

Georgia

Agriculture Modernization, Market Access and Resilience Project Supervision Report

Main report and appendices

Mission Dates: 14-26 May 2018
Document Date: 31/10/2018
Project No. 1100001760
Report No. 4859-GE

Near East, North Africa and Europe Division
Programme Management Department

Abbreviations and Acronyms

AM	Aide-Mémoire
AMMAR	Agriculture Modernization, Market Access and Resilience project
AOS	Annual Outcome Survey
APMA	Agriculture Projects Management Agency
ASP	Agriculture Support Project
AWPB	Annual Work Plan and Budget
BDSP	Business Development Service Provider
CENN	Caucasus Environment NGO Network
CSA	Climate Smart Agriculture
DA	Designated Account
DPMMU	Donors' Projects Management and Monitoring Unit
EFA	Economic and Financial Analysis
ENPARD	European Neighbourhood Programme for Agriculture and Rural Development
EU	European Union
FY	Fiscal Year
GA	Georgia Amelioration company
GAU	Georgia Agrarian University
GEF	Global Environment Fund
GEL	Georgian Lari
GFA	Georgian Farmers' Association
GILMDP	Georgia's Irrigation and Land Market Development Project
GIS	Geographic Information System
GoG	Government of Georgia
Ha	Hectare
HH	Household
ICC	Information and Consulting Center
IFAD	International Fund for Agriculture Development
IU	Irrigation Unit
LF	Lead Farmer
LR	Landscape Restoration
M&E	Monitoring and Evaluation
MEPA	Ministry of Environment Protection and Agriculture
MFI	Micro Finance Institution
MoF	Ministry of Finance
MS	Marketing Specialist
MSP	Multi-Stakeholder Process
MTR	Mid Term Review
CCNAP	Climate Change National Adaptation Plan
NGO	Non-Governmental Organization
O&M	Operation and Maintenance
PBAS	Performance-Based Allocation System
PDR	Project Design Report
PDO	Protected Designation of Origin
PGI	Protected Geographic Indication
PIM	Project Implementation Manual
PMU	Project Management Unit
RECC	Regional Environmental Center for the Caucasus
REI	Request for Expression of Interest
RIMS	Results and Impact Management System
SDR	Special Drawing Rights
SOE	Statement Of Expenditures
TOR	Terms of Reference

ToT	Training of Trainers
USAID	United States Agency for International Development
VAT	Value Added Tax
VC	Value Chain
WA	Withdrawal Application
WUO	Water Users Organization
W1	Window 1 grant
W2	Window 2 grant

A. Project Overview

Region:	Near East, North Africa and Europe	Project at Risk Status:	Not at risk
Country:	Georgia	Environmental and Social Category:	B
Project Name:	Agriculture Modernization, Market Access and Resilience Project	Climate Risk Classification:	not available yet
Project Id:	1100001760	Executing Institution:	Ministry of Agriculture
Project Type:	Rural Development	Implementing Institutions:	Ministry of Agriculture
CPM:	Vrej Jijyan		
Project Director:	Lali Durmishidze		
Project Area:	Nation wide		

Approval Date	01/09/2014	Last audit receipt	25/05/2018
Signing Date	17/02/2015	Date of Last SIS Mission	26/05/2018
Entry into Force Date	28/05/2015	Number of SIS Missions	6
Available for Disbursement Date	15/07/2015	Number of extensions	0
First Disbursement Date	21/07/2015	Effectiveness lag	8 months
MTR Date	10/09/2017		
Original Completion Date	30/06/2019		
Current Completion Date	30/06/2019		
Financial Closure	not available yet		

Project total financing

IFAD Financing breakdown	IFAD	\$13,300,000
Domestic Financing breakdown	Beneficiaries	\$9,760,800
	National Government	\$2,457,600
Co-financing breakdown,	Denmark	\$4,187,000
	Global Environmental Facility	\$5,300,000
Project total financing		\$35,005,400

Current Mission

Mission Dates: 14-26 May 2018

Days in the field: 5

Mission composition: Dina Saleh, Country Programme Manager, NEN; Vrej Jijyan, Country Programme Manager, NEN; Isabelle Lagailarde, Team Leader and Value Chain Specialist, IFAD Consultant; Wafaa El Khoury, Lead Technical Specialist, IFAD PTA; Malek Salhi, Finance Officer, IFAD FMD; Aziz Tabet, Water and Rural Infrastructure Specialist, IFAD consultant; Mohamed El Ghazaly, M&E Specialist, IFAD Consultant; Renaud Colmant, Environment and Climate Change Specialist IFAD consultant; Andrea Goltara, Water Management and Environment Specialist, IFAD consultant; Enrico Mazzoli, Programme Support Specialist, IFAD Consultant, Christopher Neglia; Knowledge Management Specialist, IFAD Consultant; Paola Di Stefano, Programme Assistant, NEN

Field sites visited: Shida Kartli region (infrastructure sites, demo plots and beneficiaries in Dzevera, Marana, Sateme, Karaleti, Ergneti, Karaleti and Saqasheti villages) ; Kakheti region (infrastructure sites, demo plots and beneficiaries in Giorgeti, Podaani, Vardisubani, Sabue, Sanavardo, Chumlaki and Pankisi villages)*
https://drive.google.com/drive/folders/1O_ghqFU09E6qmuVaio1o8alouRcAoxih?usp=sharing

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		4	Assessment of the Overall Implementation Performance		4

Effectiveness and Developmental Focus	4	Project Management	4
Effectiveness	4	Quality of Project Management	5
Targeting and Outreach	3	Knowledge Management	5
Gender equality & women's participation	4	Value for Money	4
Agricultural Productivity	4	Coherence between AWPB and Implementation	3
Nutrition	3	Performance of M&E System	4
Adaptation to Climate Change	3	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	3

Sustainability and Scaling-up	4	Financial Management and Execution	5
Institutions and Policy Engagement	4	Acceptable Disbursement Rate	3
Partnership-building	4	Quality of Financial Management	5
Human and Social Capital and Empowerment	3	Quality and Timeliness of Audit	6
Quality of Beneficiary Participation	3	Counterparts Funds	4
Responsiveness of Service Providers	4	Compliance with Loan Covenants	5
Environment and Natural Resource Management	4	Procurement	5
Exit Strategy	3		
Potential for Scaling-up	4		

Relevance	5
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C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

The Agriculture Modernization, Market Access and Resilience (AMMAR) project of the Government of Georgia has been designed as a 4-year project which was approved by IFAD in September 2014 and entered into force in May 2015. The project's investment totals US\$ 34.8 million including physical and price contingencies. The overall goal of AMMAR is to sustainably increase incomes and reduce poverty for women and men in rural Georgia. Its development objective is to stimulate private investments in climate-smart agricultural (CSA) value chains to increase incomes and strengthen resilience of smallholder farmers in selected project areas. The programme is expected to benefit around 10,000 households across the country. Key performance indicators for the project are as follows:

- 80% of supported households have real net farm income increased by average of 20%;
- Climate smart agricultural production practices are adopted by 50% of trained smallholder farmers;
- Four CSA value chains are fully operational and maintaining sustainability;
- 4,750ha of farmland are put under water-related infrastructure;
- 2,000ha of land are put under improved management practices;
- New cropping patterns are applied by 50% of trained farmers of which 20% report increased diversification;
- 50% of matching grant beneficiaries report an average income increase of 8%.

AMMAR Supervision Mission was conducted jointly by an IFAD team and the Project Management Unit (PMU) between 14 and 26 May 2018. The main purpose of the mission was to review the implementation progress of the various components and to assess the performance of implementation partners, as well as the financial management, procurement, monitoring, evaluation and knowledge management systems. The mission focused its attention on the coherence and overall coordination of project's interventions in the field of rural infrastructures, landscape restoration (LR), CSA extension services, agricultural investments (with the support of matching grants) and market access, to ensure that the project tackles critical constraints along the value chains. The mission also reviewed the status of the recommendations of the Mid-Term Review (MTR) mission carried out in September 2017, and assessed the progress of activities under the DANIDA-funded Project 'Inclusive Growth and Employment for Young Entrepreneurs in Georgia' implemented under the overall framework of the AMMAR project.

The mission held detailed meetings with the PMU, and met with the representatives of the Ministry of Environment Protection and Agriculture (MEPA), the Agriculture Projects Management Agency (APMA) and the Georgia Amelioration Company (GA). The mission met a wide range of target project beneficiaries for their feedback on identified challenges and investment needs at the different levels of their respective value chains (primary production, post-harvest handling, processing, market access). To this effect, field visits were organized in Shida-Kartli and Kakheti regions. The mission also interacted with the local government authorities as well as various service providers to help them strengthen the outcome of their technical assistance along different interventions (Demonstration Plots, CSA Training, LR works and mobilization of grant applicants).

The key issues and recommendations were discussed with AMMAR PMU during several debriefing sessions and formally presented to Mr Nodar Kereselidze, First Deputy Minister of MEPA at a wrap-up meeting on 25 May 2018.

The Mission would like to record its appreciation for the support and hospitality provided by the Government of Georgia and AMMAR PMU in facilitating the Mission's meetings and field visits.

Key Mission Agreements and Conclusions

The mission has reached key agreements with the PMU, project partners and service providers to capitalize on the solid foundations that were laid in the past 18 months and ensure that the project meets its development objectives. This can be summarized as fourfold:

1. Fast-track implementation (and related disbursement) of interventions that are already in the pipeline, while at the same time ensuring their sustainability;
2. Undertake innovative, pro-active ways to address project interventions that are lagging behind (esp. Window 2 grants for processors/agribusiness in AMMAR value chains);
3. Prioritize activities along the most promising value chains and regions; and
4. To report achievements and guide the project in its prioritization of activities, focus M&E work at outcome and impact level, with an Annual Outcome Survey (AOS) conducted during the last quarter of 2018.

As for irrigation infrastructure, emphasis will be put on reaching individual plots and integrating AMMAR schemes in the current Water User Organization (WUO) Service Unit plan of action that is developed jointly by the GA and World Bank-financed Georgia Irrigation and Land Market Development Project (GILMDP).

Landscape restoration interventions aiming to reduce flood risk and contamination by urban waste will be carried out without further delays in the second half of 2018, in line with the work plan and schedule revised during this mission. Building on the work initiated on windbreaks, AMMAR will also support the elaboration of Windbreak Management Plans and enforcement packages to strengthen the draft Legal and Policy Framework on Windbreaks.

For DANIDA grant applicants, the most performing Business Development Service Providers (BDSPs) already hired for

business plan preparation will be kept for post-financing support to be delivered along a coaching approach. The PMU will also ensure that the service provider hired for pre-financing stage will not limit its role to mere mobilization, but addresses identified pre-financing challenges.

Based on the positive experience of the newly launched DANIDA grants, AMMAR will open W2 grants to start-ups, conditional upon the provision of regular post-financing support by specialist BDSPs.

The PMU will prioritize project's interventions to capitalize on the holistic support provided by AMMAR those areas and value chains that have shown clear dynamics. Apple, bay leaf, honey, vegetables and berry will receive particular focus in the Samegrelo, Imereti, Shida-Kartli and Kakheti regions.

CSA training will be enhanced through refresher courses to Lead Farmers and ToT trainers, and targeted training as per needs assessed through M&E for new areas and new themes.

The mission wishes to emphasize that while AMMAR had been initially designed as a 6-year project, given its complex nature involving a value chain development approach, the present 4-year limitation will most probably prevent the project from addressing optimally the needs of its intended beneficiaries. This is particularly true for the most recent investors who are about to receive grants (esp. for DANIDA grants), or for the farmers operating in irrigation schemes that will hardly become operational before project completion. The mission considers that since AMMAR has now set in place a solid foundation for all activities foreseen at design, it would certainly benefit from an 18- or 24-month extension that will help achieve verifiable results and complete strategic interventions already engaged with beneficiaries.

The expected speed-up of implementation during the second half of 2018 mixed to a potential extension of completion date that has been discussed during the course of this IFAD mission should be supported by an increase of the authorised allocation threshold.

D. Overview and Project Progress

Irrigation and Value Chain infrastructures. Since the MTR, significant progress has been recorded in the implementation of the activities aiming to secure and improve water availability and reliability within areas where agricultural value chains have been identified. Civil works have been achieved or are in an advanced stage of achievement over about 3,682 ha (80% of the target), all located in the Shida-Kartli. Detailed design and tender documents have been elaborated for an additional 2,340 ha over 3 irrigated areas in Shida Kartli and Kakheti. With the current pace of implementation, it is likely that the Project will reach 126% of its target.

Regarding the rural infrastructure for the improvement of market access, AMMAR has so far achieved the rehabilitation of 6 community-driven small infrastructure (60% of the target) gravel roads and bridges in Samegrelo and Kakheti regions. Detailed design and tender document for an additional 4 small infrastructures are in an advanced stage of preparation.

AMMAR has particularly benefitted from the lessons learned from the previous IFAD financed Agriculture Support Project (ASP). It was clear to the Mission that in-depth irrigation rehabilitation with the participation of water users, up to the lower level of the system, would make project interventions more visible to farmers, raising the sense of ownership, and would give more confidence to them to invest in irrigated agriculture and thus extend their cropped area and/or diversify their cropping patterns. Nevertheless, the outcome of the mode of rehabilitation adopted by the project is anticipated to be mixed. In Shida Kartli emphasis is given in most cases to securing water availability of off-farm systems with a large command area (Dzelvjivari, Alternatuti and Tiriponi g3 schemes) by lining the secondary canals only and extending limited earthworks at the on-farm level. In Kakheti, taking advantage of the high elevation of water level at the off-takes from the Kvemo Alazani main canal, the rehabilitation type is more a modernized low-pressurized distribution system up to farm gates. This would remarkably improve water use efficiencies and resilience and encourage farmers to modernize their irrigation systems.

Commissioned feasibility studies should have also come up with alternatives for the rehabilitation type that are in line with project value chain objectives. The mission has drawn the attention of the PMU that the approach consisting only of rehabilitating the secondary canals as observed in the case of Tiriponi g-3 scheme (1,000 ha), without or with limited on-farm distribution system is unable to reach all individual plots and would require additional construction of tertiary canals together with hydraulic structures.

As for Operation and Maintenance (O&M), the Project, as per its initial design, is relying on GA, the owner of the irrigation system assets that has the mandate of ensuring schemes O&M and water fees collection. The Project has just recently signed an agreement with GA on collaboration modalities on this issue, that foresees a tight collaboration with AMMAR schemes through the Water User Organisations (WUO) Service Unit of the GA established under the World Bank financed GILMDP project. To facilitate the integration of AMMAR schemes in the current WUO Service Unit plan of action, it was agreed that the PMU would provide GA with maps delineating precisely the hydraulic boundaries for each Irrigation Unit (IU) within a command area of each main outlet from the secondary canals.

Landscape Restoration (LR). LR activities include the implementation of windbreaks and river restoration measures. The re-establishment in Gori and Kareli municipality of 18 ha (25 km) of windbreaks is foreseen. A contract has been signed with the Regional Environmental Center for the Caucasus (RECC) as implementing partner and one site has been planted (2 lines, i.e. an extension of approximately 500 m) along future peach and apple orchards.

Three restoration measures were foreseen. Eventually 2 river bank protection interventions and 1 catchment integrated flood risk and contamination reduction intervention were agreed. The river bank protection interventions were completed in Kakheti. The Chumlaki river bank protection presents some deficiencies, with erosion still observed at one end of the structure. The PMU will check with the contractor, designer and local municipality for the cause of erosion and take corrective measures. As previously underlined, although locally useful for farmers, those interventions cannot be labelled as proper LR interventions (as no environmental improvement has been obtained, to the opposite, some environmental impact has been generated) and should not be considered as models to be replicated. Also, it should be highlighted that in Chumlaki the use of the water body to dispose of urban wastes continues, despite the promise of the municipality to prevent waste deposition in the river as a pre-condition for the rehabilitation. The PMU will take action and request the Ministry of Agriculture to send a letter to the Municipality to observe the agreement.

The Charebula catchment integrated flood risk and contamination reduction, in the Gori municipality is still in its preliminary design phase. The work plan for the interventions on the Charebula agreed in September 2017 has not yet been implemented, mainly due to the resignation of the Geographic Information System (GIS) consultant. A revised work plan and schedule have been agreed and the design and implementation of restoration actions will be carried out in the second half of 2018.

Policy dialogue on climate-resilient value chains The project supported the elaboration of the Climate Change National Adaptation Plan (CCNAP) for Georgia's Agriculture Sector, released in November 2017. The CCNAP is the first of its kind in Georgia but needs updating to include a full analysis of the AMMAR VCs at country level. Waste and pesticide management issues should be raised and addressed.

Moreover, improving climate resilience of farming activities should include considerations related to the use of land in floodplains and related investments should be supported by knowledge on foreseen river changes in time, induced flood risk and cost benefit of potential protection measures at sufficiently wide scale. These issues were raised in relation to LR actions, especially in Georgeti, but could not be properly taken into account. More interaction between different policies and responsible public bodies is needed on this.

Based on the experience of windbreak activities and until the completion of the project, AMMAR will aim at strengthening the Legal and Policy Framework on Windbreaks. The project will support the elaboration of windbreak management plans based on international best practices and an enforcement package in the existing policy framework. These documents would be an incentive for future elaboration of Georgian laws and projects.

AMMAR Grants. The mission is able to confirm the sustained progress observed at MTR on the way AMMAR and APMA team implement this matching grant facility. By 30 April 2018 the project had approved 247 applications (from 86 at the time of MTR) for grants amounting to approx. US\$ 1.8 million and has another 40 grants in the pipeline. The leading regions are Shida Kartli, Kakheti and Samegrelo. Adjara has very low records with only 2 projects approved. While W1 grants (primary production) have actively picked up over the last year, W2 grants remain at alarming low level with only 7 grants approved so far against an initial target of 40.

With just one year before project completion, AMMAR needs to be more active and innovative in its promotion of W2 grants. It was thus agreed, based on the positive experience of the newly launched DANIDA grants (see below), to open W2 grants to start-ups, conditional upon the provision of regular post-financing support by specialist BDSPs

DANIDA Young Entrepreneur Grants. AMMAR has been very successful in its awareness raising campaign that has used the most “youth-friendly” tools to attract a vast number of applicants, such that 173 projects are now approved or under business plan development, for a total grant value of approx. US\$ 3.1 million. Women account for 33% of projects under development (20% of projects already approved). Kakheti region gathers the most beneficiaries (29%), followed by Shida-Kartli (9%) and Samegrelo (5%). The DANIDA grant facility has also managed to reach other regions of Georgia that had not yet been benefitting from AMMAR.

The mission notes with satisfaction the strong professionalism and commitment of at least 3 out of the 6 BDSPs that have been hired to assist grant applicants in their business plan preparation. Since they are in the best position to further support the beneficiaries in the implementation of their business idea, it was agreed to keep them for post-financing support foreseen to be delivered along a coaching approach.

One area that needs special attention from PMU is the pre-financing support activities that have not yet been fully unrolled, especially for those applicants whose business idea was rejected. The PMU has to ensure the service provider hired for both mobilization and pre-finance training does not limit its role to a mere mobilization and assistance in filling the application forms, but addresses identified pre-financing challenges in line with the Terms of Reference (TOR) of its contract.

Value chain selection and prioritization. The past 18 months have evidenced different levels of potential among AMMAR VCs and regions. Crops like kiwi and persimmon have not picked up and Adjara region has not managed to trigger a significant amount of grant applications, despite the special conditions agreed upon at MTR to include citrus VC and reduce the percentage requested for beneficiary contribution. It is now time to prioritize project's interventions in order to capitalize on the holistic support provided by AMMAR in terms of technical, financial and market access capacity building for those areas that have shown clear dynamics. Apple, bay leaf, honey, vegetables and berry will receive particular focus in the Samegrelo, Imereti, Shida-Kartli and Kakheti regions.

Multi-stakeholder process. Two value chain platforms meetings were undertaken under the leadership of the Marketing Specialist (MS) during the past year, however with very limited attendance of other value chain stakeholders outside producers. Both platforms showed that farmers were interested in the potential of proper branding of produce thus moving their status from “agro-commodity suppliers” to “sellers of branded agricultural products”. The concepts of Protected Denomination of Origin (PDO) and Protected Geographic Indication (PGI) attract strong interest and their potential and feasibility will be pursued by the MS. Follow-up actions being undertaken by the MS will also include the identification of potential aggregators and buyers for apples and honey, as well as berries.

Market linkages. In November 2017 five project beneficiaries from different regions and VCs were selected to participate in the 17th international exhibition for Agro, Food and Drink Products, Packaging and Processing Equipment hosted by “ExpoGeorgia”. This initiative led to the establishment of promising business contacts, while at the same time increasing AMMAR project visibility. The mission encourages the renewal of such intervention with at least 2 national exhibitions in 2018. It also notes with satisfaction the creation of an “AMMAR supplier list” as online database (www.ammargeorgia.com), which allows potential buyers to reach AMMAR producers according to their different commodities. The project, however, did not manage to seize all opportunities: the participation of lead buyers (e.g. bay leaf processors) in demo plot training has not yet taken place, and while CSA training modules have been revised to accommodate market access issues, the MS is still to participate in the training sessions organized by ELKANA.

Access to finance. AMMAR has not managed to attract significantly the financial sector in agricultural/agribusiness lending. So far only 20 AMMAR grant beneficiaries (5.6%) accessed loans from either commercial banks, microfinance institutions (MFIs), or the cheap agro-loan facility that is implemented by APMA. The latter access to finance (6 projects) is however an interesting breakthrough along the partnership with APMA, and deserves to be further encouraged.

Demonstration plots. The promotion of CSA production practices continued through the establishment of demo plots and use of selected lead farmers. In accordance with previous recommendations, 4 demo plots on landscape restoration were added by ELKANA to the 10 VCs demo plots initially planned (2 windbreaks, 1 vermicompost, 1 effective micro-organisms).

Field visits enabled the mission to confirm the good quality of lead farmers selected in terms of their agricultural

knowledge, interest in learning new things, and most importantly, their trust relationship with fellow neighbour farmers combined with their readiness to support and advise others. In line with MTR recommendations, efforts have been made to make the technologies demonstrated better adapted to smallholder farmers in terms of scale and affordability, while trying to keep them as technically perfect as possible.

However, there is still scope for improvement as it was noted that the current demonstrated model for vermiculture and compost is not fully adapted to smallholder farmers. ELKANA with the support of AMMAR should explore more suitable and affordable systems (i.e. tower system with boxes to be included in technical paper of supervision mission) and adapt them to Georgia's conditions. This could be done in collaboration with the Georgian Agrarian University, using students research undertaking their Masters or Bachelor thesis projects.

The impact and quality of demonstration plots could also be improved, especially since no data is being regularly recorded at the demo plots neither by the lead farmer nor by ELKANA to determine the economic benefits and impact of these demonstrations. Data should be recorded on the impact of the technologies on production quantity and quality, costs (including labour time and inputs) and resulting prices. This data is critical to convince farmers of the value of the technology and hence enhance its adoption which is the main objective of the demo plot.

CSA Training. The service providers Agro Services and Georgia Farmers Association (GFA) assisted ELKANA in mobilising farmers to attend the trainings as well as to apply for AMMAR grants. A total of 1349 farmers (135% of target) have been trained so far. Following MTR recommendations, the trainings were improved both in structure and content to increase their impact. Baseline information on the farmers attending the training are being regularly recorded by M&E officer supported by ELKANA and the same farmers are urged to attend both sessions of the training conducted at different crop growth period during the season (production techniques and postharvest technologies). The training curriculum continues to be promoting environmentally friendly and CSA practices including use of bio-fertilisers and proper soil health management practices, drip irrigation, integrated pest management, use of adapted varieties, etc. The curriculum content was also improved in consultation with the MS to include aspects of marketing, economic analysis and special topics by farmers. It was shared with and approved by MEPA.

Several extension staff from ICCs previously trained in CSA technologies through the ToTs provided by ELKANA, have been actively participating in the CSA trainings of farmers. However, the interest from these extension agents to participate in such training remained somehow limited and so might be the impact of these ToTs on improved CSA practices. To enhance the capacities of extension agents including ELKANA staff to reach out and incentivise the farmers, it had been recommended at MTR to provide them with training in facilitation skills, an action that was not implemented. It is further recommended and agreed to provide this training in the coming year and include the lead farmers and some of AMMAR staff in such training.

Actions	Responsibility	Deadline	Status
Priority irrigation schemes Elaborate a tender document for the rehabilitation of the sole g-32 scheme (840ha) where the detailed design is adequate and review the detailed design of the g-35 scheme	PMU / Engineers	July / 2018	agreed
Detailed Design – Command area of Saltvisi g2 Launch tender for the detailed design of the command area of Saltvisi g2 secondary canal over about 2,000 ha for which the feasibility study has been achieved and for which the construction plan will be taken up by GA	PMU / Procurement Officer and Engineers, GA	July / 2018	agreed
Detailed design – Tirifoni g3-2.1 Prepare detailed design and rehabilitation for the Tirifoni g.3-2.1 with its related on-farm network and complete the g3 rehabilitation with on-farm network (if time and funds allow)	PMU / Engineers	October / 2018	agreed
Detailed design – Saltvisi g1 and g1.1 Prepare detailed design for and rehabilitate the Saltvisi g1 and g1.1, to ensure that distributary/tertiary canals are included (if time and funds allow)	PMU / Engineers	October / 2018	agreed
Author Supervisor – small infrastructures Recruit an Author Supervisor for the remaining four small infrastructure	PMU / Procurement Officer, Engineers	September / 2018	agreed

Technical and social assessment – Dzevera-Shertuli Undertake a technical and social assessment of the soundness /limitations of the mode of rehabilitation adopted and already executed in Dzevera-Shertuli scheme and draw lessons for future on-farm irrigation rehabilitation and water users groups (report of the analysis)	PMU/Engineers, GA Regional Centre, Local service	September / 2018	proposed
Hydraulic boundaries Elaborate maps with appropriate hydraulic boundaries for each Irrigation Unit rehabilitated by AMMAR and forward them the WUOs Service Unit of GA to enhance collaborative actions	PMU/Engineers, GA	August / 2018	agreed
O&M Elaborate a specific programme for O&M for each Irrigation Unit	PMU/ Socio-Environment consultant WUOs Service of GA	December / 2018	agreed
WUOs support unit Water User Support of GILMD may consider the establishment of a Unit to support AMMAR project in establishing WUOs.	PMU/Engineers and WUOs Service of GILMD	August / 2018	proposed
AMMAR W2 grants to start-ups Open W2 grants to start up, with post-finance support from best BDSPs already hired under DANIDA grant	Project Director, APMA	June / 2018	agreed
AMMAR grants – emphasis on cold storage investments Dedicate specific targeting to facilitate investments in cold storage that are eligible under AMMAR grant windows	Project Dty Director, Grant Officer, Mobilizer	June / 2018	agreed
Pre-finance support, DANIDA grants Ensure unsuccessful applicants receive ad-hoc pre-finance support in line with SPs TOR. Establish database and monitor level of satisfaction	Project Dty Director, Grant Officer, M&E Officer	June / 2018	agreed
Post-finance support – DANIDA grants Recruit BDSPs already involved in BP preparation to deliver post-finance support to grant beneficiaries	Project Dty Director, Grant Officer, Procurement Officer	August / 2018	agreed
BDSP working groups – DANIDA grants Create ‘working groups’ for the most prominent VCs (wineries, vineyards, guesthouses, fruit drying...), whereby each BDSPs would provide info on typical challenges and inputs on how to best support beneficiaries	Project Dty Director, Grant Officer	July / 2018	agreed
Mobilization and pre-finance support – DANIDA grants Given the high number of BPs already approved or under development, suspend mobilization and ask SP to focus on pre-finance support to unsuccessful applicants – analyse reasons for rejection and prepare data base of such unsuccessful candidates who received pre-finance training and should be given priority if more grant funds are available	Project Dty Director, Grant Officer, M&E Officer, Gender Focal Point	June / 2018	agreed

Market access – national exhibitions Target at least 2 more national exhibitions for 2018 and ensure that participants are new beneficiaries (last year's beneficiaries may also join, at their own cost)	Project Dty Director, MS	September / 2018	agreed
Market access – international exhibitions Explore opportunities to take potential aggregators' (e.g. in apple, bay leaf, honey VCs) to visit international exhibitions such as Berlin Fruit Logistica, Paris SIAL, etc.)	Project Dty Director, MS	September / 2018	proposed
Interaction with key buyers in bay leaf demo plots Ensure that the bay leaf buyers are included in the training on bay leaf production for farmers; also include a visit to bay leaf processing plant (in collaboration with MS)	Project Dty Director, MS, ELKANA, M&E Officer, GEF specialist	June / 2018	agreed
Exchange visits Prepare plan to continue and expand the promotion of exchange visits between farmers (within the country and beyond where possible) to include not only farmers but also extension agents, mobilizers, etc. to enhance the common understanding of the potential for farmers	Project Dty Director, MS, ELKANA, Gender Focal Point	July / 2018	agreed
ToT extension agents Follow-up with tasks for those with incentives and personalities – provide them with facilitation skills and technical specialized training	Project Dty Director, GEF Specialist with IFAD TA	August / 2018	proposed
CSA training Enhance ELKANA training through (i) Refresher courses for the ToTs and LF (including facilitation skills); (ii) Targeted training as per needs assessed through M&E for new areas (e.g. new irrigation schemes, aggregation points, etc.) and new themes (e.g. related to specific crop interventions, climate change, traceability, packaging and labelling, etc.)	GEF Specialist, M&E Officer, MS, ELKANA	December / 2018	proposed

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus

Effectiveness

Rating: 4

Previous rating: 4

Justification of rating

The project activities currently being implemented have been effective in achieving the intended outputs with the exception of output 1.1 due to some delays in the landscape rehabilitation works, and output 1.2 with W2 grants lagging behind. Some outputs have already surpassed the project targets and the majority are on track. Overall outreach target achievements stand at about 77% of the project target. However, the M&E system at this stage fell short in providing outcome results (see M&E section) and there are still concerns that the project may not achieve the targeted outcomes/impacts by completion in June 2019.

Log-Frame Analysis & Main Issues of Effectiveness

(see section D above for more details on overall progress and main issues of effectiveness)

Component 1

Output 1.1: there are delays for achieving the intended targets for the land under improvement management practices. As of 30 April 2018 the project has just achieved 16% of the project target (320ha versus a target of 2,000ha). Delays are mainly due to the non-performance of past service providers hired for LR works. Strong progress is however expected in the second half of 2018 with new SP (RECC) and a revised work plan for Charebula river restoration.

Output 1.2: target for the proportion of small grants made to farmers to women and young farmers have been surpassed (38% versus a target of 30%), while for the number of grants to smallholder farmers the project has achieved 75% (165 against a target of 220). Moreover, although the activities supported by DANIDA grant have only started last year, the targets are likely to be achieved by the end of the project with already 173 business plans under preparation.

Output 1.3: the project has completed the formulation of 4 Environmental management plans against a project target of 6.

Component 2

Output 2.1: the project has developed 9 marketing assessment and operational strategies for Value Chains, thus surpassing the project target of 6.

Output 2.2: the project has held 44 value chain facilitation events involving different value chain actors, surpassing the project target of 25.

Output 2.3 and 2.4: the project targets for training of beneficiaries on production practices and extension staff trained has been surpassed (135% and 218% respectively)

Output 2.5: One policy document, according to the plan as per design document was prepared (Climate Change national Adaptation Plan for the Agricultural Sector) and presented to the wider public of stakeholders (including deputy ministers of Agriculture and Environment) in November 2017.

Outcomes/impacts

The planned adoption study along with the annual outcome survey to be conducted in the last quarter of 2018 will provide a thorough assessment for the likelihood of achieving the intended targets. Given the lack of data under the M&E system to assess the outcomes/impacts, the mission cannot conclude whether or not the intended outcomes/impacts will be achieved.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Rapid Adoption Survey Rapid Adoption Survey Develop and undertake a rapid adoption survey to derive a sample from project beneficiaries and prepare questionnaire and TORs for the annual outcome survey planned end of 2018	IFAD, M&E Officer	06/2018

Development Focus

Justification of rating

Overall the project has reached out to 7,721 households against the project target of 10,000 households. The geographical targeting is being implemented as per the design document, yet the direct/self-targeting need stronger efforts from the project. M&E data is being analysed by sex and age to allow for tracking of women and youth participation but yet the level of analysis according to the different target groups is not based on clear definitions.

Main issues

No clear mechanism is in place to monitor how the project interventions are reaching to the intended targeting categories (see also effectiveness section above).

The project has been very successful in its mobilization campaign for the newly launched DANIDA Youth Entrepreneur project, with 173 business plans now approved or under preparation, foreseen to absorb all of the planned grant resources (target was 150 grants). The average grant amount required is GEL 44,361 (approx. US\$ 17,500), which remains below the ceiling of GEL 60,000 (74%).

However the mission notes that 37 (21.4%) of these projects are related to non-agricultural production, thus slightly exceeding the ceiling of 20% set for eligibility criteria. Most of these projects relate to the establishment or rehabilitation of guesthouses (89%). It is also foreseen that the number of "classical" start-ups, i.e. start-up business started by a new entrepreneur should represent at least 25% of the total grantees, and that the number of business expansion (i.e. an expansion business activity that is initiated by an existing entrepreneur in a new district) should not exceed 25%. So far 140 "classical" start-ups projects (81%) are approved or under development, which is highly satisfactory. However only 8 of them are directly related to AMMAR value chains (mostly for fruit drying/processing, nuts processing, permaculture or bay leaf drying), while on the other hand a vast majority (88) concern the wine industry (either viticulture or wineries).

While it is understandable that these types of businesses are viewed by youth as the most attractive in the context of tourism expansion and increased success of Georgian wines on the international markets, the mission is concerned by the fact that the sole guesthouses, viticulture and wineries projects represent over 80% of the total projects approved or under development.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Development Effectiveness		
DANIDA grants to non-agricultural production Ensure that grantees for non-agricultural production do not exceed 20% of total grantees, as per eligibility criteria	PMU Deputy Director, Grant Officer	06/2018

Justification of rating

All MTR recommendations have been addressed (see details below), and the VC Specialist has actively taken up her additional role of Gender Focal Person. For AMMAR grants, 82% of the appraisal target has been reached to date while for the provision of business linkage advice to women along DANIDA youth project, AWPB 2018 targets have already been largely surpassed (265%). So are the targets for women farmers trained in crop production and technologies (123% of current AWPB, 113% cumulative). Notwithstanding these positive achievements, it is still too early to confirm that the project has addressed the 3 core pillars of gender equity and women empowerment, especially for women in the lower economic segment, and there is still room for increased awareness raising on gender issues.

Main issues

MTR recommendations fulfilled by May 2018:

1. update of the TORs of the VC specialist/Gender Focal person to reflect gender and youth mainstreaming activities and targeting interventions,
2. develop TORs for an additional Mobilizer to improve access to grants to the poorest smallholder farmers through dedicated sessions for youth and women ensuring more-active participation and inclusion,
3. develop a gender and targeting strategy including a detailed action plan with associated costs (done with IFAD support),
4. enhance collaboration with NGO and other Government programmes, (the Gender Focal Person is now sitting on the board of USAID REAP Platform for women in agriculture,
5. increase involvement in training preparation and delivery by the Gender Focal point.

Rural women in Georgia carry out the day-to-day agricultural activities including field work, cheese making, house-

keeping and are often overburdened with unpaid house-work. This isolation from economic activities lowers women's power in the family and workplace. In many cases the land they work on is registered in their husbands' names and often they do not have any money on their own. This inequality is an obstacle to poverty reduction and the critical contribution of women often gets unrecognised.

In spite of these issues and constraints, AMMAR is fostering women's participation in the programme, involving them in the direct and indirect activities of the project. Since 2016 AMMAR received 58 grant applications from women (34 were approved, 18 have already received the funds and 16 were rejected) – 82% of the appraisal target has been reached to date. As for DANIDA grant to female farmers, 37% (55 women) were provided with business linkage advice in the first 4 months of 2018 out of the 20 planned in the AWPB. Female trained in crop production and technologies is even over (123% of the AWPB). The cumulative percentage of female People accessing advisory services facilitated by the project is 71%.

During field visits the mission met two women who benefitted from AMMAR grants. One is a strawberry producer in Gurjaani Municipality, Kakheti region, who has an administrative daytime job in the City Council and had decided to start her agricultural business once she inherited her plot of land. She is not exactly AMMAR target women group (she is already quite empowered), but can be viewed as a positive example of woman investing in agriculture with her own title deeds. The other woman visited is a full-time farmer in Satemo Village, Gori Municipality. She received a US\$ 1,000 grant that she used to buy a power tiller, thus alleviating her workload. She also took part in the Moldova tour organized by another IFAD-GEF funded programme. While this farmer does not belong to the lowest economic segment, she is a pulling force in her neighbouring community, and is eager to share her newly acquired technical knowledge with fellow farmers.

The project must now strive to make such assessment and analysis in a more systematic way, so as to verify the actual impact of its encouraging gender interventions.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Analysis and assessment of AMMAR role in Gender Equality and Women's Empowerment Include extensive analysis and assessment on gender equality and women's empowerment in the annual outcome survey (AOS)	Gender Focal Point and M&E Officer	11/2018

Agricultural Productivity

Rating: 4

Previous rating: 4

Justification of rating

Field visits made during this mission show that agricultural productivity is enhanced through AMMAR various interventions, including the availability of irrigation water through rehabilitation of irrigation canals, improved CSA practices, market linkage facilitation as well as targeted investments to develop on farm production (greenhouses, drip irrigation, mechanization, quality seedlings, etc.). However, these observations from the field need to be verified and validated through the detailed analysis of concrete data and surveys. Should this analysis confirm above observations, the rating is likely to increase to 5 – Satisfactory.

Main issues

Discussing with many farmers during the field visits of the mission clearly indicated that they have benefited from AMMAR interventions to increase their production, in quantity and quality, or increase the efficiency of their agricultural system. This has been achieved through the regular availability of irrigation water; the increased use of drip irrigation for better water use efficiency and better management of water needs of crops; saving on cost, labour and time through use of machinery (tractors and tillers) and more importantly through their timely availability (farmers hiring machinery would have to wait for their turn, and would sometime miss the critical dates for land preparation, planting, spraying or harvesting); and increased quantity and quality of produce through proper pruning and harvesting techniques.

Presently, there seem to be a lot of resistance by Georgian farmers to keep regular records of their farm activities and costs, which creates a problem in assessing the impact of AMMAR interventions on agricultural productivity. It is therefore important to start working on a change in the mind-set of farmers to properly assess the costs and benefits of their operations, if agriculture is seen as a business. In AMMAR, this should start with data recording in the demo plots and with the lead farmers, as they should lead by being a model to others. Record-keeping and cost-benefit analysis should be included as a regular curriculum within all trainings conducted, which is a practice that has been recently taken on board by the service providers.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Data recording of agricultural productivity Develop a simple, user friendly recording system to capture key data on changes observed in demo plots (e.g. increased productivity, quality enhancement, higher selling prices, access to new market channels, reduction in post-harvest losses, etc.).	ELKANA, M&E officer	07/2018
Cost-benefit analysis training for farmers Include in the economic analysis training for farmers practical exercises in which farmers apply the cost-benefit analysis of technologies for the case of their own farms under their local socio-economic and agro-ecological conditions	ELKANA, M&E Officer	08/2018
Use of tablets to record economic and productivity data Assess the possibility to use tablets for some lead farmers and ELKANA staff to facilitate: harmonize data collection from demo plots and on-farm activities (tablet application to be similar to the paper recording system developed (see previous recommendation)	PMU, M&E officer	12/2018

Nutrition

Rating: 3

Previous rating: N/A

Justification of rating

There were no nutrition-related activities planned during the design of AMMAR and hence none had been previously implemented. However, the recommendation at MTR was to include nutrition aspects in the production training conducted by ELKANA. This was not done in the past year, probably since ELKANA needed to concentrate on the many other changes needed in the trainings that are critical to ensure productivity enhancement.

Main issues

It has been recommended during this mission that all activities related to gender as well as all trainings in crop production should include awareness raising messages on the importance of diet diversification. In the training on agricultural production, the importance of crop and farming system diversification (crop/livestock) in the reduction of market risks, enhanced soil health is highlighted. This creates an entry point to highlight similarly the importance of diet diversification for enhance family health. The nutritional aspects of the various value chains should also be highlighted not only for family diet but also within the framework of the marketing strategy (honey, berries, vegetables, etc).

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Awareness-raising on Nutrition Include awareness-raising messages on the important of diet diversification in all activities related to gender, crop farming diversification and market linkages (importance of nutritional information for products like honey, berries, vegetables)	ELKANA, Gender Focal Point, MS	12/2018

Adaptation to Climate Change

Rating: 3

Previous rating: 4

Justification of rating

The GEF activities aim to promote landscape restoration in areas prone to floods and wind erosion. Windbreak installation has taken off in the last months, but transferability is yet to be demonstrated. The bank protection infrastructures have been installed without wider catchment scale approach for river planning and management to efficiently support resilience to CC. On-farm climate-resilient technologies demo plots have been installed successfully and training has started, which should stimulate farmers to apply for on-farm efficient irrigation and soil and water conservation grants and increase the number of approved grants.

Main issues

The improvement of climate resilience of farming activities should include considerations related to flood risk (including

The improvement of climate resilience of farming activities should include considerations related to flood risk (including with this term land erosion due to riverbed dynamics and mudflows/debris-flows), in a context of climate change. This means that investments such as construction or rehabilitation of bank protection works cannot be considered by default appropriate, and should be evaluated within adequate spatial and river planning exercises, supported by sufficient knowledge on actual and potential river changes in time. More specifically, the project sites and corresponding interventions should have been identified according to the steps described in appendix 4 - Landscape restoration. In summary, the use of land in floodplains and related investments should be closely linked to river basin planning.

These issues were raised in relation to LR actions, especially in Georgeti, but could not be properly taken into account, partly because the identification of the interventions has been insufficiently demand-driven, but also due to insufficiently developed planning processes on these issues in the country. More interaction between different policies and responsible public bodies is needed on this. Moreover, demo plots and landscape restoration should be part of a coherent, sustainable and climate resilient approach at wide scale, and presented as such to stakeholders.

The impact and quality of demonstration plots could be improved, especially since no data is being regularly recorded at the demo plots neither from the lead farmer nor from ELKANA to determine the economic benefits and impact of these demonstrations. This data is critical to convince farmers – whether it is the lead farmer or all others visiting the demo plot- of the value of the technology and hence enhance its adoption which is the main objective of the demo plot. It has been noticed by the mission that lead farmers themselves often are not ready to take loans from the project to implement the technologies they are demonstrating, usually because of the lack of funds.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Awareness raising activities in the Charebula better linked to demo plots on composting ELKANA to be appointed to support awareness raising activities in the Charebula and links between different actions to be specified in the ToR of ELKANA.	PMU/GEF Specialist	06/2018

b. Sustainability and Scaling up

Institutions and Policy Engagement	Rating: 4	Previous rating: 4
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Justification of rating

The project, under the GEF sub-component on Policy support supported the elaboration of the Climate Change National Adaptation Plan for Georgia's Agriculture Sector, in collaboration with the Ministry of Environment and Natural Resources Protection of Georgia, released in November 2017. Based on the experience of windbreak activities and until the completion of the project, AMMAR will aim at strengthening the Legal and Policy Framework on Windbreaks. The project will further support the elaboration of the windbreaks management plans based on international best practices and an enforcement package in the existing policy framework. Those documents would be an incentive for future elaboration of Georgian laws and projects.

Main issues

The Climate Change National Adaptation Plan for Georgia's Agriculture Sector document was presented and received comments from the stakeholders participating the presenting event. The document is the first one of this kind in Georgia but needs updating to include a full analysis of the AMMAR VCs at country level. Waste and pesticide management issues should be raised and addressed.

Moreover, improving climate resilience of farming activities should include considerations related to spatial planning and river management in a context of climate change. For instance, the use of land in floodplains and related investments should be supported by knowledge on foreseen river changes in time, induced flood risk and cost benefit of potential protection measures at sufficiently wide scale. These issues were raised in relation to LR actions, especially in Georgeti, but could not be properly taken into account. More interaction between different policies and responsible public bodies is needed on this.

The link with water related policies, i.e. the potential additional added value of windbreaks for diffuse pollution reduction, has not been developed so far, and is not fulfilled by the demonstrative windbreaks realized. However, this link will be established in upcoming activities at least within awareness raising. E.g. in connection to the LR interventions in the Charebula catchment, meetings with different target groups (including policy makers) will be carried out, highlighting that the different interventions (LR, composting, etc.) are part of a coherent, wider scale approach. Moreover the project will contract service providers (i.e. ELKANA) to organize event workshops on pesticide management related to AMMAR's VCs, especially in relation to apples farming.

Agreed Action	Responsibility	Agreed Date
Sustainability and Scaling Up		
Windbreak management plans support Support the elaboration of the windbreak management plans based on international best practices and an enforcement package in the existing policy framework.	IFAD to support PMU (with inputs from ELKANA and RECC)	06/2019

Partnership-building

Rating: 4

Previous rating: 4

Justification of rating

The project has succeeded in developing numerous partnerships with public institutions, NGOs and development agencies. Despite a slow start-up, the involvement of APMA to manage AMMAR and DANIDA grant facilities has built strong in-house capacity to deal with all grant applications in a swift, efficient and professional manner. The Georgian Farmers Association has been very active in raising awareness among its more than 3,000 members. AMMAR has also partnered with USAID-funded Zrda programme to co-fund grant applicants, and participates in the REAP board for women farmers. The recent partnership with RECC is promising within the perspective of windbreak development. However the project is still to engage durably private sector partners for the benefits of its target group.

Main issues

See partnership review in Appendix 4.

Human and Social Capital and Empowerment

Rating: 3

Previous rating: 4

Justification of rating

The technical capacities of smallholder farmers supported by AMMAR are built and strengthened through the CSA training, leading to improved agricultural productivity. This is further enhanced by a wider access to irrigation water. The rehabilitation of roads improves greatly the direct access to farmland and impacts durably indirect rural beneficiaries. Investments in modern, efficient agricultural technologies are facilitated by 40% matching grants, and DANIDA support to young entrepreneurs is the first of its kind in Georgia. The empowerment of economically active smallholder farmers and poor rural dwellers is however hampered by the absence of formal WUOs, limited capacity to access rural finance, and a traditional reluctance to unite under cooperatives or farmer groups.

Main issues

AMMAR W1 grants have so far been approved for 240 farmers at an average of US\$ 5,500/beneficiary (while the maximum amount authorized is US\$ 15,000/beneficiary). The project must continue its efforts towards greater inclusivity of the lower segments.

VC platforms struggle to attract stakeholders for backward and forward linkages: buyers and input suppliers are still viewing Georgian smallholder farmers more as agricultural commodity suppliers than as business partners, and are thus not really interested in such platforms. The project must build on the successful launching of its apple and honey VC platforms through targeted initiatives (e.g. PDO/PGI certifications, aggregation of quality producers around lead farmers/distributors, etc.).

Agreed Action	Responsibility	Agreed Date
Sustainability and Scaling Up		
Develop “strategic” VC platforms - Organize exchange visits with honey producers in Adjara (ref. PDO) - Analyse sourcing gaps of lead apple producers/traders and assess opportunities to link them with other AMMAR beneficiaries - Initiate berry and bay leaf VC platform based on market potential	PMU Dty Director, MS	09/2018

Quality of Beneficiary Participation

Rating: 3

Previous rating: 4

Justification of rating

Lead Farmers + Platforms + Municipality involvements. AMMAR has proactively selected additional VCs that meets the

demand of large numbers of grant applicants, esp. women, often in lower economic segments or working on limited land area. The eligibility of small-scale wineries to DANIDA grants has met the expectations of youth country-wide. Beneficiary participation in decision-making for infrastructure development seems lower, the main decision being taken by GA or municipalities. The windbreak schemes just developed by RECC are at a too early stage to properly assess their beneficiary participation. The lead farmers seem to possess good characteristics of competent farmers who are well connected and trusted by their communities, but the extent of their interaction and support to others needs to be assessed through the adoption rate survey.

Main issues

The windbreak management plans foreseen to be developed with the support IFAD should enable proper assessment of the beneficiary participation in this type of landscape restoration activities (see agreed action under institution and policy engagement).

Responsiveness of Service Providers	Rating: 4	Previous rating: 4
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Justification of rating

The level of service provision has achieved mixed results, ranging from satisfactory (irrigation and small infrastructure) to moderately unsatisfactory (landscape restoration). The major service provider ELKANA is rated as moderately satisfactory, like mobilization agencies and business development service providers. Average rating in terms of responsiveness of service providers is moderately satisfactory (see details below).

Main issues

Irrigation and small infrastructure – rating satisfactory: The national consulting firms contracted by the project to provide services and technical assistance on various engineering studies as well as civil works supervision and control, have demonstrated remarkable capacity to fulfill their tasks timely and with acceptable quality. The Project has benefitted from the experience gained during the previous IFAD financed ASP project to develop and enhance the capacity of contracted firms for construction in terms of planning and quality control.

Demonstration plots and CSA training – rating moderately satisfactory: ELKANA has done a good job in implementing the agreed tasks in a timely manner and in responding to most of the recommendations provided by previous missions. The quality of the demo plots and the training has improved accordingly. However, there is still a lot of potential for improvement especially in their capacity to take initiatives on their own and being innovative in finding solutions.

ELKANA must ensure data recording of interventions in demo plots and with lead farmers as well as training of farmers on record keeping and economic analysis, or in trying to find or provide alternative forms, scales and sizes of technologies to be demonstrated that are more adapted to smallholders (vermiculture, hail nets, etc). All of these aspects have been discussed at length during the course of this mission, and duly taken on board by ELKANA.

Landscape restoration – rating moderately unsatisfactory: the resignation of the GIS specialist in late 2017 has led to significantly delays in the implementation of the Charebula work plan. This has been combined with a slight “resistance” on the part of ELKANA to take into account some landscape restoration issues which were less close to their usual focus of activity (esp. related to the additional benefits of windbreaks related to the retention of potential diffuse pollution). However, the latter should now be resolved through the agreed integration of the “forgotten” issues in the awareness raising and training contents.

Mobilization – rating moderately satisfactory: the newly hired mobilizing agencies Georgian Farmers Association and Agro Service Ltd have undertaken their tasks with a sound action plan aiming to mobilize W1 and W2 grant applicants through their extensive membership/databases (3,800 members for GFA, 39 Farm Service Centers serving 1,800 farmers for Agro Service Ltd). It is however too early to assess their level of performance.

Business Development Service Providers – rating moderately satisfactory: out of the 6 BDSPs hired by AMMAR to support the development of business plans of eligible DANIDA grant applicants, 4 have emerged as strong performers (ABCO, IBERGES, Guria Consulting and G.B.D.S), while two (Association of Young Economists of Georgia and AG International Consulting) have not yet been able to deliver up to expectations (leading to increased workload for APMA grant officers who have to double-check all information/documents provided).

Actions agreed in relation with AMMAR service providers are covered along the various sections of this report (esp. sections D and E).

Environment and Natural Resource Management	Rating: 4	Previous rating: 4
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Justification of rating

The number of on-farm climate-resilient technologies demonstration plots has exceeded initial objective, but efforts are still required to adapt the interventions to smallholder farmers. A windbreak development plan has been developed by

RECC under LR interventions and could be used as a pilot to support LR windbreak future implementation in Georgia. Project activities are increasingly integrating Water Framework Directive approaches, although in order to obtain tangible impacts on the environmental sustainability of agricultural practices much more work is needed, e.g. a wide involvement of stakeholders during and after the implementation of the Charebula project, further interaction with other relevant public administrations, etc.

Main issues

The promotion of climate smart agricultural production practices continued through the establishment of demonstration plots in the fields of selected lead farmers with the follow-up of related training sessions for farmers around these sites. This was undertaken by the service provider ELKANA. Since March 2017, in accordance with supervision recommendations, 4 demo plots on landscape restoration were added to the 10 VCs demo plots initially planned. The LR on demonstration plots cover windbreak, vermicompost and effective micro-organisms, all implemented by ELKANA.

As per the recommendations of the MTR, efforts have been made to make the demonstration technologies better adapted to smallholder farmers in terms of scale and affordability, while trying to keep them as efficient as possible. However, there is still scope for improvement as it was noted that the current demonstrated model for vermiculture and compost is not fully adapted to smallholder farmers. For the vermicompost systems, there are several small-scale systems that would be more practical for such farmers (see Appendix 4 "Alternative vermicompost system"). The service provider with the support of AMMAR should explore more suitable and affordable systems (i.e. tower system with boxes to be included in technical paper of supervision mission) and adapt them to Georgia's conditions. This could be done in collaboration with the Georgian Agrarian University (i.e. through ELKANA's consultant professor at the GAU), using students research undertaking their Masters or Bachelor thesis projects.

The river bank protection interventions were completed in the Kakheti region, in November 2017 in Chumlaki and in March 2018 in Giorgeti. However the Chumlaki river bank protection presents some deficiencies. After the completion of the works at the third river bank protection wall, erosion is still observed at one end of the structure. The mission agreed with the PMU that it will check with the contractor, designer and local municipality for the cause of erosion and take corrective measures.

As previously underlined, although locally useful for farmers, the river bank interventions cannot be labelled as proper LR interventions (as no environmental improvement has been obtained, to the opposite, some environmental impact has been generated) and have been implemented with insufficiently integrated evaluation and planning. The long-term sustainability of the interventions is not properly clarified, as it is not specified whether agreements on the maintenance of the foreseen protection works would be ensured. Also, it should be highlighted that in Chumlaki the use of the water body to dispose of urban continues, despite the promise of the municipality to prevent waste deposition in the river as a pre-condition for the rehabilitation. The PMU will take action and request the Ministry of Agriculture to send a letter to the Municipality to observe the agreement.

The fourth intervention (catchment integrated flood risk and contamination reduction) is at design phase in Gori municipality along Charebula River. The work plan for these interventions has not been implemented since September, mainly due to the resignation of the main (GIS) consultant. A revised work plan and schedule have been agreed and the design and implementation of restoration actions will be carried out in the second half of 2018. Awareness raising activities, establishing links with other project actions (windbreaks, composting, etc.) have been planned.

Agreed Action	Responsibility	Agreed Date
Sustainability and Scaling Up		
GIS activities Remaining GIS activities for Charebula will be incorporated in the design contract of the service provider.	Project Director and Procurement Officer	06/2018
Urban waste in Chumlaki River Observed continued deposits of urban waste in the stream despite the promise of the municipality to prevent waste deposition in the river as a pre-condition for the rehabilitation. Ministry of Agriculture to send a letter to the Municipality to observe the agreement	Project Director	06/2018
LR activities in Charebula River Activities need to take off. A detailed work plan was revised and agreed. Tender for the design company and for the works. A revised agreed schedule summary can be found in Appendix 4.	PMU / Engineers	07/2018
Chumlaki LR river bank protection After the completion of the works at the 3rd river bank protection wall, erosion is still observed at one end of the structure. PMU need to check with contractor, designer and municipality for the cause of erosion and and corrective measures taken.	PMU / Engineers	09/2018
Excessive use of chemicals Organize workshops on optimum use of pesticides and fertilizers	GEF Specialist, ELKANA	11/2018
Demo plots on vermicompost Adapt current model to smaller scale vermicompost systems. Collaborate with Agrarian University to carry out studies under master or bachelor thesis on existing systems and their potential adaption to Georgia's context.	GEF Specialist, IFAD, ELKANA (GAU Consultant on compost and vermiculture)	12/2018

Exit Strategy

Rating: 3

Previous rating: 4

Justification of rating

A project-wide exit strategy has not yet been developed, particularly regarding the landscape restoration works that suffered extensive delays, the grant facilities that are catching up but are not fully-fledged and will definitely need further post-financing support for start-up and young beneficiaries, and the overall cluster approach that requires more synergies between hardware (e.g. infrastructures) and software (e.g. technical training, market linkages) interventions.

Main issues

For the rehabilitated irrigation schemes, the possible exit strategy is quite clear, with the Georgian Amelioration Compagnie (GA) taking over the responsibility of operating and maintaining the rehabilitated schemes since these are registered in its balance of its assets. If the actions undertaken by the GA in the establishment of WUOs would clarify the ownership and responsibility of the tertiary canals. Regarding the small rural infrastructure developed through a partnership approach, concerned Municipalities will take over.

Through the experience in the processing of the AMMAR and DANIDA grants, the project has greatly reinforced the capacities of APMA staff and the business support service providers working with it. The presence of such national capacity will be key for the sustainability of rural and agricultural development programmes in Georgia, especially as it enters the EU in the future. It would be important that the GoG recognizes its importance and ensures the absorption and promotion of these trained staff within the public or private systems.

For the short duration of the project and in the absence of a collective working mentality in the Georgian agricultural sector (WUOs or cooperatives), it is difficult within the time scope of AMMAR to identify private value chain players involved in collective production or marketing can be sustainable. However, it is foreseen that through the developed VC platforms, lead aggregators, buyers or companies will be identified to establish some formal relationships with producers.

AMMAR will provide for that any needed training for the producers and the buyers to ensure that this remains successful and sustainable.

Agreed Action	Responsibility	Agreed Date
Sustainability and Scaling Up		
Development of AMMAR exit strategy Draft exit strategy based on achievements so far, remaining bottlenecks, potential for scaling up and sustainability prospects. This will also lay the foundation of a possible extension, with the prioritization of key interventions.	PMU (all team)	10/2018

Potential for Scaling-up

Rating: 4

Previous rating: 4

Justification of rating

Potential for scaling up is satisfactory on irrigation works, but remains moderately satisfactory for other key interventions such as CSA practices and technologies, LR works, and value chain investments. Average rating in terms of potential for scaling up is moderately satisfactory (see details below).

Main issues

The potential for scaling-up and replication of irrigation works is rated as satisfactory. Under its Georgian Irrigation Strategy, the GoG has a long-term objective to increase the current irrigated area from about 40,000 ha to 200,000 ha by 2025. The GA will continue to be directly or indirectly the hub for investments in the irrigation and drainage sector. However this potential is still hampered by the absence of a WUO law (expected by 2021).

CSA practices and technologies – rated moderately satisfactory. The CSA training could be scaled up by making a more extensive use of the demo plots established by the project, so as to: (i) including systematically a cost-benefit analysis for potential adoption, and (ii) bringing more farmers from irrigation schemes to establish a first contact with the Lead Farmers and expose them to new/improved practices and technologies

Landscape restoration – rated moderately satisfactory. The potential for replicability of LR measures is high, especially given the priority now given by the MEPA to windbreak development. However the river interventions meant to reduce flood risks and contamination are still lacking an integrated approach for river-basin scale planning and management.

Value chain investments – rated moderately satisfactory. AMMAR has succeeded in building the capacity of APMA to manage complex grant facilities targeting the lower segments of the economically active farmers and entrepreneurs. The agency is now fully recognized in its ability to manage multiple donor grant funds, that will further benefit to a wider number of agricultural/agribusiness investors via future development projects. Yet, this potential for scaling up remains restricted by a limited access to finance, especially for the lower segments who are not eligible to the cheap agro-loan facility also implemented by APMA (minimum threshold for loans is GEL 20,000, or US\$ 7,800).

Actions agreed in relation with potential scaling-up are covered along the various sections of this report (esp. sections D and E).

c. Project Management

Quality of Project Management

Rating: 5

Previous rating: 5

Justification of rating

The mission notes with satisfaction that notable efforts have been undertaken by AMMAR PMU to address most concerns and recommendations conveyed through the September 2017 MTR. The project “command unit” that was established triggered an enhancement of the interaction between the team members, better synergies between project components and the consolidation of AMMAR interventions. The interaction with other development agencies has also been improved. The DANIDA Youth Entrepreneur project has efficiently been unrolled and more than 90% of the grants amount is now more or less committed. Notwithstanding this satisfactory rating, the PMU still has to accelerate AMMAR overall implementation (and related disbursement) and focus its attention on delivering at outcome and impact levels.

Main issues

Out of a total of 64 actions agreed upon at MTR, 56 (87%) have been fully or partially executed (38 or 59% fully executed and 18 or 28% partially executed). Only 8 actions were not executed (13%) – see detailed status in Appendix 4. However certain key actions were executed with 3-4 months delay, which in part explains the slow disbursement observed in the

first quarter of 2018 FY.

At this juncture of the project, with just over one year left before completion and an ambitious budget of about US\$ 8 million for 2018, AMMAR PMU cannot afford to endure any further delay. The mission thus urges the PMU to ensure swift execution of all actions agreed upon during this supervision mission, for which the terms, responsibilities and deadlines have been discussed at length and validated.

The M&E Officer and Deputy Project Director got the opportunity to improve their technical skills and get exposed to other project implementation teams, respectively through the M&E Fundamentals Course held in Nairobi in April 2018, and the Event on Public-Private-Producers Partnerships (4Ps) held in Sri Lanka in March 2018. Such exposure and learning events have certainly contributed to the noticeable enhanced capacity of the PMU to manage the project in a holistic manner. The mission recommends to organize more exchange visits/learning routes for AMMAR PMU before project completion

Agreed Action	Responsibility	Agreed Date
Project Management		
Execution of agreed actions Ensure that all actions agreed upon during this mission are fully and timely executed	Project Director	12/2018
Learning route Pursue learning route or exchange visits for AMMAR project staff	IFAD, PMU	02/2019

Knowledge Management

Rating: 5

Previous rating: 4

Justification of rating

Since its launch, the Project has reached significant progresses on acquiring and sharing project knowledge within and outside the project team. An adequate number of project staff and resources are allocated to KM activities. On a regular basis, lessons are learned and shared (from and to various stakeholders) through the use of various communication tools. Information collected in the M&E systems are analysed and used to prepare KM-related products. Nonetheless, there is room for improvement in areas related to the management of project information and lessons. The project team should focus on further detailing the KM plan - indicating objectives, timelines and desired audience of key products. Meanwhile, more attention is needed on the quality and timeliness of M&E data to be enhanced.

Main issues

Since project design and throughout its implementation, AMMAR project was characterized by an adequate Knowledge Management (KM) approach as well as an adequate budget allocated to KM activities. Information on beneficiaries (i.e. gender, type of intervention, land ownership, types of crops grown, support receive, main benefits reported) are kept in a comprehensive and readily accessible M&E system. The detailed information retained in the system allows for in depth reporting on project progresses as well as the elaboration of specific KM products.

Over last years, the project team has successfully elaborated awareness campaigns, training sessions and KM products aimed at sensitising, reaching out and capitalizing on AMMAR project activities. As insofar, the project team used a diverse set of communications platforms, tools and strategies (e.g. internet, television, radio, banners, forums). Similarly, the project team has prepared detailed progress reports to donors based on the evidences collected in the M&E system. Currently, AMMAR staff include an M&E specialist, a GEF coordinator, a DANIDA grant coordinator and a Communication and KM specialist, all of them contributing in various forms to KM activities. Given its market-oriented approach, AMMAR is expected to generate new important learning which may contribute to scaling up, replicate or refine specific project activities and value chains in the future. The replication of activities is expected to go hand in hand with an expansion of communication activities and related KM products. In several instances, IFAD missions provided support in the preparation of KM (e.g. through the adoption of the guidelines provided in the IFAD Communications Toolkit, DANIDA progress reports, GEF progress report) as well as in defining a KM strategy to ensure proper dissemination to wider audiences.

Value for Money

Rating: 4

Previous rating: 4

Justification of rating

Despite some slight divergence from the initial estimate, unitary costs across activities fall within a reasonable range of results and are predominantly characterized by good value for money. The Economic and Financial Analysis (EFA) carried out at MTR concluded that the use of resources in AMMAR is efficient and the project rate of return of 24% despite the delayed start of the project. In addition, evidences based on the available information showed a cost-effective use of

project resource. Therefore, no revision is needed in terms of implementation procedure, except for the need to fast-track project execution. The main setback remains indeed the delays incurred from inception, that keeps a certain number of activities lagging behind.

Main issues

The 24% rate of return is rather conservative because it does not take into account other benefits such as the rehabilitation of roads impacting positively indirect beneficiaries, and the benefits of farmers who had irrigated land prior to the rehabilitation of irrigation schemes but nonetheless see improvement in the quality of their irrigation.

Evidences based on the available information showed a cost-effective use of project resource. Unit costs related to the main rehabilitation and construction works, such as irrigation canals and roads, were estimated and confronted to the same indicators as calculated at the appraisal stage. For irrigation, preliminary findings showed that the unit cost of rehabilitating/constructing irrigation canals is quantified at USD 814 per ha. The latter is a sensibly lower estimate of the initial unitary price, which was equal to USD 2,206 per ha (-63%). This efficiency gain is mainly given by the capacity of irrigation schemes to serve a higher number of hectare than initially expected as well as the public tendering of the work which spurred competition among bidders. The rehabilitation/construction of roads and bridges is on the other hand performing less efficiently than initially foreseen. Currently, road rehabilitation / construction has costed an average of USD 8,600 per km which represents a 20% increase with respect to the initial USD 7,200 / km estimate. The higher cost is due mainly to the increasing cost and quantity of inputs and labour required to work in remote mountainous areas.

The mission wishes to highlight the importance of keeping the M&E system updated with recent cost figures and physical progresses so as to allow speedy corrective measures if and where needed.

Coherence between AWPB and Implementation	Rating: 3	Previous rating: 3
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Justification of rating

The AWPB 2017 execution rate stands at only 39% with an annual expenditure of US\$ 3,167,743 against a total budget of US\$ 8,088,713. The main reason for the under-utilization was the cancelation of 2 tenders for civil works and delays in irrigation rehabilitation for some schemes. As of 30 April 2018 the execution rate of the AWPB 2018 (including DANIDA) stands at 11%, but is expected to raise sharply in the second half of the year with the completion of some irrigation works, the new LR tenders, the disbursement of AMMAR grants that were signed but not yet triggered because the beneficiaries have to first disburse their 60% contribution, and the pipeline of 173 DANIDA grants under approval or business plan preparation.

AWPB Inputs and Outputs Review and Implementation Progress

The budget utilization for AWPB 2017 by component is as follows: 35% under component 1, 69% under component 2, and 77% under component 3.

Under component 1: the tender for the civil works for the rehabilitation and supervision of Skra-Kareli IR were cancelled which together amounts to US\$ 645,000 (8% of the AWPB). Other rehabilitation and supervision of irrigation schemes that were not implemented included: Tashiskari IR, Dzlevijvari and Alternetiuli IR, and Kvemo Alazani IR. The budget for these schemes were US\$ 760,000 (9.3% of the AWPB). As for the grant facility, budget utilization reached US\$ 801,252,000 or 76% of the 2017 budget.

Under component 2: Sub-component 2.1: Value Chain development processes and support, the project has spent US\$ 189,000 against a budget of just USD 144,060 representing an over expenditure by more than 30%. Under sub-component 2.2, only one activity was not implemented "Specific devises for Agricultural Scientific and Research Center of MoA" for a budget of US\$ 194,951. The budget foreseen for service provision in the establishment of demo plots, training and mobilization (ELKANA) was only used at 29% (US\$ 110,141 against US\$ 377,000).

Under component 3: the project limited its expenditures in operational costs (16%) and staff training (0%). Other budget lines related to programme management were in line with AWPB 2017.

Performance of M&E System	Rating: 4	Previous rating: 5
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Justification of rating

The M&E system is being maintained through an effective M&E plan that was prepared by the M&E officer and is updated/reviewed on annual basis to align with the AWPB. Project progress reports are prepared in timely manner and submitted to IFAD/GEF on regular basis. The project management uses the M&E data reports to review the implementation modalities and make decisions for corrective actions if necessary. The M&E system maintains good tracking of beneficiary participation by sex and age and has been effective in avoiding double counting within components yet is facing challenges in avoiding the double counting between the 2 components. Following the MTR, an additional database for tracking of the DANIDA grants has been developed.

M&E System Review

Data collection is being conducted on regular basis along with field monitoring visits for validation of data/reports. Implementing partners are submitting reports on regular basis to the project based on their planned activities. The M&E officer is keeping tracking of the different interventions through different databases for the different components interventions. The GEF tracking tool is being modified by the GEF coordinator and M&E officer as per GEF requirements.

GPS coordinates are recorded for all project interventions and beneficiaries, and can be spotted on Google Map (<https://we.tl/AS3yoE4SF6>), together with pictures and summary individual information.

Although the M&E system has been successful in monitoring of all activities/output indicators, yet it has failed to start producing results on outcomes following the MTR last year. The delays in conducting the adoption study has resulted in inability provide any outcome results at this stage. The M&E officer need to start focusing on capturing outcomes/impacts. The mission agreed with the project that an Annual Outcome Survey (AOS) will be conducted during the last quarter of 2018 to capture outcomes. Additional modules will be added to the standard questionnaire of the AOS to provide a wider picture of the different interventions under the 2 technical components.

The M&E officer is capturing success stories/lessons learnt from the different implemented interventions. The M&E system provides a good basis for having an effective knowledge management processes within AMMAR.

Agreed Action	Responsibility	Agreed Date
Project Management		
Develop a plan for capturing project outcomes Revise the M&E plan to incorporate activities for capturing of project outcomes/impacts with a clear timetable until the end of the project	M&E officer	07/2018
Recording system – demo plots Develop a simple, user friendly recording system to capture key data on changes observed in demo plots (e.g. increased productivity, quality enhancement, higher selling prices, access to new market channels, reduction in post-harvest losses, etc.). ELKANA to ensure closer follow up of record keeping.	M&E Officer, Project Dty Director, MS, ELKANA, GEF specialist	08/2018
Rapid market appraisal – key informants Undertake rapid appraisal of marketing challenges and opportunities, as well as improvements resulting from AMMAR support, in terms of sales increase. Pilot target: Lead farmers in first demo plots established + grant beneficiaries who invested before May 2017 and thus have already gone through at least one full cropping season.	M&E Officer, Project Dty Director, MS, ELKANA, Gender Focal Point with support from IFAD M&E consultant	09/2018
Annual outcome survey Conduct annual outcome survey to provide results on the project outcomes and ensure that all outcomes under the log frame will be captured	M&E officer	10/2018

Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)

Rating: 3

Previous rating: 4

Justification of rating

The project design was undergone before December 2014 and does not include a SECAP note. The approach used to assess the environmental risks and the potentially negative environmental effects of project actions, as revealed during the MTR, is still to be improved. The project has not implemented sufficient actions so far due to limited background data and lack of consideration of relevant river processes as mentioned in earlier sections. However, progress has been noted and following the agreed actions of the last supervision a consultant has been hired to work on environmental and social assessment for infrastructure interventions, producing relevant reports for each site.

SECAP Review

Given the scale of the interventions related to landscape restoration. some negative environmental impacts could be

Even the scale of the interventions related to landscape restoration, some negative environmental impacts could be expected regarding the river bank interventions. As mentioned earlier, these interventions have been implemented with insufficiently integrated evaluation and planning of the river catchments and issues of erosion are still present after implementation. Other foreseeable environmental concerns are the ones associated with the management and disposal of excavated materials and construction debris.

All approved proposals/designs are required to meet requirements of the environmental legislation of Georgia and feasibility studies should be undertaken, considering environmental and social aspects.

As already mentioned during MTR for irrigation and small-scale infrastructure, during the preparation of the feasibility studies and detailed designs, environmental and social assessments must be carried out to prepare environmental and social management plans for each sub-project (inclusive of demonstrations plots).

d. Financial Management & Execution

Disbursement by financier				
Type	Name	Current Amount	Disbursed Amount	Actual Rate
Domestic Financing breakdown	Beneficiaries	\$9,760,800		
	National Government	\$2,457,600		
Co-financing breakdown,	Denmark	\$4,187,000		
	Global Environmental Facility	\$5,300,000		

Acceptable Disbursement Rate	Rating: 3	Previous rating: 4
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Justification of rating

Automated rating baseThe current disbursement rate for IFAD loan, GEF grant and DANIDA grant is respectively 44%, 29.4% and 37%.d on IFAD disbursement data

Main issues

Funds flow is timely and correctly done and regular request of funds are submitted: In April 2018, the project rolled out ICP-IFAD Client Portal for the WA 7 for US\$ 1.33 million and as of 30/4/2018, the disbursement rate at project's level for IFAD loan, GEF grant and DANIDA grant is respectively 32%, 22% and 2%. This situation shows that project's is submitting regularly WAs in order to not face cash shortages. Despite the efforts to accelerate physical implementation for civil works and stimulate the demand and the capacity of beneficiaries to call for matching grants, the project has however faced some delays to implement the activities related to grants financing. The expected speed-up of implementation during 2nd semester 2018 mixed to a potential extension of completion date that has been discussed during the course of this IFAD mission should be supported by an increase of the authorised allocation threshold.

Fiduciary Aspects		
Quality of Financial Management	Rating: 5	Previous rating: 5

Justification of rating

All activities of the Financial Management section of the AMMAR PMU are in strict compliance with IFAD and National requirements. Areas of improvements are related to budget's preparation and monitoring automation

Main issues

All activities of the Financial Management section of the AMMAR PMU are in strict compliance with provisions of the GoG Act on Accounting and Financial Reporting at State Organisations (2014) and they are ultimately managed by the MOA Head of Donors' Projects Management and Monitoring Unit ("DPMMU"). The team administers all project-related payment requests through the MOF Treasury Payment Processing portal, and mirrors them in COPPER, a bespoke accounting system developed specifically by MOA for managing government accounts on international donor-financed projects.

Also, Project's Management was responsive to the recommendation of last year MTR by expanding the team's capacity and hiring a new staff who is part time dedicated to IFAD project in order to improve the supervision of financial management activities and support project's Director in monitoring the financial implementation of activities.

Segregation of duties and internal control system are effective at project's level. Also, the project is subject to the review of the internal audit unit of MoA/MoF and no deficiencies in ongoing payment authorisation, flow of funds and record keeping practices of PIU have been identified. Main areas f improvements are related to (i) the process of preparation and monitoring of annual budget and financial implementation is manual with high risk of non-controls level. Also the effectiveness and dynamic of budget monitoring and revision should be reinforced within project's team by setting-up a regular meetings;(ii) the capacity to prepare and submit to IFAD quarterly interim financial statements.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Personnel With the ever-increasing amount of payment processing, record-keeping and testing of budgeting module within the accounting software, the 2017 MTR recommends AMMAR team to consider adding a new junior role to the FM function. Resolve FM manpower, office space and equipment limitations	PMU FM team	09/2017
Budget monitoring Automate AWPB quarterly budget monitoring process (Expected to be fully resolved once the new project budgeting module is coded up in COPPER)	PMU FM team	10/2017
Align AWPB with state budget Sustained from IFAD 2016 recommendations	PMU FM team	10/2017
Budget Preparation Integrate a new module in COPPER accounting system to enable PMU FM team to generate quarterly disbursement projections based on 'non-default' payment terms from existing and potential service supplier contracts	PMU FM team	10/2017
Reclassification of consultants costs Reclassify the consultants cost related to technical components from recurrent costs category to the right category of expenditure.	Finance Team	06/2018
Quarterly submission of Interim financial reporting The project should submit its Interim Financial Reporting on quarterly basis to IFAD and no later than 45 days after the end of quarter. It was agreed that first period to be covered will be the first 6 month of FY18.	Project Manager and Finance Team	08/2018
Budget Preparation and monitoring It is highly recommended to further strengthen budget development and monitoring capabilities. This enhancement will be conditioned by an automatization of Budget preparation and monitoring through an integrated module in COPPER. The project's team would need to set-up a quarterly basis analysis of budget vs actuals in order to identify the trend and anticipate mitigation actions.	Project Manager and Finance Team	09/2018

Quality and Timeliness of Audit

Rating: 6

Previous rating: 6

Justification of rating

Auditors works fully complied with International Standards and IFAD Handbook on Auditing.

Main issues

Audited financial statements were submitted timely to IFAD. The financial statements and the auditors' works were established and conducted in accordance to respectively International Standards of Auditing and Accounting and IFAD Handbook.

Counterparts Funds

Rating: 4

Previous rating: 4

Justification of rating

The Georgian government contributes to the project through waiving and exempting VAT, taxes and custom duties for

PMU suppliers. As of 31st August 2017, the total government support for the project amounted to USD 306,597 (or 12% of the allocated amount), of which USD 221,758 were received during the course of first 8 months of 2017. This is explained by the acceleration of payments to construction companies, who started to invoice PMU for interim delivery stages, and to consultancy firms, whose scopes have been broadened up by PMU for training and best-practice dissemination assignments. According to AMMAR estimates, during the first 8 months of 2017 private beneficiaries have contributed to the project causes in the amount of USD 500,963, mainly through co-financing schemes supported by IFAD loan and GEF grant. Main issues Since the 2016 Supervision Mission the composition of AMMAR funding base has experienced a winddown of the USD0.5M IFAD grant, with a full repayment of outstanding balances from its DA back to IFAD on 23 June 2017, and an addition of a pass-through DANIDA grant in the amount of DKK27,965,000. The Georgian government and project beneficiaries are still committed to the project. All irrigation rehabilitation is done after commitment from GA to contribute 5% of the rehabilitation costs. All small infrastructure development is done after commitment by the respective municipality to contribute 5% of the development costs.

Compliance with Loan Covenants

Rating: 5

Previous rating: 5

Justification of rating

All legal covenants were respected and duly implemented by the project and IFAD's team regarding the set-up of MTR mission after 36 months.

Main issues

N/A (see Appendix 3)

Procurement

Procurement

Rating: 5

Previous rating: 4

Justification of rating

The procurement performance of the PMU is assessed to be satisfactory. The project procurement is performed by an experienced Procurement Officer (PO) on a part-time basis. Procurement is carried out in accordance with IFAD Guidelines. The procurement processes and contract administration are of generally good quality, reliability and transparency. The PO maintains almost complete records for each procurement activity. The updated 2018 procurement plan has been submitted to IFAD during the mission. Project procurement is carried out in compliance with the approved 2018 AWPB and procurement plan.

Procurement Review

The mission carried out a review of 4 contracts and purchasing orders signed between May 2017 and May 2018. The objectives of the review were to: (i) assess the adequacy of procurement procedures followed, and controls being used by PMU in the handling of contracts; the level of PMU's compliance with the Financing Agreement and whether IFAD funds have been used for their intended purposes; and the PMU's performance in carrying out procurement; and (ii) identify areas needing improvement and make recommendations for improvement and corrective actions. The mission was given full access to the project documentation including the signed contracts, the bid evaluation reports and the recommendation for award, as well as the certificates for delivery, completion and acceptance of goods and consulting services.

Overall the procurement and contracting procedures and processes are in compliance with the IFAD's general guiding principles of economy, efficiency, equal opportunity, transparency and value for money. The Project Procurement Officer maintains the approved annual procurement plan and AWPB to make sure that AMMAR procurement is carried out in compliance with these two reference documents. The Procurement Officer has demonstrated adequate capacity in handling procurement efficiently and has adequate institutional arrangements in place for procurement planning, implementation and monitoring and for records keeping. Payments are made for goods and services which have been delivered and correctly certified. IFAD envisaged to conduct an implementation support mission on procurement in October 2018.

F. Relevance

Relevance

Rating: 5

Justification of rating

AMMAR development objective is consistent with the needs of the target groups in terms of increased agricultural productivity, modernized agriculture equipment and efficient technologies. As highlighted at MTR, with climate change leading to increased water scarcity, irrigation systems functioning at about 30% capacity, abundant surface water resources and the potential productivity gains from irrigation, investments in irrigation are highly relevant for Georgia. The project is also fully in line with the recent emphasis on windbreak rehabilitation that is now seen as a priority by the MEPA. Last but not least, the GoG sees the inclusion of DANIDA Young Entrepreneur Project within AMMAR as a major breakthrough to attract start-ups and promote rural investments among Georgian youth.

Main issues

N/A

G. Lessons Learned

Alternative for Cooperatives

While very few successful cooperatives exist in Georgia, the culture in the country is for farmers to work individually rather than collectively. It is accordingly important to work within that structure not trying to force the formation of cooperatives or associations, but rather to use innovative approaches in supporting small groups of friends, neighbours or family members working together or forming small businesses who could act as aggregators within the value chain or support other farmers for the adoption of good practices

Necessary quality of engineering works

The effective implementation of engineering civil works activities of project depends greatly on the appointment of a competent and skilled team of engineers within the Project Management Unit. To expect a sound detailed design, it is necessary to select an experienced team of civil engineers with sufficient knowledge of the project and with the capability to review and control the designs made by the consulting firms.

Demonstration of modern agricultural technologies

While the government is promoting new modern technologies through the demonstration plots, it is important that these remain affordable to smallholders. Alternatives that are less costly but effective versions of these technologies should also be demonstrated and the cost analyzed for smallholders under their own conditions to support their adoption by the farmers.

Harmonization of grant facilities

AMMAR has faced from the beginning a lot of difficulties to attract grant applicants, since it was in direct “competition” with other grant programmes such as USAID-funded “Plant the Future” programme (for primary production) or “Restoring Efficiency to Agriculture Production – REAP (for agribusiness investments), that offered much more attractive conditions (up to 80% grants) than AMMAR.

Even though AMMAR was targeting rather more smallholder farmers, initially ineligible to such other facilities, it was even confronted with a change in eligibility criteria made by “Plant the Future” programme few months after AMMAR grant facility was launched (reduced threshold of surface to be owned, inclusion of new eligible investments or new value chains similar to AMMAR).

This has created great distortions and even confusion among potential investors, and generated a considerable slow pick-up of AMMAR grant scheme. Besides, it somehow contradicted IFAD approach to grants that tries to attract substantial own contribution and raise the appetite of financial institutions to lend to the agricultural sector.

The first lesson learned is that IFAD must thoroughly identify other (existing or future) grant facilities made available to Georgia before including such intervention in its upcoming projects. In doing so, the project designs should be able to define a) the potential duplicating effect (that would again lead to competition) and b) the grant portion that can be reasonably proposed to remain attractive.

The second lesson learned is that the Government of Georgia needs to harmonize its grant facilities (especially the vast majority that is managed by the same APMA agency), in order to create a coherent environment for investors.

Pre-determination of Value Chains

While the determination of project value chains post-design is laudable from a participatory point of view, it also creates an additional challenge to project management teams who have to undertake this lengthy process at project inception, thus inducing substantial delays in the actual implementation of activities. This has also a direct impact on project

disbursement, that is likely to remain very low in the first year, until the value chains are determined. AMMAR has been considerably delayed by this process (resulting in a mere disbursement of only 1% - US\$ 323,000 - 13 months after inception).

The lesson learned is that a pre-determination of at least 2 or 3 value chains at project design would help project management teams focus their interventions right from the inception, while additional value chains can be added along the following years based on experience and wider consultation with the target groups

Minimum duration of 5 years for value chain-oriented projects

AMMAR had been initially designed as a 6-year project, given its complex nature involving a value chain development approach, a rather new concept for IFAD-funded projects in Georgia. The present 4-year limitation (upon specific request of the Government of Georgia) will most probably prevent the project from addressing optimally the needs of its intended beneficiaries. This is particularly true for the most recent investors who have just received grants, or are still about to receive them, as well as for the farmers operating in irrigation schemes that will be hardly become operational before project completion, and will thus not be able to receive adequate technical and market access support.

The lesson learned is that no such value chain-oriented project should be designed for a duration below 5 years, especially if no value chain has been pre-selected at design (see above lesson).

H. Agreed Actions

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Development Effectiveness		
Rapid Adoption Survey Rapid Adoption Survey Develop and undertake a rapid adoption survey to derive a sample from project beneficiaries and prepare questionnaire and TORs for the annual outcome survey planned end of 2018	IFAD, M&E Officer	06/2018
DANIDA grants to non-agricultural production Ensure that grantees for non-agricultural production do not exceed 20% of total grantees, as per eligibility criteria	PMU Deputy Director, Grant Officer	06/2018
Awareness raising activities in the Charebula better linked to demo plots on composting ELKANA to be appointed to support awareness raising activities in the Charebula and links between different actions to be specified in the ToR of ELKANA.	PMU/GEF Specialist	06/2018
Data recording of agricultural productivity Develop a simple, user friendly recording system to capture key data on changes observed in demo plots (e.g. increased productivity, quality enhancement, higher selling prices, access to new market channels, reduction in post-harvest losses, etc.).	ELKANA, M&E officer	07/2018
Cost-benefit analysis training for farmers Include in the economic analysis training for farmers practical exercises in which farmers apply the cost-benefit analysis of technologies for the case of their own farms under their local socio-economic and agro-ecological conditions	ELKANA, M&E Officer	08/2018

Analysis and assessment of AMMAR role in Gender Equality and Women's Empowerment Include extensive analysis and assessment on gender equality and women's empowerment in the annual outcome survey (AOS)	Gender Focal Point and M&E Officer	11/2018
Use of tablets to record economic and productivity data Assess the possibility to use tablets for some lead farmers and ELKANA staff to facilitate: harmonize data collection from demo plots and on-farm activities (tablet application to be similar to the paper recording system developed (see previous recommendation)	PMU, M&E officer	12/2018
Awareness-raising on Nutrition Include awareness-raising messages on the important of diet diversification in all activities related to gender, crop farming diversification and market linkages (importance of nutritional information for products like honey, berries, vegetables)	ELKANA, Gender Focal Point, MS	12/2018
Sustainability and Scaling Up		
GIS activities Remaining GIS activities for Charebula will be incorporated in the design contract of the service provider.	Project Director and Procurement Officer	06/2018
Urban waste in Chumlaki River Observed continued deposits of urban waste in the stream despite the promise of the municipality to prevent waste deposition in the river as a pre-condition for the rehabilitation. Ministry of Agriculture to send a letter to the Municipality to observe the agreement	Project Director	06/2018
LR activities in Charebula River Activities need to take off. A detailed work plan was revised and agreed. Tender for the design company and for the works. A revised agreed schedule summary can be found in Appendix 4.	PMU / Engineers	07/2018
Develop "strategic" VC platforms - Organize exchange visits with honey producers in Adjara (ref. PDO) - Analyse sourcing gaps of lead apple producers/traders and assess opportunities to link them with other AMMAR beneficiaries - Initiate berry and bay leaf VC platform based on market potential	PMU Dty Director, MS	09/2018
Chumlaki LR river bank protection After the completion of the works at the 3rd river bank protection wall, erosion is still observed at one end of the structure. PMU need to check with contractor, designer and municipality for the cause of erosion and and corrective measures taken.	PMU / Engineers	09/2018
Development of AMMAR exit strategy Draft exit strategy based on achievements so far, remaining bottlenecks, potential for scaling up and sustainability prospects. This will also lay the foundation of a possible extension, with the prioritization of key interventions.	PMU (all team)	10/2018

Excessive use of chemicals Organize workshops on optimum use of pesticides and fertilizers	GEF Specialist, ELKANA	11/2018
Demo plots on vermicompost Adapt current model to smaller scale vermicompost systems. Collaborate with Agrarian University to carry out studies under master or bachelor thesis on existing systems and their potential adaption to Georgia's context.	GEF Specialist, IFAD, ELKANA (GAU Consultant on compost and vermiculture)	12/2018
Windbreak management plans support Support the elaboration of the windbreak management plans based on international best practices and an enforcement package in the existing policy framework.	IFAD to support PMU (with inputs from ELKANA and RECC)	06/2019
Project Management		
Develop a plan for capturing project outcomes Revise the M&E plan to incorporate activities for capturing of project outcomes/impacts with a clear timetable until the end of the project	M&E officer	07/2018
Recording system – demo plots Develop a simple, user friendly recording system to capture key data on changes observed in demo plots (e.g. increased productivity, quality enhancement, higher selling prices, access to new market channels, reduction in post-harvest losses, etc.). ELKANA to ensure closer follow up of record keeping.	M&E Officer, Project Dty Director, MS, ELKANA, GEF specialist	08/2018
Rapid market appraisal – key informants Undertake rapid appraisal of marketing challenges and opportunities, as well as improvements resulting from AMMAR support, in terms of sales increase. Pilot target: Lead farmers in first demo plots established + grant beneficiaries who invested before May 2017 and thus have already gone through at least one full cropping season.	M&E Officer, Project Dty Director, MS, ELKANA, Gender Focal Point with support from IFAD M&E consultant	09/2018
Annual outcome survey Conduct annual outcome survey to provide results on the project outcomes and ensure that all outcomes under the log frame will be captured	M&E officer	10/2018
Execution of agreed actions Ensure that all actions agreed upon during this mission are fully and timely executed	Project Director	12/2018
Learning route Pursue learning route or exchange visits for AMMAR project staff	IFAD, PMU	02/2019
Financial Management & Execution		

Personnel With the ever-increasing amount of payment processing, record-keeping and testing of budgeting module within the accounting software, the 2017 MTR recommends AMMAR team to consider adding a new junior role to the FM function. Resolve FM manpower, office space and equipment limitations	PMU FM team	09/2017
Budget monitoring Automate AWPB quarterly budget monitoring process (Expected to be fully resolved once the new project budgeting module is coded up in COPPER)	PMU FM team	10/2017
Align AWPB with state budget Sustained from IFAD 2016 recommendations	PMU FM team	10/2017
Budget Preparation Integrate a new module in COPPER accounting system to enable PMU FM team to generate quarterly disbursement projections based on 'non- default' payment terms from existing and potential service supplier contracts	PMU FM team	10/2017
Reclassification of consultants costs Reclassify the consultants cost related to technical components from recurrent costs category to the right category of expenditure.	Finance Team	06/2018
Quarterly submission of Interim financial reporting The project should submit its Interim Financial Reporting on quarterly basis to IFAD and no later than 45 days after the end of quarter. It was agreed that first period to be covered will be the first 6 month of FY18.	Project Manager and Finance Team	08/2018
Budget Preparation and monitoring It is highly recommended to further strengthen budget development and monitoring capabilities. This enhancement will be conditioned by an automatization of Budget preparation and monitoring through an integrated module in COPPER. The project's team would need to set-up a quarterly basis analysis of budget vs actuals in order to identify the trend and anticipate mitigation actions.	Project Manager and Finance Team	09/2018

Logical Framework

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
Outreach	1.b Estimated corresponding total number of households members										
	Household members				3 968	21 218					
	1.a Corresponding number of households reached										
	Households			10 000	1 535	7 721	77.2				
	1 Persons receiving services promoted or supported by the project										
	Males			19 200	2 084	10 364	54				
	Total number of persons receiving services										
	Females			20 800	1 884	10 854	52.2				
Goal Sustainably increase incomes and reduce poverty for women and men in rural Georgia	Households with improved asset ownership index							Baseline survey & Impact Assessment; Project completion	Baseline and completion	AMMAR Team	"Continued political stability (A); Marco-economic conditions remain stable or improve to promote investment(A); Global prices for agricultural commodities and food do not decline significantly; Fluctuating exchange rate (R)"
	HHs with improved asset ownership index	0	0	10							

Objective Stimulate private investment in climate smart agricultural value chains to increase incomes and strengthen resilience of smallholder farmers in selected project areas	% of supported households with real net household farm income increased by average of 20%.						Baseline survey and impact assessment; Project completion	Baseline and completion	AMMAR Team	"Policies and programmes for agricultural development and rural finance allow to operate efficiently (A) Sufficient numbers of farmers are willing to be involved in value chain development activities (A)" "Policies and programmes for agricultural development and rural finance allow to operate efficiently (A) Sufficient numbers of farmers are willing to be involved in value chain development activities (A)" "Policies and programmes for agricultural development and rural finance allow to operate efficiently (A) Sufficient numbers of farmers are willing to be involved in value chain development activities (A)"
	Percentage	0		80						
	% of trained smallholder farmers adopting Climate smart agricultural production practices						Baseline survey and impact assessment; Project completion	Baseline and completion	AMMAR Team	
	Percentage	0		50						
	Number of Climate Smart Agriculture Value Chain fully operational and maintaining sustainability.						Baseline survey and impact assessment; Project completion	Baseline and completion	AMMAR Team	
	CSAVC	0	2	4						

Outcome "Outcome n.1: Rural population agricultural livelihoods improved and their resilience to climate- change enhanced"	1.2.2 Households reporting adoption of new/improved inputs, technologies or practices										"Smallholders are willing to engage in value chain development activities (A) Farmers are willing to engage in efficient water/ land management techniques (A) Aging farming population (R) Climatic changes are in line with current predictions (A)"
	Households	0	30	50							
Output output 1.1: Productive infrastructure rehabilitated/constructed	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated							Infrastructure completion/ status reports	Quarterly	Engineer	
	Hectares of land	0	1 985	4 750	1 258	3 858	81.2				
	Land under improved management practices							Infrastructure completion/ status reports	Quarterly		
	Hectares of land	0		2 000	120	320	16				
	Other productive infrastructure constructed/rehabilitated							Infrastructure completion/ status reports	Quarterly	"Engineer, VC coordinator"	
	Other VC	0	3	10	0	4	40				
Output output 1.2: Management and operation arrangements for the rehabilitated infrastructure set-up	Small grants made to farmers							ELKANA reports, APMA reports	Quarterly	"GEF coordinator and VC coordinator"	"Lack of funding to operate and maintain productive public rural infrastructure (R) Agricultural products are competitive (A)" "Lack of funding to operate and maintain productive public rural infrastructure (R) Agricultural products are competitive (A)"
	Small grant	0	75	220	57	165	75				
	Proportion of small grants made to farmers to women and young farmers							ELKANA reports, APMA reports	Quarterly	"GEF coordinator and VC coordinator"	
	Percentage			30	8	38	126.7				
	Grants made to agribusinesses and processors in target value chains							ELKANA reports, APMA reports	Quarterly	"GEF coordinator and VC coordinator"	
	Grant	0	20	40	2	6	15				
Output output 1.3: Enterprises owned by young entrepreneurs supported by matching grants	Matching grants to young entrepreneurs (DANIDA)										

	Females				0	0					
	Males				0	0					
Output output 1.4: Business Management training programs designed and delivered to young entrepreneurs	Young entrepreneurs provided with business linkage advice as part of pre-financing support (DANIDA)										
	Females				118	118					
	Males				55	55					
Output output 1.5: facilitated commercial linkages between young entrepreneurs and agro-producers	Young entrepreneurs accessed post-finance services and integrated into the value chain (DANIDA)										
	Males				0	0					
	Females				0	0					
Output output 1.6: Landscape restoration (LR) plans developed and implemented where needed for rehabilitated irrigation schemes.	Environmental management plans formulated							ELKANA reports, APMA reports	Quarterly	"GEF coordinator and VC coordinator"	
	Plan	0	6	8	1	4	50				
Outcome Outcome n.2: Inclusive climate smart VC are expanded providing improved market opportunities for smallholders	Value of private investment in inclusive value chain for farmers and agribusinesses							MTR evaluation; Project completion	Mid-term and completion	AMMAR TEAM, M&E specialist	"Market options foster profitable partnership between farmers and contractors (A)"
	Value	0		9 000							Different parties are willing to invest in VCs (A)" "Market options foster profitable partnership between farmers and contractors (A)"
	Producers linked to existing or new value chains							MTR evaluation; Project completion	MTR and completion	AMMAR TEAM, M&E specialist	willing to invest in VCs (A)" "Market options foster profitable partnership between farmers and contractors (A)"
	Percentage	0		20							Different parties are willing to invest in VCs (A)" "Market options foster profitable partnership between farmers and contractors (A)"
	Matching grant beneficiaries who increase their income by an average of 8%							MTR evaluation; Project completion	MTR and completion	AMMAR TEAM, M&E specialist	Different parties are willing to invest in VCs (A)" "Market options foster profitable partnership between farmers and contractors (A)"
	Percentage	0		50							Different parties are willing to invest in VCs (A)"

Output output 2.1: Climate smart value chain screening and prioritization conducted	Number of marketing assessment and operational strategies developed for Value Chains						ELKANA reports	Quarterly	GEF coordinator and VC coordinator	Lack of qualified service provider to act as intermediaries for the project (R) The quality of agriculture practices and output meet minimum GAP standards (A)."
	Assessment/strategy	0	4	6	1	9	150			
Output output 2.2: Strengthen commercial linkages facilitated between smallholders and agribusinesses.	Number of Value chain facilitation events held involving different value chain actors						ELKANA reports	Quarterly	GEF coordinator and VC coordinator	
	Events	0		25	4	44	176			
Output output 2.3: Training programmes on CSA designed and delivered to farmers and farmer groups.	1.1.4 Persons trained in production practices and/or technologies									
	Men trained in crop	0		700	229	1 009	144.1			
	Women trained in crop	0		300	92	340	113.3			
	Total persons trained in crop			1 000	321	1 349	134.9			
Output output 2.4: On-farm demonstration sites set-up where efficient irrigation and CSA production systems are validated and promoted.	Government Officials and staff trained						ELKANA reports	Quarterly	GEF coordinator and VC coordinator	
	Females	0		15	13	29	193.3			
	Males	0		35	27	80	228.6			
Output output 2.5: Climate change adaptation	Number of nationals and international policy processes on climate issues to which the project is contributing									
	No. of policies	0		1	0	1	100			
Output output 2.6: Access to financial services	2.1.1 Rural enterprises accessing business development services									
	Rural enterprises	0		260						
	1.1.5 Persons in rural areas accessing financial services									
	Women in rural areas accessing financial services - credit									

	Men in rural areas accessing financial services - savings	0		700							
	Men in rural areas accessing financial services - credit										
	Women in rural areas accessing financial services - savings	0		300							
	Total persons accessing financial services - savings	0		1 000							

Georgia

Agriculture Modernization, Market Access and Resilience Project

Supervision Report

Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category

Mission Dates: 14-26 May 2018

Document Date: 31/10/2018

Project No. 1100001760

Report No. 4859-GE

Near East, North Africa and Europe Division
Programme Management Department

Annexe 1-a: Financial performance by financier (USD '000, as 30 April 2018)

Financier	Budget	Actual*	%
IFAD Loan	12 381 697	3 985 140	32%
IFAD Grant	500 000	159 705	32%
IFAD-GEF Grant	5 300 000	1 144 799	22%
DANIDA Grant	4 110 000	76 146	2%
Government	2 458 000	598 773	24%
Total	24 749 697	5 964 563	24%

Annexe 1-b: Financial performance by financier by component (USD '000, as 30 April 2018)

Components	IFAD Loan			IFAD Grant			IFAD GEF Grant			DANIDA Grant			Government			Total		
	Budget	Actuals	%	Budget	Actuals	%	Budget	Actuals	%	Budget	Actuals	%	Budget	Actuals	%	Budget	Actuals	%
Irrigation and Agricultural Value Chain Investment	11 911	3 465	31.16%										2 359	411	17.42%	14 270	3 876	27.16%
Climate smart agricultural and value chain development		246		500	119	23.80%							38	170	447.37%	538	535	99.44%
Landscape restoration to prevent climate risks							5 092	389	7.64%							5 092	389	7.64%
Effective Irrigation, Soil and Water conservation for provision of sustainable agricultural production								164	3.22%								164	3.22%
Enabling environment for climate-risk reduction in agriculture								507	9.96%								507	9.96%
Project Management	471	274	58.17%	-	41		208	84	40.38%				60	17	28.33%	739	416	56.29%
Danida Grants - Consultancies										334	76	22.75%				334	76	22.75%
Danida Grants - Grants										3 355	-	0.00%				3 355	-	0.00%
Danida Grants - Contingencies										421	-	0.00%				421	-	0.00%
Total	12 382	3 985	32.18%	500	160	32.00%	5 300	1 144	21.58%	4 110	76	1.85%	2 457	598	24.34%	24 749	5 963	24.09%

Annexe 1-c: Disbursement rate of available resources

IFAD Loan-2000000778

Category Description/XDR	Allocated	Disbursed	%	Available Balance
Works	4 645 000	1 529 746	33%	3 115 254
Consultancies	60 000	43 815	73%	16 185
Grants and Subsidies	2 605 000	715 831	27%	1 889 169
Operating costs	440 000	422 833	96%	17 167
Authorised allocation	0	1 079 789	0%	-1 079 789
Unallocated	860 000	0	0%	860 000
Total	8 610 000	3 792 014	44%	4 817 986

GEF Grant-2000000827

Category Description/USD	Allocated	Disbursed	%	Available Balance
Works	1 316 000	158 880	12%	1 157 120
Consultancies	878 000	471 167	54%	406 833
Grants and Subsidies	2 076 000	63 555	3%	2 012 445
Operating costs	500 000	68 257	14%	431 743
Authorised allocation	0	800 000	0%	-800 000
Unallocated	530 000	0	0%	530 000
Total	5 300 000	1 561 860	29%	3 738 140

DANIDA Grant- 2000001739

Category Description/USD	Allocated	Disbursed	%	Available Balance
Consultancies	154 098	0	0%	154 098
Grants and Subsidies	3 372 948	0	0%	3 372 948
Training	171 954	0	0%	171 954
Authorised allocation	0	1 500 000	0%	-1 500 000
Unallocated	411 000	0	0%	411 000
Total	4 110 000	1 500 000	36%	2 610 000

Georgia

Agriculture Modernization, Market Access and Resilience Project Supervision Report

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 14-26 May 2018
Document Date: 31/10/2018
Project No. 1100001760
Report No. 4859-GE

Near East, North Africa and Europe Division
Programme Management Department

Appendix 2: Physical progress measured against AWP&B

Component/ Sub-component or Output	Indicator	Unit	Period: 01.01.2015 to 30.04.2018			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
Component 1 Irrigation and Agriculture Value Chain Investment								
1.1: Irrigation and value chain infrastructure								
	Land under irrigation rehabilitation works	ha	7991	1258	16	3858	4750	81
	Landscape restoration plans	Number	1	1	100	4	8	50
	Other productive infrastructure constructed/rehabilitated	Number	6	0	0	4	10	40
	Land under improved management practices	ha	300	120	40	320	2000	16
1.2 Value Chain Investments								
	Small matching grants to farmers	Male	168	53	32	147	198	74
	Small matching grants to farmers	Female	72	4	6	18	22	82
	Matching grants to agribusinesses	Number	20	2	10	6	40	15
	Young entrepreneurs provided with business linkage advice as part of pre-financing support (C.I. 1.1.7) (DANIDA)	Male	180	118	66	118	350	34
		Female	20	55	275	55	150	37
	Matching grants to young entrepreneurs (DANIDA)	Male	65	0	0	0	105	0
		Female	9	0	0	0	45	0
	Young entrepreneurs accessed post-finance services and integrated into the value chain (DANIDA)	Male	65	0	0	0	105	0
		Female	9	0	0	0	45	0
Component 2. Climate smart agricultural and value chain development								
2.1 Value Chain development processes and support								
	People accessing advisory services facilitated by project (events participants)	Male	245	82	33	1158	700	165
	People accessing advisory services facilitated by project	Female	105	31	30	212	300	71
	Number of national and international policy processes on climate issues to which the project-is contributing		1	0	0	1	1	100
2.2 Climate-smart agricultural technology transfer								
	People trained in crop production and technologies	Male	700	229	33	1009	700	144
	People trained in crop production and technologies	Female	75	92	123	340	300	113
	Local service provider and regional MOA officers receiving TOT	Male	35	27	77	80	35	229
	Local service provider and regional MOA officers receiving TOT	Female	15	13	87	29	15	193
	VC facilitation events held	Number	14	4	29	44	25	176

Georgia

Agriculture Modernization, Market Access and Resilience Project Supervision Report

Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 14-26 May 2018
Document Date: 31/10/2018
Project No. 1100001760
Report No. 4859-GE

Near East, North Africa and Europe Division
Programme Management Department

Appendix 3: Compliance with legal covenants: Status of implementation

Section	Covenants	Target/Action due date	Compliance Status/ Date	Remarks
Loan Agreement				
Section B.6	There shall be a project account in USD maintained at the State Treasury within the treasury single FX account held in the National Bank of Georgia from which payments shall be made to cover eligible expenditures under the project in both USD and GEL		Complied with	
Section B.6	Each of the entities selected to implement the activities related to grants under the Irrigation and agricultural VC investment component (component 1) of the project shall maintain a separate account to receive project funds, in a bank acceptable to the Fund or at the State treasury as appropriate		Complied with	
Section B.7	The Borrower shall provide counterpart financing to cover taxes and duties for the project, estimated at 1.8 million USD		Complied with	
Section C.1	The Lead project agency should be the Ministry of Agriculture		Complied with	
Section E.3	The following are designated as additional general conditions precedent to withdrawal: (i) the DA referred to in Section B.6 shall have been duly open; (ii) the project manager and the finance manager shall have been duly appointed; (iii) the PIM referred to under paragraph 7, section II of Schedule 1 hereto shall have been adopted by the Lead Project Agency		Complied with	
Section E.4	The following are designated as additional specific conditions precedent to withdrawal: (i) no withdrawal shall be made in respect of expenditures for smallholders and agribusiness grants under category III until: (a) the LPA shall have entered into a subsidiary agreement acceptable to the Fund with each of the entities selected to implement activities related to grants under component 1 of the project, covering among other things, budgeting, flow of funds, accounting, financial reporting, internal control and external audit arrangements		Complied with	
	(b) the investment guidelines to be prepared by the LPA and adopted by each of the entity selected to implement activities related to grants under component 1 shall have been approved by the Fund		Complied with	
	(c) any of the entities referred to in section b.6 shall be maintaining a separate account to receive project resources at the state treasury or in a bank acceptable to the Fund, as appropriate, and shall have communicated to the Fund the names and titles of the persons authorised to operate such account		Complied with	

Georgia

Agriculture Modernization, Market Access and Resilience Project Supervision Report

Appendix 4: Technical background analysis

Mission Dates: 14-26 May 2018
Document Date: 31/10/2018
Project No. 1100001760
Report No. 4859-GE

Near East, North Africa and Europe Division
Programme Management Department

Appendix 4: Technical Background Analysis

Partnership-Building

Partner Name	Details of partnership
Cofinancing partnerships	
DANIDA	DANIDA, the Denmark's development cooperation, has signed a bilateral agreement with IFAD for the implementation of the Project for Inclusive Growth and Employment for Young Entrepreneurs in Georgia (October 2016–December 2019). The project targets the youth with the overall aim to increase sustainable private led rural growth for targeted young talent in Georgia. The specific objective is to promote rural economic growth and reduce poverty by improving access to financial services, capacity development and entrepreneurship mentoring for rural youth in Georgia. The US\$ 4.1 million project has been mainstreamed within AMMAR and officially launched by the GoG in June 2016. It consists of pre-finance support, finance and business launch facilitation, and post-finance support, and has so far attracted hundreds of applications, of which 173 are already approved or under business plan preparation.
GEF	The Global Environment Facility was established in 1992. Its funds are available to developing countries and countries with economies in transition to meet the objectives of the international environmental conventions and agreements. GEF is a key co-financing partner to AMMAR, with a grant of US\$ 5.3 million to address the climate change impact and adaptation priorities of the government for the agriculture sector in Georgia. Its overall goal is to enhance the adaptive capacity of farmers to climate change risks through resilient agriculture systems. The project aims to demonstrate the adaptation potential of climate-resilient crop production systems and technologies – especially efficient irrigation technologies (EIT) and conservation agriculture (CA) – combined with the rehabilitation and climate-proofing of irrigation schemes and value chain (VC) infrastructures - e.g. improved storage and processing facilities, and greenhouses - in selected crop VCs. The implementation of landscape restoration measures will mitigate the impact of climate-related risks, such as soil erosion, siltation and floods, damaging both farmland and infrastructures. The project supports multi-stakeholder processes involving all VC actors, knowledge generation and pro-poor farmers' investments leading to a more resilient agriculture production. The project also supports the Ministry of Agriculture to mainstream CC adaptation into agriculture policies and regulations, to favour the sustainability and upscaling of the intervention supported by the project.
KM and Policy partners	
Ministry of Environment	Given its scope and main objective, the AMMAR project fostered collaborations and multilateral partnerships around policy dialogue on climate-resilient value chains. The initiative was supported by Ministry of Environment of Georgia. A concrete outcome of this initiative has been the development of a road map and stocktaking analysis of current practices as part of the "Climate Change National Adaptation Plan (CCNAP) for Agricultural Sector" sub-project implemented by LPPL Environmental Education and Information Center.
Private Sector	
Financial Sector – Commercial Banks (TBC Bank) and MFIs (Crystal, CREDO)	The project has undertaken continuous efforts to link up with MFIs and try to attract them to partner with the project. This has been done mainly through visits to MFIs, MSP meetings, inviting them to field visits, etc. However, while the outreach of some MFIs such as CREDO and CRYSTAL to rural areas is high, their lending activities are often restricted to a) input supply credit scheme (through input shops in rural towns) and b) traditional credit facilities that are not intended for agriculture. Till present, AMMAR team could not achieve a major breakthrough in attracting the MFIs to work with its beneficiaries for various reasons, some due to the way the MFIs work, set their criteria, ceilings and interest rates, as well as their knowledge and perception of agriculture and limited human capacities in this field. On the other hand, it is only now that the project started building up a database on its beneficiaries, location, needs, etc. who could also be beneficiaries of the MFIs. This is a good time to reactivate the linkages with the MFIs and analyze properly how to engage with them for optimum synergies. Particular attention should be given to the way APMA is intending to attract the banking sector in its new marketing campaign, especially targeting the youth. The just started DANIDA young entrepreneur support programme will indeed be used to pilot APMA's engagement with Commercial Banks (such as TBC Bank) and MFIs (esp. Crystal), and is expected to see the development of a specific loan product for agriculture/agribusiness-related project supported through AMMAR grants.
Coordination/Implementing Partners	
APMA	The Agriculture Projects Management Agencies was created by the Ministry of Agriculture in 2012. Its main purpose is to promote and stimulate the development of production-oriented industries in the agricultural sector. The agency manages several grant facilities supported by various donors, among which the AMMAR and DANIDA grant facilities. APMA has been a key, historic partner for AMMAR. The project has contributed to build the in-house capacity of APMA (6 grant officers are now fully dedicated to AMMAR and DANIDA grant facilities), which has translated in the past 12 months into swift, efficient and highly professional management of all grant applications.
ELKANA	The Biological Farming Association ELKANA, is a Georgian NGO whose main objective is to assist Georgian farmers in the transition towards modern agricultural farming. Among their activities, the association, provides: a) advisory/extension services to farmers b) technical and legal support for the economic development of agro-related business; c) capacity building through training/workshops, publishing and promotional activities. Within the AMMAR project the NGO is responsible for training farmers in the cultivation of profitable varieties of fruits and vegetables (e.g. berries, bay leaf, peaches, apples, persimmon etc.) and disseminate knowledge through the use of demo-plots. Simultaneously, the organization promoted the adoption of new technologies (e.g. drip irrigation, bio-fertilizers, anti-hail systems etc.) aimed at increasing agriculture productivity meanwhile reducing

Partner Name	Details of partnership
	climate related risks. Finally, the NGO is also responsible for GEF-related activities related to the promotion of landscape restoration through vermiculture, windbreaks, effective micro-organisms and conservation agriculture
RECC	The Regional Environmental Centre for the Caucasus is an independent, non-for-profit organisation, established to assist in solving environmental problems as well as development of the civic society in the countries of the South Caucasus. It was established within the framework of the "Environment for Europe Process" based on the decision made at the Sofia Ministerial Conference in 1995. The founding document of REC Caucasus - its Charter - was signed in September 1999 by the governments of Azerbaijan, Armenia, Georgia and the European Union. Since the beginning of 2018, RECC has been implementing AMMAR interventions in the field of windbreak development. It is viewed as a key partner to support the finetuning of the draft Legal and Policy Framework on Windbreaks.
GFA	The Georgian Farmers' Association was founded in the end of 2012, and by now unites around 3,800 farmers. In 2013 the association became a partner of COPA-COGECA – the Union of European farmers and agri-cooperatives. GFA acts as an intermediary, a mediator, between farmers and government. GFA closely cooperates with state bodies and actively participates in agricultural strategy and policy making processes. At the same time GFA is represented at various governmental and non-governmental councils or committees, notably Georgian Chamber of Commerce and Georgian Alliance for Agriculture and Rural Development (GAARD). GFA has been an active partner of AMMAR to raise awareness about AMMAR activities among its members, and was officially hired in March 2018 as mobilizer for grant applicants in Western Georgia
Agro Service Ltd	Agro Service Ltd is the umbrella organization of 39 Farm Service Centers providing inputs and advisory services to about 1,800 farmers across Georgia. It was officially hired in May 2018 as mobilizer for grant applicants in Eastern Georgia. It is particularly expected to trigger W2 grant applications, and will provide the support of 2 financial experts recruited for this purpose
BDSPs (ABCO, IBERGES, Guria Consulting and G.B.D.S, Association of Young Economists of Georgia and AG International Consulting)	These 6 BDSPs were hired by AMMAR in March 2018 to support DANIDA grant applicants in the development of their business plans as part of pre-finance support. The first 4 have demonstrate satisfactory delivery and commitment, and are expected to be involved in post-finance support to be provided along a coaching approach once the grants have been approved.

Technical Annex 1: Sub-component 1.1: Irrigation and value chain infrastructure

A. Introduction¹

1. Project activities planned under sub-component 1.1 are aiming to secure and improve water availability and reliability within areas where agricultural value chains have been identified, through the implementation of a rehabilitation programme of selected existing irrigation systems up to a targeted area of 4,750 ha. The assessment of the implementation progress of project activities planned under sub-component 1.1, and their effectiveness are among the objectives of the supervision mission and constitute the subject of this report.

2. In Tbilisi, the mission held extensive discussions with AMMAR engineers on the status of implementation of on-going detail design studies and civil work contracts. Status of preparation of tender documents and bidding process for the remaining planned works has been scrutinized and the conditions for their likely completion by the project completion date of 30 June 2019 reviewed. The mission organised also meetings with consulting firms in charge of performed detail design studies for clarifications and with the Regional International Advisor of the Water User Support Service established under the WB GILMD project within the Georgian Amelioration Compagnie (GA), for a tight collaboration with AMMAR on Water User Organisations (WUOs) establishment.

3. Field visits were organized to the Regional Centre of GA at Gori in Shida-Kartli Region, and on-site discussions were held, together with representatives of the Technical Supervisor in charge of the supervision and control and contractors in charge of construction works, at the already achieved and on-going works in Dzevera-Shertuli and Tiriponi g3 schemes as well to planned schemes in Dzlevijvari and Alternaturi. In Kakheti Region, the mission visited, with local representatives of GA and the Consulting firm in charge of detail design, the planned schemes in Kvemo Alazani area (Chumlaki g32 and g35). The mission also visited small rural infrastructures rehabilitated in Gurjaari Municipality (Road and bridges). During all the field visits the mission took the opportunity to discuss with local authorities, beneficiaries and water users the soundness and reliability of executed works and their expected potential impact.

B. Overall Assessment

1. The overall assessment of implementation progress at this critical stage of one year ahead before project completion date is rated **moderately satisfactory (4/6)**. This, regarding achievements reached so far in terms of adequacy, physical extent, and sustainability. Overall, civil works have been achieved or are in an advanced stage of achievement over an area of about 3 682 ha (80% of the target), all located in the Shida-Kartli Region². At present detailed design and tender documents have been elaborated for an additional 2,340 ha over three irrigated areas in Shida Kartli and Kakheti Regions. With an assumed acceleration of the current pace of implementation, it is likely that the Project will exceed the rehabilitation target by 126% (6,022 ha).

¹ Report written by Aziz Tabet, Senior Water and Irrigation Development Engineer, Consultant

² Dzevera Shertuli large irrigation scheme (2685 ha) and Tiriponi g3 (1,000 ha)

2. Regarding the small rural infrastructure for the improvement of access to market, the Project has so far achieved the rehabilitation of six community-driven small infrastructures (60% of the target), consisting mainly of gravel roads and bridges for a total length of 3 km in Samegrelo Region and 7 km in Kakheti Region (Giorgeti-Gurjaani). Detailed design and tender documents for an additional four small infrastructures have been completed and tender will be announced very soon.

4. During field visits to achieved works and meetings with consulting firms in charge of supervision and with contractors as well as with water users, the mission was pleased to notice the improvement made to ensure an acceptable quality in the execution of works thanks to the adoption of a flexible attitude towards users' consultation and by taking into consideration their suggestions for minor adaptations for the location of outlets and hydraulic structures. AMMAR project has particularly benefitted on this subject from the lessons learned from the previous IFAD financed Agriculture Support Project (ASP). It was clear to the mission, that in-depth rehabilitation with the participation of water users, up to the lower level of the system, would make project interventions more visible to farmers, raising the sense of ownership, and would give more confidence to them to invest in irrigated agriculture particularly in the extension of the cropped area and in the diversification of their cropping patterns.

5. Nevertheless, while significant progress has been recorded in the implementation of the activities planned under the sub-component since the last MTR mission, the project would, as shown in the tentative schedule below (para; 16), hardly achieve properly the remaining planned works before the project completion date of end June 2019. An extension of project implementation period by at least one year would allow an effective consultation process with water users for the execution of remaining planned works and would refrain the project management putting high pressure on contractors that would put in risk the quality and the performance of the system. In addition, aspects related to the strengthening of the capacity of GA field staff for an efficient and effective operation and maintenance and water users' involvement and organisation are still to be stated and instituted.

C. Outputs and outcomes

Outcome 1: Rural population agricultural livelihoods is improved and their resilience to climate-change enhanced

Output 1.1 – Productive infrastructure are rehabilitated/constructed

1. **Irrigation rehabilitation.** As per project design, in all the identified value chain areas, where access to reliable water and availability is considered among the utmost constraints, rehabilitation investments could be planned for project consideration assuming that technical, social, economic, and environmental feasibility have been demonstrated.

2. **Feasibility and Detail Design Studies.** In view of the short duration of project implementation period (four years) and the unavoidable delays after project start date, the Project Management found it hardly to follow a logical sequencing of irrigation systems selection and execution including identification, feasibility studies, detail design studies and works construction. The result is that the pipeline of irrigation schemes considered is diverse: (i) one scheme for which rehabilitation has been initiated during the previous IFAD financed Agricultural Support Project (ASP) and visited during AMMAR project preparation and design mission was selected since has been assumed feasible, (ii) two schemes for which feasibility studies were performed by the Project but not retained for unexpected reasons, (iii) one schemes for which the detail design already elaborated by the Georgian Compagnie and submitted for the project for financing decision subject to their proved feasibility, (iv) two schemes for which the project performed feasibility studies and detail design, and (v) two schemes for which the project performed feasibility study only..

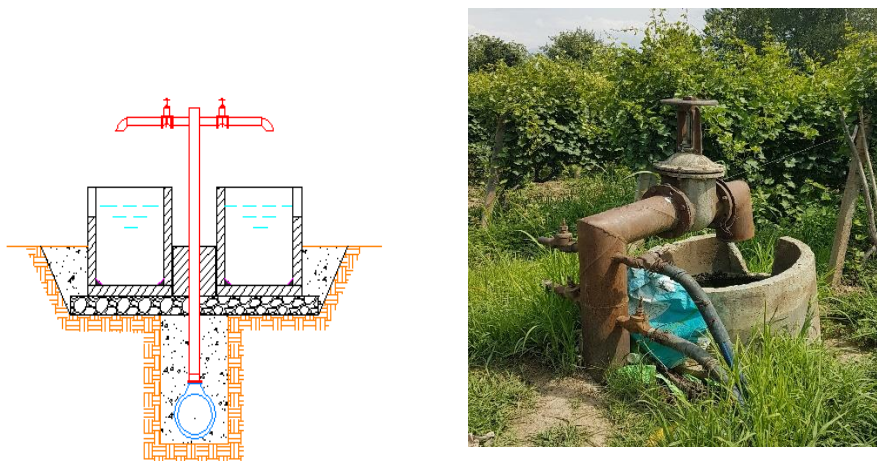
3. The Table.1, below summarizes all the studies performed by the project up to current supervision mission's date.

Table 1: Studies performed by the Project

Identifies value chain schemes	Studies performed	Status and further action
Shida – Kartli Region		
Secondary and distributary canals in Dzeveda-Shertuli scheme	Feasibility assessed by project preparation/design mission. Detail design performed by the Project	Rehabilitation construction works already achieved or being achieved over an area of 2,680 ha (Lot IIIa and Lot IIIb).
Secondary canals MU-58; MU-59; MU-60; MU-61 and MU-61-1 (Bebnula) and their other level distributaries rehabilitation of Tashiskari Irrigation scheme in Kareli Municipality	Feasibility Study and Detail design Study	The FS came up with a total cost of GEL 1,55 million and the Detail design with accost of GEM6,55 million. These schemes were not retained for investment schemes has been. The level of rehabilitation was not the same between the FS and the DD
Secondary canals (Alternatiuli and Dzlevijvari) and their other level distributaries rehabilitation of Saltvisi Irrigation scheme in Gori and Kareli Municipalities.	Feasibility Study and Detail Design	The two schemes have been retained for the rehabilitation over on an area of 1160 ha while downstream command area is about 2,000 ha
- Secondary canal g-3 and tertiary canal g-3-2 and their other level	The detail design, limited to secondary canal, was	The project management retained for rehabilitation only the secondary g3.

distributaries rehabilitation of Tiriponi Irrigation scheme in Gori Municipality	elaborated by the GA and submitted to the Project. The FS study was performed later-on by the project	The distributary and tertiary canals were not included in the detail design performed by GA. This scheme is still in the pipeline
Secondary canals g-2; g-1; g-1-1 and their other level distributaries rehabilitation of Saltvisi Irrigation scheme in Gori and Kareli Municipalities.	The Feasibility study has been performed by the project but not the detail design.	This scheme is still in the pipeline. The project would finance detail design studies if resources available.
Kakheti Region		
Secondary canals g-32 and g-35 and their other level distributaries rehabilitation of Kvemo Alazani Irrigation scheme in the village Chumlaki of the Gurjaani Municipality.	Feasibility studies and detail design performed in succession by the project	g-32 retained for construction, sound detail design. g-35 would require a revision of the rehabilitation model as per Supervision mission's recommendation.

4. ***Progress in Construction Works and Outcome.*** In terms of physical achievement, the Project has performed tangible progress since an area of about 3 682 ha (80% of the target) has been rehabilitated and users access to water improved. Nevertheless, the outcome of the mode of irrigation rehabilitation adopted by the project in each scheme is anticipated to be mixed. In Shida Kartli Region emphasis is given in most cases to securing water availability of off-farm systems with a large command area (Dzlevjivari, Alternatuli and Tiriponi g3, schemes) by lining the secondary canals only and extending limited earthworks at the on-farm level (Dzevera-Shertuli). In Kakheti Region, in contrary, the rehabilitation model, taking advantage of the high elevation of water level at the off-takes from the Kvemo Alazani main canal, is more a modernized low-pressurized distribution system up to farm gates (Chumtaki g32 scheme). The tertiary distribution canal will be replaced by a PVC pipe (see sketch below). This would remarkably improve water use efficiencies and resilience and encourage farmers to modernize their irrigation systems.



Newly designed Hydrant at farm gate levels and photo of farmer connections to existing hydrant

5. A summary of the status of AMMAR irrigation schemes is provided in Table 2 below

Table 2 – Status of irrigation schemes identified by AMMAR

Name of Project	Region	Ha	Length (m)	Cost (Gel)	Status	Cost (\$/ha)	m/ha
Rehabilitation of Dzevera-Shertuli (Lot IIIa)	Shida Kartli Left bank of the ... River	1800	35 000	1 649 914,40	CW Completed	374,13	19,4
Rehabilitation of Dzevera-Shertuli (Lot IIIb)		882	22 000	1 085 005,45	Ongoing (80%)	502,11	24,9
Rehabilitation of Secondary canals g-3 of Tiriponi		1 000	11 100	1 640 000,00	Ongoing (80%)	669,39	11,1
Rehabilitation of SALTVISI Dzlevijvari ³	Shida Kartli Right Bank of the	670	8 000	1 952 000,00	Bid evaluation	1 189,16	11,9
Rehabilitation of SALTVISI Alternetuli		545	9 000	2 184 000,00		1 635,65	16,5

³ Dzlevijvari and Alternatuli schemes have been announced in one tender and bid evaluation

Rehabilitation of Kvemo Alazani (Chumlaki) g32	Kakheti	840	31 980	2 823 000,00	Tendering very soon	1 371,72	38,1
Rehabilitation of Kvemo Alazani (Chumlaki) g35	Kakheti	285	8 000	680 653,00	DD to be revised and Works Tendered ⁴	974,80	28,1
				12 014 572,85			
Total		6 022	125 080	\$ 4 903 907,29		814,33	20,8

6. Variety of rehabilitation levels adopted by the Project. As it can be seen from the table above, various constraints, scheme's site particularities and unanticipated circumstances have led the project to adopt, sometimes in rush, various type of rehabilitation levels that could be categorized in four types based on two indicators: Cost per hectare and length of rehabilitated canal per hectare (density of rehabilitated network);

- i. Schemes where headworks and main canals have been already constructed (ASP project) and the distributary/tertiary earth canals only upgraded with the construction of hydraulic structures. Dzevera-Shertuli: Cost per hectare very low (**400 to 500 \$/ha**) and density of rehabilitated network acceptable (**20 to 25 ml/ha**).
- ii. Schemes where only secondary lined canal will be rehabilitated over a command area. It is the case of Tiriponi g3 canal: Cost **700\$/ha**, density of rehabilitated canals very low: **11 ml/ha** of rehabilitation
- iii. Schemes where large secondary canals need to be lined/upgraded carrying high water discharge beyond the need of the selected area and that will feed large downstream command area. It is the case of Dzelvijvari and Alternaturi secondary canals. Sections of these canals were designed for a peak discharge of 2,5 m3/s and 1,9 m3/s while requirements for the area targeted by the project is 0,5m3/s and 0,6 m3/s respectively. The cost is high about **1200 to 1600 \$/ha** and the density of rehabilitated canals is low (**12 to 16 ml/ha**).
- iv. Full rehabilitation/modernisation of a scheme from on-farm gravity distribution to low pressurized tertiary distribution system. It is the case of Chumkali g32 scheme in Kvemo-Alazani main canal. Cost **1,400 \$/ha** and density of pipe networks: **38 ml/ha**. The mission advised that the detail design of g35 scheme in the same area should be revised to adopt the same rehabilitation model as of g32.

6. The mission has drawn the attention of the Project management that the adoption of a type of rehabilitation consisting only of rehabilitating the secondary canals as it is observed in the case of Tiriponi g-3 scheme (1,000 ha), without or with limited on-farm distribution system is unable to reach all individual plots and would require additional construction of tertiary canals together with hydraulic structures. Indeed, in some cases constraints related to the issue of ownership and responsibility for the tertiary irrigation systems, as highlighted by the previous MTR mission, and lack of clear cadastral data on current land occupation, did not permit works beyond secondary canal and main tertiary/distributary levels. This should have been clarified, at least on a temporary manner, with the Georgian Amelioration Compagnie and informal Water User Groups at the lower level of each scheme on a case by case basis and appropriate actions should have been taken.

7. Forthcoming civil works and Prospects for their timely completion. As mentioned above and illustrated in the schedule graphic below, the Project would hardly complete all the planned works before, particularly for Kvemo Alazani scheme. Project completion date of 30 June 2019. An extension by at least one year is highly recommended.

⁴ If provision available

Tentative schedule for the execution of the remaining planned civil works

Year	2018								2019							
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June		
1. Civil Works																
Dzevera -Shertuli																
Tiriponi g3																
Dzelvijvari- Alternaturi																
Kvemo -Alazani (g32)																
2-Detail Design and Tender																
Kvemo Alazani (g35)																
Tiriponi g3.2.1, g3 (on-farm)																
Salvisi g2, g1, g1.1																

NO: IFAD no objection

8. Recommendations

Agreed action	Responsibility	Agreed date
Elaborate a tender document for the rehabilitation of the g-32 scheme only (840ha) where the detail design is adequate and review the DD for the g-35 scheme	PMU/Engineers	End of July 18
Launch tender for the detail design of the command area of Saltvisi g2 secondary canal over about 2,000 ha for which the feasibility study has been achieved and for which the construction plan will be taken up by the Georgian Company.	PMU/Procurement and Engineers. GA	End of July 18
Prepare detailed design and rehabilitation for the Tirifoni g.3-2.1 with its related on-farm network and complete the g3 rehabilitation with on-farm network (if time and funds allow)	PMU/ Engineers	End October 18
Prepare detailed design for and rehabilitate the Saltvisi g1 and g1.1, to ensure that distributary/tertiary canals are included (if time and funds allow)	PMU/ Engineers	End October 18

9. Small Infrastructure. The updated status of roads and bridges rehabilitated by AMMAR is provided in table 3 below:

Table 3 – Status of roads and bridges identified by AMMA

Small infrastructure/Municipality	Region	Cost (GEL)	Description	
Rehabilitation of road in Giorgeti (Gurjaani)	Kakheti	532 461,56	Road rehabilitation 7.0 km and construction of 3 culverts	Ongoing (80%)
Rehabilitation of road Betlemi-Ushapati (Senaki)	Samegrelo	275 777,47	Road rehabilitation 1.8 km and construction of a new bridge L=7m	Civil Works Completed
Rehabilitation of road/bridge in Dzveli Senaki (Senaki)		82 779,80	Road rehabilitation 1 km and construction of a new bridge L=10m	
Rehabilitation of bridge in Nagvazao (Martvili)		92 042,09	Rehabilitation of bridge L=21m	
Rehabilitation of roads/bridges in Abedati (Martvili)		129 836,69	Road rehabilitation 0.35 km; bridge L=8.7m and two culverts	
Rehabilitation of road in Khorga		251 000,00	Road rehabilitation 3.2 km	Detail design completed ready for tendering

Rehabilitation of road in Sakasheti	Shida Kartli	300 000,00	Road rehabilitation 3.0 km	Detail design completed ready for tendering
Rehabilitation of road in Kitsnisi		300 000,00	Road rehabilitation 3.0 km	
Rehabilitation of road in Bredza		150 000,00	Road rehabilitation 2.0 km and construction of a new bridge L=21m	
Total		2 113 897,61		
Total		\$ 862 815,35		

10. Recommendation.

Agreed action	Responsibility	Agreed date
Recruit an Author Supervisor for the remaining four small infrastructure	PMU/Engineers	End of sept 2018

Output 1.2 – Management and operation arrangements for the rehabilitated infrastructure are set-up

11. Operation and Maintenance. The Project, as per its initial design, is relying for handling O&M issues on the Georgian Amelioration Compagnie (GA) the owner of the irrigation system assets and by its mandate is responsible for schemes O&M and water fees collection. The Project has just recently signed an agreement with GA on collaboration modalities on this issue. The Mission discussed the issue with the Water User Organisations Service Unit of the Georgian Amelioration Company established under the World Bank financed-project, Georgia's Irrigation and Land Market Development Project (GILMP) for a tight collaboration with AMMAR since all the schemes rehabilitated by the Project are under the mandate of GA. The discussion was centred on how the schemes rehabilitated by AMMAR could be considered among those of the current WUO Service Unit plan of action. It was agreed that AMMAR would provide GA with maps de-lineating precisely the hydraulic boundaries for each Irrigation Unit (IU) within a command area of each main outlet from the secondary canals.

12. Recommendations

Agreed action	Responsibility	Agreed date
AMMAR should undertake a technical and social assessment of the soundness/limitations of the mode of rehabilitation adopted and already executed in Dzevera-Shertuli scheme and draw lessons for future on-farm irrigation rehabilitation and water users groups (report of the analysis)	PMU/Engineers, GA Regional Centre, Local service	End of Sept 2018
Maps with appropriate hydraulic boundaries. should be elaborated for each Irrigation Unit rehabilitated by AMMAR and forwarded the WUOs Service Unit of GA and enhance collaborative actions	PMU/Engineers Georgian Amelioration	End of Aug2018
Water User Support of GILMD may consider the establishment of a Unit to support AMMAR project in establishing WUOs.	PMU/Engineers and WUS Service of GILMD	End of August2018
A specific programme for O&M would be elaborated for each Irrigation Unit	PMU/ Socio-Environment consultant and WUS Service of GA	End of Dec 2018

Technical Annex 2: Landscape Restoration

1. The selection of river restoration measures and more in general the definition of the management alternatives to be applied in agricultural areas, subject to river related risks should follow a **catchment/basin approach**. The adoption of this spatial scale is needed in order to take into account the critical processes and variables affecting a given stretch/section/area in the river corridor and the upstream-downstream interactions typical of fluvial systems. Likewise, a sufficiently long time scale is necessary in the analysis of the system, coherent with the kind of processes that need to be tackled. In other words, knowing what happens upstream and downstream and what has happened (at least) in the recent past is crucial in order to decide how to manage a stretch of river effectively and sustainably (in environmental and economic terms).

2. In the project context, the objective is to mitigate potential damages on portions of agricultural land due to river related processes. The steps to be followed can be summarized as follows:

- 1) Location of the key value chains;
- 2) Identification of strategic areas/catchments where the value chains are subject to relevant risks;
- 3) Identification of the main hazards/problems to be solved; assuming here to focus only on hazards related to river processes it needs to be explicitly clarified what kind of process/event is targeted: floods? lateral mobility of riverbeds? mudflows? Each has different impacts and different mitigation measures.
- 4) Locating and possibly quantifying the hazards and risk targeted (e.g.: mapping of flooded areas for a given recurrence time/associated flow rate; mapping of floodplain areas subject to sediment deposition;

quantification of eroded areas in a given time span, etc., associating this with information on specific vulnerability).

- 5) Attempt to identify the underlying causes and present trends (e.g. is there an increase in the frequency of rain events of a given magnitude? Or an increase in lateral mobility or of average width of active river channels? If so: can this be linked due to land use changes in the watershed? Or possibly to climate change? Alternatively, if river processes are not significantly diverging from the trend of the last decades, is the risk increasing due to a local land use change, increasing the exposure to hazards? Can specific structural/management actions upstream be considered responsible for the risk increase identified downstream? Etc.).
- 6) Comparison of different management/intervention alternatives, taking into account their effects on the targeted risk, on economic criteria, and on relevant stakes, including the expected impact on ecosystem components and possibly on related ecosystem services. Here again adopting relevant time and space scales is crucial in order to ensure not to skip relevant effects and potential conflicts between different objectives and stakeholders (e.g.: the potential increase of risk downstream due to protection works upstream). Several approaches can be adopted to carry out the comparison of alternatives; one of the simplest is a Cost Benefit Analysis (CBA), foreseen in AMMAR for all feasibility studies, where costs and benefits (including avoided damages) are compared in properly discounted monetary terms; typically, however, the comparison between alternatives is limited to a single intervention and the “zero alternative” (doing nothing). Even in the simplest case of CBA, benefits and costs need to encompass the scale of the expected effects of the intervention, which not necessarily is limited to the target area to be protected, as mentioned above. Maintenance and replacement costs of the works should also be properly taken into account.

3. Updated work plan for the Charebula landscape restoration interventions: see next page

#	Task	Who	Status	June 2018				July 2018				August 2018				September 2018				Oct 2018	Nov 2018	Dec 2018	Jan 2019
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV				
H1	Publication of tender for design activities	PMU	To be done																				
H2	Conclude the contracting procedure with the design company	PMU	To be done																				
A1	Map the Cherebula and its drainage network (possibly map the main confluences of tributaries)	Design company	To be validated/completed																				
A2	Obtain older satellite/aerial imagery + ground images of flood events	PMU + Design Company	to be verified																				
A3	Map critical sections: cloggings (and potentially critical crossings) + main waste disposal sites + road stretches needing renovation	PMU + Design Company	To be validated/completed																				
A4	Qualitatively map the areas flooded with different recurrence time, also based on information received from local population	Design company	To be validated/completed																				
A6	Map the presence of vegetated strips along the Charebula and the main tributaries	Design company	To be done																				
A7	Survey cross sections and produce a rough elevation model	PMU + Design Company	To be validated/completed																				
A8	Flood hazard and risk modelling (pre- and post-intervention, based on design)	Design company	To be done																				
A 10	Preliminary design of interventions (including structures to be removed by local owners)	Design company	To be done																				
A 11	Further clarify how municipal wastewater is managed in the catchment (any direct discharge of black water in the water bodies?)	PMU + Design Company	To be done																				
A 12	Cost-benefit analysis	Design company	To be done																				
A13	Detailed technical design of interventions (river dredging, removal of waste and structures)	Design company	To be done																				
F1	Establish a formal agreement with the Gori Municipality in order to increase the amount of garbage bins in all the Charebula catchment and their appropriate management.	PMU	preliminary introductory meeting was held																				
E1	Agree with local representatives a schedule of public meetings to explain the project and the approach followed.	PMU	To be done																				
E2	Develop dissemination material to be used in public meetings, with the support of the Ministry of Environment (including design of panels)	PMU + ELKANA + other subjects	To be done																				
E3	Carry out an appropriate number of public meetings before implementation	PMU + ELKANA + other subjects	To be done																				
E4	Agree with Elkana one or more demonstrations of composting of agricultural waste	PMU + ELKANA	DONE																				
G1	Retrieve existing water quality data in the Liakhvi basin	PMU + NEA	not done/Agreement to be achieved with NEA																				
G2	Agree with the National Environmental Agency a monitoring plan of water quality	PMU + NEA	not done/Agreement to be achieved with NEA																				
G3	Sample and evaluate water quality pre-intervention	NEA	not done/Agreement to be achieved with NEA																				
H3	Publication of tender for work implementation	PMU	To be done																				
H4	Conclude the contracting procedure with the implementation company	PMU	To be done																				
B1	Work implementation: Removal of waste	Implementation company	To be done																				
B2	Work implementation: River dredging in critical areas (cloggings under bridges, etc.)	Implementation company	To be done																				
B3	Work implementation: Removal of structures (removal of infrastructures in critical sections)	Implementation company	To be done																				
D1	Installation of garbage bins at the waste disposal sections, bridges and roads leading to the river	Gori Municipality/ implementation company	To be done																				
F2	Support and monitor the implementation of the agreement with the Gori Municipality for appropriate waste management	PMU + Gori Municipality	To be done																				
E5	Installation of panels at waste disposal locations and in the main sites of intervention	Implementation company	To be done																				
E6	Carry out an appropriate number of public meetings during implementation	PMU + ELKANA + other subjects	To be done																				
G4	Monitor and evaluate water quality post-intervention	NEA	To be done																				
E7	Carry out an appropriate number of public meetings after implementation	PMU + ELKANA + other subjects	To be done																				

4. Alternative vermicompost system

5. Many studies have been conducted on vermicompost systems from animal and domestic waste, the effects on plant yield and growth and the efficient use for smallholder farmers:

- Atiyeh et al., 2000 R.M. Atiyeh, S. Subler, C.A. Edwards, G. Bachman, J.D. Metzger, W. Shuster Effects of vermicomposts and composts on plant growth in horticultural container media and soil. *Pedobiologia*, 44 (5) (2000), pp. 579-590
- [Arancon et al., 2004](#). N.Q. Arancon, C.A. Edwards, R. Atiyeh, J.D. Metzger. **Effects of vermicomposts produced from food waste on the growth and yields of greenhouse peppers**. *Bioresour. Technol.*, 93 (2) (2004), pp. 139-144
- Garg et al., 2006. P. Garg, A. Gupta, S. Satya. Vermicomposting of different types of waste using *Eisenia foetida*: a comparative study. *Bioresour. Technol.*, 97 (3) (2006), pp. 391-395
- Mitchell, 1997. A. Mitchell. Production of *Eisenia fetida* and vermicompost from feed-lot cattle manure. *Soil Biol. Biochem.*, 29 (3-4) (1997), pp. 763-766
- Lalandera et al., Vermicomposting as manure management strategy for urban small-holder animal farms. Kampala case study, Elsevier, *Waste Management*, Volume 39, May 2015, Pages 96-103 (can be downloaded on : <https://www.sciencedirect.com/science/article/pii/S0956053X15000926#b0055>).

6. The system currently used on the demonstration plots under the AMMAR project is not adapted to smallholder farmers. In fact, the current system requires too much investment especially if the main activity of the farmer is not compost production or vermiculture. The current system should be resized for domestic uses or as an activity integrated in the main production system of the farmer. For this, the service provider should, during the training sessions, present alternatives to the current system by presenting a smaller scale of the current system and by presenting a “tower” vermicompost treatment unit described in the paper attached and in the figure below.

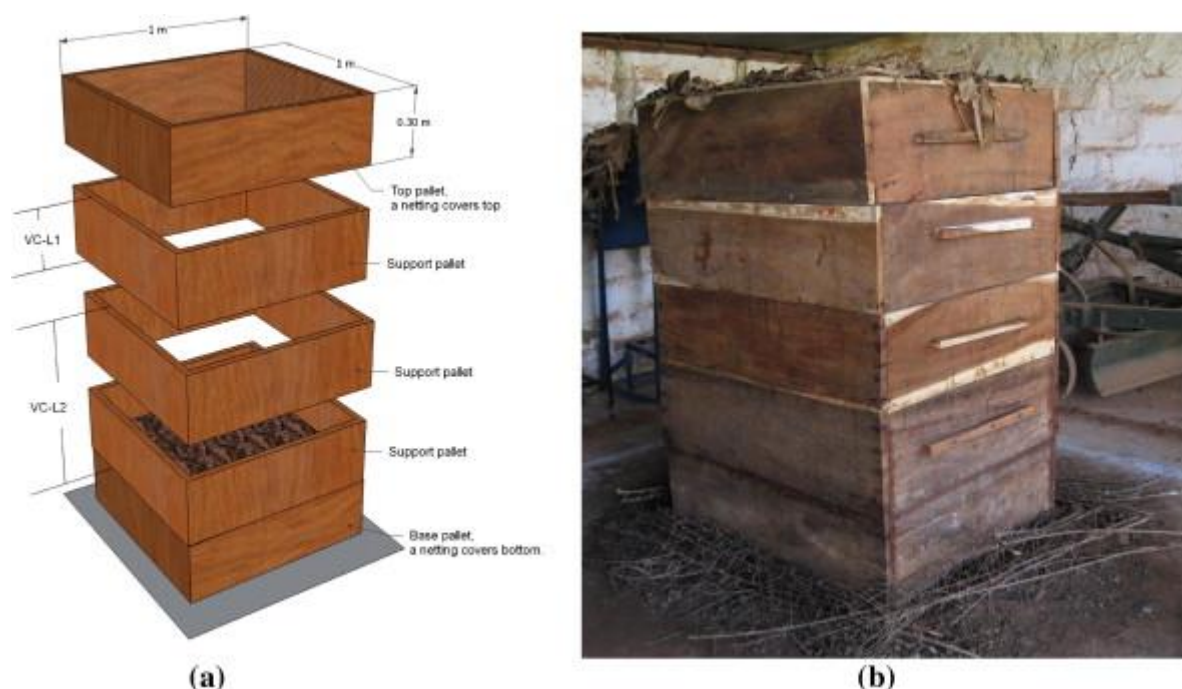


Figure 1: Schematic representation (a) and photo (b) of the vermicompost treatment unit.
Source: Lalandera et al., 2015

7. The unit can be made up of hard-wood pallets (1×1×0.30 m in the schema of the figure above) stacked on top of each other. The base and top pallets can have a netting covering the bottom/top, the base pallet can be filled with bedding material. A supplementary base pallet can be added to collect liquid dropping for the unit. This liquid is highly concentrated in nutrients and can be then diluted in water (1/10) and used as natural fertilizer in crops.

8. The papers cited above show that good results can be expected from this kind of unit and can be used by a smallholder farmer with a small number of livestock heads. A replication of the system should be done by the service provider in collaboration with the Georgian Agrarian University. As mentioned in the Agreed Actions, the collaboration could be easily established through ELKANA's consultant professor at the GAU to carry out studies under master or bachelor thesis on existing systems (i.e. this tower system) to adapt to Georgia's conditions.

Technical Annex 3: Component 2 – Climate smart agricultural technology transfer

General observations

1. As per MTR recommendation, a project “command team” was established and activated. This included regular meetings between all project staff, consultants and service providers and exchange of results and reporting. The result was an enhancement of the interaction between the team members, the integration of the components and the consolidation of the interventions.
2. The mission observed that significant changes have been introduced in the demonstration plots and the related training in terms of structure and content based on the MTR recommendations. This included the ensuring that farmers would attend all trainings that are planned in a sequential manner as well as the introduction of topics such as marketing and cost-benefit analysis in the training curriculum. The main weakness however, still remains in the fact that no records are being kept for cost-benefit analysis, neither at the demo plot by the lead farmers (of even Elkana) nor by the trained farmers, with very few exceptions.
3. Marketing support activities have been launched with the support of the Marketing Specialist based on an agreed action plan. Most significant activities completed till present include the undertaking of the first apple and honey value chain multi-stakeholder meetings, support to the participation of various producers in national and international fairs, the establishment of on-line database of producers and buyers within the selected value chains, support to service providers in the preparation of the technical content of the marketing training component.
4. On the other hand, the capturing and recording of data from AMMAR activities is probably the most impressive improvement of the project in the past year. This has picked-up very quickly through the active interventions of the M&E officer supported by the project management and various component leaders. As the project is approaching its final year, it is critical that this data will be analysed to assess the extent of which the collected data could be sufficient to provide information not only for the output indicators but also for the outcome indicators and impact of AMMAR. A quick analysis of the data is accordingly needed to provide timely input for the revision and enhancement of the trainings and CSA interventions and to ensure that the proper parameters are being captured in a timely fashion ahead of the final impact surveys.

Demonstration plots: *(rated moderately satisfactory)*

5. The promotion of climate smart agricultural production practices continued through the establishment of demonstration plots in the fields of selected lead farmers with the follow-up of related training sessions for farmers around these sites. This was undertaken by the service provider ELKANA. Till present a total of 13 demo plots have been established covering vegetables, apples, peaches, kiwi, persimmon, berries, bay leaf, windbreaks, and composting and vermiculture (Table 1). During the last year, more emphasis has been given to the value chains of berries and bay leaf. Since March 2017, in accordance with supervision recommendations, 4 demo plots on landscape restoration were added to the 10 VCs demo plots initially planned. Three (windbreak, vermicompost, effective micro-organisms) with ELKANA and one (windbreak) with RECC. So far 12 demo plots were established (10 VCs and 2 windbreaks), one demo plot is ongoing (vermicompost) and one demo plot is selected for establishment (effective micro-organisms and vermiculture).
6. See detailed table 1 on demo plots established next page.

Table 1: Demonstration plots established

#	Title of training	Demo plots/year of establishment	Demo plot profile	Demo plot location: region/village
1	Pruning peach orchard	Peach/2016	Anti-hail net; Drip irrigation system; Bio-fertilizers ;	Kakheti region, Gurjaani municipality, village Chumlaki
2	Pruning persimmon orchard	Persimmon/2016	Drip irrigation system; Bio-fertilizers;	Samegrelo region, Martvili municipality, village Najakhao
3	Pruning kiwi orchard	Kiwi/2016	Drip irrigation system; Bio-fertilizers;	Adjara region, Kobuleti municipality, village Jikhanjuri
4	Pruning apple orchard	Apple/2016	Anti-hail net; Drip irrigation system; Bio-fertilizers	Shida Kartli region, Gori municipality, village Ergneti
5	Sowing in greenhouse, crop rotation	Vegetable/2017	Seedling greenhouse Bio-fertilizers	Shida Kartli region, Gori municipality, village Akhalubani
6	Sowing in greenhouse, crop rotation;	Vegetable/2017	Seedling greenhouse; Bio-fertilizers	Kakheti region, Lagodekhi municipality, village Podaani
7	Berry – Cultivation and maintenance	Berry/2017	Drip irrigation system; Bio-fertilizers Poles & wires	Kakheti region, Lagodekhi municipality, village Baisubani
8	Berry – Cultivation and maintenance	Berry/2017	Drip irrigation system; Bio-fertilizers Poles & wires	Shida Kartli, Kareli municipality, village Zemo Khvedureti
9	Bay leaf – Harvesting & storing	Bay leaf/2018	Drip irrigation system; Bio-fertilizers	Samegrelo, Khobi municipality, vil. Khamiskuri
10	Windbreak - Planting & watering	Windbreak/2018	Seedlings, fencing	Kakheti, Telavi municipality, vil. Vardisubani
11	Windbreak - Planting & watering	Windbreak/2018	Seedlings	Shida Kartli, Gori municipality, v. Karaleti
12	Berry – Cultivation & maintenance	Berry/2017	Drip irrigation system Bio-fertilizers ; Poles & wires	Ajara, Kobuleti municipality, vil. Ochkhamuri
13	Compost and Vermiculture	Compost and Vermiculture / 2018	Compost and Vermiculture	Shida Kartli, v. Karaleti

7. The mission visited several of these sites and discussed with the lead farmers and some fellow farmers benefiting from the demo plots and the trainings. The mission confirms again the good quality of lead farmers selected in terms of their agricultural knowledge as well as their interest in learning new things, but most importantly, their relationship with their fellow neighbouring farmers, which is built on trust and their readiness to support and provide advice to others.

8. As per the recommendations of the MTR, efforts have been made to make the demonstration technologies demonstrated better adapted to smallholder farmers in terms of scale and affordability, while trying to keep the technologies demonstrated as ideal as possible. However, there is still scope for improvement as it was noted that the current demonstrated model for vermiculture and compost is not fully adapted to smallholder farmers. This was especially true for the demonstration of the vermicompost operations, which were fit for compost production for sales rather than for self-use by farmers. There are several small-scale vermicompost systems available globally that would be more practical for smallholders. The service provider of the system demonstrated, with the support of AMMAR and ELKANA, should explore more suitable and affordable systems (i.e. tower system with boxes to be included in technical paper of supervision mission) and adapt them to Georgia's conditions. This could be done in collaboration with the Georgian Agrarian University (i.e. through ELKANA's consultant professor at the GAU), using students research undertaking their Masters or Bachelor thesis projects. ELKANA with the support of AMMAR should be assessing the possibilities of using the students from technical schools and specialized faculties at the universities (including agriculture, engineering, industrial design, business, etc) to develop low-cost, prototypes of demonstrated technologies (hail nets, small-scale machineries, vermicompost, etc) that are adapted to smallholder farmer's socioeconomic and agro-ecological conditions.

9. On the other hand, the impact of the established demonstration plots could be greatly improved, especially since no data is being regularly recorded at the demo plots neither from the lead farmer nor from ELKANA to determine the economic benefits and impact of these demonstrations. Data should be regularly recorded on the effect of the demonstrated technologies on production quantity and quality, costs (including labor time and inputs) and resulting prices. This data is critical to convince farmers – whether it is the lead farmer or all others visiting the demo plot- of the economic value and profitability of the technology and hence enhance its adoption which is the main objective of the demo plot. It has been noticed by the mission that even the lead farmers themselves often are not ready to apply for grants from the project to implement the technologies they are demonstrating, usually because of the lack of counterpart funds. A proper cost-benefit analysis of the technology – also based on the local farmers' capacities and needs (refer to the agreed actions on CSA training)- would be key to support the decision of farmers in taking investing in the AMMAR grants programme.

Climate Smart Agriculture (CSA) training: *(rated satisfactory)*

10. Trainings in CSA practices have been conducted around the demonstration plots. The service providers GFA and Agroservice were hired by AMMAR to assist ELKANA in mobilising farmers to attend the trainings as well as to apply for the AMMAR grants. A total of 1,349 farmers have been trained till present with 1,025 (25.5% women) trained in 2017, and 273 (31% women) trained in 2018. These trainings covered the areas of vegetables, apples, peaches, persimmon, bay leaf, berries, and windbreak planting and maintenance (Table 2). During the second half of 2018, 12 more trainings are planned to cover berries, windbreaks, composts, vermiculture, effective microorganism (biofertilizers), and marketing (Table 3).

Table 2: CSA trainings conducted on demo plots

#	Title of training	Demo plots	Demo plot profile	Demo plot location: region/village	Farmers attended/out of them women	Year
1	Pruning peach orchard	Peach	Anti-hail net; Drip irrigation system; Bio-fertilizers;	Kakheti region, Gurjaani municipality, village Chumlaki	105 farmers trained out of them 22 women	2016
2	Pruning persimmon orchard	Persimmon	Drip irrigation system; Bio-fertilizers;	Samegrelo region, Martvili municipality, village Najakhao	85 participants, out of them 16 females	2016
3	Pruning kiwi orchard	Kiwi	Drip irrigation system; Bio-fertilizers;	Adjara region, Kobuleti municipality, village Jikhanjuri	37 participants trained, out of them 2 women	2016
4	Pruning apple orchard	Apple	Anti-hail net; Drip irrigation system; Bio-fertilizers	Shida Kartli region, Gori municipality, village Ergneti	102 farmers trained, out of them 11 females	2017
5	Sowing in greenhouse, crop rotation	Vegetable	Seedling greenhouse Bio-fertilizers	Shida Kartli region, Gori municipality, village Akhalubani	101 farmers trained, out of them 34 females	2017
6	Sowing in greenhouse, crop rotation;	Vegetable	Seedling greenhouse Bio-fertilizers	Kakheti region, Lagodekhi municipality, village Podaani	110 farmers trained, out of them 10 women	2017
7	Seedling growing & transplanting into an open ground	Vegetable	Seedling greenhouse Bio-fertilizers	Shida Kartli region, Gori municipality, village Akhalubani	54 farmers out of them 29 females	2017
8	Seedling growing & transplanting into an open ground	Vegetable	Seedling greenhouse Bio-fertilizers	Kakheti region , Lagodekhi municipality, village Podaani	103 participants, out of them 35 females	2017
9	Apple – Harvesting & Storing	Apple	Anti-hail net; Drip irrigation system; Bio-fertilizers;	Shida Kartli region, Gori municipality, village Ergneti	81 participants, out of them 20 females	2017
10	Peach- Harvesting & Storing	Peach	Anti-hail net; Drip irrigation system; Bio-fertilizers;	Kakheti region, Gurjaani municipality, village Chumlaki	107 farmers trained out of them 34 women	2017
11	Berry – Cultivation and maintenance	Berry	Drip irrigation system Bio-fertilizers; Poles & wires	Kakheti region, Lagodekhi municipality, village Baisubani	103 participants, out of them 35 females	2017
12	Berry – Cultivation and maintenance	Berry	Drip irrigation system Bio-fertilizers; Poles & wires	Shida Kartli, Kareli municipality, village Zemo Khvedureti	84 participants, out of them 20 females	2017
13	Persimmon – Harvesting & Storing	Persimmon	Drip irrigation system; Bio-fertilizers;	Samegrelo region, Martvili municipality, village Najakhao	98 participants, out of them 11 females	2017
14	Bay leaf – Harvesting & storing	Bay leaf	Drip irrigation system; Bio-fertilizers	Samegrelo, Khobi municipality, vil. Khamiskuri	85 participants, out of them 19 women	2018
15	Windbreak - Planting & watering	2018	Seedlings, fencing	Kakheti, Telavi municipality, vil. Vardisubani	102 participants, out of them 30 women	2018
16	Windbreak - Planting & watering	2018	Seedlings	Shida Kartli, Gori municipality, v. Karaleti	-	-
17	Berry – Cultivation & maintenance	Berry/2017	Drip irrigation system Bio-fertilizers; Poles & wires	Ajara, Kobuleti municipality, vil. Ochkhauri	82 participants, out of them 23 women	2017
18	Bay leaf – Pruning and maintenance	Bay leaf	Drip irrigation system; Bio-fertilizers	Samegrelo, Khobi municipality, vil. Khamiskuri	86, out of them 36 women	2018

Table 3: CSA planned trainings in 2018:

#	Title of training	Demo plot profile	Demo plot location: region/village	Period
1	Windbreak	Seedlings	Shida Kartli, Gori municipality, vil. Karaleti	June 2018
2	Vermiculture (8 days)	Worms, Lightweight construction for storing worms	Shida Kartli, Gori municipality, vil. Karaleti	June/July 2018
3	Effective microorganisms	Biofertilizers	Samegrelo, Khobi municipality, vil. Akhali sopeli	June 2018
4	Conservation agriculture	Biofertilizers	Samegrelo, Khobi municipality, vil. Akhali sopeli	July 2018
5	Compost	Inventory	Shida Kartli, Gori municipality, vil. Karaleti	June/July 2018
6	Vermiculture	Worms, Lightweight construction for storing worms	Samegrelo, Khobi municipality, vil. Akhali sopeli	June/July 2018
7	Berry – Harvest & maintenance*	Drip irrigation system Bio-fertilizers Poles & wires	Shida Kartli, Kareli municipality, village Zemo Khvedureti	June 2018
8	Berry – Harvest & maintenance*	Drip irrigation system Bio-fertilizers Poles & wires	Kakheti region, Lagodekhi municipality, village Baisubani	June 2018
9	Berry – Harvest & maintenance*	Drip irrigation system Bio-fertilizers Poles & wires	Ajara, Kobuleti municipality, vil. Ochkhamuri	June 2018
10	Marketing **	-	Samegrelo	June 2018
11	Marketing **	-	Kakheti	June 2018
12	Marketing **	-	Shida Kartli	June 2018

* these trainings represent the second part of the curriculum of the berry production training conducted in the first half of 2018 and include aspects of marketing and cost-benefit analysis

**these will be specialized trainings on marketing aspects of certain crops. The focus crop and target group and area of these trainings will be based on the results of the project data analysis (of the M&E officer) and the recommendations of the marketing specialist based on the platform priorities

11. Following the recommendations of the MTR, the CSA trainings were improved both in structure and content to increase their impact. Baseline information on the farmers attending the training are being regularly recorded by M&E officer supported by ELKANA and the same farmers are now requested to attend both sessions of the training conducted at different crop growth period during the season (one on production techniques and the other on harvesting and postharvest technologies). This was not the case during the trainings undertaken in the first years and the changes are the result of the MTR recommendations.

12. The training curriculum continues to be promoting environmentally friendly and climate smart agricultural practices including use of bio-fertilisers and proper soil health management practices (mulching and composting), drip irrigation, integrated pest management, bio-control and pheromone traps, use of adapted varieties, etc. As per MTR recommendations, the curriculum content was improved mainly to include aspects of marketing, economic analysis and special topics by farmers. The development of the marketing aspects of the training curriculum was done in consultation with the AMMAR marketing specialist and the curriculum in general has been shared with and approved by MEPA. The training with the curriculum that includes the marketing and cost-benefit analysis is yet to be undertaken during the fall season with the training on harvesting and postharvesting. During the MTR, it has been recommended during the MTR to ensure that the buyer / processor of bay leaf should be involved in the bay leaf production training, to ensure that their quality needs are included in the training and the farmers can discuss the production needs and constraints directly with the buyers. However, this has not been done during this year's training and it is recommended to follow-up on this recommendations in the future trainings.

13. The mission discussed with ELKANA the implementation of the training on the cost-benefit analysis and recommended that these sessions would include practical exercises to be done by individual farmers or small groups of farmers who would undertake cost-benefit analysis of the technologies promoted using their own farm economics and conditions (land size, crops planted, labour and cash available, water and soil conditions, sales mechanisms, etc). This will allow them to understand the level of investment that they would need (may not be as big and as expensive as shown in the demo plot) to enhance their productivity and profitability. The exercise would also be an eye opener as to the importance of record keeping for decision making for investments at their local farm level.

Targeted trainings for enhanced impact

14. Until present, CSA trainings have been conducted around the demonstration plots according to the production needs. With AMMAR approaching its final year of implementation, it is important to focus the activities in such a way to achieve the output and outcome indicators. This applies also for the trainings that are to be conducted by ELKANA, to ensure that the highest number of farmers are being trained in the technologies that allows for higher productivity and quality that the market needs and that the highest number of them are adopting the technologies promoted. Accordingly, trainings should be targeted and specialized to respond to the identified needs resulting from the M&E data analysis and from the outcome of marketing analysis and opportunities identified. Trainings could then be targeting old or new farmers/beneficiaries and would be specialized. They could include (if and when needed):

15. Farmers in the command areas of the recently rehabilitated irrigation schemes

16. Farmers with special needs for the identified market potential (including on organic, quality, pesticide application, etc)

17. special hands-on practical refresher courses: mulching, pruning, etc where adoption has been limited or where farmers have expressed their need for such courses

Training of Trainers (ToTs)

18. In addition, ELKANA conducted further ToT trainings in 2018 with a total of 40 participants (28 men, 12 women) and the participants were extension staff from Information and Consultation Centers (ICCs) and representatives of local NGOs (Table 4). Several (around 20) of the extension staff from the ICCs who have been previously trained in CSA technologies in the past years, have been actively participating in the CSA trainings of farmers in 2018 together with ELKANA staff. This figure will increase as extension staff from ICCs are expected to further participate in the trainings that are planned for fall 2018.

19. However, ELKANA is finding it difficult to get sufficient interest from these extension agents to participate in the trainings, especially since many are old in age and lack the interest and enthusiasm to train others. To enhance the capacities of extension agents including ELKANA staff to reach out and incentivise the farmers, it had been recommended during the MTR to provide them with training in facilitation skills. This recommended action was not implemented. It is hence further recommended and agreed to provide this training in the coming year for extension staff in ICCs trained in CSA, ELKANA staff and also include in the trainings Lead Farmers and some AMMAR staff.

20. Table 4 next page provides details on the ToT training conducted by ELKANA so far.

Table 4: ToT conducted by ELKANA in 2016 and 2018

Region	Topics	Date	Number of farmers
Kakheti	<ul style="list-style-type: none"> Vegetable growing; Organic agriculture; Fruit growing (Peach) Value Chains Use of geographic informational systems. 	5 -9/12/2016	21
Shida Kartli	<ul style="list-style-type: none"> Vegetable growing; Organic agriculture; Fruit growing (Apple) Value Chains Use of geographic informational systems. 	5 -9/12/2016	18
Samegrelo	<ul style="list-style-type: none"> Organic agriculture; Fruit growing (Persimmon) Value Chains Use of geographic informational systems. 	12-16/12/2016	17
Ajara	<ul style="list-style-type: none"> Organic agriculture; Fruit growing (Kiwi) Value Chains Use of geographic informational systems. 	12-16/12/2016	13
Kakheti	<ul style="list-style-type: none"> Windbreak Conservation Agriculture & Vermiculture Value chain 	16-18/03/2018	17
Shida Kartli	<ul style="list-style-type: none"> Windbreak Conservation Agriculture & Vermiculture Value chain 	16-18/03/2018	10
Samegrelo	<ul style="list-style-type: none"> Windbreak Conservation Agriculture & Vermiculture Value Chain Berry (Planting & Maintenance) 	16-19/03/2018	13

21. In 2016, a total of 69 participants attended the ToT training (53 men, 16 women); and in 2018 a total of 40 participants attended the ToT training (28 men, 12 women). The training program was implemented for information / consultation centers, representatives of local NGOS.

Exchange visits between farmers:

22. Exchange visits between farmers and between farmers and processors have been limited till present. However, these are highly effective as farmers learn from each other when fields are visited with good agricultural practices and when farmers discuss among themselves. It is also important for example for farmers to observe how their produce is processed and sold as an eye-opener on the importance of quality. The case of bay leaf is a typical example in this case. It is hence recommended to prepare a plan for the continuation and expansion of exchange visits between farmers (within the country and beyond where possible) to include not only farmers but also government extension agents, mobilizers, etc to enhance the common understanding of the potential for farmers. This includes visits to the bay leaf and fruit processing plants.

Recommendations:

23. See below for recommendations that have been proposed by the mission.

Actions	Responsibility	Deadline	Status
Enhanced capacities in dealing with farmers Provide training in facilitation skills for all those who have participated in the ToTs, including the staff from ICCs, NGOs, lead farmers, and staff of ELKANA and AMMAR	PMU supported by IFAD (IFAD to provide the draft ToRs and potential experts)	Dec 2018	Proposed
Cost-benefit analysis training for farmers Include in the economic analysis training for farmers practical exercises in which farmers apply the cost-benefit analysis of technologies for the case of their own farms under their local socio-economic and agro-ecological conditions	ELKANA with the support of the technical specialist in the training	August 2018	Agreed

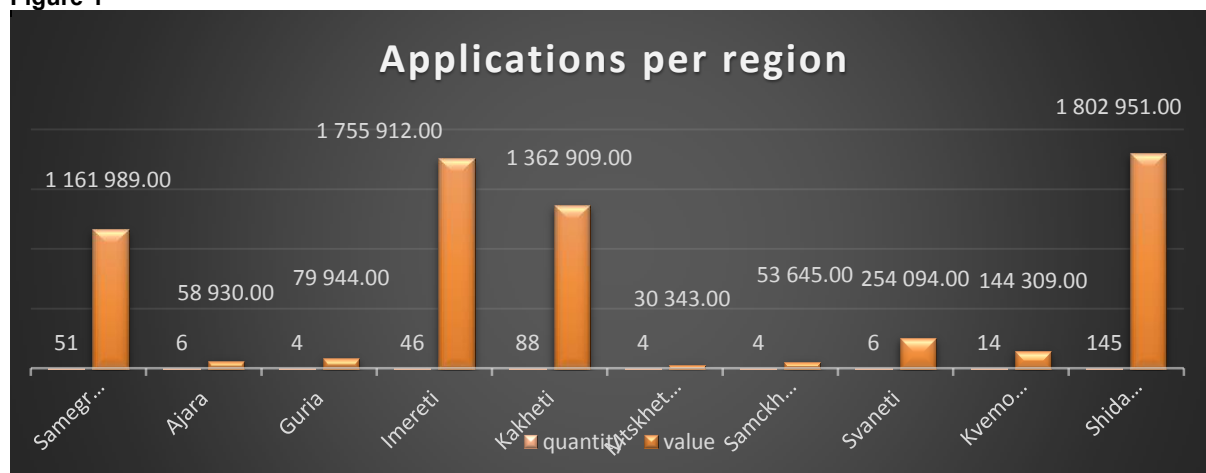
Exchange visits Establish a clear plan for the continuation and expansion of exchange visits between farmers (within the country and beyond where possible) to include not only farmers but also government extension agents, mobilizers, etc to enhance the common understanding of the potential for farmers.	PMU, ELKANA	July 2018	Agreed
Targeted training for enhanced impact Based on the identified needs resulting from the M&E data analysis and the outcome of marketing opportunities, plan specialized targeted training to old or new farmers/beneficiaries to include (if and when needed): a. Farmers in the command areas of the recently rehabilitated irrigation schemes b. Farmers with special needs for the identified market potential (including on organic, quality, pesticide application, etc) c. special hands-on practical refresher courses: mulching, pruning, etc	ELKANA, M&E following discussion with whole AMMAR team (including service providers and MS)	August 2018	Proposed
Training on bay leaf Ensure that the training on bay leaf production involves the participation of the buyers and would include a visit to the bay leaf processing plant of bay leaf (in collaboration with MS)	Elkana, marketing specialist	August 2018	Agreed

Technical Annex 4: AMMAR and DANIDA grants

1. **AMMAR Grants. Rating moderately satisfactory.** The mission is able to confirm the sustained progress observed at MTR on the way AMMAR and APMA team implement this matching grant facility. The project has now approved 247 applications (from 86 at the time of MTR) for grants amounting to about GEL 4.6 million (approx. US\$ 1.8 million) and has another 40 grants in the pipeline. In terms of funding value, the major investments involve agricultural equipment (39%), greenhouses (28%), drip irrigation systems (14%) and beekeeping inventory (12%). *The leading regions are Shida Kartli, Kakheti, Samegrelo and Kakheti. Adjara has very low records with only 2 projects approved.*

2. Figure 1 below provides an overview of the distribution of grant applications among Georgia's region.

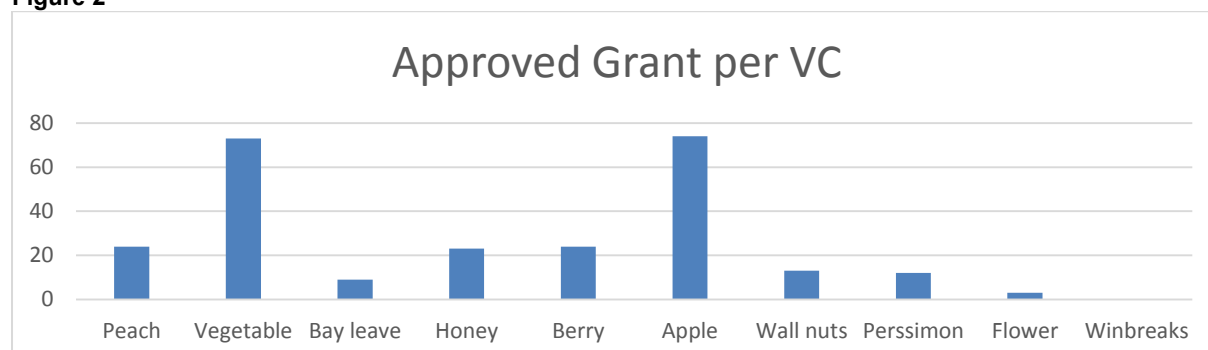
Figure 1



3. *Apple and vegetables attract the most investments*, followed by peach, berry and honey. It is worth noting that 3⁵ out of these 6 lead value chains (50%) are “new” value chains, i.e. value chains introduced in the second year of the project based on a thorough assessment of their potential and strong interest expressed by smallholder farmers. While bay leaf has not attracted much applications for primary production, it is leading in terms of W2 grants (3 projects approved out of 7⁶), confirming the opportunities raised by this crop at processing level, to meet an increasing international demand.

4. Figure 2 below shows the distribution of value chains along approved grant projects.

Figure 2



5. AMMAR W1 grants (primary production) have so far been approved for 240 farmers at an average of US\$ 5,500/beneficiary (while the maximum amount authorized is US\$ 15,000/beneficiary). The project must continue its efforts towards greater inclusivity of the lower segments. While these W1 grants have actively picked up over the last year, W2 grants for processing/agribusiness entrepreneurs remain at alarming low level with only 7 grants approved so far, against an initial target of 40. With just one year before project completion, AMMAR needs to be more active and innovative in its promotion of W2 grants. It was thus agreed, based on the positive experience of the newly launched DANIDA grants (see below), to open W2 grants to start-ups (so far a minimum of 2-year establishment was requested to be eligible to W2 grants), conditional upon the provision of regular post-financing support by specialist business development service providers (BDSPs already hired for DANIDA grants, see below).

6. *Prioritization of value chains and regions.* Crops like kiwi and persimmon have not picked up, and Adjara region has not managed to trigger a significant amount of grant applications, despite the special conditions agreed upon at MTR to include citrus VC and reduce the percentage requested for beneficiary contribution. It is now time to prioritize project's interventions in order to capitalize on the holistic support provided by AMMAR in terms of technical, financial and market access capacity building for those areas that have shown clear dynamics. Apple, bay leaf, honey, vegetables and berry will receive particular focus in the Samegrelo, Imereti, Shida-Kartli and Kakheti regions.

7. *Access to finance remains a bottleneck for most investors:* AMMAR has not managed to attract significantly the financial sector in agricultural/agribusiness lending. So far only 20 AMMAR grant beneficiaries (5.6%) accessed loans from either commercial banks (13 projects, average 15% interest rate), microfinance institutions (MFIs) (1 project, interest rate 25%), or the cheap agro-loan facility that is implemented by APMA (6 projects, average 3% interest rate). The latter access to finance is however an interesting breakthrough along the partnership with APMA, and deserves to be further encouraged.

8. **DANIDA Young Entrepreneur Grants.** *Rating moderately satisfactory.* AMMAR has been very successful in its awareness raising campaign that has used the most “youth-friendly” tools⁷ to attract a vast number of applicants, such that 173 projects are now approved or under business plan development, for a total grant value of close to GEL 7.7 million (approx. US\$ 3.1 million). 10 projects have already been approved, mostly for the establishment of 6 guesthouses⁸. Women account for 33% of projects under development (20% of projects already approved). Kakheti region gathers the most beneficiaries (29%), followed by Shida-Kartli (9%) and Samegrelo (5%). The Young Entrepreneurs grant facility has also managed to reach other regions of Georgia that had not yet been benefitting from AMMAR⁹.

9. Figure 3 below provides an overview of the application dynamics for DANIDA Youth Entrepreneur grants:

⁵ Newly introduced value chains : vegetables, honey, and berry, as well as bay leaf, walnuts and flowers.

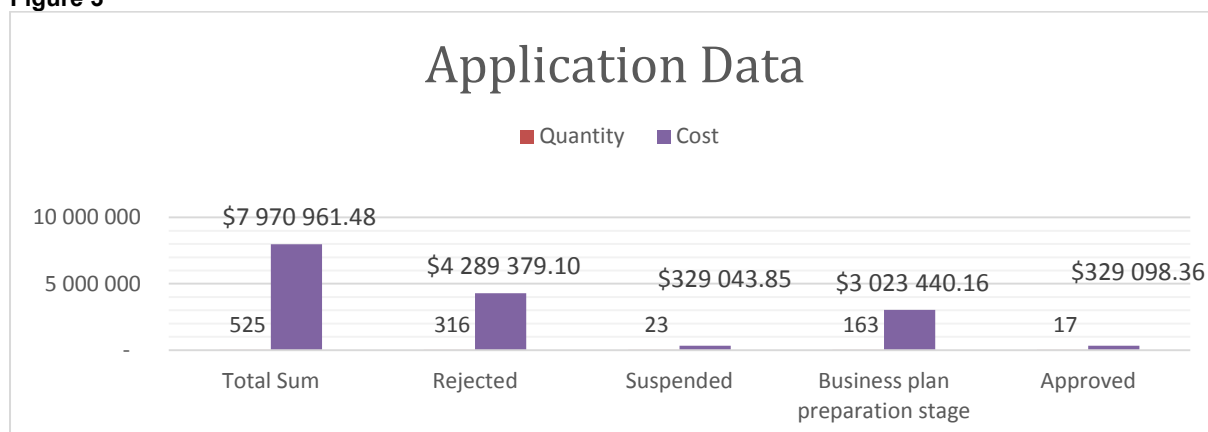
⁶ Seven W2 projects signed (3 in bay leaf, 2 in apple, 1 in vegetable and 1 in berry) with a grant value of over GEL 1.2 million (approx. US\$ 0.5 million)

⁷ Branding platform, Facebook campaign, TV shows, banners, etc.

⁸ Other projects involve wine production (2), production of rosehip juice (1) and fruit drying (1)

⁹ I.e. SAMTSKHE-JAVAKHETI, KVEMO KARTLI, MCKHETA-MTIANETI, CHA-LECHKHUMI, QVEMO SVANETI, etc.

Figure 3

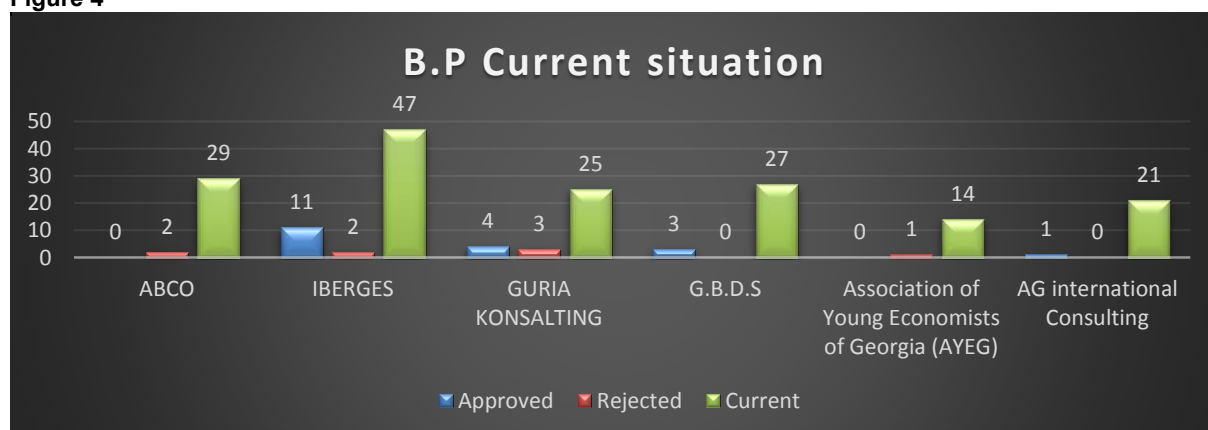


10. *Remark:* the sum of 525 application represents all applications, including repeat applications, that were filed with AMMAR; if we only count single-entry applications, this total sum drops to 383 total applications, of which 174 were rejected.

11. The mission also notes with satisfaction the strong professionalism and commitment of four out of the six BDSPs that have been hired to assist grant applicants in their business plan preparation. Since they are in the best position to further support the beneficiaries in the implementation of their business idea, it was agreed to keep them for post-financing support foreseen to be delivered along a coaching approach.

12. Figure 4 next page shows the trend of business plan development along the different BDSPs.

Figure 4



13. One area that needs special attention from PMU is the pre-financing support activities that have not yet been fully unrolled, especially for those applicants whose business idea was rejected. The PMU has to ensure the service provider hired for both mobilization and pre-finance training does not limit its role to a mere mobilization and assistance in filling the application forms, but addresses identified pre-financing challenges in line with the Terms of Reference (TOR) of its contract.

14. The mission notes that 37 (21.4%) of these projects are related to non-agricultural production, thus slightly exceeding the ceiling of 20% set for eligibility criteria. Most of these projects relate to the establishment or rehabilitation of guesthouses (89%). It is also foreseen that the number of “classical” start-ups, i.e. start-up business started by a new entrepreneur should represent at least 25% of the total grantees, and that the number of business expansion (i.e. an expansion business activity that is initiated by an existing entrepreneur in a new district) should not exceed 25%. So far 140 “classical” start-ups projects (81%) are approved or under development, which is highly satisfactory. However only 8 of them are directly related to AMMAR value chains (mostly for fruit drying/processing, nuts processing, permaculture or bay leaf drying), while on the other hand a vast majority (88) concern the wine industry (either viticulture or wineries). While it is understandable that these types of businesses are viewed by youth as the most attractive in the context of tourism expansion and increased success of Georgian wines on the international markets, the mission is concerned by the fact that the sole

guesthouses, viticulture and wineries projects represent over 80% of the total projects approved or under development.

15. Agreed Actions

Actions	Responsibility	Deadline	Status
AMMAR W2 grants to start-ups Open W2 grants to start up, with post-finance support from best BDSPs already hired under DANIDA grant	Project Director, APMA	June / 2018	agreed
AMMAR grants – emphasis on cold storage investments Dedicate specific targeting to facilitate investments in cold storage that are eligible under AMMAR grant windows	Project Dty Director, Grant Officer, Mobilizer	June / 2018	agreed
Pre-finance support, DANIDA grants Ensure unsuccessful applicants receive ad-hoc pre-finance support in line with SPs TOR. Establish database and monitor level of satisfaction	Project Dty Director, Grant Officer, M&E Officer	June / 2018	agreed
Post-finance support – DANIDA grants Recruit BDSPs already involved in BP preparation to deliver post-finance support to grant beneficiaries	Project Dty Director, Grant Officer, Procurement Officer	August / 2018	agreed
BDSP working groups – DANIDA grants Create 'working groups' for the most prominent VCs (wineries, vineyards, guesthouses, fruit drying), each BDSPs providing info on typical challenges and inputs on how to best support beneficiaries	Project Dty Director, Grant Officer	July / 2018	agreed
Mobilization and pre-finance support – DANIDA grants Given the high number of BPs already approved or under development, suspend mobilization and ask SP to focus on pre-finance support to unsuccessful applicants – analyse reasons for rejection and prepare data base of such unsuccessful candidates who received pre-finance training and should be given priority if more grant funds are available	Project Dty Director, Grant Officer, M&E Officer, Gender Focal Point	June / 2018	agreed
DANIDA grants to non-agricultural production Ensure that grantees for non-agricultural production do not exceed 20% of total grantees, as per eligibility criteria	PMU Dty Director, Grant Officer	June / 2018	agreed

Technical Annex 5: Status of actions agreed upon at MTR

Action	Comment	Updated status May 2018
1. Rehabilitation Masterplan	Prepare a comprehensive rehabilitation masterplan (with overall assessment of feasibility) for each large irrigation schemes, with clearly identified rehabilitation phasing. The total scheme costs and area shall be used to define the investment cost per ha to determine efficiency.	Executed Master plan finalized Mid-April 2018
2. Value chain infrastructure	Identify and (if found) prepare feasibility studies for small infrastructure, other than roads and bridges, as may be necessary for each VC, that may attract private sector investments. The project will be demand driven but the project may undertake feasibility assessments for such infrastructure to create demand from the respective municipalities and entrepreneurs.	Executed. One storage structure was identified for rehabilitation in Kakheti, but no agreement could be reached with the municipality as regards to its transfer of ownership. It is likely that no such infrastructure will be rehabilitated before project end.
3. Feasibility studies	The FS are engineering focused, with little attention to required investments in agronomic and market access improvement for irrigation schemes. Improve content of Feasibility Studies (FS) to include requirements for improved agronomic practices, environmental considerations and marketing arrangements. Also check on assumptions made in the FS.	Partially executed – there hasn't been any new FS studies ongoing since MTR, but on the other hand there is no evidence of checking the assumptions made in previous FS.
4. Irrigation rehabilitation	The rehabilitation of schemes includes the lining of some secondary canals and opening and cleaning of quaternary and tertiary canals. Include low maintenance technologies option analysis for quaternary and tertiary level water systems in the feasibility study and detailed designs. Consideration of life cycle costing should be considered in options analysis during feasibility assessment. E.g. if a canal is to be rehabilitated, options analysis should include the full life cycle costs of developing, managing and maintaining. This analysis may reveal that lining and or pipes may be lower cost than open channels (as has been the case in other countries and may be with the WB project you are managing where piped conveyance has been included)	Executed. Already included in the ongoing detailed design for irrigation schemes
5. Preparation of Maps	Maps of each scheme clearly showing the canal system after rehabilitation are not shared with IFAD. The project has been using google earth-based maps. The completion of rehabilitation should be an opportunity for the preparation Prepare and share with IFAD, as built drawings and maps for all rehabilitated irrigation schemes and small infrastructure	Executed. Project does not use google maps for rehabilitation projects, but all sites are marked down and shown at country scale. The drawings and maps for irrigation and small infrastructure that are completed has been shared with IFAD, more to come upon completion of planned works
6. Operation and Maintenance	There is no maintenance being done for the rehabilitated unlined canals. Some of the canals visited are already covered in grasses and weeds, before the construction works are completed. Obtain commitment from GA for maintenance of newly rehabilitated schemes. Initiate mobilization of farmers for each rehabilitated hydraulic unit for improved canal maintenance in close collaboration with the GILMD efforts	Executed. Memorandum between GA and AMMAR has been signed on 26 December 2017. With regard to this issue, meetings with farmers were organized together with GA representatives.
7. Service Providers for DANIDA grants	Finalize the TORs for business development service providers, and explore the possibility to shorten procurement process by hiring a first batch of SPs that have already been approved and used by other international agencies in similar assignments	Partially executed. TORs for mobilization and pre-finance support were finalized and SPs hired. TORs for post-finance support are still at draft stage
8. Make official inclusion of walnut among AMMAR VCs	Include walnut VC in APMA website, and advertise countrywide with supporting documents	Executed. 15 grant applications for primary production of walnuts have been received (13 already approved)

Action	Comment	Updated status May 2018
9. Ascertain interest to introduce floriculture	Based on floriculture market appraisal, if VC is assessed by AMMAR team as eligible, request NO from IFAD, then include floriculture VC in APMA website, and advertise countrywide with supporting documents	Executed. Market appraisal done, IFAD gave NO to include floriculture. 3 grant applications for primary production of walnuts have been received (all already approved)
11. Drop kiwi VC	Stop further interventions in kiwi VCs	Executed.
10. Introduce citrus VC for Adjara region (subject to conditions described below)	(i) APMA to coordinate with MoA of Adjara to fully ensure the understanding of AMMAR grant facility and rules. If grant procedures from both sides are deemed compatible, then: (ii) include citrus VC in AMMAR VCs for Adjara and advertise widely through Adjara coordinator and media channels (iii) Allow for the complementarity of AMMAR's grants (40%) with the budget of MoA Adjara (30%) to reach 70% support in improved seedlings and farming equipment so as to be in line with usual Adjara grant lines, and expand MoA Adjara outreach (iv) Make use of existing MoA citrus orchards as demo plots for training: MoA to dedicate 0.5 ha demo to AMMAR training (v) MoA Adjara provides comprehensive list of persons to be trained as ToT (including extensionists from Agro-Service centers, university students -in final year of studies, private sector agronomists) (deadline 15/11/2017) (vi) identified ToT staff is sent to Turkey for specific training module (by 31/01/2018) (vii) citrus training is rolled out (continuous starting Feb 2018)	Not executed. Action cancelled due to incompatibility of MoA Adjara with AMMAR conditions/action framework
11. Allow MoA co-financing for greenhouses in Adjara region	Provided grant procedures between MoA Adjara and APMA, allow co-financing from MoA Adjara up to 80% total grant for green-houses up to 500 sq. m. max, and advertise widely through Adjara regional coordinator and media channels	Not executed. Action cancelled due to incompatibility of MoA Adjara with AMMAR conditions/action framework
12. Open walnut, persimmon and bay leaf VCs to start-ups	Make start-ups eligible to W2 grants in the walnut, persimmon and bay leaf value chains, update APMA website accordingly and advertise widely	Not executed. Refused by APMA
13. Pilot Value Chain Platform (Apple)	Initiate Pilot Apple VC platform in Shida-Kartli regions, centered around apple producers benefitting from training and irrigation schemes, and including input suppliers, processors, fresh buyers, nurseries, labs, ICC staff, GA, other donors, heads of municipalities, etc.	Executed. Apple VC platform initiated early May 2018 in Shida Kartli region, as well as honey VC platform in Imereti region
14. Action Plan for market linkages with W2 grant beneficiaries	Develop a 6 months action plan with the vision of: a) Identifying at least 3 potential buyers of selected VC with commitments to buy from AMMAR to be supported through W2 grants (with binding or non-binding contracts to beneficiaries): the number of beneficiaries to be discussed with the team based on their work plan b) Providing the needed support to the beneficiaries, suppliers of products to the buyers, to provide the needed quantity and quality requested by the buyer (targeted training and grants if needed) c) Putting a system in place to trace the increase in sales by AMMAR beneficiaries to those identified buyers (through records the buyers and/or the beneficiaries)	Executed. Action plan developed for the period Jan-June 2018
15. STA from Rural Finance Consultant	Hire a rural finance consultant (or provided by IFAD) to assess the local situation thoroughly and provide concrete actions needed to enhance the engagement of MFIs in AMMAR or future IFAD projects and other agricultural development projects in Georgia. (IFAD has several good and successful experiences in the region that could be shared with AMMAR). ToRs to be developed by end of October 2017	Not executed. No follow up on this action on the part of both IFAD and PMU. Seen as no longer applicable given the limited time before project completion.

Action	Comment	Updated status May 2018
16. Amendment of Marketing Specialist Contract	Amend MS contract to reflect additional tasks and related budget, and prepare AWPB 2018 budget accordingly. Description of tasks: - draft additional training module on specific VC markets (esp. niche market), advantages of proper branding and labelling, - identify precisely potential pilot group(s) that could benefit from PDO - facilitate market linkages, ensure volumes and quality match the demand, trace sales increases - assist M&E specialist and VC Coordinator in capturing business relationship between W2 beneficiaries and their suppliers (e.g. number, volumes, profiles, price trends, quality requirements, etc.) - assist AMMAR team in preparing forthcoming participation to Agro-exhibition (e.g. establish participant list, liaise with fair organizers, accompany farmers during event)	Executed. MS contract amended accordingly
17. Data collection on trainees	Further expand the data collection on trainees by using pre- and post-training evaluation forms to be completed by farmers (content details in the technical report) to inform project on farmers' attitude towards technology adoption and the possible use of the matching grants. Immediate and regular analysis of collected data should be done to enhance the training, targeting and project outreach for grants.	Executed (ongoing).
18. Enhanced training curricula	Enhance the training curricula to (i) make the training sessions as one continuous and coherent training such that the participants are expected to attend all sessions and (ii) include in the training curriculum a simple financial and economic analysis of the technologies as well as special topics of interest to the famers (climate change, niche markets, etc.);	Executed. PMU finetuned training planning and content with ELKANA. Added simple financial/ economic analysis as well as sales channel related topics to all training modules and included this topic while designing new modules for new demo plots.
19. Training plan for new farmer communities	Expand the training plan to cover the new farmer communities benefiting from the now completed irrigation and infrastructure schemes. Prepare and implement a training plan for these beneficiaries using on-site training, establishment of new demonstration plots or through field visits to other regions. This would require a modification of the ToRs and corresponding budget for ELKANA	Partially executed. List of planned, incomplete and complete irrigation schemes has been shared with ELKANA. However there are no data available on such specific training in these sites.
20. Training plan for ICC extension agents	Prepare and implement a training plan on cooperation with the MoA for the ICC extension agents who have been trained by AMMAR to follow-up with the farmers who have been trained by ELKANA in their respective areas	Partially executed. Training plan prepared but outcome not recorded.
21. Training on facilitation skills	Provide a special training by a national or international consultant or service provider in facilitation skills for working with farmers and farmer groups. The training would cover all those closely working with farmers, including public and NGO extension staff, AMMAR and ELKANA team where needed, and selected lead farmers who express interest in follow-up actions with fellow farmers. ToRs to be developed by mid-October 2017.	Not executed.
22. Promotion of live fences, natural hedges	Promote the use of plant hedges within demo plots as natural fences that support ecosystem services (bees and natural enemies) and as sources of income (bay leaf, etc.). 1) screen and identify potential indigenous woody plants to be that could be promoted as hedges around the vegetable and berry crops which have multiple use (protection as barrier, promotion of ecosystem services and potential income generation); 2) promote those woody plants within the demonstration plots (even the ones already established), and within W1 grants (as part of the vegetable, berry, floriculture VC or in support	Partially executed. No action undertaken for plant hedges. However cheap composting technologies promoted on new demo plot in Shida Kartli (in parallel to vermiculture).

Action	Comment	Updated status May 2018
	to bees and pollination in fruit tree grants)	
23. Alternatives to expensive technologies	Promote the discussion with farmer groups during the trainings on possible affordable and effective alternatives to the highly expensive technological options (fully automated, very long duration material, etc.) where possible and promote them as options for possible business ideas for use with grants.	Partially executed. (see above)
24. Update TORs of the Value Chain Specialist (who acts as Gender Focal Person for the project)	TORs of the VC Specialist to reflect gender and youth mainstreaming activities and targeting interventions, to ensure accountability and appropriate allocation of time. It should also be ensured that the Gender Focal Point supervises all the activities linked to gender, youth and women's empowerment and coordinates the service providers as needed	Executed.
25. Social Mobilizer in youth targeting, grant applicant mobilization, etc.	Develop ToRs for additional SP (Social Mobilizer) to improve applications and access to grants by the poor small holder farmers that have limited access to credit (including youth)	Executed. Special focus on youth and women (dedicated sessions) included in the TORs of Mobilization SPs (Agro Services and GFA)
26. Guide targeting approaches	Improve the engagement of youth and women in project activities; ensure more-active participation and inclusion of poor smallholder farmers	Executed. See above.
27. Targeting Strategy	Develop a gender and targeting strategy that includes a detailed action plan with associated costs, which must be reflected in the next AWPB. Ensure that gender and targeting objectives are translated into activities, inputs, outputs and outcomes, and physical and financial planning	Executed. Strategy developed, shared with IFAD and agreed upon. However the PMU asks for more targeted assistance from IFAD.
28. Increase women's participation in project-related activities	(i) Undertake an analysis of the women's role in each VC, including workload, decision making and inequalities. Identify market potential and training needs and (ii) Design gender-sensitive trainings, meetings and exchange visits in collaboration with the service provider and enable mechanisms to ensure identification and participation of rural women, especially the most vulnerable and marginalized. Adjust curricula as needed (food safety and nutrition awareness can also be considered for inclusion)	Executed. Gender Focal Person is involved in training preparation and delivery.
29. Synergies NGOs and government programmes involved in women empowerment	Foster women's mobilization, empowerment and capacity development via NGOs and government programmes involved in women empowerment Explore synergies, define entry points (e.g. their self-help groups, cooperatives and training centers) and elaborate a plan for collaboration	Executed. Gender Focal Person sits on the board of USAID REAP Platform for women in agriculture
30. Mainstream nutrition in training curricula	Adjust training curricula to better mainstream nutrition and promote awareness raising (especially on gender, nutrition and climate change)	Not executed.
31. Planning for Civil Works	For realistic planning and budgeting, consider the following: a) feasibility studies and detailed designs should be planned for in two different AWPB for large irrigation systems; b) in estimating contract performance periods, consider periods that contractor will not be able to access site during peak irrigation times in budgeting for time required; c) realistic estimation of budget for contracts (within 50% is acceptable before studies).	Executed.
32. Planning for W1 and W2 grants	In view of progress made in the last quarter of 2017FY, taking into account AA to improve grant mobilization (introduction of new value chains, opening up to start-ups for certain VCs, etc.),	Executed.

Action	Comment	Updated status May 2018
	make realistic assessment of potential for W1 and W2 grants, and plan 2018 budget accordingly	
33. Adoption study	Conduct an adoption study for the completed demonstrations	Not executed.
34. AWPB modification	Include tables on expected targets for different indicators under the M&E system	Executed
35. Establishment of Demo plots and trainings with LR focus	In order to foster the transferability and uptake of the model, and to support the evaluation of its actual socio-environmental performance, the selection of demonstration sites will need to fulfil at least the following criteria: (i) being representative of typical farming plot characteristics in the targeted regions, and (ii) foresee monitoring of their performance, in comparison to business as usual. The limited duration of the project with respect to the necessary duration of monitoring and evaluation in order to be representative is a critical factor that needs to be taken into account and that can affect the final SECAP rating.	Partially executed. Appropriate selection of LR demo plots. But monitoring system not in place
36. Proper identification of landscape restoration activities	Implementation of this sub-component is continued through recruitment of local individual contractors – LR/GIS specialist and hydrologist in cooperation with AMMAR engineers and international expert. Along with above, the landscape restoration component is added to Demo plots' service provider. The contract of ELKANA has been extended and four additional types of LR Demo plots (windbreaks/shelterbelts; conservation agriculture; effective microorganism compounds, vermiculture) will be established throughout 2017-2018.	Executed. 7 demo plots planned by ELKANA (5 already established): 2 demo plots for windbreaks; 1 demo plot for conservation agriculture; 2 demo plots for vermiculture; 1 demo plot for effective micro-organisms; 1 demo plot for affordable composting For windbreaks LR sites, contract was signed with RECC
37. Planning and Preparation of landscape restoration activities	The LR Plan on "Catchment integrated flood risk and contamination reduction project involving all the villages along the river Charebula (Shida Kartli) and cultivating environmental consciousness of the local population", is expected to be finished by the end of October. At least one demo plot on "conservation agriculture" is agreed to be established in the vicinity of the river Charebula with emphasis on "composting issues", thus linking the demo plot with actual LR site and grant beneficiaries in the region.	Partially executed. See above ref. demo plots. The resignation of the GIS specialist put Charebula works on stand-by.
38. Formalization of Charebula LR plan	The timely and effective implementation of some activities is particularly relevant to ensure the success of the action, especially under a social and environmental perspective. It is necessary to couple physical interventions in the riverbed with long term sustainable waste management: demonstrating to the local population realistic alternatives to waste disposal in the riverbed is a prerequisite to ensure durability of project benefits. Therefore, establishing a formal agreement with the Gori Municipality in order to increase the amount of garbage bins in all the Charebula catchment and their appropriate management is a key action to be carried out by mid October 2017. The identification of the appropriate management approach for asbestos is also necessary, in order to avoid worsening the health risk due to waste collection. It will be important to ensure durability and replicability of the approach, thus, the involvement of all stakeholders, including the local population, is critical component of the action. Timely planning and appropriate dissemination means need to be ensured.	Partially executed. Agreement signed with Gori Municipality but disposal of urban wastes still ongoing
39. Preparation of EMSPs	Assign an Environmental and Social assessment category for each irrigation scheme and small infrastructure sub-projects. AMMAR will recruit an environmental Specialist to assist in ensuring that environmental and social assessments are done and ESMPs prepared and implemented. who will take care of all environmental issues. The terms of reference for feasibility studies and detailed designs will include an environmental and social specialist to prepare ESMPs.	Partially executed. Environmental and Social components are included into the TORs for Detailed Design preparation for new infrastructure projects.

Action	Comment	Updated status May 2018
40. Budget development and monitoring	2017 MTR reiterates the 2016 Supervision Mission's recommendation for AMMAR team to further strengthen its budget development and monitoring capabilities and update IFAD with historical financial reports and forward looking quarterly projections on a regular basis.	Executed.
41. Budget Preparation	Integrate a new module in COPPER accounting system to enable PMU FM team to generate quarterly disbursement projections based on 'non-default' payment terms from existing and potential service supplier contracts	Not executed.
42. Align AWPB with state budget	Sustained from IFAD 2016 recommendations	Executed. The 2 budgets now coincide.
43. Budget monitoring	Automate AWPB quarterly budget monitoring process (Expected to be fully resolved once the new project budgeting module is coded up in COPPER)	Not executed.
44. Personnel	Resolve FM manpower, office space and equipment limitations	Executed. PMU moved to new, more spacious offices in May 2018
45. Procurement Officer to dedicate more time to the Project	The Procurement Officer is expected to dedicate more time for an equivalent of at least two days per week in the office to follow on possible delays at different levels of the procurement process (including requirement finalization and contract implementation possible constraints)	Executed.
46. Revising the procurement plan template	The Procurement Plan template used must be revised to include new fields like Original Contract Value, revised Contract Value, Original Contract signature Date, Revised Contract Signature Date. In addition, the Procurement Pan should have at least two separate sheets: the first for Goods and Services and the second For Consultancies	Executed.
47. Seeking IFAD's No Objection for all Prior Review Contract's	IFAD's Prior Review is to be sought at least for Goods and Works at bid evaluation stage and for Consultants at the level of TORs, proposals evaluation and negotiated Contracts.	Executed.
48. Amending some thresholds set in letter to the Borrower	It was agreed during the mission to review the thresholds set in the letter to the borrower as follows: -The Prior Review for the solicitation and award for works is set at USD 500,000 equivalent or more. -The Prior Review for the solicitation and award for consulting firms is set for USD 300,000 equivalent or more. - RFP will be nationally advertised for contracts valued up to and including USD 200,000 or equivalent. - Subsequent revision is to be done for the International RFP threshold	Partially executed. IFAD No objection was sought and provided, but financial agreement was not amended accordingly.
49. Minimize the use of Selection Based on Consultant's Qualifications (CQS) method	The Selection Based on Consultant's Qualifications (CQS) method should be used only with very small assignments (Exceptional cases might be discussed with IFAD on a case by case basis)	Executed.
50. Seeking IFAD's No Objection for upgrades done to the	Any revision of the Procurement Plan including (i) the addition of new packages, (ii) the change in budget for certain packages and \ or (iii) the change of selection method, should be cleared with IFAD before such changes are implemented	Executed.

Action	Comment	Updated status May 2018
Procurement Plan		
51. The dates and value in the Procurement Plan should be very clear	The term "TBD" should be avoided in the Procurement plan since it defeats the purpose of the plan. Instead, clear dates and values should appear in the plan.	Executed.
52. Signature of the Evaluation report by all the evaluation committee members	The evaluation report should be duly signed by all the evaluation committee members	Executed.
53. The evaluation process should be documented in a detailed evaluation	All evaluation data (tables, technical notes, etc..) should be compiled in a very detailed evaluation report	Executed.
54. Development of WUO	To facilitate better beneficiary participation, improved operation and maintenance of tertiary systems (in anticipation of the new law), the project should start organising farmers, informally, by rehabilitated hydraulic unit.	Partially executed. AMMAR schemes will be included in GA current WUO Service Unit plan of action, but the actual WUO law is not foreseen to be finalized before 2021.
55. AMMAR 'Command Unit'	Set up a 'command unit' that will meet at least on a monthly basis with the aim to 'connect the dots', i.e. update progress, identify and qualify beneficiaries, analyze data collected through M&E and Regional Coordinators, and most importantly develop action plan for forthcoming month with key targets (e.g. number of irrigation beneficiaries who receive training, apply for matching grants; number of farmers who already received training and go for a second round in line with their needs; number of beneficiaries who are connected to new market opportunities, number of new women involved in AMMAR interventions, etc.) One of the tools that this unit must use on a systematic basis is the AWPB, that should be disaggregated per quarter (not only for execution, but also for planning)	Executed.
56. Engagement with other development agencies	Ensure that AMMAR team is fully aware of all other (relevant) donor's interventions (updated list), duly represented in major events, and seizes identified opportunities to complement other's activities (including exchange visits)	Executed. Joint efforts made with USAID-funded ZRDA to facilitate access to grants to smallholders. Also collaborated with another IFAD-funded project "Promoting inclusive horticultural value chains in Armenia, Georgia, Kazakhstan and Moldova" for study tour in Moldova
57. Encourage self experimentation of demo plots	While it is not an integral part of the establishment of the demo plots, farmers should be encouraged to experiment in their orchard by keeping some control trees/regions without the implementation of the promoted technologies to observe the effect on yield and eventually financial benefits. This is a very good practice that allows for comparison of interventions demonstrated to all visiting farmers, hence increasing their thinking outside the box and enhance adoption.	Partially executed. Promoted by ELKANA but missing detailed reporting and data.
58. Increase exchanges through Lead Farmers	Each Lead Farmer owning a demonstration plot could be further supported to regularly invite farmers to visit his farm, where they can evaluate the interventions and their impact (on yield, environment, cost benefits, etc.) by scoring results using a dedicated score-sheet (prepared by	Not executed

Action	Comment	Updated status May 2018
	AMMAR or ELKANA) and discuss their scoring and preferences. This will further increase the understanding of the technologies demonstrated and enhance adoption. Data collected from the farmers' scoring would feed into the M&E system of AMMAR and results from data analysis should be used to further enhance the practices and technologies used in the demo plot and the corresponding training curriculum.	
59. Recruit KM and communication specialist	-	Partially executed. KM and Communication Specialist recruited but did not deliver up to expectation and thus was not kept.
60. KM Action Plan	Develop a KM Action Plan (with a concrete implementation framework)	Partially executed. Formal plan not defined but branding platform for DANIDA grants and efficient mobilization campaign set in place.
61. Elaborate new stories and successful practices	To be developed in collaboration with implementing partners and others as required	Executed.
62. Organize a social media campaign (on Facebook) targeted to young people	(i) Foster their participation to training events; (ii) build their awareness regarding the profitability of agriculture; and (iii) foster knowledge on and adoption of climate-smart agriculture	Executed. See action # 60 above.
63. Organize exchange visits	Use exchange visits to promote adoption of climate-smart practices supported by the project and complement learning generated by the training activities	Executed. See action # 56 above, study tour in Moldova for 12 participants. Internal visits between various regions/demo plots not reported.
64. Analyze and capitalize on lessons learned during project implementation	Capture lessons learned so far (e.g. on matching grants and adoption of climate smart agriculture)	Partially executed. Lesson learned on grants included in 2018 progress report.

Georgia

Agriculture Modernization, Market Access and Resilience Project Supervision Report

Appendix 5: Mission preparation and planning, TORs, schedules, people met

Mission Dates: 14-26 May 2018
Document Date: 31/10/2018
Project No. 1100001760
Report No. 4859-GE

Near East, North Africa and Europe Division
Programme Management Department

Appendix 5: Mission Preparation and Planning, TORs, Schedules, People met.

Annex I: Terms of Reference for Consultants and other persons hired by IFAD to participate in missions under a non-staff contract

COUNTRY OF ASSIGNMENT/LOCATION: Georgia

MISSION NAME: Agriculture Modernization, Market Access and Resilience (AMMAR) Supervision Mission

MISSION START AND END DATES: 14-26 May 2018 (in country)

REPORT TO: Dina Saleh, CPM, NEN/PMD
(name, title, Division/Department)



MISSION COMPOSITION:

Isabelle Lagaillarde, Team Leader and Value Chain Specialist,
Mohamed El Ghazaly, M&E Specialist, (home-based, will support from 27 May onwards),
Wafaa El Khoury, Lead Technical Specialist - Agronomy, PMI,
Malek Sahli, Finance officer, FMD,
Aziz Tabet, Consultant, Water and Rural Infrastructure,
Renaud Colmant, Consultant, Environment, NEN
Andrea Goltara, Water Management and Environment Specialist,
Enrico Mazzoli, Economist & Programme Management Consultant,
Christopher Neglia, Environment and Climate Communications Consultant, ECG,
Paola Di Stefano, Programme Assistant, NEN.

BACKGROUND:

1. The Agriculture Modernization, Market Access and Resilience (AMMAR) project of the Government of Georgia, with IFAD funding, aims to raise incomes of smallholder farmers and increase climate resilience through public and private investments in upgrading climate-proof productive infrastructure, enterprises and smallholder farmer production systems and technologies in support of inclusive growth of climate smart agricultural value chains.
2. AMMAR has been designed as a 4-year project; IFAD approved the project in September 2014, with a loan in the amount of approximately US\$13.3 million. Counterpart funding amounts to US\$1.8 million. The financial package is complemented by grants - US\$5.3million (GEF) and US\$0.5million (IFAD). It is expected that private farmers and agribusinesses will contribute an estimated US\$ 9.8million. The project entered into force in May 2015.
3. The overall goal of the AMMAR project is to sustainably increase incomes and reduce poverty for women and men in rural Georgia. Its development objective is to stimulate private investments in climate-smart agricultural value chains to increase incomes and strengthen resilience of smallholder farmers in selected project areas. The programme is expected to benefit around 10,000 households across the country with an initial focus on four regions and seven value chains. The first Supervision Mission was conducted in July 2016 and evaluated the project performance as moderately satisfactory since implementation progress for AMMAR was lagging behind what had been planned for in the AWPB for 2016; also, the actual expenditures as of 30th June, 2016 stood at 29% versus the planned budget for the first 2 quarters (approx. US\$ 205,000 against the planned US\$ 710,000). Consequently, three Implementation Support Missions were conducted (December 2016 and April and June 2017).
4. The Mid-Term Review (MTR) of AMMAR was carried out in September 2017 in compliance with its financing agreement and executed and managed jointly by both the GoG and IFAD with the objective to (i) review overall project implementation progress, (ii) assess continued project relevance, effectiveness in achieving the objectives, effectiveness of the project's targeting and gender mainstreaming strategy, efficiency in project implementation, impact on food security and incomes of the rural poor as well as on equitable benefits accruing

to women, (iii) assess operational aspects, such as project management and implementation of activities and also the extent to which objectives are being fulfilled, and (iv) check the Economic and Financial Analysis (EFA) of the project based on project design models, updating main assumptions and revisiting project logic as depicted in the logical framework. Strong focus was put on corrective actions needed for the project to achieve impact, and this MTR was therefore a decisive review to address the constraints encountered by the Project in the first phase and propose remedial actions to enable the project to fully achieve its development objectives within the less than two-year remaining period.

5. The mission expected that the VC Coordinator, who is also AMMAR Deputy Project Manager, to assume the lead technical role in the coordination process for all major interventions of the project, i.e. infrastructure development, land restoration, matching grant facility and training and extension, so as to ensure that the overall value chain development objectives are fulfilled.

MISSION OBJECTIVES AND OUTPUTS:

6. In accordance with the financing agreement, the PIU, jointly with IFAD, will carry out a Supervision mission to follow-up on the project activities. The main purpose of the mission will be to review the implementation progress of the various components and to assess the performance of implementation partners, as well as the financial management, procurement, monitoring, evaluation and knowledge management systems. The mission will focus its attention on the coherence and overall coordination of project's interventions in the field of rural infrastructures, landscape restoration, climate smart agricultural extension services, agricultural investments (with the support of matching grants) and market access, to ensure that the project tackles critical constraints along the value chains, from primary production through processing, value addition and backward/forward market linkages. In particular, the mission will assess the gender and poverty focus of the project and the effectiveness of its targeting and gender mainstreaming strategies. The mission will also review the status of the recommendations of the last Mid-Term Review mission, carried out in September 2017, the supervision mission carried out in July 2016 and of the Implementation Support Missions of December 2016 and June 2017. In addition, the mission will assess the progress of activities under the DANIDA funded, Inclusive Growth and Employment For Young Entrepreneurs in Georgia Project, implemented under the overall framework of the AMMAR project.

7. The mission will be under the overall supervision of Dina Saleh, IFAD Country Programme Manager, and includes:

- Isabelle Lagaille, Team Leader and Value Chain Specialist,
- Wafaa El Khoury, Lead Technical Specialist - Agronomy, PMI
- Malek Sahli, Finance officer, FMD,
- Aziz Tabet, Consultant, Water and Rural Infrastructure,
- Renaud Colmant, Consultant, Environment, NEN
- Paola Di Stefano, Programme Assistant, NEN.
- Enrico Mazzoli, Economist & Programme Management Consultant;
- Mohamed El Ghazaly, M&E Specialist (home-based, will support from 27 May onwards),
- Christopher Neglia, Environment and Climate Communications Consultant, ECG,
- Andrea Goltara, who will join the mission in a later stage, will review the GEF financed activities in particular, the Land Restoration works.

8. Field visits will be undertaken by the team to selected areas of the project, as per schedule to be prepared by the PIU and the CPM.

INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES

1. **Dina Saleh** will oversee the work of the mission members to ensure coherence and the development of concrete recommendations. She will lead the negotiations with the Government of Georgia for an agreement on findings and recommendations for the project. The CPM will coordinate the overall mission activities, in particular:

- Support in reviewing the project's physical and financial progress against the 2018 AWPB;
- Support the PIU in forecasting activities to be included in the 2019 AWPB;
- Take part in reviewing the operations and performance of the IFAD PIU;
- Participate in reviewing the performance of contracted implementing institutions and service providers;
- Contribute to the preparation of the aide-memoire and the Supervision mission on mission findings, delineating the main findings and an action plan for the adjustment of the components;
- Take part in preparing a draft of the Management Letter; and

The detailed scope of work of the other mission members is described here below:

2. **Isabelle Lagaille**, Team Leader and Value Chain Specialist, will be responsible for assessing the relevance, effectiveness, efficiency, impact and sustainability of the project components from all the sources of financing (IFAD, GEF, DANIDA, Government of Georgia), in particular she will:

- Review project's physical and financial progress against the AWPBs and performance in implementing last mission recommendations including the DANIDA financed activities;
- Review the operations and performance of the IFAD PIU;
- Review the performance of contracted implementing institutions and service providers;
- Together with the M&E specialist, review the PIU's monitoring and impact assessment systems and progress reporting mechanisms;
- Conduct an overall assessment of the implementation progress/arrangement, lessons learnt and sustainability of the project;
- Support and monitor the work of the mission members to ensure coherence in the findings of the MTR Mission and the development of concrete recommendations as to the achievement of project effectiveness and sustainability in the remaining period of the project implementation;
- Consolidate the team members contributions to reporting on the achievement and impact of project activities;
- Lead the preparation of the aide-memoire on mission findings, and draft/compile the Supervision Report, delineating the main findings and the needed adjustment to the project;
- Prepare the draft Management Letter;
- Perform ad-hoc duties as required by the CPM.

3. **Malek Sahli, Financial Management Officer**, will:

- Review project financial management, accounting system, and audit processes;
- Review project expenditure, IFAD loan disbursement, Grants and Government contribution;
- Review the status and utilisation of the Special Account and Project Accounts and carry out a thorough review of expenditures;
- Assess the adequacy of the accounting system in use at the PMU to reliably record all receipts and expenditures from all financing sources and attribute these to each financing source. This includes cash contributions from cofinanciers, beneficiaries, borrower / counterpart and PFIs;
- Assess controls to ensure that funds disbursed to PFIs are subsequently disbursed to eligible sub-borrowers / grantees, and these transactions are reliably recorded in the project financial management systems. Assess mechanisms to confirm that these funds are used for intended purposes by end-beneficiaries;
- Validate compliance of transactions project subsidiary agreements (rural finance component);
- Assess adequacy of disbursement arrangements and authorized allocations after considering the approved AWPB;
- Support the project team, in particular, financial staff, in developing the 2018 AWPB (financial projections) and broadly, for the remaining implementation phase of the project to ensure timely disbursements and completion of activities;
- Complete a verification of a sample of Statements of expenditures;
- Confirm compliance with PIM on fiduciary aspects;
- Meet sample of local audit firms to assess state of the accounting and auditing profession. Pay courtesy meeting with country Supreme Audit Institution;
- Contribute to the write up of the aide-memoire and the Supervision Report, in particular, inputs to the main body of the aide-memoire: on (a) Financial Management; (b) Disbursement; (c) Counterpart funds; and (d) External Audit. In addition, contribute to the Supervision Report including the section on lessons learnt on financial management, delineating the main findings and an action plan for any relevant adjustments;

4. **Aziz Tabet, Water and Rural Infrastructure Specialist**, will assess the progress made by the project in terms of infrastructures investment. More specifically, he will:

- Review the status of the recommendations formulated by the last MTR mission and assess the overall performance of the Investments in accordance with the 2017-18 AWPB.
- In conjunction with the concerned Project parties, identify activities necessary for a successful implementation of the project and enhance its sustainability. This could include e.g. identification of further training/technical assistance inputs for improving the sustainability of the infrastructure investments. Findings are to be summarised in a Working Paper, as applicable.
- Contribute to the write-up of the Aide-mémoire sections in regard of the Infrastructure Investments on "Outputs and Outcomes by Component", "Impact", "Sustainability"; and in cooperation with the Team Leader under section "Project Management and Implementation" the subsections on "Innovation and Knowledge management", and "Partnerships and Sustainability". Support the Team Leader on the subsections on "Gender focus", "Poverty focus", and "Effectiveness of targeting approach" as applicable with regards to infrastructure-related activities.
- Identify actual, emerging or potential problems, constraints and bottlenecks in project implementation and provide relevant recommendations.
- Based on findings at mid-term review, formulate specific recommendations for activities and implementation arrangements to support a successful implementation of the Project and to enhance sustainability during the last phase of the project until completion.

- In collaboration with the ML and the other Team members, establish the ratings and the related narrative in ORMS and contribute to the write-up of the Mission AM and to the Supervision report.
5. **Andrea Goltara, Water Management and Environment Specialist**, will:
- Based on available data, undertake a rapid assessment of the feasibility studies to ensure compliance with GEF guidelines on landscape restoration and whether this was respected in the proposed watersheds .
 - Provide guidance to the PMU to ensure that they adhere to proper river landscape restoration principles.
 - Through field visits, meetings with concerned actors, and desk work, help Identify vulnerable areas and priority intervention measures to reduce risks for agriculture production in the selected watersheds.
 - Undertake further field visits to provide technical assistance and monitoring support during the implementation and finalization of restoration works.
 - Provide advice to the Project Team in: (i) developing a rationale and environmentally sustainable approach for the landscape restoration objectives in the selected watersheds, (ii) selecting priority interventions that match available funding with a cost-benefit approach, and demonstrate environmental risk avoidance as per GEF guidelines; (iii) designing the river restoration interventions with description of the expected outcomes that will result from restoration actions; (iv) monitoring the impact of restoration interventions.
 - Prepare a report with a detail description of the desk and field assessments, proposed approach, and further information needed to support CENN and the Project Team in the effective implementation of the agreed interventions.
 - Review and send comments to ensure proper technical design of proposed restoration interventions.
6. **Wafaa El Khoury, Lead Technical Specialist - Agronomy, PTA** will assess the progress made by the project in terms of agronomy. More specifically will:
- Work closely with the CPM and Team Leader and will be responsible for component 1 and related sub-components
 - Assess overall performance of the project and in particular, component 1, and make a brief evaluation of realized implementation as compared to the expected results and objectives;
 - Review the effectiveness of the MSP with respect to aggregation of agricultural production of the VC clusters and propose relevant solutions;
 - Highlight key actions or activities especially in contracting with the private sector and point out good practices and issues or problems and outline their reasons or causes;
 - Highlight the key findings or observations and make practical recommendations for further follow ups;
 - Based on the progress so far, recommend the restructuring of Component 1, for the remaining time frame of the project towards achieving the project objectives;
 - Recommend the revised objectives and log frame Indicators based on the restructuring;
 - Assess the capacity of project staff and extension network in the area of providing technical assistance and recommend specific capacity strengthening needs (if any);
 - In close collaboration with the M&E/KM and targeting specialist, address the cross-cutting issues such as targeting to the vulnerable groups, women participation, gender sensibility and partnership;
 - Review overall progress in implementing project component 1 activities against AWPB, and agreed actions since the last supervision;
 - Prepare a technical note on the above areas and a relevant section for the Aide Memoire, and submit technical report no later than 2 days after the last day of the field mission programme;
 - Any other tasks related to the mission as agreed with the Team Leader and/or Country Programme Manager.
7. **Renaud Colmant**, Consultant, Environment, will be responsible for assessing the relevance, effectiveness, efficiency, impact and sustainability of GEF funded activities in AMMAR, in particular, he will:
- Review project's physical and financial progress against the AWPBs related to the GEF financed activities under the overall framework of AMMAR;
 - Review the support provided by the Ministry of Agriculture and other partner organizations;
 - Review the operations and performance of the IFAD PIU;
 - In coordination with other team members, review the performance of contracted implementing institutions and service providers, with a special focus on the partners contracted to implement the land restoration in collaboration with the water management and environment specialist and demo farm (ELKANA NGO) activities;
 - Review the PIU's monitoring and impact assessment systems and progress reporting mechanisms;

- Conduct a detailed assessment of the implementation progress of the AMMAR related to the GEF funded activities;
 - Report on the lessons learnt, impact and sustainability in implementing of climate smart/environmental sensitive activities in the context of Georgia;
 - Contribute to the write up of the aide-memoire and the Supervision Report, delineating the main findings and an action plan for the adjustment of the GEF related activities, to the extent needed, and;
 - Perform any other duty requested by the CPM.
8. **Enrico Mazzoli, Economist & Programme Management Consultant**, will help support the monitoring of the DANIDA grant. In particular, the consultant will be responsible for the following:
- Follow up on implementation progress of the activities foreseen under the 2018 AWPB;
 - Together with the AMMAR project team and the Government Agency (APMA) responsible for the implementation of the grant, review the recent developments and progress of the DANIDA financed activities following the approval of the eligibility criteria, undertake early identification of potential bottlenecks and provide guidance and recommendations to accelerate grant implementation;
 - Based on the mission's assessment, determine relevant and appropriate M&E indicators and provide guidance to the team for monitoring project progress in accordance with the project's theory of change and log frame;
 - Review the pipeline procurement and assist in the review of procurement requests for No Objections;
 - Conduct an assessment of the mobilization and advisory services of the selected service providers;
 - Assess the appropriateness of the eligibility criteria as well as the current profile of the grant applications to ensure consistency with the project concept note under DANIDA co-financing and ensure coherence with the overall AMMAR project objectives; and
 - Perform other relevant duties as may be required by the CPM.
9. **Christopher Neglia, Environment and Climate Communications Consultant, ECG**, will lead to the following deliverables on Knowledge Management:
- i. A narrative case study on the project
 - ii. Video clips of householders/partners/staff
 - iii. Photos of project householders/partners/staff

The narrative on the project will cover:

- the small farming systems practiced by beneficiaries
- the main impacts of climate change and environmental degradation that affect agricultural production
- types of adaptation practice that the project is scaling up
- how smallholder farmers act within the wider rural economy
- how smallholder organizations are organized to respond to environmental and economic challenges
- initiatives that address youth, nutrition, gender or indigenous issues within the project
- the project impacts achieved (e.g. number of ha. protected, number of farmers practicing CSA, amount of infrastructure constructed, volume of marketed production increased, etc.)

The main activities of this mission will include:

- Interviews with 5 beneficiaries will be conducted at various project sites. This will help to tell the story of the AMMAR-DANIDA project through the experiences of participating smallholder farmers. This activity intends to capture how smallholder farmers are affected by climate change and environmental degradation, how they are responding, independently and as part of a community/farmer organization, and how they have benefited from the IFAD project.
- The video clips will be produced by the consultant. The videos will be 30-60 second interviews of the beneficiaries, staff and project partners for social media/web and promotion of the report and IFAD's work on environment and climate change.

Photos. The photos will be produced by the consultant. The photos will represent the perspectives of smallholder farmers participating in the IFAD project. The photos will aim to illustrate the economic, social and family lives of the smallholders IFAD works with. This will require local project staff to assist in identifying rural people who consent to be photographed, as well as translation services, if necessary.

Beneficiary profiles

For the purpose of developing strong case studies that demonstrate project impact, this Annex sets out to provide guidance on identifying smallholder farmers who have interacted with various AMMAR-DANIDA project activities, and whose experiences we would like to capture.

PROFILE #1: Smallholder whose production has directly benefitted from rehabilitated irrigation infrastructure (Component 1.1).

PROFILE #2: Smallholder whose farm has benefited from rehabilitation of an erosion hotspot/riverbank control works (Component 1.2).

PROFILE #3: Smallholder household that has benefitted from increased marketed production in one of the seven selected value chains: persimmon, peach, apple, kiwi, bay leaf, vegetables and honey (interview and photo shoot to be conducted in household) (Component 2.1).

PROFILE #4: Lead farmer on demonstration site that is showing the added value of CSA practices: pruning, drip irrigation, organic fertilizers, bio pesticides, disease control, storage and drying, frost protection (Component 2.4).

PROFILE #5: Young farmer benefitting from entrepreneurial mentoring and support in one of the selected value chains.

10. **Paola Di Stefano, Programme Assistant, NEN**, will support the work of the MTR mission members and her specific responsibilities will be:

- In close collaboration with the M&E Specialist, you will:
 - Discuss the updates of the LogFrame, M&E plans and impact assessment strategies (as well as updates of COSOP results frameworks) to ensure alignment with amended project LogFrames;
 - Explain to project staff the expected improvements in M&E reporting in line with IFAD corporate changes; and
 - Keep implementing the migration of RIMS into the new system - Operational Results Management System (ORMS) – with the project staff, supporting them to verify the selected Core Indicators and ensure project M&E unit readiness to report on them from 2019.
- Prepare the background documentation needed for the mission and ensure that all project relevant documents will be made available to mission members
- Contribute to the capitalization of knowledge and lessons generated and/or captured by the project;
- Undertake field visits, attend group discussions and arrange meetings/interviews with key stakeholders to: (i) identify key experiences and potential stories from the field; (ii) develop a blog post useful to document project impact and good practices; and (iii) collect other relevant findings, if required;
- Contribute to the Aide Memoire and Supervision report if and as needed.

11. **Mohamed El Ghazaly, M&E Specialist**, (home-based, will support from 27 May onwards), will be responsible for assessing the relevance, effectiveness, efficiency, impact and sustainability of the components through a home-based desk review, in particular, he will:

- Analyse quantitative and qualitative data on AMMAR progress and report on project's achievement and impact;
- Provide remote guidance for the PIU M&E Specialist on the best practices to monitor and evaluate the indicators enlisted in AMMAR Project;
- Draft relevant sections for the Aide Memoire and Supervision report on the achieved tasks and recommendations;
- Perform ad-hoc duties as required by the CPM and/ or Team Leader.

DELIVERABLES

- An Aide Memoire of the mission discussed and finalized, based on the wrap up meeting with the Government;
- A Supervision Report based on the inputs and reports of the mission members with relevant annexes including knowledge management (learning & innovation), targeting, scaling up and sustainability;
- A draft Management Letter summarising the key issues that need to be acted upon and monitored by the supervising authorities.

DOCUMENTATION

The following documentation will be made available to consultants prior to the assignment:

PDR, 2016 supervision report, AWPB and PP, progress report, status of funds, MTR Report (2017).

MISSION SCHEDULE: 14-26 May 2018

Clearance by COM if TORs include communication activities (see section 4.7(iii)):

Name: **Signature:**.....

Date:.....

Clearance by CFS if TORs include financial management responsibilities:

Name: **Signature:**.....

Date:.....

IMPORTANT NOTE:

IFAD will accept only reports that have been properly formatted by using the template, which will be provided separately. The team leader is responsible for preparing the main report and annexes in the required format, and ensuring that the working papers submitted by the individual team members are consolidated in one single document and in the correct format. He will compile the full report, including his own contributions and those of all the mission members into one consistent final and complete Report and submit it to IFAD on or before the agreed deadline.

Annex II: List of individuals and institutions consulted during the mission

Name	Title	Institution
Levan Davitashvili	Deputy Minister	MEPA
Nodar Kereselidze	First Deputy PS	MEPA
Lali Durmishidze	Project Manager	AMMAR
Katie Sharabidze	VC Coordinator and Deputy Project Director	AMMAR
Nino Kizikurashvili	GEF Coordinator	AMMAR
Ekaterine Gurgenidze	Gender Focal Point	AMMAR
Tamar Tsintsadze	M&E Officer	AMMAR
Levan Tskhovrebashvili	Engineer	AMMAR
Andzor Andguladze	Engineer	AMMAR
Yana Samkharadze	Procurement Specialist	AMMAR
Nino Tatishvili	Financial Management Specialist	AMMAR
Akaki Chkhaidze	Marketing Specialist	AMMAR
Tornike Latatia	Grant Consultant	AMMAR
Tornike Kapanadze	Grants Project Manager	APMA
Tamaz Dundua	Programme Manager	ELKANA
Ann Akhvediani	Programme Assistant	ELKANA
Kote Jgenti	BDSP Director	ABCO
Davit Ninua	BDSP Director	IBERGES
Aleko Mameshvili	BDSP Director	Guria Consulting
Sergo Baramidze	BDSP Director	G.B.D.S.
Kakha Daoshvili	BDSP-Representative	Young Economist Association (AYEG)
Levan Kurashvili	BDSP-Representative	AC International Consulting
Giorgi Mikabadze	BDSP-Representative	AC International Consulting
Natia Ninikelashvili	Trainer/Representative	GFA
Otar Tchiladze	Representative/ financial manager	Agro Service SP
Davit Tabatadze	Head of WUO support unit	Georgia Amelioration Company
Gabriel Mazniashvili	Head of Shida Kartli regional Service center	Georgia Amelioration Company
Zaza xxxxxx	Head of Gori Service Center	Georgia Amelioration Company
Davit Baruashvili	Head of Saltvili Service area	Georgia Amelioration Company
Gevorg Michikian	WUO Regional Expert	WB consultant

Name	Title	Institution
Avto Sujashvili	Windbreak specialist	Consultant RECC & ELKANA
Jondo Mdivnishvili	Mayor of Lagodekhi	Lagodekhi Municipality
Shorena Lobjanidze	Representative	Giorgeti Administrative Unit
Gia Gaprindasgvili	Representative	Apeni Administrative Unit
Alexander Baindurashvili	Representative	Sakrebulo Administrative Unit
Sophie Akhobadze	Regional Director	RECC
Keti Tsereteli	Project Manager	RECC
Levan Mumladze	Representative	Gori ICC
Mamuka Jolbordi	Grant beneficiary Shida-Kartli	Dzevera – Gori, apple VC
Davit Doreuli	Grant beneficiary Shida-Kartli	Savaneti – Gori, apple VC
Mr. Machavariani	Grant beneficiary Shida-Kartli	Marana – Gori, apple VC
Marika Kandorelashvili	Grant beneficiary Shida-Kartli	Sateme – Gori, apple VC
Irakli Dolidze	Grant beneficiary Kakheti	Sabue – Kvareli, berry VC
Alexandre Sologashvili	Grant beneficiary Kakheti	Sanavardo – Kvareli, vegetable VC
Maya Beroshvili	Grant beneficiary Kakheti	Chumlaki – Gurjaani, berry VC
Oleg Javakhishvili	Grant beneficiary Kakheti	Chumlaki – Gurjaani, peach VC
Shengeli Tokhosashvili	DANIDA Grant beneficiary Kakheti	Pankisi – Akhmeta, fruit juice
Giorgi Kokozashvili	Lead Farmer, Shida Kartli	Ergneti – Gori, apple demo plot
Zaza Kharibegashvili	Lead Farmer, Shida Kartli	Karaleti, compost and vermiculture DP
Glakho Kharashvili	Lead Farmer + beneficiaries Kakheti	Podaani – Lagodekhi, berry demo plot
Simon Ruadze	Lead Farmer Kakheti	Chumlaki – Gurjaani, peach demo plot
Zaza Chikvaidze	Lead Farmer Kakheti	Vardisubani – Kvareli, windbreaks DP

Annex III: Mission itinerary

Sunday, May 13

- Mission arrives in country

Monday, May 14

- 10:00 – 18:00 - Meetings with AMMAR Management. Location: MEPA office.

Compile project documentation and finalise the itinerary (including KM visits and interviews)

Tuesday, May 15

- 09:30 – Meeting with AMMAR Management / update on status of Agreed Actions as of September MTR.

- 11:00 – Meeting with T.Kapanadze, Manager of IFAD Grant Component at APMA. Location: MEPA office

- 13:00 – 18:00: Travel to Gori and meet Lead Farmer Mr Giorgi Kokozashvili (Apple VC)

KM => SHF who benefitted from increased marketed production (incl. Tbilisi exhibition + study tour in Moldova)

- 14:30 – Meeting with ELKANA - Tamaz Dundua, Programme Manager

Wednesday, May 16 ***Field visit/meetings in Shida Kartli Region***

- 09:00 - Visit to Rehabilitated Irrigation Scheme in Village Dzevera - meet beneficiary farmers on site

- 10:30 - Visit to AMMAR beneficiary farmers Mr Tukhiashvili (irrigation and grant) and Mr Jolbordi (irrigation)

- 11:00 - Group II proceeds to visit small infrastructure site nearby Dzevera Irrigation Scheme

- 12:00 – visit AMMAR grant, training and study tour beneficiary - Ms Marika Kandareshvili, Satemo Village, Gori Municipality

- 15:00 – visit AMMAR grant young beneficiary, Apple producer Mr Amiran Machavariani Marana Village, Gori Municipality,

KM => Woman entrepreneur full interview of Ms Marika Kandareshvili

- 17:00 – Group I & Group II Return to Tbilisi

Thursday, May 17 **TBILISI MEPA OFFICE**

- 10:00 – Overall progress, presentation by AMMAR Project Management Unit
- 13:00 Lunch break
- 13:30-18:00 Meeting with AMMAR Engineers + Georgia Amelioration Company + WB International Consultant on WUOs
- 13:30- Meeting with BP writing service provider company representatives for “Young Entrepreneur” – Danish Government funded programme.
- 16:00 – 18:00 - Meeting with Otar Chigladze and N. Ninikelasvili, Team Leaders GFA and Agroservice – mobilisation/information outreach service provider for “Agro production support programme”.

Friday, May 18 **Field visit/meetings in Kakheti Region**

- 07:00 – departure from Tbilisi (Group I and Group II)
- 10:00 – Group I - visit to Kabali LR site, Giorgeti Village, Lagodekhi Municipality, + Rehabilitated road in Giorgeti Village + beneficiary of LR site
KM => Rehabilitation of river banks/ erosion control (2)
- 13:00 – Group I - visit to Windbreak DP in Vardisubani, Telavi Municipality
- 10:00 – Group II - Visit raspberry DP (Lead Farmer Mr Glakho Kharaishvili + trainees) in Podaani Village, Lagodekhi Municipality
- 13:30 – 15:30 - Group II visit AMMAR beneficiary Mr Irakli Dolidze, Blackberry producer, Sabue Village, Kvareli Municipality
- 15:30 – 17:00 – Group II - visit AMMAR beneficiary Mr Alexsandre Sologashvili, vegetable greenhouse, Sanavardo Village, Kvareli Municipality
- All team overnight in Khvarelis Eden Hotel (Aghmashenebeli Street 87A, 4800 Kvareli) Location, Kvareli Municipality

Saturday, May 19 **Field visit/meetings in Kakheti Region**

- 10:00 – Group I visit Bank Protection Structure of river Chumlakiskhevi LR site, Chumlaki Village, Gurjaani Municipality
- 12:00 – Group I visit Kvemo Alazani Irrigation Scheme in Chumlaki Village, Gurjaani Municipality
- 10:00 – Group II visit AMMAR beneficiary Ms Maya Beroshvili, Berry producer, Gurjaani Municipality,
- 12:00 – Group II visit AMMAR beneficiary Mr Simon Ruadze, Lead Farmer Peach DP, Chumlaki Village, Gurjaani Municipality
KM => Lead Farmer & demo plot
- 14:00 – Group II visit AMMAR beneficiary Mr Oleg Javakhishvili, Peach Producer, Chumlaki Village, Gurjaani Municipality
- All team overnight in Khvarelis Eden Hotel (Aghmashenebeli Street 87A, 4800 Kvareli) Location, Kvareli Municipality

Sunday, May 20 **Field visit/meetings in Kakheti Region**

- 09:00 – depart for Pankisi for a meeting with “Young Entrepreneur” beneficiary Mr Shengeli Tokhosashvili “Non-Alcoholic beer brewery” Pankisi Village, Akhmeta Municipality, Kakheti region
- 13:00 – Departure for Tbilisi

Monday, May 21 Meetings in Tbilisi / Field visits in Shida Kartli

- 10:00 – meeting with RECC Director, Ms Sophiko Akhobadze
- 13:00 – visit to Compost and Vermiculture Demo Plot. Location: Karaleti Village
- 15:30 – visit Windbreak Rehabilitation Site by REC. Location: Saqasheti Village
- All day – Irrigation team: meeting and field visit irrigation sites in Shida Kartli

Tuesday, May 22 **TBILISI MEPA OFFICE**

- One to one meetings at MEPA
- Drafting Agreed Actions for each (sub)-components & AM parts (e.g. procurement, financial management, etc...).

Wednesday, May 23 **TBILISI MEPA OFFICE**

- One to one meetings at MEPA
 - 15:00 - Discussion/clarification of drafted Agreed Actions with AMMAR team
- Drafting Aide Memoire

Thursday, May 24 **TBILISI MEPA OFFICE**

- One to one meetings at MEPA
- Finalise Aide Memoire

Friday, May 25 **TBILISI MEPA OFFICE**

- 12:00 Wrap-up meeting with the Deputy Minister of Agriculture

Saturday, May 26

- Mission departure