	Expression of Interest Application Form
Annex 5	List of selected cooperatives (1 st Cycle)
Annex 6	Annual Cooperative Evaluation Tool
Annex 7	Frequently Asked Questions Brochure (Georgian)

List of Acronyms used in the Report

ACDA	Agriculture Cooperatives Development Agency
ABCO	Association of Business Consulting Organizations of Georgia
ASP	Agricultural Service Providers
DGRV	German Cooperative and Raiffeisen Confederation
ECU	ENPARD Communication Unit
EOI	Expression of Interest Form
FAQ	Frequently Asked Questions
FG	Farmers' Group
GAARD	Georgian Alliance of Agriculture and Rural Development
GIPA	Georgian Institute of Public Affairs
ISSET	International School of Economics at Tbilisi State University
M&E	Monitoring and Evaluation
MOA	Ministry of Agriculture
PSC	Programme Selection Committee
RICC	Regional Information Consultation Centre
TOT	Training of Trainers

1 Description

1.1. Name of Coordinator of the grant contract:

Mercy Corps

1.2. Name and title of Contact person:

Zoe Hopkins

Senior Programme Officer

1.3. Name of Beneficiary(ies) and affiliated entity(ies) in the Action:

Lead Agency: Mercy Corps

Partners:

- 1) Association of Business Consulting Organizations of Georgia (ABCO)
- 2) Union Agro-Service
- 3) Georgian Institute of Public Affairs (GIPA)

1.4. Title of the Action:

Strengthening Farmers Cooperatives in Rural Municipalities of Georgia

1.5. Contract number:

2013/331-355

1.6. Start date and end date of the reporting period:

1st January 2014 – 31st December 2014

1.7. Target country(ies) or region(s):

Country: Georgia

Regions: Samtskhe-Javakheti, Imereti, Kvemo Kartli, Shida Kartli & Kakheti

Municipalities: Sachkhere, Chiatura, Vani, Samtredia, Gori, Kareli, Khashuri, Kaspi, Gardabani, Marneuli, Tetritskaro, Sagarejo, Gurjaani, Kvareli, Akhalkalaki & Ninotsminda

1.8. Final beneficiaries &/or target groups¹ (if different) (including numbers of women and men):

70 Cooperatives

60 Agricultural Service Providers

140 staff of government sector

16 Municipalities

100,000 farming households

1.9. Country(ies) in which the activities take place (if different from 1.7):

N/A

¹ “Target groups” are the groups/entities who will be directly positively affected by the project at the Project Purpose level, and “final beneficiaries” are those who will benefit from the project in the long term at the level of the society or sector at large.

2 Assessment of implementation of Action activities

2.1 Executive Summary of the Action

Despite the fact that agricultural cooperation and collaboration is not a new concept within Georgian agriculture, the idea of farmers uniting together to form a cooperative business entity is one that has been met with some scepticism within the farming community. For this reason a great deal of time and resources was expended during the inception phase of the ENPARD programme in providing information to farmers and other agricultural actors such as the Regional Information Consultation Centres (RICCs) and agricultural service providers on the cooperative business model and the opportunities that exist under the present legal and financial framework. More than 8,000 farmers attended informational meetings held in 683 villages across the 16 target municipalities. In addition, meetings were held specifically for women to ensure a deeper engagement of female farmers and to encourage greater participation in cooperative development.

Through these meetings and the dissemination of informational brochures, the goals, activities and opportunities within the programme were outlined and explained. Applications (Expression of Interest) were then solicited from those small-scale farmers that were planning to form an agricultural cooperative and were interested in obtaining investment support and training. Interest in the programme has been incredibly high with over 380 FGs submitting applications. A central tenet of the programme approach has been to give as many groups as possible the opportunity to participate, by not having a submission deadline and placing a low bar for access to the Introductory Trainings. In this way more farmers have been able to gain a deeper understanding on cooperation and consequently have been in a better position to make an informed choice on whether it is the right model for them. To date 138 FGs have participated in the Introductory Trainings and of these 52 groups have so far participated in the Business Planning Training (with a further 45 groups awaiting business planning training in early 2015 – see page 9 for a breakdown of details). A further 110 groups will also receive Introductory Training in January 2015. After the business trainings and meetings in the villages, those groups that were deemed to have the strongest business idea and were planning to operate according to the principles of cooperation were selected to prepare a business plan to receive capital investment.

This approach has been heavy on both logistics and number of training hours, but it is deemed to be the best way to determine which FGs are motivated to work as a cooperative and have strong business acumen to succeed as business entities. FGs were not encouraged to register themselves as cooperatives until the final stage of selection and this was seen to be a good approach, as several groups pulled out of the programme of their own volition as they had decided that a cooperative business model was not the most appropriate one for them. By the end of year one, 28 business plans had been submitted and 14 cooperatives had been selected for capital investment.

Using a more traditional “call for application” methodology the programme has also solicited applications from ASPs. In total 40 ASPs have applied into the programme and, following the selection process, 18 have submitted business plans and budgets for review and evaluation. In meetings with ASP applicants the emerging opportunities of working with cooperatives has been discussed and one aspect of the business plan should focus on how the ASP would work more closely with, or offer incentives to, the agricultural cooperatives.

In this first year interaction with government agencies has been limited to working with the RICCs and Agriculture Cooperative Development Agency (ACDA). The seven Regional Coordinators, working across the 16 municipalities, have developed strong relations with the RICC representatives who have been actively engaged in the information campaign and in the application processes, advising FGs on the requirements of the programme. Through this interaction the RICCs own knowledge and expertise on cooperation issues and the legal framework has been raised. There has been constant collaboration with ACDA during the 12 months, with monthly coordination meetings and joint activities such as hosting informational meetings together with farmers and the production of a Frequently Asked Questions brochure. This collaboration has benefited both the programme implementation and information flow to FG members.

2.2 Activities and Results

Assessment of Results of Action to Date

Whilst it is too early to talk about progress towards achieving the overall and specific objectives, in this first year of implementation the programme has created a solid foundation to meet the expected results. The principal activity at the beginning of the year revolved around ensuring that the majority of farmers – both male and female – within the target municipalities are aware of the opportunities and potential benefits of

cooperation; know how to set up and register a cooperative; and have information on the application process for the programme. Through the dissemination of informational brochures and the extensive campaign conducted by the programme team, with support of the RICCs, this result has been achieved and is reflected in the high number of FGs that have registered as cooperatives (almost 500 have been registered across Georgia by the end of 2014).

The application and selection process that has been employed to determine those cooperatives that will receive investment and technical support has attracted a significant number of applications, with 386 FGs applying total. This means that the set target of 70 cooperatives to be supported is likely to be achieved by the end of the 2015 and that approximately 800 members of these agricultural cooperatives will have been trained in business related skills and agricultural technologies. However, from the 14 cooperatives that have been selected to date it would appear that the actual target number of cooperative beneficiaries will be lower than forecasted with the average cooperative membership being 10, rather than the 20 forecasted. This figure may grow, of course, over the programme implementation period as cooperatives become stronger and become more attractive for increased membership. At this time though it is felt that it is best not to place any pressure on the natural dynamics of these nascent business entities and to support them to develop naturally. As regards other expected results related to cooperatives, each of those selected will have already produced a full business plan, and this will be added to periodically to support their planning and to measure their progress of their business. To measure the impact of the programme with respect to increased sales of the cooperatives a Monthly Monitoring Tool has been developed that will be utilized as soon as the investment support has been provided to the cooperative.

The second component of the programme, to support the development of ASPs and their interaction with cooperatives, began later in the year, and at this time the selection process for the 1st Cycle is still ongoing. The number of applicants for this 1st Cycle was much lower than Mercy Corps had expected with only 40 ASPs submitting an application. Mercy Corps analyzed the reasons for such a low interest from ASPs by interviewing RICC representatives in the municipalities and the ASPs who were operational but did not express a willingness to participate to the programme. Two of the main findings were that many of the ASPs did not meet the programme criteria in that they were not legally registered, or had been officially operating less than 1 year, and that they had less than 4 full or part time employees. Mercy Corps discussed this issue with the EU Agricultural Attaché and it was agreed to reduce the timeframe that ASPs need to be registered – instead of requiring applicants to have been registered for a minimum of 12 months the business merely needs to be registered (with no specified timeframe). It was also agreed to remove the requirement that ASPs should employ a minimum of four staff and that there would be no employment requirement in the future. The 2nd Cycle has been launched at the beginning of 2015 and it will be seen what impact these changes will have. Of those ASPs that participated in the 1st Cycle, 19 (of the overall project target of 60) have received business training and 18 have submitted a business plan and budget to Mercy Corps. During this business planning process it was explained that a core criteria to receive investment support will be that their business idea will lead to increased business transactions with cooperatives and accordingly the plans will be judged upon this criteria. The selection of these business plans will be held in early 2015. For all other indicators related to ASPs (provision of new services, increase in clients and interaction with small-scale farmers) these can only be judged later in the programme timeframe when investment and technical assistance has been provided.

The start-up of activities that work towards the third result of increasing the voice of farmers in the decision-making processes, are largely dependent upon establishing strong relations with farmers groups, cooperatives and ASPs. This process is still ongoing and it is expected that by mid-2015, when a critical mass of cooperatives are engaged within the programme, the establishment of local and regional advocacy fora can really begin. The first phase will be for the facilitation of dialogue between the newly formed cooperatives providing them with a platform to discuss issues around cooperation and the agricultural sectors in which they work. At this early stage it is considered to be very important for them to be given the opportunity to be able to meet and discuss topics of mutual concern. Later these fora will be opened up to ASPs and the RICCs and other key agricultural stakeholders and through these meetings it will be determined which issues will be brought forward to the national level.

Expected Result 1: Farmers' Cooperatives have strengthened their business capacity to enable small scale farmers to sustainably and environmentally increase food production.

Activity 1.1. Information campaign in the target municipalities

At the outset of the project **information meetings** were held for the regional governor's offices in the five programme target areas. Programme staff and representatives from the Agriculture Cooperatives Development Agency's (ACDA) jointly introduced the ENPARD programme, its goals and objectives and the role of ACDA to the governors, deputies and staff working in the agricultural field at regional level. This was followed by a presentation of the ENPARD programme in all 16 target municipalities that were attended by the head of the municipalities, deputies, local agriculture specialists, heads of communities and representatives of RICCS. In total 13 persons attended meetings at regional level and 101 at municipal level.

The **village-level information campaign** started in April 2014 upon completion of the printing of informational brochures in Georgian, Armenian and Azerbaijani languages (**see Annex 1**). At the initial stage the Mercy Corps consortium members and regional coordinators contacted the head of each community and provided them with information about the upcoming campaign and the venue where it would be hosted. They were asked to inform the local population to attend the meetings at an appointed date/time, where they would be informed about ENPARD programme activities and future plans. In addition promotional stickers were posted in key locations in the target villages inviting people to participate in the informational meetings.

The meetings were run by Mercy Corps and partner staff and representatives of the RICCs also actively participated. The campaign had four main priorities. To inform local farmers on:

- ✓ the advantages of agricultural cooperation
- ✓ the new Law on Cooperatives
- ✓ the goals, activities and opportunities of the Mercy Corps ENPARD programme
- ✓ the application processes to access the ENPARD programme



Informational Brochure

A data base was created to include all details of the informational meetings. In total the information campaign reached covered 683 villages throughout the programme target municipalities. The informational meetings were attended in total by 8,191 people, out of which 1,778 (22%) were women and 622 (8%) youth under the age of 25. During the meetings it was observed that Shida Kartli and Kvemo Kartli regions were more familiar with the new law on cooperatives and more motivated to participate in the ENPARD programme than in Kakheti and Imereti regions.

As only 22% of participants in the information campaign were women, Mercy Corps launched a more focused campaign to improve the access of information for rural women. This **Gender Focused Information Campaign** started in mid-June and was conducted in the same manner as the General Information Campaign, but specifically targeted women. In total 288 women farmers attended these information meetings. The aim of the meetings was not just to allow more women to hear about the benefits of the programme, but also to give women a greater chance to more actively participate in the meetings. During these meetings it was seen that they were much more participatory – as many of the general information meetings were dominated by two or three individuals (usually men) and at the gender focused meetings most of the participants became involved in the debate. The women's groups attending were mobilized by the RICCs, local NGOs acting on gender issues and Gender Focal Points at the municipalities. The information campaigns took place in two or sometimes three of the main villages of each municipality.

Activity 1.2 Baseline survey

In the first few weeks of programme implementation the Baseline Survey Working Group was established between the four ENPARD consortia. The purpose of this working group was to coordinate and agree the main principles of the baseline survey and define general indicators to be measured and presented. No standardized questionnaire was agreed upon, however the general indicators for the quantitative survey were agreed to be production, poverty, attitudes to cooperation and gender and each questionnaire was to have these elements included within them.

The Mercy Corps M&E Officer prepared the scope of work for the Qualitative Baseline Survey including the Focus Group interview guidelines and the draft questionnaires. This documentation was sent to programme partners for review and feedback. The Qualitative Baseline Survey was conducted through focus groups at the municipal level comprised of representatives of the RICCs, the National Food Agency and “Mekanizatori” Ltd., as well as members of local government and administrative bodies. Additionally local farmers also attended and other members of the agricultural business community. Based on the main findings of all 16 focus groups, the qualitative survey report was prepared. This report is included as **Annex 2a** but a key issue that was raised during the discussion was that whilst all participants were in general agreement that cooperation was the right way forward for Georgian agriculture they also felt that it was very important that those cooperatives supported would provide a strong model for others to learn from. It was also felt that investment support to cooperatives would need to go hand in hand with support to increasing human capital. Other pre-conditions that were felt to be important was a resolution to land registration issues, a supportive agro-loan policy, the introduction of agricultural insurance and the promotion of new technologies.

For the fieldwork for the Quantitative Baseline Survey, **BCG Research**, a local research agency, was selected through a tender process. The questionnaire was prepared by the Mercy Corps M&E Officer and training manual was created by BCG Research and the sampling frame was defined. The survey fieldwork was performed through face to face interviews with rural households in 16 rural municipalities. In total 100 villages and 1000 rural households were selected to be surveyed through the random sampling principle. On receipt of the data file, the M&E Officer processed and analysed the information and produced the quantitative baseline report. The report is included as **Annex 2b** but one of the key findings was that 29% of interviewed respondents stated that they had heard about farmers’ cooperatives but only 17.4% said they were interested in becoming a member of a farmers’ cooperative. 66% of respondents said that they were not interested at this time but wanted to wait and see how things progress. It would appear, however, that in the first year of the ENPARD programme, attitudes have changed somewhat, as there are now a large number of cooperatives registered and a significant number of FG applicants to the programme.

Activity 1.3. On-going market analysis

This activity will be initiated once a critical mass of cooperatives has been selected so as to see which sectors to focus on. As the programme is open to farmers groups from every sector, and from across 16 municipalities where farmers specialise in different areas of agricultural production, it will be necessary to first analyze which sectors the selected cooperatives are working in. Of particular interest will be to see if there are any limiting factors within the specific value chains and whether support to ASPs may have an impact on these limitations.

Activity 1.4. Preparation of new, and update of existing, trainings materials

Prior to the programme partners preparing new training materials, the programme associate partner DGRV conducted a 3-day Training of Trainers (April 23rd-25th) for 18 persons of the Mercy Corps and CARE consortia. The training covered the following topics: (i) Basics of agricultural cooperation; (ii) Managing an agricultural cooperative; (iii) Supply of Farm Inputs and (iv) Cooperative Marketing. The participants were the key programme officers from Mercy Corps and CARE. Based on the ToT evaluation papers, the participants indicated that the workshop was a good opportunity for discussing and sharing ideas on the most important issues of the farmer cooperative development. Most of the participants were interested in getting more focused training on tax and legal issues according to the Georgian regulatory rules as well as the economic and social aspects that have to be considered at start up stage of cooperatives.

In preparation for the launch of the **Introductory Training** component for selected Farmers Groups a one-day planning workshop for training design and scheduling was held on the 19th May. The workshop was attended by all key staff of consortium partners, including Regional Coordinators. At this workshop the programme

partners, ABCO and GIPA, were requested to prepare the curriculum for a 1-day introductory training for the selected farmers groups. It was agreed that the training should provide a general introduction on cooperation, as well as more detailed information on the organisational and legal aspects of cooperation. Specifically the training provided information on the following topics (see **Annex 3** for the full training schedule):

- i. General background on cooperation;
- ii. Different models/structures of farmer cooperation;
- iii. Principles and benefits of cooperation;
- iv. Management structure of the cooperative;
- v. Shareholders rights and obligations;
- vi. Financial management of cooperatives (shares, dividends and tax regulations)

Activity 1.5. Support with creation of business-oriented FGs



As described above the programme aims to open its doors to all those FGs interested in forming a cooperative and that have a viable business idea. To access the programme an **“Expression of Interest” (EOI) application form** was prepared in the Georgian and Russian languages (see **Annex 4** for the English version of the form). The form was a simple document of 3 pages and requested information on the FGs background, their experience of cooperating together, motivation for forming a cooperative and an outline of the business idea. It was distributed to all the programme Regional Offices and all 16 RICCs for distribution to interested groups.

Rather than having a cut-off date for applications, Mercy Corps has employed a ‘rolling’ application process that has allowed a significant number of FGs to apply. In order to start processing the EOIs specific internal deadlines were set and applications submitted prior to these deadlines were grouped into cycles. The 1st Cycle deadline was 18th May and the 2nd Cycle was 30th June. As there had been a huge interest in applying to the programme a final submission date for the 3rd Cycle was eventually set as the 30th September after which no more applications were allowed for 2014.

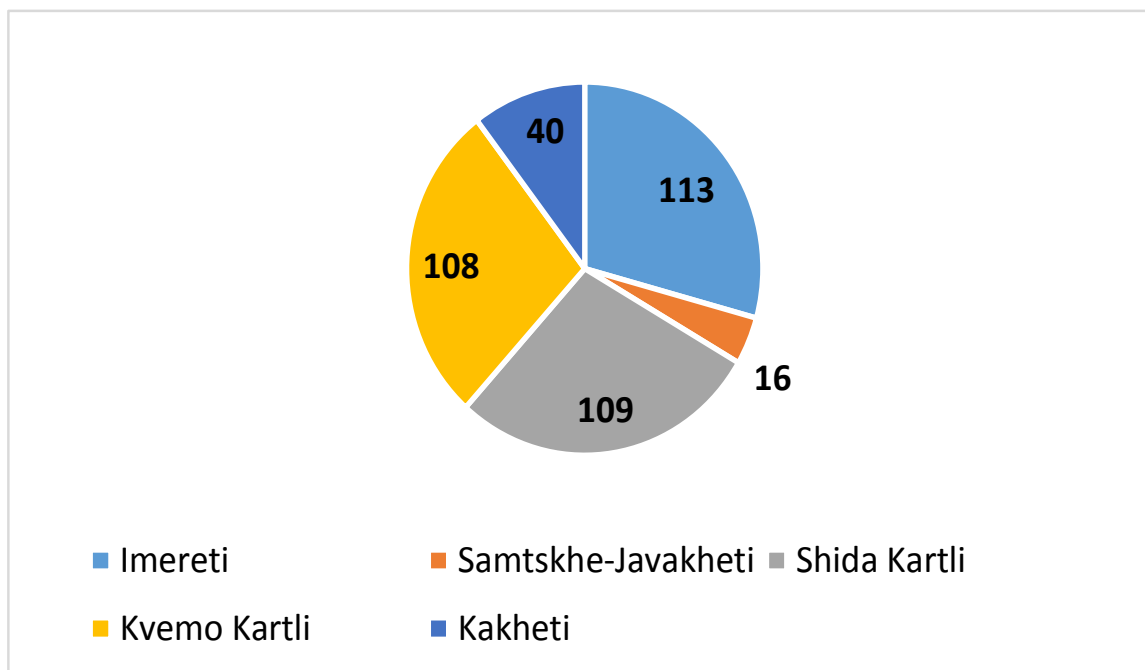
Announcement Poster

The number of submitted EOIs per cycle was as follows:

Region	Municipality	1 st Cycle	2 nd Cycle	3 rd Cycle	Total by Municipality
Imereti	Vani	21	5	8	34
	Samtredia	4	3	3	10
	Sachkhere	9	27	7	43
	Chiatura	4	14	8	26
Shida Kartli	Gori	5	23	25	53
	Kareli	1	1	6	8
	Khashuri	7	4	18	29
	Kaspi	3	4	12	19
Kvemo Kartli	Gardabani	2	1	22	25
	Marneuli	8	10	16	34
	Tetritskaro	1	40	8	49
Samtskhe - Javakheti	Akhalkalaki	2	0	7	9
	Ninotsminda	1	0	6	7
Kakheti	Kvareli	2	2	2	6
	Sagarejo	2	5	7	14
	Gurjaani	5	4	11	20
TOTALS		77	143	166²	386

² This was originally 169 applications but has been reduced to 166 as there were duplication applications and applications from outside the Mercy Corps target municipalities

Expression of Interest applications by region



A **Programme Selection Committee (PSC)** was formed, composed of 5 members of the Mercy Corps ENPARD consortia (Two members from Mercy Corps and one from each of the partner agencies) to review and screen these EOIs. From the 386 EOIs a total of 266 FGs were selected to participate in the Introductory Trainings. The principal reasons for applications being rejected were that the applicant group could not be considered as “small-scale” farmers, their business idea was not deemed as feasible within the budgetary parameters, the application was not focused on an agricultural activity or the application was incomplete and there was not enough information to make a decision. Following the trainings a “Cooperative Assessment” was performed by a three-person commission that would visit each FG that had attended the trainings³ to learn more of their proposed organizational structure, decision making processes and how they meet the basic principles of cooperation. This commission would fill in an assessment form and that would be provided to the PSC for a decision to be taken on whether to continue with support to the FG. Essentially this process aims to screen out those very weak cooperatives structures or those that represent the business interests of one or two individuals.

Activity 1.6. Trainings for selected members of FGs (cooperatives)

1.6.1 Farmers Cooperation

As described above the Introductory Training provided a general introduction to FGs on cooperation, as well as more detailed information on the organisational and legal aspects of cooperation.

From the 77 FGs that submitted an EOI in the 1st Cycle 64 were invited to the Introductory Training. Two members per FG were invited to this training but in some case more members attended. Seven separate training sessions were held in the different programme target regions from the 17th June – 2nd July 2014, and in total 60 FGs attended (136 individuals – 113 men & 23 women). A lesson learned from these trainings was that, for those municipalities where there were non-Georgian speakers (primarily Gardabani, Marneuli and Javakheti) it was impractical and time-consuming to have translation from Georgian into Russian. It was decided that future trainings in these municipalities



³ For the 1st Cycle this Cooperative Assessment followed the Business Planning training, but for all subsequent cycles it follows immediately after the Introductory Training.

would be held in Russian for non-Georgian speakers. Whilst this meant that there had to be an increase in trainings to mitigate this problem the quality of the trainings increased.

From the 143 FGs that submitted an EOI in the 2nd Cycle 92 were pre-selected for the Introductory Training. Ten trainings sessions were held in the different target locations from the 20th October – 3rd November 2014 and in total 78 FGs attended (133 individuals – 104 men & 29 women). The groups who failed to attend these trainings were excluded from further participation in the programme unless they had a valid reason for not being able to attend.

Following these trainings the partner agency GIPA provided individual legal consultations to the FGs which provided them with the opportunity to ask questions and receive further information about the legal and statutory requirements of being a cooperative. This process was to facilitate the registration of those groups that were interested in legally registering as a cooperative.

1.6.2 Business Planning Training

In August and early September the Business Planning Trainings were held for the 1st Cycle applicants. These trainings were held in eight locations in the target regions and in total 52 groups attended (82 individuals – 70 men & 12 women). The trainings were four days in duration with the first three days focusing on general business planning and how to create a business plan (including marketing, business management, legal structures, taxation and financial planning (costing and pricing, profit and loss statements, cash flow and balance sheets). On the fourth day the participants were required to complete and update their original business idea and to submit it at the end of the training for review by the PSC.

The PSC reviewed these updated business ideas and scored them based upon the following criteria: (i) Viability of business idea by product/services – 25 points; (ii) Clarity of Marketing Vision – 40 points; (iii) Realism of Budget – 35 points. The aim of this process was to determine the most viable and well-conceived business ideas. The applicants who scored 80 points or more were accepted to develop a full business plan. In total 32 FGs were selected through this process to go on to draft a full business plan.



Activity 1.7. Support the development of viable business plans by FGs and selection of best ones for sub-grants.

The 32 FGs from the 1st Cycle that were selected to produce a business plan were provided with the template that had been formulated by ABCO. The FGs were given one month to produce the business plan and project budget and during this period ABCO consultants scheduled visits to the regions to provide advice and support

in the drafting of the plan. In addition the consultants were also available for support by telephone and email. The applicants were also provided with the criteria by which the business plan and budget would be scored so that they were able to see the emphasis placed on each specific aspect of the plan. These criteria were:

- Quality of the business plan
- Viability of the business plan
- Realism of the budget
- Realism of sales plan and financial calculations
- Clarity of marketing vision
- Previous experience of working in chosen sector
- Previous experience of cooperation (informal or formal)
- Strength of cooperative model
- Level of co-investment
- Potential for expansion of cooperative

For this 1st Cycle the “Cooperative Assessment” was used in the scoring process, but as this is now being performed before the Business Planning Training this is no longer in the final scoring criteria. At this time it was also explained to the FGs that in order to qualify for co-investment support they would now need to legally register as a cooperative (if they were not already registered), and submit their registration and charter documents as part of the selection process.

The deadline for submission of the business plans was October 17th for Georgian-speaking applicants and October 30th for Russian-speaking applicants. 28 cooperatives out of the 32 applicants submitted their plan and budget and 4 applicant groups withdrew from the process; three of these groups had decided to disband and the fourth planned to form as an agricultural service provider and register as a different legal entity

The PSC required a month to evaluate all plans and budgets and on the 15th December they met to make the final selection. The scoring for the plans was out of 100 points and it had been decided that the threshold score for a successful application was 70 points, with a reserve application threshold score of 65 and scores below 65 to be rejected. If three or more members of the PSC scored the plan by 70 points or more then the application was successful. If three or more scored the plan over 65 points then it was to be placed on the reserve list⁴. If three or more scored the plan under 65 points then it was to be rejected.

In total 14 of the 28 applications were selected with 4 being placed on the reserve list and 10 being rejected. **Annex 5** provides a table of the 14 selected cooperatives, with information on the number of members, sector(s) that they are working in and financial contributions (including co-finance).

Activities 1.8 & 1.9: 1.8 - Provision of start-up capital to new business-oriented FGs / 1.9. Co-investment for profitable expansion for existing business-oriented FGs

The next stage for the 14 cooperatives is the signing of a sub-grant agreement and then the provision of assets to support their business development. A sub-grant agreement has been prepared by Mercy Corps and this will have three annexes that includes the business plan, the investment budget and the specification of items to be procured. The first sub-grant agreements are scheduled to be signed in January 2015.

Activity 1.10. Monitoring of production target plans of FGs

Two principal assessment tools have been developed to be used during the programme timeframe to monitor the development of the cooperatives and their businesses. The first tool is the **Annual Cooperative Evaluation Tool** (see **Annex 6**) that will be used to assess the development of the cooperative throughout each year of the programme. This evaluation will examine the dynamics of the cooperative with regards to membership, management structure, decision making processes, employees, assets, financial information, marketing, relations with service providers and the constraints they face. In this way the programme can learn more about the way that cooperatives function within the Georgian context and the benefits and constraints of the cooperative model. This will provide the information and evidence that the programme can use to effectively advocate for further support to cooperatives or potential changes to the legal framework.

⁴ After three cycles of applications the cooperatives who have been placed in the reserve list will be reviewed again for a final decision to be made.

This evaluation tool has been developed through a cross-programme initiative involving all ENPARD agencies. An M&E Working Group comprising of all four consortia members has developed this tool and it will be used by all consortia so as to be able to provide standardized information from across the whole ENPARD programme. Input from the consultancy agency SEEDEV added further detail to the document and then the final tool was drafted and tested by Mercy Corps. Feedback was provided by the other agencies in December and the first assessments will begin in February 2015 after the signing of the sub-grant agreements. The plan at this time is to evaluate each group upon signing and then to perform the evaluation each December until the end of the programme in December 2017. It has also been agreed that all information from each organisation will be submitted to ISET to collate, thus providing a deeper pool of data to analyse.

The second tool – the **Monthly Monitoring Tool** – has been developed by Mercy Corps alone (though shared with the M&E Working Group). This tool is in the process of being finalized and will be used to monitor the production, investments, income, expenditures and profits of the cooperatives on a monthly basis. In this way the programme will be able to analyze the business development of the cooperative and the impact of the investment support provided. The assessment document and corresponding data base will be adapted for each major agricultural sector that Mercy Corps is supporting. This brief document will be filled in (on paper) by the director of the cooperative on a monthly basis. It will be reviewed by the Regional Coordinators and submitted electronically to Mercy Corps where information will be analyzed and interpreted. The monitoring plan should not only evaluate the general performance of the cooperative through comparing data to the business plans drafted, but should also give the cooperatives more in depth information by which to monitor the progress of their own operation.

Activity 1.11. Guidance in elaborating organisational three-year sustainability plans for FGs and subsequent monitoring

The Business Plans that are being developed will form the basis of the sustainability plans and will be regularly reviewed and updated with the support of the ABCO trainers.

Activity 1.12. Cross visits for FGs inside and outside of Georgia to share experience of successful farmers' cooperation

No cross visits have been organised during the reporting period, however it is anticipated that once sub-grant agreements have been signed with the first cycle of cooperatives these cross visits will begin.

Activity 1.13. Publications and media activities

The following publications have been printed during the reporting period:

Publication	Number produced	Notes
Informational Brochures	20,000	Produced in Georgian (13,000), Azerbaijani (3,000) and Armenian (4,000) languages
Programme Announcement Posters	1,200	To advertise for EOI for FGs. Produced in Georgian (1,000) and Azerbaijani (200)
Agriculture Cooperatives Roadmap (brochure)	5,000	Produced on behalf of ACDA
ENPARD Programme Banner	5	Shared amongst partners and used for training, workshops and media events
Programme Announcement Posters	1,000	To advertise the 1 st Cycle ASP component
Programme Announcement Posters	100	To conclude FGs application process for 2014
Programme Announcement Posters	100	To announce 2 nd Cycle ASP component

Throughout implementation Mercy Corps and its partners have regularly engaged with media sources to promote the programme and to develop a broader understanding of agricultural cooperation amongst the public. Mercy Corps regularly coordinates its activities with the ENPARD Communication Unit (ECU) and has attended events organised by this unit. The following media activities have been organised during the reporting timeframe:

- On the 11th March Mercy Corps attended a signing ceremony of the ENPARD programme organized by ENPARD Communication Unit in Tsinamzgvriankari. At the ceremony the products produced by the small farmers from different areas of Georgia were presented and Mercy Corps was represented by a cheese maker and beekeeper from the Samtskhe-Javakheti region. The ceremony was covered by the TV channel Rustavi 2.
- On the 13th May the Mercy Corps Co-Investment Coordinator was part of a panel on a live recording for Imedi TV. The subject of the programme was cooperative development.
- On the 27th June an article concerning the information campaign conducted in Manglisi village was published in "Trialetis Expressi" Newspaper (regional newspaper in Kvemo Kartli). The article promoted ENPARD activities in Kvemo Kartli region increasing farmers' and service providers' access to information and awareness concerning cooperatives and cooperation
- In June the Mercy Corps ENPARD Programme Communication Officer attended a 3 Minute Movie Competition award ceremony as one of the winners of the competition filmed a movie concerning a cooperative based in Khashuri Municipality within the programme's target area.
- In late June and July, during the Introductory Trainings, media interviews with the Regional TV stations in Akhalkalaki, Marneuli and Ninotsminda municipalities were recorded and broadcasted.
- On the 17th July the Programme Manager and Communication Officer attended a seminar for regional journalists organized by ENPARD Communication Unit and held in Kachreti, Kakheti.
- In August, during the business training in Marneuli, an interview with ENPARD Co investment/Communication Officer was recorded and broadcasted by Marneuli TV.
- On the 22nd October the Programme Director participated in a panel debate on cooperation for Georgian journalists and media

Expected Result 2: Agriculture Services Providers (ASPs) have strengthened links and quality of services to offer to farmers for mutual profitability.

Activity 2.1. Training/Guidance for ASPs in business development.

The support component for the development of Agricultural Service Providers (ASPs) was launched on July 15th 2014 (see Activity 2.4 below) and following the receipt of applications a two-day Introductory Training was provided for the ASPs. This training was designed by ABCO and included a half-day session on the new cooperation context and the potential advantages and benefits to ASPs and then one-and-a-half days dedicated to business planning training. Given the maturity of the majority of ASP businesses it was felt that it was unnecessary to provide the four-day training and that additional support could be provided through consultations during the preparation of the business plans.

The 2-day Introductory and Business Planning Trainings for this 1st Cycle of ASP applicants was conducted on the 10th-11th November in Tbilisi, the 13th-14th November in Kutaisi and the 18th-19th November in Akhalkalaki by ABCO. 20 pre-selected ASPs were invited to the trainings, out of which 19 attended (in total 20 participants – 18 men & 2 women). At this training the Business Plan and Budget template was provided to the ASPs and later ABCO provided consultations on how to most effectively complete this business plan. The ASPs then had three weeks in which to complete and submit the plans and budgets after which they were reviewed and evaluated by the PSC.

Activity 2.2. Facilitation of development of ASPs' special service packages suitable and affordable for FGs

Nothing to report

Activity 2.3 Awareness raising of new inputs, machinery and equipment and extension services for FGs and ASPs

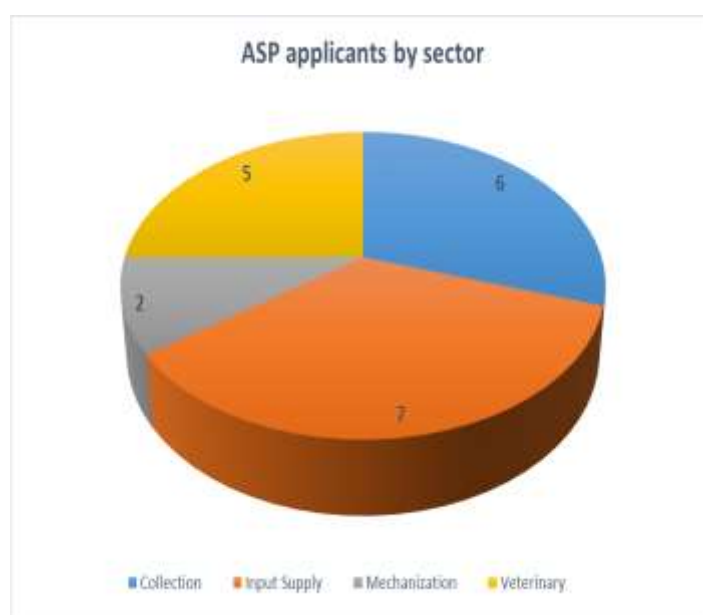
Nothing to report

Activity 2.4. Co-investment for profitable expansion for ASPs

In preparation for the launch of this component Mercy Corps designed and printed a sticker poster (1,000 copies) that was placed in all key locations (Municipality, RICC offices, ASP buildings, shops etc.) in the 16 municipalities. The poster provided information on where to access the application form and the basic eligibility criteria for participants. These criteria were:

- The applicant must provide agricultural services to small-scale farmers and organisations.
- The applicant should be a legally registered, operational, business entity for at least 12 months prior to the submission of the application form (documentary evidence will be required)
- The applicant must be working – or plan to work, through the support of the programme – in one or more of the 16 target municipalities of the programme.
- The applicant must have a minimum of four full-time or part-time employees.
- The applicant must be able to contribute a minimum of 25% financial (cash) contribution and a minimum of 15% in-kind (non-cash) contribution to co-finance its grant application.

ASPs were able to access a hard copy of the application form from Regional Coordinators and RICC offices from 15th July and an electronic version of the form could be downloaded from jobs.ge and the Mercy Corps website from the same date. Unlike with the cooperative support component a deadline – the 15th August – was set for the submission of applications. In total 40 applications were received from veterinary, collection, mechanization, input supply and consultation service providers. These ASPs were from the following sectors:



The PSC met on the 22nd September and after review decided that 20 ASPs fully met the eligibility criteria and could move to the Introductory Trainings as described under Activity 2.1. Of the 19 ASPs that attended these trainings 18 submitted business plans to Mercy Corps for final selection that will be evaluated for final selection in early 2015.

These 18 ASPs are as follows:

No.	NAME	CONTACT PERSON	MUNICIPALITY	VILLAGE	SECTOR
1	Individual Entrepreneur (IE)	Aleksandre Iakobashvili	Sachkhere	Chikha	Collection
2	Orke LTD	Ramaz Tevzadze	Marneuli	Marneuli	Collection
3	PE Marina Akolashvili	Shota Akolashvili	Gurjaani	Velistsikhe	Collection
4	IE	Grigorii Muradian	Akhalkalaki	Akhalkalaki	Collection
5	PE	Arutun Akopian	Akhalkalaki	Akhalkalaki	Collection
6	Alva LTD	Iza Komladze	Sachkhere	Sachkhere	Input Supply
7	IE	Zurab Kartvelishvili	Vani	Shuamta	Input Supply
8	Agrokartli LTD	Giorgi Simonishvili	Gori	Gori	Input Supply

9	Agroservisi Kareli LTD	Zviad Abashishvili	Kareli	Bebnisi	Input Supply
10	IE	Teimuraz Kuchishvili	Khashuri	Khashuri	Input Supply
11	Para	Ioseb Jikashvili	Marneuli	Kushchi	Input Supply
12	IE	Tsisia Digmelashvili	Sagarejo	Giorgitsminda	Input Supply
13	Soso Gugava	Soso Gugava	Tetritskaro	Golteti	Mechanization
14	IE	Seroja Ezoian	Akhalkalaki	Akhalkalaki	Mechanization
15	Nektari LTD	Lamara Chikhelidze	Chiatura	Chiatura	Veterinary
16	IE	Grigol Gelovani	Samtredia	Samtredia	Veterinary
17	Aibolit XX C	Shaik Bairamov	Marneuli	Marneuli	Veterinary
18	IE	Sosiko Amirkhanian	Ninotsminda	Ninotsminda	Veterinary

In December 2015 the application process was launched for the 2nd Cycle of ASPs. Again posters were produced and an information campaign was run in each of the municipalities. The deadline for submission of EOI applications is 30th January 2015.

Expected Result 3: Farmers have an increased voice in Agriculture Policy decision making, due to strengthened links and coordination between farmers' groups, service providers and the government sector.

Activity 3.1 Creation of agricultural lobby groups at municipal and regional level

In the first year the programme has worked to raise awareness on agricultural cooperation and support the identification and selection of cooperatives and ASPs. These agricultural businesses will form the core of all future lobbying and advocacy groups on agricultural issues, but it is first important for the programme to develop a strong relationship with these businesses before such activities begin. It is anticipated that the first advocacy groups to be formed in Year 2 will be composed primarily of cooperatives – at both the municipal and regional level. The first step will be for the facilitation of dialogue between these newly formed business entities allowing them the opportunity to talk on common issues around cooperation and the agricultural sectors in which they work. Later it will be determined which issues can be brought forward from this local and regional level to a national platform. Also later in the year, as the programme develops stronger relations with ASPs in the target municipalities, their engagement within these lobbying groups can be supported, along with that of the RICCs and other key agricultural stakeholders.

Activity 3.2 Every municipality and region establishes space for dialogue between FGs, service providers and the government sector

Nothing to report.

Activity 3.3. Trainings to government staff, related to the Georgian Agricultural Sector Strategy, Government communication; Gender legislation:



Whilst no formal trainings of government staff have been conducted during this first year of implementation, other support has been provided to the ACDA. Following the information campaign it was identified that there were many questions of a similar nature asked by farmers across all the regions where Mercy Corps was operational. It was therefore considered useful for a Frequently Asked Questions (FAQ) brochure (see **Annex 7**) to be produced that could be distributed throughout the country that would provide official answers to these questions. Mercy Corps and other ENPARD agencies therefore organised a meeting with ACDA in early September to discuss this option and to suggest that the brochure be an official product of the agency and the Ministry of Agriculture. This was agreed at the meeting and the ENPARD agencies submitted approximately 40 key questions that related to legal, financial, structural, and managerial issues. Following this submission the GIPA Legal Consultant supported the lawyer at the ACDA in preparing the answers and on completion these

Q&As were sent to the MOA for its final approval. In December 2014 the ACDA printed the first 2,000 copies of these brochures and a further 4,000 copies are scheduled to be printed by the ENPARD consortia in early 2015.

Activity 3.4. Trainings to FGs and ASPs related to Gender, Leadership and Lobbying/Advocacy skills

The planned trainings for both FGs and ASPs will commence within the second year of the programme, once sub-grant agreements have been signed with a significant number of cooperatives.

Activity 3.5. Facilitate orientation sessions from the government to FGs and ASPs on agriculture related legislation

Throughout the first year of implementation Mercy Corps and its partners have worked very closely with the RICCs, providing them with a full overview of the programme goals and activities and increasing their knowledge and awareness on agricultural cooperation and the opportunities for small-scale farmers. On April 15th Mercy Corps and partners participated in a meeting arranged by the ACDA for RICC representatives from West Georgia that provided RICC representatives with detailed information about agriculture cooperation, the existing law and the standard charter for agricultural cooperatives. All four ENPARD consortium organizations provided the audience with a presentation on ENPARD programme activities and results to date. On the 1st May this briefing meeting was repeated in East Georgia. Throughout the information campaign Mercy Corps has requested and encouraged the participation of RICC representatives at meetings, thus further enhancing their knowledge and allowing them to continue providing information outside the formal campaigns. All programme announcement posters and application forms have also been supplied to the RICCs and in effect they have become a valuable support agency to programme implementation. This relationship will continue throughout the next year of programme implementation, as RICC members will be invited to see the impact of the investment support to cooperatives and will be encouraged to attend trainings and study visits.

Activity 3.6 Advocacy/Lobbying Campaigns undertaken by the lobby groups in favour of small scale farmers

Nothing to report

2.3 Updated Action Plan

Year 2													
	Months												
Activity	1	2	3	4	5	6	7	8	9	10	11	12	Implementing body
1.1 Information campaign in the target municipalities													Mercy Corps, Agro-Service, ABCO, GIPA
1.2 Baseline Survey													Mercy Corps
1.3 On-going market analysis													Mercy Corps, Agro-Service, ABCO, GIPA
1.4 Preparation of new, and update of existing training materials													Agro-Service, ABCO, GIPA
1.5 Support with creation of business-oriented FGs													Mercy Corps, Agro-Service, ABCO, GIPA
1.6 Trainings for FGs													Mercy Corps, Agro-Service, ABCO
1.7 Support the development of viable business plans and selection for sub-grants													Mercy Corps, ABCO

1.8 Provision of start-up capital to new business-oriented FGs													Mercy Corps
1.9 Co-investment for existing business-oriented FGs													Mercy Corps
1.10 Monitoring of production target plans of FGs													Mercy Corps
1.11 Guidance in elaborating sustainability plans for FGs and monitoring													Mercy Corps, ABCO
1.12. Cross visits for FGs inside and outside of Georgia													Mercy Corps, ABCO, Agro-Service, DGRV
1.13. Publications and media activities													Mercy Corps, Agro-Service, ABCO, GIPA
2.1 Training/Guidance for ASPs in business development.													Mercy Corps, Agro-Service, ABCO
2.2. Facilitation of development of ASPs special service packages													Mercy Corps, Agro-Service, ABCO
2.3. Awareness raising of new inputs, machinery and equipment and extension service for FGs and ASPs.													Mercy Corps, ABCO, Agro-Service.
2.4. Co-investment for profitable expansion for ASPs													Mercy Corps
3.1 Creation of agricultural lobby groups													Mercy Corps, GIPA
3.2. Establish spaces for dialogue between FGs, service providers and the government sector													Mercy Corps, GIPA
3.3. Trainings to government staff													ABCO, GIPA
3.4. Trainings to FGs and ASPs related to Gender, Leadership and Lobbying/Advocacy skills													ABCO, GIPA
3.5. Facilitate orientation sessions from the government to FGs and ASPs													Mercy Corps, GIPA
3.6 Advocacy/lobbying campaigns													Mercy Corps, GIPA

Years 3 & 4									
	Year 3 (Quarters)				Year 4 (Quarters)				
Activity	1	2	3	4	1	2	3	4	Implementing body
1.1 Information campaign in the target municipalities									Mercy Corps, Agro-Service, ABCO, GIPA
1.2 Baseline Survey									Mercy Corps
1.3 On-going market analysis									Mercy Corps, Agro-Service, ABCO, GIPA
1.4 Preparation of new, and update of existing training materials									Agro-Service, ABCO, GIPA
1.5 Support with creation of business-oriented FGs									Mercy Corps, Agro-Service, ABCO, GIPA
1.6 Trainings for FGs									Mercy Corps, Agro-Service, ABCO, DGRV
1.7 Support the development of viable business plans and selection for sub-grants									Mercy Corps, ABCO,
1.8 Provision of start-up capital to new business-oriented FGs									Mercy Corps
1.9 Co-investment for existing business-oriented FGs									Mercy Corps
1.10 Monitoring of production target plans of FGs									Mercy Corps
1.11 Guidance in elaborating sustainability plans for FGs and monitoring									Mercy Corps, ABCO
1.12. Cross visits for FGs inside and outside of Georgia									Mercy Corps, ABCO, Agro-Service
1.13. Publications and media activities									Mercy Corps, Agro-Service, ABCO, GIPA
2.1 Training/Guidance for ASPs in business development.									Mercy Corps, Agro-Service, ABCO
2.2. Facilitation of development of ASPs special service packages									Mercy Corps, Agro-Service, ABCO
2.3. Awareness raising of new inputs, machinery and equipment and extension service for FGs and ASPs.									Mercy Corps, ABCO, Agro-Service
2.4. Co-investment for profitable expansion for ASPs									Mercy Corps
3.1 Creation of agricultural lobby groups									Mercy Corps, GIPA

3.2. Establish spaces for dialogue between FGs, service providers and the government sector									Mercy Corps, GIPA
3.3. Trainings to government staff									GIPA
3.4. Trainings to FGs and ASPs related to Gender, Leadership and Lobbying/Advocacy skills									Mercy Corps, GIPA
3.5. Facilitate orientation sessions from the government to FGs and ASPs									Mercy Corps, GIPA
3.6 Advocacy/lobbying campaigns									Mercy Corps, GIPA, Lobby Groups

3 Beneficiaries/affiliated entities and other Cooperation

3.1 Relationship between the Beneficiaries/affiliated entities of this grant contract

Mercy Corps and the three partner organisations have developed a strong coordination unit to support the planning and implementation of activities. Whilst Mercy Corps takes responsibility for leading the consortium all key decisions on the programme development are made jointly between all implementing agencies. The programme team meet formally on a monthly basis to set targets, plan activities, develop schedules and designate responsibility for each specific programme activity. For specific activities – such as planning of business trainings – additional meetings are held between Mercy Corps and the implementing agency (in this case ABCO) to plan the specific details of the activity. One of the biggest strengths of the consortium is that many of the core activities – specifically training activities – can be performed by the implementing agencies themselves. This means that few activities have to be sub-contracted out, which decreases costs and means that the organisation of such events is easier. Once plans have been made this information is disseminated to the seven Regional Coordinators for their support to the implementation process. On a bi-monthly basis the whole consortium, including Regional Coordinators, meets to review the activities to date, make adjustments and set priorities for the next period.

For the selection of the cooperatives and ASPs a Programme Selection Committee has been formed that is composed of two Mercy Corps staff and a core member of staff from each implementing agency. All decisions on selection require a majority of the PCS membership to be in favour. For the “Cooperative Assessment” a three-person commission was established to visit the FGs in their place of work and meet with the members. This commission in each case would be one Mercy Corps staff member, the Regional Coordinator for the specific region visited and a member of a third (partner) agency. With this approach there was no opportunity for decisions to be made by a single agency and conflict of interest was mitigated.

The partners submit to Mercy Corps monthly narrative and financial reports which are consolidated to form the basis of the Quarterly Report to the EU and this interim report.

3.2 Relationship with State Authorities

As has been described above Mercy Corps and its partners coordinate regularly with the **ACDA**, exchanging information and participating together in events. Formal coordination meetings are held on the last Friday of each month and the purpose of this meeting is the sharing of information and planning future joint activities. Mercy Corps has supported several events organised by ACDA, in particular information events for the RICCs across Georgia in May and June and on the 16th October the Mercy Corps consortium was invited to attend the Anniversary event of ACDA in Tbilisi where the produce of cooperatives that were engaged with Mercy Corps were presented. Additionally Mercy Corps has supported the agency in producing and publishing the FAQ brochure and has been engaged in discussions on changes to the present legal framework for cooperation.

There has been a similar high level of engagement between the programme team and the **RICCs** in each of the municipalities where Mercy Corps is operational. Many of the RICC personnel have been highly motivated to participate and support the programme, through assisting with the information campaigns and supporting the application process by providing advice to farmers on filling in the documents and passing on completed applications to the Regional Coordinators. Through this process they have had the opportunity to learn more about the development of agricultural cooperatives within their municipalities and will be able to support other farmers interested in forming cooperatives in the future.

The Mercy Corps ENPARD team has also been involved in providing feedback to the **Ministry of Agriculture** on its updated Strategy for Agricultural Development in Georgia. On the 14th May 2014 the Program Director and Country Director attended a workshop organised by the **Georgian Alliance of Agriculture and Rural Development (GAARD)** to provide collective feedback on the MoA strategy. Following the meeting Mercy Corps submitted its consolidated feedback on the strategy and this has been presented, along with feedback from other GAARD members, to the MoA. Later in the year the strategy was finalised and in 2015 the programme aims to support the MoA in its dissemination at the regional and local level.

3.3 Relationship with other organisations involved in implementing the Action:

- Associate(s)

The Associate partner **DGRV** has supported Mercy Corps and CARE in the early stages of the programme providing a three day training on Agricultural Cooperatives and management which was incorporated into the consortium's own training curriculum. During the rest of the year there has been no further engagement with DGRV, but plans have been discussed to start the first international study tour in mid-2015 with a visit to Turkey where DGRV has a strong presence.

- Sub-contractor(s)

During this first year only one sub-contractor has supported the implementation of the programme. A contract was awarded to **BCG Research**, a local research agency, to perform the research work on the Quantitative Baseline Survey. The questionnaire was prepared by Mercy Corps and BCG trained its enumerators on the document who then conducted the survey in the 100 villages. The data set was supplied to Mercy Corps within the timeframe specified on the contract and the work was performed to a high standard.

- Final Beneficiaries and Target groups

Through the wide-reaching information campaign, the presence of coordinators and offices within every region, and by closely liaising with the RICCs, the programme has been able to reach out to every community within the 16 target municipalities and ensure that all potential beneficiaries are aware of the programme opportunities and how to access them. Also an open line to both the Regional Coordinators and the Mercy Corps office in Tbilisi has allowed farmers the opportunity to gain detailed information on agricultural cooperation and the ENPARD programme. The 'rolling' application process has meant that those FGs that were initially hesitant of applying to enter the programme were able to wait and learn more prior to seeking involvement. To facilitate information exchange and improved communication in the programme, Mercy Corps has been using a text messaging service through which all applicant farmers groups and ASPs are notified about the status of their application, upcoming trainings, new initiatives etc. This service is used to complement regular information exchange provided by the Regional Coordinators. Through this approach Mercy Corps feels confident that the programme is both accessible and transparent for all those who wish to engage with it.

- Other third parties involved (including other donors, other government agencies or local government units, NGOs, etc.)

There are regular coordination meetings both in East and West Georgia between the four ENPARD consortia, to provide updates on progress of their respective programmes and to look for opportunities for collaboration. Several working groups have been established to look for common approaches and methodologies. Of particular note is the M&E Working Group that has led to the development of a common, harmonized cooperative assessment tool that will be used by all consortia and collated and analysed by ISET. Also the Gender and Agriculture Working Group has been a good platform to discuss ways of promoting the involvement of women within the ENPARD programme and to find synergies across projects and initiatives of different actors.

3.4 Links and synergies developed with other actions

Mercy Corps has met on several occasions with USAID-funded **REAP** Chief of Party and Deputy Chief of Party to exchange information on the programmes' implementation and discuss future collaboration

possibilities. REAP is providing large capital investment grants to ASPs and, more recently, some cooperatives. In the near future each agency will exchange its database of programme beneficiaries and look at the opportunities for co-financing some joint business enterprises. Also the possibility of bringing together ASPs and cooperatives from both programmes has been talked about with the idea that regional level fairs could be held to support this networking process.

In July the ENPARD Programme Director made a presentation on cooperation in Akhaltsikhe to farmers groups supported by the French NGO, **FERT**. The meeting was attended by several livestock FGs, in addition to the CEO of FERT and representation from the French Embassy. Whilst the ENPARD programme is not operational in Akhaltsikhe and neighbouring Samtskhe municipalities, it was suggested that these FGs could engage in the regional forum that will be developed under the programme and that specific trainings would also be open for their participation.

3.5 Building upon/complementing previous EU programmes

The programme has built upon the efforts of a previous EU-supported project *Social and Market Akhalkalaki Linkages* (2005-09) in that two cooperatives formed during this project have re-registered as agricultural cooperatives and have been selected to receive capital investment and training under ENPARD. Both these cooperatives are working in the potato sector, which is the strongest agricultural sector within the Javakheti region. These two cooperatives can therefore become an important positive model for other potato and vegetable farmers in this region.

4 Visibility

The programme partners ensure that the programme is widely publicised and that EU and ENPARD visibility is prominent on electronic and printed documents and publications. Five programme banners have been produced that are used for workshops and presentations and that prominently display the EU and ENPARD logos and title of the programme. Moreover, Mercy Corps and partner staff always highlight the donor contribution during meetings with government stakeholders, programme beneficiaries, contractors and in presentations and other events. Multiple media events have also been organised which means that agricultural cooperation, and ENPARD's role in supporting this process, has been broadly promoted.

The European Commission may wish to publicise the results of Actions. Do you have any objection to this report being published on the EuropeAid website? If so, please state your objections here.

Mercy Corps has no objections to the activities and results of this programme being published on the EuropeAid website.

Name of the contact person for the Action:

Zoe Hopkins

Signature:

Location: **Edinburgh, Scotland**

Date report due: **28 February 2015**

Date report sent: **28 February 2015**