

Georgia

Agriculture Modernization, Market Access and Resilience Project Supervision Report

Mission Dates: 18-29 May 2020

Document Date: 24/06/2020

Project No. 1100001760

Report No. 5426-GE

Near East, North Africa and Europe Division
Programme Management Department

Abbreviations and Acronyms

ACD	Accountancy Division
AM	Aide-Mémoire
AMMAR	Agriculture Modernization, Market Access and Resilience project
APMA	Agriculture Projects Management Agency
AWPB	Annual Work Plan and Budget
BDSP	Business Development Service Provider
CCNAP	Climate Change National Adaptation Plan
CSA	Climate Smart Agriculture
DA	Designated Account
DP	Demonstration Plot
DiMMA	Dairy Modernization and Market Access Programme
EFA	Economic and Financial Analysis
ENPARD	European Neighbourhood Programme for Agriculture and Rural Development
EoI	Expression of Interest
EU	European Union
FM	Financial Management
FMDB	Financial Management Dashboard
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
ICP	IFAD Client Portal
IFAD	International Fund for Agriculture Development
IFR	Interim Financial Reports
IRD	International Relations Department
IS	Irrigation Scheme
IU	Irrigation Unit
KM	Knowledge Management
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
NGO	Non-Governmental Organization
O&M	Operation and Maintenance
PBAS	Performance-Based Allocation System
PCD	Project Completion Date
PDR	Project Design Report
PDO	Protected Designation of Origin
PEFA	Public Expenditure and Financial Accountability
PGI	Protected Geographic Indication
PIM	Project Implementation Manual
PIU	Project Implementation Unit
PO	Procurement Officer
PP	Procurement Plan
PPL	Public Procurement Legislation
RECC	Regional Environmental Center for the Caucasus
RIA	Regulatory Impact assessment
RIMS	Results and Impact Management System
SBD	Standard Bidding Documents
SCADA	Supervisory <i>Control</i> And Data Acquisition
SDR	Special Drawing Rights
SOE	Statement Of Expenditures

SP	Service Provider
SPA	State Procurement Agency
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
YTD	Year To Date

A. Project Overview

Region:	Near East, North Africa and Europe Division	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:	3
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:	18/05/2020
Signing Date:	17/02/2015	Date of Last SIS Mission:	19/05/2020
Entry into Force Date:	28/05/2015	Number of SIS Missions:	9
Available for Disbursement Date:	15/07/2015	Number of extensions:	1
First Disbursement Date:	21/07/2015	Effectiveness lag:	8 months
MTR Date:	10/09/2017		
Original Completion Date:	30/06/2019		
Current Completion Date:	31/10/2020		
Financial Closure:	not available yet		

Project total financing

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

Current Mission

Mission Dates:	18-29 May 2020
Days in the field:	n/a
Mission composition:	Vrej Jijyan, Country Director, NEN; Isabelle Lagailarde, Team Leader and Value Chain Specialist, IFAD Consultant; Samvel Ghazaryan Infrastructure Specialist, IFAD Consultant; Sengul James, Finance Officer, FMD; Mohamed El-Ghazaly, M&E Specialist, NEN; Renaud Colmant, Environment and Climate Change Specialist IFAD consultant; Beatrice Gerli, Gender and Targeting Specialist, ECG; Nino Gogsadze, Procurement Specialist, IFAD Consultant.
Field sites visited:	n/a

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		5	Assessment of the Overall Implementation Performance		5
Effectiveness and Developmental Focus		5	Project Management		5
Effectiveness		5	Quality of Project Management		6
Targeting and Outreach		5	Knowledge Management		5
Gender equality & women's participation		4	Value for Money		5
Agricultural Productivity		5	Coherence between AWPB and Implementation		5
Nutrition		4	Performance of M&E System		5
Adaptation to Climate Change		4	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)		4
Sustainability and Scaling-up		5	Financial Management and Execution		5
Institutions and Policy Engagement		4	Acceptable Disbursement Rate		4
Partnership-building		5	Quality of Financial Management		5
Human and Social Capital and Empowerment		4	Quality and Timeliness of Audit		6
Quality of Beneficiary Participation		5	Counterparts Funds		5
Responsiveness of Service Providers		5	Compliance with Loan Covenants		5
Environment and Natural Resource Management		4	Procurement		5
Exit Strategy		5			
Potential for Scaling-up		5			
Relevance					5

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 aims to raise incomes of smallholder farmers and increase climate resilience through public and private investments in support of inclusive growth of climate smart agricultural value chains. The International Fund for Agricultural Development (IFAD), jointly with the Project Implementation Unit (PIU) at the Ministry of Environmental Protection and Agriculture (MEPA), carried out a Supervision mission to follow-up on the project activities.

The project's investment totals USD 34.8 million including physical and price contingencies, of which USD 13.3 million from an IFAD loan, USD 0.5 million from an IFAD grant, USD 5.3 million from a GEF Grant and USD 4.1 million from a DANIDA grant. The Government of Georgia will contribute USD 1.8 million in the form of taxes and duties exemption, and the project expects to generate a further private co-investment of USD 9.8 million from farmers and agribusinesses enterprises. AMMAR has been designed as a 4-year project, and entered into force in May 2015. The project has been extended in March 2019 for additional 16 months, meaning completion and closing dates of 31 October 2020 and April 2021 respectively.

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 has focused 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 (including matching grants and DANIDA grants for Youth Entrepreneurs) and market access. The mission has also reviewed the status of the recommendations of the last Supervision mission carried out in June 2019, and provided strategic advice and guidance to strengthen project's sustainability through priority actions that can be realistically implemented before AMMAR completion on 31 October 2020.

Due to the current COVID-19 situation that prevented any work or field visits to be undertaken in-country, this mission was entirely conducted on a remote basis with virtual meetings involving PIU staff, MEPA, the Agricultural and Rural Development Agency (ARDA)^[1], as well as service providers ELKANA Association and the Regional Environmental Centre for the Caucasus (RECC). A large amount of photos, videos and on-line documentation was availed to the mission, that backed AMMAR progress reports and helped the mission fine-tune its assessment. A series of 4 questionnaires were also drafted by the mission members to get the feedback of beneficiaries along the different project activities. Interviews were conducted by PIU, ARDA and service providers staff, mostly by phone, and the answers have been compiled to extract key learnings.

The project completion mission in-country due early 2021 will have to cross-check and validate the information gathered during this remote mission.

This report documents the mission's findings and agreements formally presented to MEPA Minister H.E. Levan Davitashvili and First Deputy Minister M. Giorgi Khanishvili at a wrap-up meeting held on 2 June 2020. It will be followed by an IFAD management letter highlighting key mission findings and recommendations. The mission wishes to extend its most sincere gratitude and appreciation for the cooperation and commitment displayed by the Project Implementation Unit. In these difficult times of COVID-19 pandemic, AMMAR team has spared no efforts to cope with the situation, and pioneered extremely well the challenging mechanisms of IFAD remote missions with Georgia.

^[1] Formerly named Agriculture Projects Management Agency (APMA)

Key Mission Agreements and Conclusions

The last mission held in June 2019 underlined the steady, continuous progress observed since Mid-Term, both in terms of physical and financial execution. It also highlighted that the 16-month extension that was granted to AMMAR would be instrumental to complete strategic interventions already engaged with beneficiaries, partners and Government institutions, and thus ensure sustainability of the project investments as well as optimal impact among beneficiaries.

This mission is able to confirm that despite the delays incurred during the country's lockdown, the project has successfully addressed most of the key mission agreements that were reached last year, and is on good track to complete the project in due time except for the final works in two irrigation schemes (IS) – see below.

The current disbursement rate for IFAD loan, GEF grant and DANIDA grant is respectively 99.95%, 98.92% and 100%, including authorized allocations. The actual realization rate at the project level, as of 31 March 2020 is 86% of the total loan allocation and 84% of the total GEF grant. The DANIDA grant has been fully disbursed in 2019.

AMMAR project has continued to register progress across all of its sub-components. All physical targets have been achieved, and often surpassed. The project has strived to strengthen the sustainability of its interventions through its engagement with institutional partners. One can already say that the project has substantially contributed to the development of inclusive climate-smart value chains, enhancing Georgia's agricultural resilience to climate change and boosting private sector investment with a particular focus on smallholder farmers and rural enterprises.

The project is on track to complete most of its activities by October 2020, except for the two contracts in Tifloni irrigation scheme that cannot realistically be completed before December 2020 due to the works disruptions related to the COVID-19 lockdown.

This calls for an additional 3-month extension on exceptional basis. Given that the current pandemic may cause further delays or disruptions, it is also of utmost importance that AMMAR team remains mobilized to "put the final touches" and consolidate its remarkable achievements. Three areas require particular attention:

1. The continuous support to enforcement of the windbreak and soil conservation laws;
2. The final disbursement of grants from ARDA to beneficiaries along the DANIDA and AMMAR grant facilities and;
3. The analysis of key project data through the exit strategy document and final impact survey, in order to efficiently feed the Project Completion Report (PCR).

D. Overview and Project Progress

Irrigation and Value Chain infrastructures. Overall, the mission had positive impressions from the data and photo materials provided. The quality of works implemented was reported adequate with satisfactory level of technical supervisors and contractors.

18 civil works contracts have been completed or at completion stage so far in three project area regions of Shida Kartli, Samegrelo and Kakheti. They consist of 10 irrigation schemes and one dam with total command area of 14,322 ha including 8,486 ha under the lakublo dam; and rehabilitation of 8 roads and five bridges with total length of about 24.8 km. These feeder roads will serve some 3,975 ha of agricultural area. The aggregate cost of investments under the sub-component is about GEL 22.6 million, equivalent to about USD 10.0 million. The total payment to contractors as of 30.04.2020 is about GEL 18.7 million or some 83% of total value of the contracts. As per the PIU database, these investments directly benefit over 14,839 households, including 4,730 under the improved irrigation schemes, 7,126 households under the lakublo dam and 2,983 households from the investment in feeder roads and bridges improvement.

In addition to the above activities the PIU conducted feasibility studies and development of engineering designs for rehabilitation of most deteriorated sections of the Saltvisi, Skra Kareli and Tashiskari irrigation systems (total 3,981 ha) in Shida Kartli region. Due to lack of funding resources these schemes will not be implemented in the framework of AMMAR and design documents are provided to the Georgian Amelioration Company (GA) for further consideration. It is worth noting that one of them has already been included in GA work plan for 2020.

Currently, works funded by AMMAR are still ongoing in 2 irrigation schemes and due to COVID-19 situation the contractors had to stop works. Furthermore, once the irrigation season starts the contractors will have to interrupt their operations till the month of September, meaning that they cannot complete the planned works at current set of completion dates (23/05/2020 and 23/07/2020). A more realistic date for completion of these 2 schemes is December 2020, which is beyond the completion date of AMMAR.

In view of this situation linked to COVID-19 restrictions, it was thus agreed during the course of this mission that the Ministry of Finance (MoF) will request by way of exception a further 2-month extension for IFAD-funded activities. This would imply new completion and closing dates of 31 December 2020 and 31 June 2021 respectively.

Landscape Restoration (LR). By the reporting date, overall project land restoration activities involve 1,420 households (HHs) and cover 3,135 ha (of which 2,816 ha from windbreaks), representing 157% of appraisal target.

LR plans were prepared and relevant river bank protection works carried out in Gurjaani and Lagodekhi municipalities of Kakheti region, with the objective of protection of 319 ha of fruit and vegetable crops from floods and flashfloods in surroundings of rivers Kabali and Chumlakis Tskali. As underlined in previous missions and in the preparation of the completion mission, although locally useful for farmers, those interventions cannot be labelled as proper LR interventions (as no environmental improvement has been obtained and some environmental impact could have been generated up and downstream) and therefore should not be considered as models to be replicated.

More than 53 km of windbreaks were planted in Shida Kartli and Kakheti regions (and 40 windbreak management plans prepared) with 2,816 ha of land protected from wind erosion. Seedling protection, photodegradable tubes and water accumulating granulates were applied as innovative technologies implemented and offered for replication. Details on numbers of seedlings and species by plot were provided by RECC as part of the management plans and implementation reports. Furthermore, a monitoring report was prepared for Shida Kartli region. RECC will prepare a similar report for Kakheti by July 2020.

To ensure sustainability and continuity in the windbreak surface expansion in Georgia, AMMAR established 4 nurseries (2 for youth and 2 for women). Surveys were shared with the 4 nursery owners during this mission and results were encouraging. First it has raised their personal awareness about the importance of windbreaks. Second the four of them expressed their satisfaction of the way they were supported and their intention to continue their business in the future. And third one of the owners has already expanded her nursery at her own cost.

Policy dialogue on climate-resilient value chains Through the GEF grant, the project seeks to achieve an enabling environment for climate-risk reduction in agriculture. In this regard, AMMAR has produced three policy documents as follows:

- The first policy document, Climate Change National Adaptation Plan for the Agricultural Sector (CCNAP), was prepared and presented to the wider public of stakeholders (including deputy ministers of Agriculture and Environment) in November 2017. The document is available on the government website^[1].

- The second document entitled "Regulatory Impact Assessment (RIA) for the Draft Law on Windbreaks"^[2] was prepared by RECC under AMMAR project and presented at the workshop to stakeholders (Environmental Committee of the Parliament of Georgia and other relevant representatives of wider public) in February 2019.

- The third document is the draft of another RIA for the draft Law on Soil Protection presented by RECC at the stakeholder workshop with participation of the first Deputy Minister of MEPA in December 2019. The final report is to be presented during 2020.

It is worth noting that the three documents were not produced as stand-alone papers but were rather building on each other, addressing climate-related risks reduction in agriculture in a comprehensive way to benefit Georgia in a larger extent than initially planned.

Demonstration plots (DPs). Overall, 17 DPs have been established by the project's service provider, ELKANA under close supervision of AMMAR recruited part-time Agronomist. During the past year, AMMAR, in line with previous mission's recommendations, has capitalized on the existing DPs and planned a series of 10 exchange visits with a particular emphasis on vermicomposting technologies. Six of them already took place and the last four were postponed because of the sanitary situation; they will be carried out if the situation in the country allows to do it before the end of the ELKANA's contract on 30 June 2020.

The mission recognizes that, at the present time when facing the COVID-19 pandemic, the models established within the framework of the project are relevant as they tend to reduce dependency on external inputs and improve the resilience of rural areas to such shocks while contributing to the country's food security in a sustainable way.

It is also worth mentioning that IFAD activities were recognized as exemplary information and knowledge distribution models for other agencies at the Coordination Meeting for the Establishment of the National Network of Demonstration Plots initiated by the MEPA and arranged by FAO with stakeholders and implementing partners of the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD). On this occasion it was decided to invite ELKANA, as the best implementer, to the next meeting for sharing knowledge and experience to other donors and stakeholders. It is worth noting that ARDA was supplied with detailed information on all AMMAR demo plots and is going to use them throughout their training campaign piloted by their newly established regional offices.

Climate Smart Agriculture (CSA) Training. In total 2,379 farmers (of which 28% were women) received CSA training through 66 sessions held in the four regions of Shida Kartli, Samegrelo, Adjara and Shida Kartli. Seven training were held since the last supervision. The mission recognizes that efforts were made to create synergies between subcomponents to capitalize on successful activities. By the reporting period 41% of project beneficiaries had received various benefits (such as grants and training) from the project. Furthermore, as already reported in previous missions, ToT trainings were carried out in Kakheti, Shida Kartli, Samegrelo and Adjara with a total number of participants of 109 (29 women). The training program was implemented for information/consultation centers and representatives of local NGOs and cooperatives.

Surveys shared during the supervision mission showed very encouraging results:

- 90% of the respondents are actually already applying in their activities what they learned during the trainings (100% from vermicompost).
- 85% of the respondents could determine the impacts of Climate Change on their production/business, and more than 80% of them declared that the trainings and/or exchange visits helped them to cope with those changes.
- In total, around 85% of respondent rated AMMAR training and exchange visits programme as very satisfactory and around 15% moderately satisfactory.

A set of replication manuals^[3] were developed based on the DP models. Hard copies were widely distributed and electronic versions are available on ELKANA's webpage. The manuals contain basic costing to build business plans and present several types of sub-models to ease the process of replicability for interested farmers. At the request of ARDA, who is undertaking a training campaign throughout the whole country another portion of replication manuals was printed.

Teaching videos^[4] were produced to present the established models. The videos are 10 to 15 min long and show the different techniques presented in the DPs. They are available on social media, on ELKANA's webpage and broadcasted on television. These high quality teaching videos gain special value taking into account the recent restrictions of movements that favour on online teaching.

AMMAR Grants. The project has actively continued to analyse and process the 211 grant applications that were still pending from last mission, bringing the total to 876 applications, of which 133 (15%) came from women. The mission praises the commitment displayed by Grant Officers at both AMMAR and ARDA level to address this overwhelming demand and closely monitor the compliance of each and every project till final disbursement.

As of 31 March 2020, a total of 733 grants had been approved and 513 grants were disbursed for the first window (W1 grants) supporting primary production and initial post-harvest handling (233% of initial target of 220), but only 11 grants for the second window (W2 grants) meant for processors (28% of initial target of 40). Investments in agriculture equipment account for almost half of the total approved projects, followed by greenhouse investments (about 26%) that are typically favoured by smallholder farmers. The grants were opened nation-wide after MTR; they involved 9 value chains and the most dynamic regions were Shida Kartli and Kakheti, followed by Imereti and Samegrelo. It is worth noting that 40 projects (7%) were promoted from vulnerable and/or dividing lines areas.

Taking stock of the stronger appetite for smallholder producers, and in line with last mission's recommendations, the funds remaining for the second window were reallocated to W1 grants. The missions also notes with satisfaction that pre-financing support has been provided to W2 grant applicants when necessary, based on the lessons learned from DANIDA facility (see below).

Total approved grants represent a value of GEL 15,340,173 and all funds are committed and disbursed to ARDA. Actual disbursements to beneficiaries as of 25 May 2020 amounts to GEL 12,960,848 or 84.5% of committed funds. The balance equivalent to about USD 741,000 is expected to be disbursed by new project closing date of 30 June 2021, and it is thus of utmost importance that AMMAR team continues to follow the process in close coordination with ARDA.

DANIDA Young Entrepreneur Grants. This programme was embedded in AMMAR project post MTR, with the ambitious goal to support young emerging talents who would in turn induce the creation of additional 800-1,000 jobs in Georgia's rural areas. The programme was implemented across 11 regions of Georgia. Viticulture, wine production and guest-houses were clearly favoured by the youth applicants, especially in Kakheti region. Building on the lessons learned from AMMAR W1 and W2 grants, and with the active involvement of ARDA staff and Business Plan Service Providers, this pilot project managed to surpass its initial targets and has been widely documented.

The project indeed received grant applications from 887 youth entrepreneurs, including 334 women (38%). Of these, 333 applications were approved for a total grant value of about USD 3.6 million. All of the approved applicants were assisted to develop their business plans as part of the pre-finance support package. So far agreements were signed for 249 applications, and 203 beneficiaries (135% of initial target) already received their grants amounting to USD 2.5 million. Out of these, 78 beneficiaries are women representing 38% of initial target of 30%. Overall the businesses have an average unit value of USD 31,200, of which grants represent between USD 11,600 for men and USD 13,200 for women. It is estimated that this first batch 203 beneficiaries will employ 1,235 individuals with average wage of about GEL 500 per month.

The mission also notes with satisfaction that post-finance support was provided to 153 individuals, of which 53 women (35%). It is worth noting that almost half of these beneficiaries had used bank loans to raise their own contribution, and it was thus important to provide such additional support meant to strengthen business sustainability and reduce the risks of loan default.

The mission recommends PIU to closely follow up with ARDA to ensure that by project closing date (i) grant contract signing is finalized for remaining 84 approved applicants and (ii) balance of USD 1.1 million that has been committed through ARDA is disbursed to remaining 130 approved applicants.

Market linkages. Various activities were implemented end of 2018 and in 2019: AMMAR prepared the layout and budget for the nascent Georgian Bay Leaf Producers and Processors Association; it also presented the concept of an online agro-market to a range of producers and distributors, and prepared a list of available products from AMMAR farmers that was then distributed among strong potential buyers like "Degusto" local restaurant chain in Tbilisi and "Inebé" – Online chef. Market exposure was also facilitated with the participation of bay leaf and honey producers to the Food Tech Exhibition in Germany, and the project supported Koda Cooperative in East Georgia in obtaining the Protected Denomination of Origin (PDO) label for its honey products.

Overall the project could not unlock market bottlenecks for all beneficiaries, but the mission notes with satisfaction that the extensive database of AMMAR suppliers and products that was developed in the previous years will now be available on ARDA website for wide visibility. The PIU has agreed with ARDA Management that this database will be maintained and updated by ARDA, and enriched with its beneficiaries from other programmes. This will insure the sustainability of the data management and coordination, while providing AMMAR producers with a wide exposure to potential off-takers.

Value chain selection and prioritization. The strong progress of AMMAR is in part due to its flexibility in value chain selection. Feedback from project beneficiaries, combined with targeted market appraisals, led the project's decisions to either drop initial value chains (e.g. kiwi) or to introduce new ones (e.g. vegetables, berries, bay leaf, honey, etc.). With this demand-driven approach AMMAR team managed to reach a larger number of beneficiaries, and in a more holistic manner through the wide range of its interventions.

[1]<http://eiec.gov.ge/%E1%83%97%E1%83%94%E1%83%9B%E1%83%94%E1%83%91%E1%83%98/%E1%83%99%E1%83%9A%E1%83%98%E1%83%9B%E1%83%90%E1%83%A2%E1%83%E1%83%AA%E1%83%95%E1%83%9A%E1%83%98%E1%83%9A%E1%83%94%E1%83%91%E1%83%90/Project/Ended-Projects/Nap-English.aspx>

[2]<https://ammam-rec-caucasus.org/publications/>

[3]<https://www.elkana.org.ge/index.php?action=page&page=217&idx=3&lang=eng>

[4]<https://www.elkana.org.ge/index.php?action=page&page=217&idx=2&lang=eng>

Agreed Action	Responsibility	Agreed Date
Request for exceptional 2-month extension Due to COVID-19 situation that will prevent completion of Tirifoni irrigation works by current deadline of 31/10/2020, Ministry of Finance (MoF) to officially request by 15 June 2020 latest a further 2-month extension from IFAD	MoF, PIU Project Director	06/2020
Completion of works for rehabilitation of distribution network under G-3 secondary canal of Tirifoni IS Due to COVID-19 situation and start of irrigation season, contract completion date will be extended till new project completion date of 31/12/2020	PIU Project Director and Engineers	12/2020
Completion of works for rehabilitation of G-3-2-1 canal and distribution network of Tirifoni IS Due to COVID-19 situation and start of irrigation season contract completion date will be extended till new project completion date of 31/12/2020	PIU Project Director and Engineers	12/2020
Disbursement of W1 and W2 grants to beneficiaries The PIU to closely follow up with ARDA to ensure that by project closing date balance of about USD 0.741 million that has been committed through ARDA is disbursed to remaining 210 approved applicants.	Project Dty Director, Grant Officer	06/2021
Disbursement of DANIDA grants to young entrepreneurs The PIU to closely follow up with ARDA to ensure that by project closing date balance of USD 1.1 million that has been committed through ARDA is disbursed to remaining 130 approved applicants.	Project Dty Director, Grant Officer	06/2021

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus		
Effectiveness	Rating: 5	Previous rating: 5

Justification of rating

AMMAR project has been effective in achieving the desired results and reaching out to the beneficiaries. The project goal and development objective are very likely to be achieved. Outcomes have been achieved or are on track to be achieved. Positive results has been reported from the adoption survey and validation study. All outputs targets (except one) have been achieved or even surpassed. In terms of outreach, the project has reached out to 16,261 households and surpassing the appraisal target of 10,000.

Log-Frame Analysis & Main Issues of Effectiveness

Results as of end March 2020 - All outputs achieved:

- 1.1: achieved 5,653 ha of farmland under water-related infrastructure (119% of target); 3,135 ha of land under improved management practices (157% of target) and 13 small productive infrastructure constructed/rehabilitated (130% of target). Number of km of roads constructed, rehabilitated or upgraded, is 24.78 km (against project target of 25 km, 99%).
- 1.2: target for the proportion of small grants made to women and young farmers has been achieved (30%), and for the total number of grants to smallholder farmers the project achieved 233% (513 against target of 220).
- 1.3: provided 203 grants to young entrepreneurs from DANIDA surpassing the target of 150.
- 1.4: supported 1,429 young entrepreneurs with business linkage advice as part of pre-financing support (DANIDA) (almost 3 times the target of 500).
- 1.5: 153 young entrepreneurs received post-financing support to link them to the relevant agribusinesses (target 150).
- 1.6: formulated 42 environmental management plans, which is more than 500% achievement (target 8).
- 2.1: developed 10 marketing assessment and operational strategies for Value Chains, surpassing the project target of 6.
- 2.2: 103 value chain facilitation events involving different value chain actors were held, surpassing the project target of 25 and reaching 412% of realisation.
- 2.3 and 2.4: Targets for training of beneficiaries on production practices and technologies, and extension staff trained has been surpassed (243% and 218% respectively).
- 2.5: Two policy documents were prepared, which is twice the appraisal target.
- 2.6: The total number of people receiving grants, including DANIDA beneficiaries, amounts to 791 people, surpassing the initial planned target of 220 (360% realisation).

Outcomes

Outcome 1: The percentage of HH reporting adoption of new/improved inputs, technologies or practices is yet to be validated during the impact assessment. The results from the 2018 adoption survey shows that adoption of improved inputs/technologies is very high (66%), while adoption of investment related technologies is very low (about 5% for greenhouses and none for anti-hail nets). However, the mission noted that the analysis for adoption requires revision to differentiate between adoption of CSA practices and new/improved inputs technologies. Also, the analysis of adoption should use only those who didn't practice before as dominator (For example, 35 people were having greenhouses before project and after project 5 invested, we cannot consider the 35 who already had as non-adopters but rather they need to be removed from the percentage after. On the other hand there are now 4 farmers who invested in hail nets through W1 grants after the outcome survey (i.e. in 2019), and the impact survey will have to determine whether their decision was motivated by what they learned from AMMAR.

Outcome 2: The value of private investment in inclusive value chain for farmers is USD 10.5 million and surpassed the target of USD 9 million^[1]. As for the matching grants, 44% of beneficiaries reported that their income has increased by an average of 8% against a target of 50%.

Goal and Development objectives

The adoption and validation survey in 2018 showed that 66% of trained smallholder farmers reported adopting Climate smart agricultural production practices which surpasses the target of 50%.

As for the percentage of supported HH with real net household farm income increased by average of 20% and the number of CSA Value Chain fully operational and maintaining sustainability this will be assessed during the impact assessment survey. However, progress reports indicate that the target of 4 value chains will be achieved. Also, the HH with improved asset ownership index will be provided in the Impact Survey.

[1] Data in the log frame are reported in USD while it should be in "000 USD ; this needs to be corrected in ORMS.

Agreed Action	Responsibility	Agreed Date
Revise adoption percentages Analysis should distinguish between climate smart technologies and the improved techniques	M&E officer/ GEF Coordinator	01/2021

Development Focus		
Targeting and Outreach	Rating: 5	Previous rating: 4

Justification of rating

AMMAR has further increased its outreach (16,261 households) surpassing its 10,000 target, which is regularly captured by an effective monitoring system, providing sex and age-disaggregation. Indirect beneficiaries are 3,371 (53% women), namely individuals who found employment with the grantees. Geographical targeting is implemented as per project design, with a particular effort to intervene in vulnerable areas (mountains, border zones). Interventions are mostly benefitting the economically active population but this is in line with the targeting set at project design. The project has included the provision to identify and characterize target subgroups in the upcoming impact survey. The DANIDA facility has achieved 138% of its target of 220 young grantees.

Main issues

AMMAR has further increased its outreach from 12,989 in June 2019, up to current 16,261 HH, (163% achievement). The M&E system effectively captures progress with a clear set of databases and reports, providing sex and age-disaggregation. Geographical targeting is being implemented as per project design, with a particular effort to intervene in vulnerable areas (mountains, border zones).

The project though has not yet identified and characterized target subgroups, as recommended during the last supervision mission. While it is too late in project implementation to include these aspects in the M&E system, the mission agreed to analyze them through the impact survey, so to have sufficient elements to report on in the PCR. Classification of different poverty sub-groups should be made based on income deriving from different sources in the household (agriculture production, livestock non-agriculture, remittances, etc.), landholding size and other economic characteristics of beneficiaries (poverty threshold of the national statistical system).

Civil works improving irrigation water supply are serving 5,100 HH. Irrigation works are serving 7,126 HH of 25 villages. While the target is formulated in physical terms (e.g. ha of land rehabilitated), it is noteworthy to see the high number of rural HH benefitting from this set of interventions.

2,430 individuals (28% women) were trained in production practices and/or technologies.

719 applications were approved under W1, 14 under W2. Out of those, by 31 March 2020, 513 in W1 (233% of initial target of 220), and 11 in W2 (28% of initial target of 40), have already received their grants. Out of these, 18 individuals in W1 accessed twice to the grants, but still remaining within the maximum ceiling for each individual (USD 15,000). As highlighted in section D, the plan is to finalize contracting and disbursement of outstanding approved applications by AMMAR closing date.

While the share of counterpart funds required to access the grants seems high for the poorest rural farmers (60%), the average of grants provided under W1 is GEL 17,704 (in the last mission it was 15,479), eq. to about USD 5,515. This sum is well below the ceiling of USD 15,000 set for W1, which seems to suggest that AMMAR financing is relevant for the smallest economically active farmers. Only 17.8% of grantees accessed commercial banks loans for counterpart financing, typically to fund slightly bigger projects. Overall, the vast majority (64.7%) of W1 grants funded small tractors (<50 HP) and agricultural equipment (mulchers, power tillers, sprayers, etc.).

The DANIDA grant facility has focused exclusively on youth with great success: 333 applications were approved (138% achievement of initial target, 38% women) who were all assisted to develop their business plans as part of the pre-finance support package.

The facility didn't set specific poverty criteria for the selection of beneficiaries, rather focusing eligibility criteria on their maximum age (36 for men and 40 for women) and whether the activity to be financed is set in rural areas, with a maximum of 20% grants for non-agricultural activities. The target group are rural urban/peri urban entrepreneurs that used this opportunity to accelerate the implementation of a business idea, therefore displaying the relevance of this facility. The average investment size (GEL 104,193 or USD 32,714) is double that of W1 (GEL 55,381 or USD 17,388) and suggests a wealthier target group. Yet the average grant amount for these approved youth entrepreneurs remains well below the target ceiling (USD 10,790 average vs. USD 25,000 set at appraisal), suggesting that AMMAR managed to accommodate smaller entrepreneurs than initially envisioned. 19% of the grants approved are non-agricultural.

Agreed Action	Responsibility	Agreed Date
Data analysis - impact survey Ensure that the data stemming from the impact survey is properly analysed to: i) assess project impact on different target sub-groups (e.g. categorized by income source composition, and poverty as per Georgia National Statistical System classification); ii) deepen and quantify gender lessons learned along the three objectives of IFAD's gender policy (economic empowerment, voice, workloads) and implementation arrangements. This information is key to feed into the project completion report.	M&E and Gender officers	01/2021

Gender equality & women's participation

Rating: 4

Previous rating: 4

Justification of rating

Women represent 48% of overall number of project beneficiaries reached. Against the general target of 30%, women's representation however differs depending on the activity: 28% of total trainees, but only 15% of total grantees under W1 and one in W2; 38% in DANIDA's facility. As noted during the last mission, AMMAR did not systematically tackle women's specific challenges, and did not address the three gender policy objectives (economic empowerment, voice and decision-making, equitable workloads). For this reason, the rating remains moderately satisfactory. It is however important to recognize AMMAR's efforts and multiple activities to improve its gender performance in this final stage of project, despite all budget disbursed. This is positioning well the PIU for the upcoming DIMMA project.

Main issues

Women represent 48% of overall project beneficiaries, but their representation differs depending on the activity: 28% of total trainees, but only 15% of total grantees under W1, only one out of 11 in W2. Nevertheless, with 79 women grantees, the project exceeds its original target of 66 (30% of 220). Youth also represent 15% of total AMMAR grantees, but young women are only 1.3% of the total.

This is despite the project's efforts to increase women's outreach such as targeted information campaigns and the inclusion of value chains relevant for women (e.g. cut flowers). Possible reasons are the high ratio of counterpart financing, lack of access to financial services, and limited use of venture and equity capital within women-owned enterprises. Moreover, women often engage in off farm types of businesses, not covered by the scope of the grants, except for 20% share allowed under DANIDA grants.

Even if women's average project is slightly higher than the average, (GEL 56,072 vs GEL 55,381), no woman individual used a loan as counterpart financing to the grants, displaying a likely issue in accessing financial services. The average size of women's own contribution is GEL 24,804 (90% from their savings and 10% raised from commercial institutions, state programs and international donor projects). Men's average own contribution is GEL 25,215 (87% own saving and 13% is raised from commercial institutions, state programs and international donors).

While the majority of women's grants funded agricultural equipment (65% - similar to men's preference), drip irrigation seems to be more relevant for women (14% of their grants) as compared to men (6%).

Female grantees reported a specific demand of on-the-job training to become more confident in engaging in AMMAR value chains. Among the training types offered by AMMAR, the exchange visits were highly appreciated by the women.

The DANIDA facility has focused exclusively on youth with great success: 138% achievement of initial target of 220 grantees, and a higher share of women (38% against initial target of 30%).

The project has thoroughly followed up on the gender-related recommendations of the previous mission. The most notable initiatives have been the following. i) Developed a Gender action plan in 2019 Q4, with clear initiatives, budget allocation and timeline to enhance work on this topic, take stock of AMMAR result and bridge the PMU towards the upcoming DIMMA project. ii) Included a dedicated section on gender in the progress reports, analyzing related project achievements and challenges. iii) Developed a document to take stock of good practices and lessons learned from AMMAR implementation, which will inform DIMMA. iv) Established linkages with other development organizations and the private sector, so to ensure development pathways for women beneficiaries, and contribute to the project's sustainability and exit strategy. Women beneficiaries, for instance were linked to UN Women economic empowerment program, and one of them has already managed to access to its funding; 4 beneficiaries were supposed to participate in the Women Wine Expo 2020 – which has been postponed due to COVID 19 pandemic.

It is recommended to keep on working in this direction to i) identify opportunities for women's beneficiary and build a strong exit strategy in this regard; ii) take advantage of the impact survey to deepen and quantify gender lessons learned along the three objectives of IFAD's gender policy (economic empowerment, voice, workloads) and implementation arrangements, so to prepare for the Project completion report and inform the upcoming DIMMA project.

Agricultural Productivity

Rating: 5

Previous rating: 5

Justification of rating

As highlighted in previous missions agricultural productivity in AMMAR is enhanced through a wide range of interventions that include the use of improved CSA practices, climate-smart investments (e.g. greenhouses, anti-hail nets, efficient irrigation technologies, agricultural machineries), and rehabilitation of irrigation schemes and reservoirs. The sample beneficiaries reached during this mission through remote questionnaires have further backed the results of the 2019 Outcome Survey. It is also worth noting that ELKANA has been elected the best implementer of demo plots and CSA training by MEPA and partners FAO and ENPARD project, in recognition of the results it has achieved in AMMAR project.

Main issues

The Outcome Survey conducted in January-April 2019 showed among others that 30% of target households in the irrigation component believe that the quality of harvest has improved over the last two farming seasons against only 6% in the control group. And as for grant beneficiaries, 48% of grantees reported that the quality of their harvest improved in 2018 compared to 2016, against only 6% in the control group.

In addition, answers to the questionnaire developed for this remote mission show that:

Among the 18 respondents who attended ELKANA's training:

- 90% are actually already applying in their activities what they learned during the trainings (100% from vermicompost).
- 85% could determine the impacts of Climate Change on their production/business, and 82% of them declared that the trainings and/or exchange visits helped them to cope with those changes.
- In total, around 85% of respondent rated AMMAR training and exchange visits programme as very satisfactory and around 15% moderately satisfactory.

And among the 7 respondents in AMMAR W1 grants, 83% reported an increased productivity linked to their investment.

These latest results will deserve to be cross-checked and validated through direct interviews and field visits at the time of impact survey and PCR.

Nutrition	Rating: 4	Previous rating: 4
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Justification of rating

AMMAR project is not nutrition sensitive and no specific activity was foreseen on nutrition in project design. Awareness-raising messages on the importance of diet diversification were however developed by ELKANA in its replication manuals and training was provided accordingly across all regions. Nutritional aspects have been highlighted not only for family diet but also within the framework of a marketing strategy for AMMAR value chains like honey, berries, fruits (apple, peach, persimmon) and various vegetables. Related documentation is widely available on ELKANA's website, and through the printed materials that are distributed by ARDA's regional offices.

Main issues

ELKANA's documentation can be found in both Georgian and English version via the following links:

<http://www.elkana.org.ge/uploads/page/217/pdf/eng/publication/Berry.pdf>

<https://elkana.org.ge/uploads/page/217/pdf/eng/publication/Fruit.pdf>

<http://www.elkana.org.ge/uploads/page/217/pdf/eng/publication/Vegetables.pdf>

<http://www.elkana.org.ge/uploads/page/217/pdf/eng/publication/Beekeeping.pdf>

Adaptation to Climate Change	Rating: 4	Previous rating: 4
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Justification of rating

AMMAR is mainstreaming a climate smart approach throughout its activities, with support of the GEF grant. Windbreak installation has taken off accompanied by full management plans, installed nurseries and supported effectively the policy on Windbreaks. On-farm climate-resilient technologies demo plots have been installed successfully and training has been conducted, exceeding the initial target for both demo plots and training sessions. Additional exchange visits were foreseen during the last year of the project and are still on going. These may have encouraged more people to apply for climate-smart grants. Indeed, the fourth quarter of 2019 received the highest number of applications since the project started.

Main issues

Demonstration 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 has improved significantly during the past two years, especially since data is being regularly recorded at the demo plots from the lead farmer and 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. Adaptation to climate change is enhanced by continuing the exchange visits on demo plots during this last year of the project and has good impact on climate-smart grant applications.

As stated in the previous supervision mission report, the river bank protection infrastructures have been installed without wider catchment scale approach for river planning and management to efficiently support resilience to climate change. 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.

AMMAR with the support of GEF grant, has contributed to the reinstallation of windbreaks in Georgia. At the date of March 2020, 53.1 km length of windbreaks were planted in Shida Kartli and Kakheti regions. More than 2,800 ha will be protected from wind erosion, the major factor of land degradation exacerbated by climate change and one of the main environmental challenges in Georgia.

Agreed Action	Responsibility	Agreed Date
Demo plots and exchange visits ELKANA to provide a tentative agenda for remaining exchange visits (postponed because of COVID-19).	GEF Coordinator, ELKANA	06/2020
Link to windbreak demo plot missing Link to Video on Windbreaks in YouTube does not work, ELKANA to provide assistance	GEF Coordinator, ELKANA	06/2020
Demonstration Plots activities Keep liaising with the National Network of Demonstration Plots to coordinate action and share knowledge and networks built during AMMAR	Project Director, GEF Coordinator	10/2020

b. Sustainability and Scaling up

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

From 2018, AMMAR supported through RECC the production of a RIA for the draft Law on windbreaks that was finalised and presented to the representatives of the Parliament of Georgia and other stakeholders at the closing workshop in February 2019. In the first half of 2019 MEPA asked IFAD/AMMAR to assist in preparation of RIA for the Draft Law on Soil Protection. Assistance was provided by the project through the RECC and was completed in January 2020. These last two interventions are viewed by MEPA as major project's contributions to current Government's priorities in terms of environment and natural resources protection. The steady engagement of the project and the positive impact of the RIAs to support the two laws justifies a rating of satisfactory level.

Main issues

Through the GEF grant, the project seeks to achieve an enabling environment for climate-risk reduction in agriculture. The first policy document supported by AMMAR, i.e. the "Climate Change National Adaptation Plan for Georgia's Agriculture Sector" document that was produced in 2017, was the first one of this kind in Georgia. Policy support through the two developed RIAs is described in details in the technical paper in Appendix 4. The PIU should continue to follow the progress of the enforcement of the law on windbreaks and of the law on soil in Parliament and support in making amendments if needed.

The three documents were not produced as stand-alone papers but were rather building on each other, addressing climate-related risks reduction in agriculture in a comprehensive way to benefit Georgia in a larger extent than initially planned.

For future land restoration works, 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.

Agreed Action	Responsibility	Agreed Date
Support to policy enforcement Follow up on the enforcement of the law on windbreaks and law on soil in Parliament and support in making amendments if needed (Climate change is very urgent problem and should be captured in the principles of the law on Soil. At the moment it is referred only under the definition of desertification as one of the possible causes).	Project Director, GEF Coordinator	12/2020
Support to RIA operational objectives Prepare an informative document on windbreaks and nurseries established under the project together with their GPS coordinates and share it with the National Agency of State Property (NASP) to contribute to the Inventory of windbreaks (1.2. of the Operational objectives in the RIA). GEF Coordinator December/ 2020 Agreed	GEF Coordinator	12/2020

Partnership-building	Rating: 5	Previous rating: 5
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Justification of rating

The recent partnership with RECC shows very encouraging results within the perspective of windbreak development, RECC has proved to be a reliable partner, responding to project requests and expectations with detailed monitoring approach. The cooperation with DANIDA proved to be successful as their grant window focusing strictly on youth entrepreneurs has complemented very well AMMAR W1 and W2 facilities. The mission also wishes to highlight the outstanding performance of ARDA who, under the leadership of PIU, has managed all three project's grant windows involving thousands of applications with the highest level of methodology and professionalism. Such exemplary model is already feeding DiMMA project in Georgia and deserves to be shared with other IFAD projects involving grants.

Main issues

The windbreak management plans have been developed and enable proper assessment of the beneficiary participation in this type of landscape restoration activities. It was agreed that RECC would prepare a document of lessons learned on windbreak plantation in Georgia – see also Environment and Natural Resources Management section below.

Human and Social Capital and Empowerment	Rating: 4	Previous rating: 4
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Justification of rating

The remote supervision modality challenges the team ability to properly assess progress on this criterion. While the project lacks a formal vision on how to empower its beneficiaries beyond providing them with access to "hardware" or grants, it is however promoting the formation of Water Users Organisations (WUOs) as part of its exit strategy. Traditional reluctance to unite under cooperatives or farmer groups curtailed farmers' ability to develop social capital and speak with one voice vis-à-vis businesses and institutions. However, several project interventions have contributed to improve farmers' status. Demo plots proved to be empowering for hosting farmers. Mobilization and technical training have also built farmers' capacities and confidence to seek out for other opportunities.

Main issues

In AMMAR grants, the biggest source of applicant contribution comes from own savings; yet bank loans were mobilized for about USD 1.61 million representing 16% of the total value of beneficiary contribution. This ratio is higher in DANIDA grants since 35% of beneficiary contribution was raised through bank loans. Considering that AMMAR design did not include any specific action with financial institutions, the mission concludes that the various grant facilities, combined with the support in business plan development, was still instrumental to increase the beneficiaries' access to loans. This is also the opinion of the Bank of Georgia, that earlier indicated that loan applicants who have access to the grant facilities have 20 to 30% higher loan approval rates as compared to other loan applicants.

It is worth noting that the highest share of women's grant beneficiaries was found in cooperatives grantees, suggesting the relevance of using them as empowerment strategy and entry point to reach out to women. Even if there is a historical resistance to these types of groups, a positive example could possibly motivate others to either join existing cooperative or found a new one.

Quality of Beneficiary Participation	Rating: 5	Previous rating: 4
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Justification of rating

Beneficiaries views were sought and considered right from early stages when selecting value chains and defining eligibility criteria for grants. In particular, the inclusion of vegetable greenhouses, berry production and small-scale wineries (for DANIDA grants), which were not foreseen at the onset of the project, was made in response to an overwhelming demand from smallholder farmers and youth entrepreneurs. 84% of the beneficiaries interviewed during this mission indicate that their CSA training responded well to the climate changes challenges they are perceiving. Beneficiary consultation was made through 103 facilitation events (vs. target of 25) that took place at municipality level. Overall, beneficiary contribution now stands at USD 7.48 million (in cash) or 77% of appraisal amount.

Main issues

The project lacks a proper vision on how to empower its beneficiaries beyond providing them with access to project activities, which affects the most the poorest and more disadvantaged groups such as women and youth - particularly in the grant component, where the average age is 48, and women are under-represented. Measures such as mentorship, functional financial literacy and on the job training were used in DANIDA facility (all 333 approved applicants were assisted to develop their business plans, and 153 of them got post-financing support).

The project noted farmers' reluctance to affiliate to value chain associations and cooperate. In fact, no additional Value Chain platforms meetings happened after 2018, but one of the respondents indicated her high interest to pursue the implementation the bay leaf platform initiated under AMMAR.

Demo plots are proving to be empowering for hosting farmers and most of them, including women-led ones, are willing to continue this type of activity also beyond the project's closure.

The presence of several donors active in agriculture support, including government programmes, provided rural farmers with a variety of opportunities to choose from. While in some cases it might have reduced the attractiveness of AMMAR opportunities, it also represented a package of multiple interventions that beneficiaries could mix together, mutually reinforcing each other. For instance; all AMMAR grantees met in previous mission regarded as highly beneficial the subsidized interest rates offered by another GoG programme (Cheap Agro-Loans); AMMAR HHs in restored irrigation schemes benefitted from different value chain grants schemes provided by other donors. These interventions, even if combined unintentionally, contributed to greater results in terms of agriculture productivity and production.

It is worth noting that grant demands as small as GEL 230 (eq. to about USD 100) were accepted by the project, contrarily to all previous grant facilities managed by ARDA that would not accept grant demands below GEL 1,000. In fact 19 approved grants (2.6%) were for up to GEL 1,000, and another 43 approved grants (5.8%) were for amounts ranging GEL 1,000-2,000 (USD 310-620). This was seen as particularly important for AMMAR to give even the smallest farmers with minimal financing capacity a chance to improve their farming system with the support of a grant.

DANIDA beneficiaries seem to be quite well-off, confident, entrepreneurs that took advantage of the grant opportunity to accelerate the implementation of a business idea they already had. This grant is proving to be a very good opportunity for them to change the traditional ways of doing agriculture (e.g. improved techniques for livestock production) or entering in a new niche market (e.g. high-end wines). The application process went quite fast and helps to keep the momentum of enthusiasm of the young people. Following the recommendation from the last supervision mission, the project has organized 14 introductory/experience/knowledge sharing meetings, between grantees acting in similar or complementary business sectors (for example among wine producers, guest house operators, livestock growers, or between wine producers, guest house owners and tour operators). These initiatives seemed to be highly appreciated and useful. It is recommended to continue such targeted exchanges among grantees.

Responsiveness of Service Providers	Rating: 5	Previous rating: 5
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Justification of rating

Most services in AMMAR project have been of high quality, delivered on time and within budget. All 18 infrastructure works have now been completed, except two that were delayed by the COVID-related lockdown. The MEPA has expressed particular satisfaction about the quality of the works done in the recent rehabilitation of Iakublo reservoir, serving over 7,000 households. The success of DANIDA programme for youth entrepreneurs is for a large part due to the responsiveness of its service providers who were instrumental to mobilize and support applicants even beyond the disbursement of grants. ELKANA has been elected by the MEPA itself as the best implementer of demonstration plots and the methodology they used for AMMAR is now considered as best practice for Georgia.

Main issues

Irrigation and small infrastructure – rating satisfactory. Service providers involved in infrastructure investment activities include consulting companies and individual consultants for feasibility studies and cost-benefit analysis of pre-qualified investment proposals, development of engineering designs, contractors, and author and technical supervision of works; all selected on competitive basis. No major issue has been reported so far in terms of their responsiveness to recommendations and comments provided by PIU or IFAD supervision missions. The provided services are of satisfactory quality.

Facilitating private investment in agricultural value chains – rating satisfactory. For DANIDA grants the project has been using the service of one service provider for pre-financing services, 6 service

providers for business plan development, and 5 service providers for post-financing services. All but one have delivered to satisfactory level. This is evidenced by the success of the mobilization campaign, and the surpassing of initial targets in terms of grantees (135% of initial target of 220 so far, with another 130 approved applicants in the pipeline) and post-finance support efficiently delivered to 153 beneficiaries.

Demonstration plots and CSA training – rating satisfactory. ELKANA continued performing well 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 and training material has improved accordingly.

ELKANA is now ensuring data recording of interventions in demo plots and with lead farmers as well as training of farmers on record keeping and economic analysis. ELKANA is providing alternative forms, scales and sizes of technologies to be demonstrated that are more adapted to smallholders (vermiculture, hail nets, etc) in their informative manuals and are discussing these alternative forms during the exchange visits. It is also worth mentioning that IFAD activities were recognized as exemplary information and knowledge distribution models for other agencies at the Coordination Meeting for the Establishment of the National Network of Demonstration Plots initiated by the MEPA and arranged by FAO with stakeholders and implementing partners of the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD). On this occasion it was decided to invite ELKANA, as the best implementer, to the next meeting for sharing knowledge and experience to other donors and stakeholders.

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 and related exchange visits has exceeded initial objective, as well as the matching grants for smallholder farmers supporting CSA investments. In total, 53.1 km of windbreak were planted by RECC under LR interventions, corresponding to 234t of CO2 equivalent GHG reduced, protecting more than 2,800ha of land from wind erosion and potentially providing habitat for more than 1,000 animal species. Two RIAs were developed to support the law on windbreak and the law on soil. The laws should be enforced in a near future to support LR windbreak future implementation and to regulate the rational use of soil, protection and rehabilitation of degraded soils in Georgia.

Main issues

Final workshop summarizing all RECC achievements within the frames of AMMAR project was carried out in March 2020. Monitoring of all windbreak plantations is still on going and RECC will prepare a document of lessons learned on windbreak plantation in Georgia, highlighting survival rates, commitment of beneficiaries and municipalities, and good practices such as use of protective tubes.

The promotion of CSA production practices continued through the establishment of one additional demo plot, the use of selected lead farmers and the additional exchange visits to capitalize on the work done so far. Awareness-raising events of good practices (i.e. appropriate use of pesticides) and technologies (i.e. vermicomposting) are contributing to the reduction of water and soil pollution. The vermicompost system was well received by farmers and the project has involved the Georgian Agrarian University, 15 students of Georgian Agrarian University visited vermicomposting DP, received training, and prepared relevant reports and three presentations to the Dean of the faculty.

The previous supervision mission recommended to install two more vermicompost demonstration plots, one in Kakheti and one with a more affordable system in Imereti as the demand was high in those regions. But as highest demand was still in Kakheti and time was short before project completion, it was decided to establish one plot only, in Kakheti. Number of exchange visits was also reduced at the same time. Those more affordable demonstration plots more adapted to smallholder farmers will be supported in the future DiMMA project and will strengthen the continuity with the present AMMAR project in Georgia.

Nevertheless, as per the recommendations of the MTR and subsequent supervision missions, 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. Cheap alternatives were included in replication manual by ELKANA.

The mission recognizes the improvement of the project in informing farmers on the selected technologies. Indeed, informative replication manuals have been developed by ELKANA for each of the demonstration plot, in Georgian and in English languages, and are available in printed version and on their website. ARDA was supplied with detailed information on all AMMAR demo plots and is going to use them throughout their training campaign piloted by their newly established regional offices. Furthermore, ELKANA together with lead farmers is carrying out data-reporting on monthly basis that is subject to analysis by ELKANA marketing specialist. Relevant reports are submitted to AMMAR team and back to lead farmers.

River-bank protection interventions were completed in the Kakheti region, in November 2017 in Chumlaki and in March 2018 in Giorgeti. During previous mission, comments were made on the Chumlaki river-bank protection which presented some deficiencies after the completion of the works at the third river-bank protection wall, erosion was still observed at one end of the structure. The PIU checked with the contractor, designer and local municipality for the cause of erosion and took corrective measures.

As underlined during previous missions, 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.

Agreed Action	Responsibility	Agreed Date
Document lessons learned on AMMAR windbreak interventions	GEF Coordinator, RECC	01/2021
Prepare a document of lessons learned on windbreak plantation in Georgia (highlighting survival rates, commitment of beneficiaries and municipalities, and good practices such as use of protective tubes)		

Exit Strategy	Rating: 5	Previous rating: 4
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Justification of rating

The PIU has developed a strong, realistic exit strategy supported by most project stakeholders. Most elements are already embedded in the project, including ownership and post-project funding. Yet the narrative of the strategy can be enriched by expanding on institutional arrangements set up with local governments, coordination with the NASP to contribute to the Windbreaks Inventory, and scaling up adoption of CSA technologies through established demonstration plots, ToT trainers and first adopters. Lastly, the exit strategy should develop a section on the post COVID19 response, assessing how to mitigate negative effects of the pandemic on AMMAR success (e.g. likely decrease in export volumes, employment reduction, higher vulnerability of project beneficiaries, etc).

Main issues

Irrigation and small infrastructure – rating satisfactory. An exit strategy is clearly built into infrastructure investment related activities and there is a high degree of beneficiary commitment to operate and maintain the investments made under the project. At this stage the operation and maintenance of investments in irrigation schemes will be under the responsibility of GA as the owner of the systems. It is worth noting that:

- GA has actually already included one of AMMAR detailed designs in their 2020 development plan (works to be done under state budget), which shows the efficiency of the pipeline of irrigation surveys that was developed by AMMAR; and
- the World Bank (WB) has incorporated the Dzevera Shertuli irrigation scheme rehabilitated by AMMAR to pilot the strengthening of Water User Organizations (WUOs).

With regard to the feeder roads and small-scale infrastructure developed through a partnership approach, they are being operated and maintained by local municipalities.

Facilitating private investment in agricultural value chains – rating satisfactory. AMMAR team, in close coordination with ARDA, has developed a very solid mechanism to monitor all approved grantees. Both PIU team (including its Grant Officer) and ARDA agency will remain in place beyond project completion with the capacity to follow up the progress of these beneficiaries.

As regards to market linkages, the extensive database of AMMAR suppliers and products that was developed in the previous years will now be available on ARDA website for expanded visibility. The PIU has agreed with ARDA Management that this database will be maintained and updated by ARDA, and enriched with its beneficiaries from other programmes. This will insure the sustainability of the data management and coordination, while providing AMMAR producers with a wide exposure to potential off-takers.

CSA practices and technologies – rating satisfactory. The narrative on the establishment of demonstration plots and relevant trainings in relation with other projects and initiatives in Georgia could be strengthened in the Exit Strategy. Indeed, AMMAR could coordinate with the National Agency of State Property (NASP) to contribute to the Inventory of windbreaks (1.2. of the Operational objectives in the RIA). In this regards, AMMAR should prepare an informative document on windbreaks and nurseries established under the project with together with their GPS coordinates, and share it with NASP. Besides, AMMAR exit strategy in this intervention will mostly rely on the enforcement of the draft Laws on Windbreaks and Soil Protection to which the project has actively contributed. The PIU should continue to follow the progress of the enforcement of the law on windbreaks in Parliament and support in making amendments if needed.

Landscape restoration activities and policy support – rating moderately satisfactory. AMMAR has the opportunity to support further Georgia when the draft law on windbreaks will be adopted, this should be highlighted in the Exit Strategy. Indeed, AMMAR could coordinate with the National Agency of State Property (NASP) to contribute to the Inventory of windbreaks (1.2. of the Operational objectives in the RIA). In this regards, AMMAR should prepare an informative document on windbreaks and nurseries established under the project with together with their GPS coordinates, and share it with NASP. Besides, AMMAR exit strategy in this intervention will mostly rely on the enforcement of the draft Laws on Windbreaks and Soil Protection to which the project has actively contributed. The PIU should continue to follow the progress of the enforcement of the law on windbreaks in Parliament and support in making amendments if needed.

Agreed Action	Responsibility	Agreed Date
Fine-tune existing exit strategy Enrich the draft narrative with details on institutional arrangements, coordination with NASP for Windbreak Inventory, and scaling up the adoption of CSA technologies. Develop a specific section on mitigation measures that can be realistically implemented to curb COVID-19 challenges	Dty Project Director, with inputs from all PIU members	07/2020

Potential for Scaling-up	Rating: 5	Previous rating: 5
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Justification of rating

As highlighted in previous mission, potential for scaling up is satisfactory not only on irrigation works, but also on other key interventions such as value chain investments and CSA practices and technologies. It is now further expanded for LR works through the 53km windbreak pilot backed by the Laws on Windbreaks and Soil Conservation. The project and its partner RECC have consistently gathered and documented evidence, and four nurseries are now in place in Kakheti and Shida-Kartli regions to ensure sustainable availability of windbreak seedlings.

Main issues

Irrigation and small infrastructure – rating satisfactory. Under the AMMAR improvement and modernization of secondary and below level irrigation network was introduced, including regulating structures, outlets and replacement of some of the open canal networks with pipelines. This allowed to improve water distribution practice and efficiency of systems. Particularly it is proven by increased areas with new orchards established and, what is even more important, the number of modern irrigation equipment (drip systems) installed and used by farmers. With regard to improved feeder roads, it allowed reduction in product transportation losses from the fields and machinery maintenance cost. In the opinion of mission, these could be considered as adequate approach in providing framers with minimum level of public productive infrastructure and has potential for scaling-up and replication elsewhere in the rural areas in Georgia. As highlighted in exit strategy section, it is actually worth noting that the GA has already picked one of the detailed designs that was funded by AMMAR to build a pipeline of irrigation projects. This design has been incorporated in GA's 2020 action plan.

Facilitating private investment in agricultural value chains – rating satisfactory. There is strong potential in scaling up grant interventions for youth, under the DANIDA grant window, as the demand far exceeded the supply of available funding. This is explained by low entry barriers and a straightforward application procedure. And it is worth noting that the value of the DANIDA approach involving pre- and post-finance support has been recognized by the Georgian Government who decided to replicate it in the very same way for future grant programmes targeting youth entrepreneurs. There is also unmet demand for the IFAD-funded W1 grant window, with over 100 extra applications that the project won't be able to fund. Both grant windows provide an opportunity for leveraging additional resources to increase investment in agriculture, and the outstanding grant management system developed by ARDA along AMMAR years will greatly facilitate the implementation of future grant facilities.

CSA practices and technologies – rating satisfactory. In line with previous recommendations the CSA training has been scaled up by making a more extensive use of DPs established by the project, so as to include systematically a cost-benefit analysis for potential adoption. Besides, ELKANA has already organized 10 exchange visits for farmers between Samegrelo, Shida Kartli, Kakheti, Adjara, Racha and Kazbegi regions. These visits based on demo plots for 4 VCs (bay leaf, apple, honey and berry) as well as vermicompost and windbreaks have raised a great interest from participants (average 15 per visit), and as "seeing is believing", such visits have the potential to actively contribute to larger adoption of CSA practices and technologies promoted by AMMAR, and this for a minimal investment. Last but not least, the expansion of vermicomposting DPs will strengthen the continuity between the present AMMAR project and the future DIMMA project (non-extractive livelihoods activities, manure management).

Landscape Restoration works – rating satisfactory. As highlighted in the exit strategy section, scaling up in these interventions intervention will mostly rely on the enforcement of the draft Laws on Windbreaks and Soil Protection to which the project has actively contributed. The potential for scaling up is huge, but remains constrained by the investment costs that are often beyond the financial capacity of AMMAR target groups if there is no external subsidy.

c. Project Management

Quality of Project Management	Rating: 6	Previous rating: 5
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Justification of rating

Again this year and despite the COVID-19 situation, 86% of last mission's recommendations have been fully executed, timely or with minimal delays; the rest being at different stages of implementation. All AMMAR physical targets have now been achieved, and often surpassed. The overall success of the project is for a large part the result of the capacity, proactivity and commitment of PIU to fast-track project execution while at the same time ensuring delivery of quality outputs and outcomes. This has been facilitated by the line Ministry MEPA, who jointly with the Ministry of Finance (MoF) have pro-actively accompanied the project in its efforts to meet development objectives. This 6-rating is also taking into account AMMAR performance in terms of audit and procurement.

Main issues

Mission preparation and reporting – rating highly satisfactory. In these challenging times of pandemic and lockdown, the PIU team has spared no efforts to facilitate this remote supervision. All reports and documentation were prepared ahead of the mission, including a thorough update on latest achievements in Q1 of 2020. For the infrastructure works, a whole set of photos were availed to the IFAD specialist, showing in details the progress made since the previous mission, and enabling him to get a fair idea of the quality of the works. Web-links were provided to access all reports, documentation and videos prepared by RECC and ELKANA. The questionnaires prepared by the mission were handled in due time and addressed to the very respondents who were selected by the mission. Data collected were in line with mission's questions.

Status of actions agreed in previous mission – rating highly satisfactory. Out of a total of 29 actions agreed upon during last mission (June 2019), 25 (86%) have been fully executed and 4 (14%) are partially executed. None remained unattended. Besides, most actions were executed on time or with limited delays, which contributed to the solid disbursement rates in AWPB 2019 (75% of USD 16.32 million) and AWPB 2020 (53% execution of USD 4.68 million reached in the sole Q1). See detailed status of agreed actions in Appendix 4.

Facilitating private investment in agricultural value chains – rating highly satisfactory. The strong progress of AMMAR is in part due to its flexibility in value chain selection. Feedback from project beneficiaries, combined with targeted market appraisals, led the project's decisions to either drop initial value chains (e.g. kiwi) or to introduce new ones (e.g. vegetables, berries, bay leaf, honey, etc.). With this demand-driven approach AMMAR team managed to reach a larger number of beneficiaries, and in a more holistic manner through the wide range of its interventions.

Irrigation and small infrastructure – rating satisfactory. In general, the management of activities is efficient as evidenced by the overall success in all aspects of implementation including selection, design, construction and supervision. The PIU staff involved in infrastructure implementation are experienced in all phases of proposals selection and civil works execution, contract management, and problem resolution. Given the positive impression from the site visits during the previous mission, and data and photo materials provided during the current remote mission the overall capacity of technical consultants, consulting and design companies as well as contractors reveals to be generally satisfactory for the kind of investments under consideration.

Knowledge Management	Rating: 5	Previous rating: 5
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Justification of rating

The project does not have a dedicated communication strategy or a yearly KM Action Plan with concrete targets and expected outputs. However, KM responsibilities are assigned, data from project M&E are used to inform KM initiatives, and information management is satisfactory. AMMAR's KM activities are thus generating solid deliverables. Positive achievements and lessons learned are translated into success stories, training manuals, booklets, informational videos. These are disseminated using a variety of channels: internet, social media and meetings at village level. AMMAR lessons have actually already translated into national adoption, like for the ELKANA demo plot models, or the pre- and post-finance support to be included into all future grant facilities for youth entrepreneurs.

Main issues

The project does not have a dedicated communication strategy or a yearly KM Action Plan with concrete targets and expected outputs. KM activities are implemented on an ad hoc basis by AMMAR's service providers, ELKANA and RECC, through GEF funds. Nevertheless, AMMAR has engaged in a number of KM activities, generating KM products: good practices, training syllabuses, training courses, exchange visits, photo and video materials, brochures, etc. Those were shared to respective stakeholders periodically. A report on KM activities and processes should be prepared to start feeding into the PCR. It will also be important to monitor the actual dissemination and use of such KM products (number of times a video has been watched, impact on outreach performance, etc.)

A member of the PIU acts as focal point for KM activities and is responsible to follow up on their design and implementation. Data from project M&E are used to inform KM initiatives, and information management is satisfactory. AMMAR positive achievements and lessons learned are translated into success stories, training manuals, booklets, promotional/informational videos. These KM materials are disseminated through a variety of channels: internet, social media, TV, and meetings at municipality level.

Information is also disseminated through the 55 MEPA information centres spread countrywide, as well as ELKANA and RECC's websites and AMMAR's Facebook page. These tools proved to be very effective in raising farmers' interest towards project. KM activities increase project visibility, and informed DIMMA project design. Both ELKANA and REC-Caucasus have a dedicated page to AMMAR activities, showing the progress results that are also uploaded on the website, contributing to raise awareness on AMMAR's activities and achievements.

Regarding the mobilization of new beneficiaries, the supervision missions' questionnaires revealed that young people are more likely to access information on project opportunities through facebook and internet in general, whereas older people access these type of information through community level. The project also stated that TV did not contribute much to project's outreach, while aggressive mobilization and information meetings at municipality level showed much better results. These information is relevant also in view of gathering beneficiaries' overall feedback on the project and for the upcoming DIMMA.

AMMAR team is using GIS for monitoring some indicators. With the help of this system the PIU collects, displays, manages and analyses geographical information about project activities, such as: infrastructure sites, LR sites, small infrastructure sites, demo plots and grant beneficiaries.

Following up to the recommendation of the previous mission, AMMAR prepared a document of lessons learned about women's opportunities and bottlenecks in accessing and benefitting from AMMAR project activities.

The DANIDA grant has also engaged in several KM activities: i) 10 video profiles about DANIDA funded enterprises; ii) bilingual brochures of DANIDA-funded successful enterprises; iii) organized/facilitated 14 introductory/ experience/knowledge sharing meetings, between DANIDA funded enterprises acting in similar and/or dissimilar business sectors (for example: between wine producers, between guest house operators, between livestock growers, or between and guest house operators, between DANIDA funded guest house owners, wine producers and acting tour operators). And iv) 10 in-country thematic study tours for DANIDA funded Enterprises. Videos and success stories have been actively shared on social media, implementing partner premises and Consulate of Denmark in Georgia.

Agreed Action	Responsibility	Agreed Date
KM report in preparation to the PCR (follow up of past action) A report on KM activities and processes should be prepared to start feeding into the PCR. It should also include information on the actual dissemination and use of such KM products (number of times a video has been watched, impact on outreach performance , etc.	KM focal point	10/2020

Value for Money	Rating: 5	Previous rating: 5
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Justification of rating

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 in all major activities. Project execution was effectively fast-tracked post MTR, as evidenced by the solid disbursement rates in AWPBs 2018-19-20. The project has already surpassed all of its targets using fewer financial resources than anticipated, and the 16-month extension was efficiently used to consolidate investments and strengthen AMMAR sustainability.

Main issues

Irrigation and small infrastructure – rating satisfactory. A general review of the actual construction cost of completed and ongoing works so far reveals an overall cost-effective use of project resources. Particularly, average per ha investments in irrigation systems rehabilitation (excluding Iakublo dam) is GEL 2,279, equivalent to about USD 835 against USD 1,000-1,500 estimated at project design. Average per km cost for rehabilitation of roads and ancillary structures is GEL 126,818, varying from GEL 76,200 to 228,900 depending on the complexity of structures (bridges) and original condition of roads. On average this is equivalent to about USD 45,000 per km that is coinciding with current market prices in Georgia and similar investments in the region. The cost of feasibility studies and engineering designs for irrigation schemes is about 9.5% of total investment cost, and for roads and bridges is about 6.9% of investment costs that is within the limit of international standards. The overall cost of works supervision is below 1.5% of total investment cost.

Facilitating private investment in agricultural value chains – rating highly satisfactory. The project has strived to address the needs of economically active smallholder farmers through its W1 grants. Unlike in other grant facilities implemented in Georgia by other development agencies, there was no minimum threshold to apply for a grant, and therefore the project managed to attract even small investors in primary agricultural production, who are the core target group of AMMAR. As a result the average amount for grants remained well below the ceiling of USD 15,000, while in parallel the project followed IFAD's recommendation to re-allocate to W1 some of the W2 grant resources that were in less demand.

In doing so the project managed to reach more than three times the target number of W1 beneficiaries with the funds set at appraisal. Using ARDA as a grant management agency has also proved to be excellent value for money, even though the project contributed to the salaries of 6 of its dedicated staff, since ARDA has not charged any grant management fee.

CSA practices and technologies – rating satisfactory. While staying within the budget set at appraisal for this type of activity, the project has already managed to establish 17 DPs instead of the 10 initially planned. Careful consideration was given to the type and amount of investment required for DPs, and having cheaper DPs is also increasing the potential replication/adoption by target farmers beyond project completion. The PIU focused on working on the existing DPs during the last year of the project to improve the VFM by increasing the number of exchange visits, as it has proved to be a very good avenue for adoption of CSA technologies through peer-learning.

LR Windbreaks – rating satisfactory. VFM is dependent on the scenario adopted by the Law on Windbreaks. Largely, according to the cost benefit calculation from the RIA on windbreak in several scenarios, the value of land increases due to windbreaks. Farmers will have an increase in productivity per ha (depending on the crop type) associated with windbreaks. The expected average productivity increase is assumed to be 16% per ha. It is expected that productivity increase will start on fifth year after planting the windbreaks. Normative values are used by crop type to calculate productivity increase. The average normative value of 11 crops is approximately GEL 9,000 per ha. Besides, at state level, windbreaks reduce carbon footprint and it is assumed that it is equal to 0.5 t/ha, while the price of CO² permit is USD 15/ton equivalent in GEL. The value of sequestered carbon is multiplied by the area of planted and rehabilitated windbreaks.

Coherence between AWPB and Implementation	Rating: 5	Previous rating: 4
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Justification of rating

Budget execution in 2019 was USD 12.17 million against the total budgeted amount of USD 16.32 million, which represents 75% of total budgeted amount. Expenditures that did not take place in 2019 were mostly related to delays in completion of infrastructure works, that had to be postponed to early 2020. The AWPB 2020 was thus prepared accordingly and with the completion of all schemes but two, budget execution in AWPB 2020 has already reached 53% of planned 4.68 million by the end of Q1; all remaining funds are expected to be disbursed in this final fiscal year, despite the delays incurred under COVID-19 lockdown. In 2019 apart from irrigation works (57%) and W2 grants (67%) all activities were executed above 83% levels, and often surpassing yearly targets.

AWPB Inputs and Outputs Review and Implementation Progress

Physical progress in AWPB 2020 is detailed in Appendix 1 of this report.

Two activities are lagging behind in AWPB 2020: (i) the rehabilitation of irrigation infrastructure, that is at only 3% execution (133 ha against planned 4,071 ha) and (ii) the disbursement of W2 grants (0 disbursed yet in 2020 against target of 7).

On the other hand 60 W1 grants were already disbursed against target of 50 (120%). The project also continued the disbursement of DANIDA grants through funds that were committed with ARDA (10 males, 17 females).

The third planned policy has been achieved (100%), and as for people trained in production and technologies, the project has already achieved 57% of annual target for males and 79% for females.

Regarding AWPB 2019, the table below provides an overview of AMMAR physical progress, with cumulative progress till 31 March 2020:

activity	unit	AWPB 2019 physical progress			Cumulative physical progress till 31/03/2020		
		AWPB	actual	%	appraisal	actual	%
Component 1							
land under irrigation	ha	3 896	2 231	57%	4 750	5 653	119%
other productive infrastructure	number	6	5	83%	10	13	130%
landscape restoration plans	number	3	22	733%	8	42	525%
civil work of landscape restoration	number	3	38	1267%	8	39	488%
land under improved management practices	ha	500	2 165	433%	2 000	3 079	154%
matching grants for smallholder farmers	number	10	124	1240%	220	513	233%

activity	unit	AWPB 2019 physical progress			Cumulative physical progress till 31/03/2020		
		AWPB	actual	%	appraisal	actual	%
matching grants for agribusiness	number	6	4	67%	40	11	28%
DANIDA matching grants to young entrepreneurs	male	65	65	100%	105	125	119%
	female	28	36	129%	45	78	173%
DANIDA pre-financing support	male	28	148	529%	350	851	243%
	female	12	83	692%	150	578	385%
DANIDA post-financing support	male	115	100	87%	105	100	95%
	female	85	53	62%	45	53	118%
Component 2							
national policies on climate issues	number	1	1	100%	1	3	300%
marketing studies	number	0	0	n/a	6	10	167%
facilitated events	number	0	0	n/a	25	103	412%
people accessing advisory services	male	0	0	n/a	700	2 070	296%
	female	0	0	n/a	300	705	235%
demo plots	number	2	3	150%	10	17	170%
people trained in crop production and technologies	male	542	468	86%	700	1 753	250%
	female	163	192	118%	300	677	226%
government officials and staff trained	male	0	0	n/a	35	80	229%
	female	0	0	n/a	15	29	193%

Performance of M&E System

Rating: 5

Previous rating: 5

Justification of rating

AMMAR M&E system maintains its satisfactory performance with a comprehensive and reliable M&E system in place. All there agreed actions from the last supervision mission were implemented. The data on outputs and outcomes for different indicators are reported periodically on time. The M&E officer maintains a project database that is comprehensive and provides quality information. ToRs for the impact assessment has been prepared during the last mission and the survey will take place around November 2020.

M&E System Review

M&E plan. AMMAR M&E system is an Excel based system that is effectively maintained by the M&E officer who prepared an M&E plan that is updated/reviewed on annual basis to align with the AWPB. The M&E activities implemented are coherent with the M&E plan.

Data collection and reporting. Data is collected on regular basis along with field monitoring visits by M&E officer for validation of data/reports. Different implementing partners are submitting reports on regular basis to the M&E officer based on their planned activities. The project management uses the M&E data reports to review the implementation modalities and make decisions for corrective actions if necessary. Project progress reports are prepared in timely manner and submitted to IFAD/GEF on regular basis. Moreover, following the additional financing from DANIDA for grants, progress report on DANIDA activities is prepared.

Database and tracking. The M&E officer developed a database for the tracking of beneficiary participation for different project activities and includes details about each beneficiary. The database has been an effective tool to avoid double counting of beneficiaries. Following the MTR, the M&E officer has developed additional database for tracking of the DANIDA grants. The GEF tracking tool is being modified by the GEF coordinator and M&E officer as per GEF requirements. The database allows for disaggregation of beneficiaries by gender, type of intervention, land ownership, and types of crops grown.

Geo referencing. The project is maintaining geo-referencing for the different sites (irrigation schemes, land restoration sites, demonstration plots, grants beneficiaries and small infrastructure. The GPS data is then linked to google earth using kmz files (see also Appendix 4).

Surveys. To capture outcomes/impacts of interventions, the project undertaken the adoption and validation survey in 2018 to measure the level of adoption for smart agricultural techniques taught during trainings provided in 2016 and 2017 by the farmers who received them. In 2019, the project has undertaken an annual outcome survey which was conducted by ACT company who has already done the Baseline survey and has previous experience in doing such surveys with other IFAD funded projects in Georgia. In this regard, it is recommended that AMMAR team directly contract ACT for the impact assessment survey.

The last supervision mission has recommended to buy a M&E software, either from an international or a national company, to further increase data quality and reporting which will then be very useful to monitor the implementation of the upcoming DiMMA project. A decision is needed on whether this software should be bought by AMMAR or DiMMA.

Agreed Action	Responsibility	Agreed Date
Georeferencing Liaise with the Geo-group from IFAD to receive support on GIS and remote sensing in anticipation of the completion mission (i.e. Preparation of the data sets for final presentation of the project and impact analysis).	M&E officer, IFAD Geo Group	09/2020
Impact assessment survey Finalize all procurement related procedures for the impact assessment survey before 30 September, 2020 and initiate the survey by early November, 2020 so that the draft report is ready by January 2021.	M&E officer, Procurement Officers	11/2020

Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)**Rating: 4****Previous rating: 4****Justification of rating**

As previously mentioned in the last supervision report, 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 has continued improving as progress has been noted already since previous supervision missions and a consultant has been hired to work on environmental and social assessment for infrastructure interventions, producing relevant reports for each site. The mission had positive impressions from previous visited grant recipients and results from surveys, the investment having positive impact on vulnerable people, especially young and women, and on natural resources (i.e. Non timber forest products collection and management).

SECAP Review

Given the scale of the interventions related to landscape restoration, some negative environmental impacts could be expected regarding the river-bank interventions. As mentioned in the previous supervision reports, these interventions have been implemented with insufficiently integrated evaluation and planning of the river catchments and issues of erosion were identified. The mission acknowledge that action was taken by the PMU to rectify the works.

All approved proposals/designs are required to meet requirements of the environmental legislation of Georgia and feasibility studies are undertaken, considering environmental and social aspects. Service providers involved in infrastructure investment activities include consulting companies and individual consultants for feasibility studies.

Maintenance of rural feeder roads and bridges is typically the responsibility of municipalities. The municipality budget is mainly formed from the local taxes and subsidy from the central government budget; and usually there is a lack of funds to cover all the necessary activities. Nevertheless, the roads and bridges improved under the AMMAR are serving mainly farmers farm areas who have particular economic interests to keep these roads in proper conditions. It was reported that feeder roads rehabilitated under previous IFAD interventions are fully operational and reasonably maintained.

d. Financial Management & Execution**Acceptable Disbursement Rate****Rating: 4****Previous rating: 4****Justification of rating**

Automated rating based on IFAD disbursement data

Main issues

The current disbursement rate for IFAD loan, GEF grant and DANIDA grant is respectively 99.95%, 98.92% and 100%, including advances. The actual realization rate at the project level, as of 31 March 2020 is 86% of the total loan allocation and 84% of the total GEF grant. The DANIDA grant has been fully disbursed in 2019.

Agreed Action	Responsibility	Agreed Date
Monitoring of expenses (GEF grant) Ensure all project expenditures relating to implementation of project activities incurred before the completion date for GEF Grant (31/07/2020)	Project Director, Finance Manager	07/2020
Monitoring of expenses (IFAD loan) Ensure all project expenditures relating to implementation of project activities incurred before the new completion date for IFAD Loan (31/12/2020)	Project Director, Finance Manager	12/2020
Submission of final WAs by financial closure date (GEF) Justification of all advances for GEF Grant before the financial closure date (31/01/2021)	Finance Manager	01/2021
Submission of final WAs by financial closure date (IFAD) Justification of all advances for IFAD Loan before the new financial closure date (30/06/2021)	Finance Manager	06/2021

Fiduciary aspects**Quality of Financial Management****Rating: 5****Previous rating: 5****Justification of rating**

Quality of Financial Management (FM) arrangements remain as satisfactory. Both FM staff are experienced working with IFAD and other international donor-funded projects. AWPB execution is on track and regular controls are performed by the project. Sufficient segregation of duties are in place. The accounting system is reliable and allows to record transactions without a delay. Submission of financial reports and the flow of funds are timely.

Main issues

Organization and Staffing. The FM team consists of a Finance Manager and a Disbursement/Accounting Specialist who are responsible for payment processing, accounting and financial reporting. Staffing is appropriate in terms of number, experience and qualifications. They completed IFAD's e-learning on FM and participated in 2019 to IFAD FM workshop to improve their understanding of IFAD requirements.

Budgeting. AMMAR submitted AWPBs for 2019 and 2020, including procurement plans, to IFAD for its non-objection within the IFAD specified deadline. Budget execution in 2019 was USD 12.17 million (75%) against the total budgeted amount of USD 16.32 million. 2020 AWPB envisages spending of USD 4.68 million including all financing sources and USD 2.48 million has been executed in Q1 2020, (53% of the total budgeted amount). The total amount spent during Q1 2020 from IFAD Loan was USD 0.691 million compared to USD 2.12 million budget (33%). The AWPB is based on realistic figures and no high variances identified. The format of the AWPB is in line with IFAD requirements; comprises expenditure items by activity, component and financier.

Internal Controls. The payment and accounting control practices adopted by PIU align with MoF and IFAD requirements. Internal control arrangements are adequate and proper segregation of duties are in place, ensuring control over expenditures. No internal control weaknesses were identified during the last external audit.

Accounting. The accounting software is designed to implement donor-funded projects and is linked with the treasury system. Adequate procedures are in place for the accounting system. The payment request goes through MoF treasury system and transactions mirrored in COPPER, the accounting software used by PIU. The same accounting software is used to record counterpart fund contributions.

In January 2020, the new IPSAS standards and account plan were published by MoF Treasury Service. Due to introduced changes, the project has not yet recorded any transactions in the accounting software for 2020. The MoF is now conducting e-trainings due to be completed on 15 July 2020 and the FM team will be able to reflect changes in the accounting software for all 2020 transactions.

Financial Reporting and Monitoring. Submission of quarterly interim financial reports (IFRs) and audited annual project financial reports to IFAD is timely. Accounts are maintained on an IPSAS modified cash basis; annual consolidated Financial Statements are prepared in compliance with International Accounting Standards (IPSAS cash basis) and IFAD requirements.

Internal Audit. No internal audit unit exists but PIU financial management operations frequently undergo compliance verification spot checks by MEPA and MoF auditors (financial, compliance, and performance audits) and findings are included in the MEPA State Audit Agency Report. There were no recommendations in 2018 audit report for AMMAR project and verification process is currently ongoing for FY 2019.

Funds flow and Disbursement Arrangements. IFAD and GoG funds flow through a central Treasury System. MoF maintains the Designated Accounts for each financing source within the Treasury Single FX Account in USD in the National Bank of Georgia. Flow of funds are timely and no identified bottlenecks or delays in disbursements. The level of the authorized allocation to the DAs is deemed adequate for executing 2020 budget during the 2nd half of the year.

Statement of Expenditure (SOEs). Since last mission (June 2019), the project submitted 7 Withdrawal Applications including IFAD Loan, GEF and DANIDA grant, for a total of USD 5.44 million. The mission selected and reviewed 47 payment orders related to these for a total amount of USD 2.20 million (40% of total WAs) and found the supporting documents to be adequate.

Agreed Action	Responsibility	Agreed Date
Recording of 2020 transactions Record all 2020 transactions in the accounting software upon successful completion of e-training conducted by MoF for the changes in IPSAS and new plan of accounts to ensure inputs are performed accurately.	Finance Manager	07/2020

Quality and Timeliness of Audit	Rating: 6	Previous rating: 6
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Justification of rating

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

Main issues

Audited Financial Statements are submitted within the deadline of 30 June 2019 and the auditor's works were conducted in accordance to respective International Standards of Auditing and IFAD handbook for Financial Reporting and Auditing.

Counterparts Funds	Rating: 5	Previous rating: 5
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Justification of rating

The counterpart financing from the Government of Georgia is in form of VAT exemptions, taxes and custom duties and the Government has provided its share of project expenditures in a timely manner.

Main issues

Counterpart contributions are budgeted on an annual basis and released quarterly, and the quarterly amounts are released based on the need of implementing agency. The Government counterpart contributions were budgeted as USD 2.46 million at the design stage and reduced to USD 1.80 million at the time of signing the financial agreement. As of March 2020, the cumulative counterpart contributions stand at USD 1.56 million, which represents 87% of agreed amount in the financial agreement. In 2020, the counterpart contributions budgeted as USD 0.327 million and as of March 2020, USD 0.140 million (43%) has been contributed. Full utilization of 2020 AWPB will bring the counterpart contributions up to 97%.

Beneficiary contributions have been estimated as USD 9.8 million at design. As of 31 March 2020, the contribution of the beneficiaries stands at USD 7.48 million that represents 77% of appraised amount.

Compliance with Loan Covenants	Rating: 5	Previous rating: 5
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Justification of rating

Most legal covenants are complied with. Details can be seen in the appendix 3.

Main issues

Periodic progress reports to be submitted to IFAD. However, this covenant was not complied with

Procurement

Procurement	Rating: 5	Previous rating: 5
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Justification of rating

As a final supervision mission, previous mission reports and the overall procurement performance outcomes during the project life-cycle suggests the rating to be satisfactory. This is notably since the project has hired on board a dedicated procurement officer for civil works. Procurement is timely and efficient and, in the majority of cases, in full compliance with IFAD Procurement Guidelines and Handbook. Procurement plan (PP) is prepared on time, duly submitted to IFAD and consistent with the AWPBs. Application of procurement procedures is transparent and the bidding documents were found to be of a good quality. All procurement activities are envisaged to be completed timely. In short, Processes and procedures applied exhibit minor shortcomings that have no impact on project implementation and performance. The detailed procurement technical report is annexed to this report (see Appendix 4-H).

Procurement Review

The efforts made and the constant progress during the project implementation period is visible, as evidenced by the previous reports, the post-review activities checked and by the way AMMAR procurement has managed to overcome the initial delays or have completed all the key tenders.

The project procurement processes have followed the IFAD Procurement Guidelines and the Handbook. As a general observation, the project has always completed agreed actions and followed the recommendations. The quality of procurement processes reviewed are satisfactory.

Last supervision mission advised to set up realistic completion dates for the ongoing works contracts for three irrigation rehabilitation and two roads rehabilitation. These have been completed.

The ongoing civil works and their completion has been agreed to be postponed to 31 December 2020 based on the exceptional request for 2-month extension caused by the COVID-19 lockdown. The remaining consultancies before the PCD include the audit and the impact survey. The following ongoing civil works are to be completed:

- Rehabilitation of distribution canals of Tiriponi G-3 and G-3-2-1 on-farm;
- Rehabilitation of Rehabilitation Kvemo Alazani G-35 Irrigation Scheme;
- Rehabilitation of Dzlevijvari and Alternatiuli canals of Saltvisi Irrigation Scheme.

Contracts are monitored by the procurement officers. The project maintains complete records. Indeed the team has greatly facilitated the remote supervision review. The reviewed activities are available [here](#) and Annexed to this paper. Post-review activities are satisfactory and exhibit no gaps or non-compliances. The project is a civil-works heavy procurement and the majority of consultancies are conducted through the CQS method. The processes are transparent and the methods applied are duly justified.

The procurement team was guided in updating the 2020 procurement plan in IFAD's new PP template, which has been submitted to IFAD.

Bidding documents are of good quality. Standard bidding documents used were approved by IFAD. The project is aware that IFAD will be releasing its own SBDs to be used for future bids for any on-going or future IFAD projects.

It was however noted that in several occasions only one or two bids were received in the case (mostly) for civil works. The project in some occasions has proceeded to the bid evaluation anyway, as reported, due to market constraints yet this is not in compliance with IFAD Project Procurement Guidelines requirements., the probable reasons of low bid proposal tendency include the time-lapse between when the market study is undertaken and the actual bid is published. The time-lapse between preparing the estimated budget until the bid proposal is received also has an impact on the relevance of the amount overtime. On the other hand, it is mandatory to fill in the estimated budget in the Georgian e-procurement system for civil works. Bid proposals tend to stay under the budget estimations to win the bids. However, exchange rate fluctuations in Georgian Gel and the USD is common, hence, variations in price are sometimes significant. Disclosing the budget for civil works is not IFAD's requirement but, although AMMAR follows the IFAD Project Procurement, Georgian E-procurement system needs to be used for civil works and it is an important platform to reach the qualified and accredited construction firms through transparent processes. Projects should ensure that the bid proposals are realistic and *internalize* the fluctuations above in the budget estimation. The market studies should also be undertaken closer to the bid preparation processes.

There are no significant changes in the national procurement system hence the PRM remains unchanged.

Agreed Action	Responsibility	Agreed Date
Activities completed before the PCD Monitor closely all activities, especially works, to ensure that these are completed and payments undertaken by the new completion date (31/12/2020)	Procurement Officers and Project Director	12/2020

e. Key SIS Indicators

Likelihood of Achieving the Development Objective	Rating: 5	Previous rating: 4
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Justification of rating

The project is on a good track of implementation and there is sufficient ownership from government and uptake from beneficiaries. Outcomes have been achieved or are on track to be achieved. Positive results has been reported from the adoption survey and validation study.

Assessment of the Overall Implementation Performance	Rating: 5	Previous rating: 5
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Justification of rating

The project is on track to complete most of its activities by October 2020, except for the two contracts in Tirifoni irrigation scheme that cannot realistically be completed before December 2020 due to the works disruptions related to the COVID-19 lockdown. This calls for an additional 3-month extension on exceptional basis. The mission was able to confirm that despite the delays incurred during the country's lockdown, the project has successfully addressed most of the key mission agreements that were reached last year, and is on good track to complete the project.

f. Additional Aspects

Lessons learned

Irrigation Modernization

For future investments in irrigation rehabilitation consideration shall be given to modernization activities rather than simple concrete lining of existing systems. Particularly, different options for canal lining (including different geomembrane materials), replacement of open canals with pipelines, provision of opportunities for farmers to connect to the systems for using of advanced irrigation techniques (drip, micro-sprinkler, sub-soil). Location and design of water management structures such as cross-regulators, long-crested weir, outlets, flow measurement devices shall be widely considered to ensure efficient management and use of available water resources. Modernization shall include institutional development including all the aspects of irrigation systems management, operation and maintenance. Possibility for introduction of SCADA monitoring and control system should be considered including capacity building within the institutions responsible for systems management, operation and maintenance.

Project Modification

Modifications					
Reallocation among categories				Yes <input type="checkbox"/>	X <input checked="" type="checkbox"/>
Combined with the extension granted in March 2019, a re-allocation was effected for IFAD loan and GEF grant and is already reflected in the Financial Management Dashboard (FMDB).					
A re-allocation needs to be done for DANIDA funds. The project needs to send a formal letter to IFAD to request for a re-allocation as follows:					
CATEGORY:	Original Allocation	Amount withdrawn by category	Proposed Change	After Re-allocation	
		(USD 000)	(USD 000)	(USD 000)	
Consultancies	154 098	98,340.47	120 000	274 098	
Grants and subsidies	3 372 948	1,458,007.14	211 000	3 583 948	
Training	171 954	152,238.49	80 000	251 954	
Unallocated	411 000	0	(411 000)	0	
Authorised Allocation		1 500 000			
TOTAL	4 110 000	3 208 586	4 110 000	4 110 000	
Extension of Project Completion Date				Yes <input type="checkbox"/>	X <input checked="" type="checkbox"/>
In line with the last mission's recommendations, AMMAR submitted a request for 16-month extension that was approved on 18 March 2019. The new completion dates are 31 July 2020 for GEF Grant and 31 October 2020 for IFAD Grant. The completion date for DANIDA grant remains unchanged (31 December 2019). Describe the need for extension or early closure. Relate it to Financial Modification request if relevant					

Relevance

Justification of rating

Relevance is rated as 5. As noted in previous missions, AMMAR development objective is consistent with the needs of the target groups in terms of increased agricultural productivity, modernized agriculture equipment and efficient technologies. 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. And the GoG sees the successful implementation of DANIDA Young Entrepreneur Project via AMMAR as a major breakthrough to attract start-ups and promote rural investments among Georgian youth.

Main issues

Irrigation and small infrastructure – rating satisfactory. The design of infrastructure activities and implementation modalities are largely appropriate with the needs of the target group as well as IFAD and Government policies and national priorities. Development of modernized irrigation network, improved water and land management, and reliable access to farms are highly relevant for Georgia. The upcoming project's support in rehabilitating Yakublo reservoir is also responding very well to the recent Government focus on improving water availability through dams and reservoirs, not only through rivers.

Facilitating private investment in agricultural value chains – rating satisfactory. The interest in the grant program has been very high and the demand exceeds the available resources, which proves that the intervention is relevant for the market. The grant program complements government efforts aimed at providing support to the agricultural sector.

F. Relevance

Relevance	Rating: 5	Previous rating: 5
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Justification of rating

This mission is able to confirm that AMMAR development objective is consistent with the needs of the target groups in terms of increased agricultural productivity, modernized agriculture equipment and efficient technologies. 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. And the GoG sees the successful implementation of DANIDA Young Entrepreneur Project via AMMAR as a major breakthrough to attract start-ups and promote rural investments among Georgian youth.

Main issues

Irrigation and small infrastructure – rating satisfactory. The design of infrastructure activities and implementation modality are largely appropriate with the needs of the target group as well as IFAD and Government policies and national priorities. Development of modernized irrigation network, improved water and land management, and reliable access to farms are highly relevant for Georgia.

Demo plots and exchange visits –rated satisfactory. All demo plots models are enabling farmers to increase their harvest, improve the quality of their products, maintain and improve soil fertility, protect agricultural lands from wind erosions, produce high quality organic fertilizer that can be used in their own farms as well as can be sold and serve as a source of additional income. The mission recognizes that, at the present time when facing the COVID-19 pandemic, the models established within the framework of the project are relevant as they tend to reduce dependency on external inputs and improve the resilience of rural areas to such shocks while contributing to the country's food security in a sustainable way. As mentioned earlier in this document, IFAD activities were recognized as exemplary information and knowledge distribution models for other agencies at the Coordination Meeting for the Establishment of the National Network of Demonstration Plots initiated by the MEPA and arranged by FAO with stakeholders and implementing partners of the ENPARD.

G. Project Modifications

Responsibility	Modification type	Description
IFAD	Completion Date	Currently, works funded by AMMAR are still ongoing in 2 irrigation schemes and due to COVID-19 situation the contractors had to stop works. Furthermore, once the irrigation season starts the contractors will have to interrupt their operations till the month of September, meaning that they cannot complete the planned works at current set of completion dates (23/05/2020 and 23/07/2020). In view of this situation, it was thus agreed during the course of this mission that the Ministry of Finance (MoF) will request by way of exception a further 2-month extension for IFAD-funded activities. This would imply new completion and closing dates of 31 December 2020 and 31 June 2021 respectively.

H. Lessons Learned

Importance of having a strong grant management system

Grants in AMMAR have proved to be a very efficient way to complement the "soft" support to project beneficiaries: in many cases, especially for smallholder farmers with very limited financial capacity, these grants have been essential to help them put into practice what they have learned in terms of CSA technologies. However, the success of AMMAR/DANIDA grants is first and foremost the result of very dedicated efforts to define clearly a) the eligibility criteria; b) the grant approval process and c) the disbursement mechanisms. This would not have been possible without the involvement of ARDA grant management agency, that has strived to evolve and adapt to AMMAR's conditions all along project life. It also requires appropriate human resources, and when thousands of grant applications are contemplated, as was the case in AMMAR, the development of user-friendly IT tools such for on-line application and grant monitoring systems.

Necessary pre- and post-financing support in grant schemes

The success of DANIDA grants for youth entrepreneurs is for a good part due to the provision of pre- and post-financing support: it put a strong emphasis on providing technical support and business plan preparation ahead of grant approval, and then continued to follow-up, monitor and accompany business promoters along their project once it has been declared eligible to grant. The lesson learned is that grant facilities set to support business development should include systematically pre- and post-finance support along three key stages:

1. Pre-financing support aimed at filling any potential business gaps (including financial literacy) along with the formulation of the business idea;
2. Finance and business launch facilitation to assist applicants in developing realistic and fundable business plans which comply with project's requirements, as well as meeting banks conditions when a loan is involved; and
3. Post-finance support consisting in business coaching for successful applicants, with dedicated assistance to those who face particular challenges, thus ensuring higher success and reducing loan default risks for those who used a loan to raise their contributions.

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).

I. Agreed Actions

Agreed Action	Responsibility	Agreed Date
Overview and Project Progress		
Request for exceptional 2-month extension Due to COVID-19 situation that will prevent completion of Tirifoni irrigation works by current deadline of 31/10/2020, Ministry of Finance (MoF) to officially request by 15 June 2020 latest a further 2-month extension from IFAD	MoF, PIU Project Director	06/2020
Completion of works for rehabilitation of distribution network under G-3 secondary canal of Tirifoni IS Due to COVID-19 situation and start of irrigation season, contract completion date will be extended till new project completion date of 31/12/2020	PIU Project Director and Engineers	12/2020
Completion of works for rehabilitation of G-3-2-1 canal and distribution network of Tirifoni IS Due to COVID-19 situation and start of irrigation season contract completion date will be extended till new project completion date of 31/12/2020	PIU Project Director and Engineers	12/2020
Disbursement of W1 and W2 grants to beneficiaries The PIU to closely follow up with ARDA to ensure that by project closing date balance of about USD 0.741 million that has been committed through ARDA is disbursed to remaining 210 approved applicants.	Project Dty Director, Grant Officer	06/2021
Disbursement of DANIDA grants to young entrepreneurs The PIU to closely follow up with ARDA to ensure that by project closing date balance of USD 1.1 million that has been committed through ARDA is disbursed to remaining 130 approved applicants.	Project Dty Director, Grant Officer	06/2021
Development Effectiveness		
Demo plots and exchange visits ELKANA to provide a tentative agenda for remaining exchange visits (postponed because of COVID-19).	GEF Coordinator, ELKANA	06/2020
Link to windbreak demo plot missing Link to Video on Windbreaks in YouTube does not work, ELKANA to provide assistance	GEF Coordinator, ELKANA	06/2020
Demonstration Plots activities Keep liaising with the National Network of Demonstration Plots to coordinate action and share knowledge and networks built during AMMAR	Project Director, GEF Coordinator	10/2020
Revise adoption percentages Analysis should distinguish between climate smart technologies and the improved techniques	M&E officer/ GEF Coordinator	01/2021
Data analysis - impact survey Ensure that the data stemming from the impact survey is properly analysed to: i) assess project impact on different target sub-groups (e.g. categorized by income source composition, and poverty as per Georgia National Statistical System classification); ii) deepen and quantify gender lessons learned along the three objectives of IFAD's gender policy (economic empowerment, voice, workloads) and implementation arrangements. This information is key to feed into the project completion report.	M&E and Gender officers	01/2021
Sustainability and Scaling up		
Fine-tune existing exit strategy Enrich the draft narrative with details on institutional arrangements, coordination with NASP for Windbreak Inventory, and scaling up the adoption of CSA technologies. Develop a specific section on mitigation measures that can be realistically implemented to curb COVID-19 challenges	Dty Project Director, with inputs from all PIU members	07/2020
Support to policy enforcement Follow up on the enforcement of the law on windbreaks and law on soil in Parliament and support in making amendments if needed (Climate change is very urgent problem and should be captured in the principles of the law on Soil. At the moment it is referred only under the definition of desertification as one of the possible causes).	Project Director, GEF Coordinator	12/2020
Support to RIA operational objectives Prepare an informative document on windbreaks and nurseries established under the project together with their GPS coordinates and share it with the National Agency of State Property (NASP) to contribute to the Inventory of windbreaks (1.2. of the Operational objectives in the RIA). GEF Coordinator December/ 2020 Agreed	GEF Coordinator	12/2020
Document lessons learned on AMMAR windbreak interventions Prepare a document of lessons learned on windbreak plantation in Georgia (highlighting survival rates, commitment of beneficiaries and municipalities, and good practices such as use of protective tubes)	GEF Coordinator, RECC	01/2021
Project Management		
Georeferencing Liaise with the Geo-group from IFAD to receive support on GIS and remote sensing in anticipation of the completion mission (i.e. Preparation of the data sets for final presentation of the project and impact analysis).	M&E officer, IFAD Geo Group	09/2020
KM report in preparation to the PCR (follow up of past action) A report on KM activities and processes should be prepared to start feeding into the PCR. It should also include information on the actual dissemination and use of such KM products (number of times a video has been watched, impact on outreach performance , etc.	KM focal point	10/2020

Impact assessment survey Finalize all procurement related procedures for the impact assessment survey before 30 September, 2020 and initiate the survey by early November, 2020 so that the draft report is ready by January 2021.	M&E officer, Procurement Officers	11/2020
Financial Management & Execution		
Monitoring of expenses (GEF grant) Ensure all project expenditures relating to implementation of project activities incurred before the completion date for GEF Grant (31/07/2020)	Project Director, Finance Manager	07/2020
Recording of 2020 transactions Record all 2020 transactions in the accounting software upon successful completion of e-training conducted by MoF for the changes in IPSAS and new plan of accounts to ensure inputs are performed accurately.	Finance Manager	07/2020
Activities completed before the PCD Monitor closely all activities, especially works, to ensure that these are completed and payments undertaken by the new completion date (31/12/2020)	Procurement Officers and Project Director	12/2020
Monitoring of expenses (IFAD loan) Ensure all project expenditures relating to implementation of project activities incurred before the new completion date for IFAD Loan (31/12/2020)	Project Director, Finance Manager	12/2020
Submission of final WAs by financial closure date (GEF) Justification of all advances for GEF Grant before the financial closure date (31/01/2021)	Finance Manager	01/2021
Submission of final WAs by financial closure date (IFAD) Justification of all advances for IFAD Loan before the new financial closure date (30/06/2021)	Finance Manager	06/2021

Georgia

Agriculture Modernization, Market Access and Resilience Project Supervision Report

Logical Framework

Mission Dates: 18-29 May 2020
Document Date: 24/06/2020
Project No. 1100001760
Report No. 5426-GE

Near East, North Africa and Europe Division
Programme Management Department

Agriculture Modernization, Market Access and Resilience Project

Logical Framework

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Outreach	1.b Estimated corresponding total number of households members										
	Household members			40 000	888	65 044	162.6				
	1.a Corresponding number of households reached										
	Households			10 000	222	16 261	162.6				
	1 Persons receiving services promoted or supported by the project										
	Females			20 800	298	20 433	98.2				
	Males			19 200	257	22 138	115.3				
	Total number of persons receiving services			40 000	555	42 571	106.4				
Project 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							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Development 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							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
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	133	5 653	119				
	Other productive infrastructure constructed/rehabilitated							Infrastructure completion/ status reports	Quarterly	"Engineer, VC coordinator"	
	Other VC	0	3	10							
	3.1.4 Land brought under climate-resilient practices							Infrastructure completion/ status reports	Quarterly		
	Hectares of land			2 000	0	3 135	156.8				
	2.1.5 Roads constructed, rehabilitated or upgraded										
	Length of roads				0	24.78					

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
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	60	513	233.2				
	Proportion of small grants made to farmers to women and young farmers							ELKANA reports, APMA reports	Quarterly	"GEF coordinator and VC coordinator"	
	Percentage			30	30	30	100				
	Grants made to agribusinesses and processors in target value chains							ELKANA reports, APMA reports	Quarterly	"GEF coordinator and VC coordinator"	
	Grant	0	20	40	0	11	27.5				
Output output 1.3: Enterprises owned by young entrepreneurs supported by matching grants	Matching grants to young entrepreneurs (DANIDA)										
	Males			105	10	125	119				
	Females			45	17	78	173.3				
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			45		851	1 891.1				
	Males			105		578	550.5				
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)										
	Females					100					
	Males					53					
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		42	525				

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
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) Different parties are willing to invest in VCs (A)" "Market options foster profitable partnership between farmers and contractors (A) Different parties are willing to invest in VCs (A)" "Market options foster profitable partnership between farmers and contractors (A) Different parties are willing to invest in VCs (A)"
	Value	0		9 000	860 991	10 509 268	116 769.6				
	Matching grant beneficiaries who increase their income by an average of 8%							MTR evaluation; Project completion	MTR and completion	AMMAR TEAM, M&E specialist	
	Percentage	0		50		44	88				
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		10	166.7				
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		103	412				

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
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										
	Total number of attendances to training sessions				51	2 430					
	Men trained in crop	0		700	32	1 753	250.4				
	Women trained in crop	0		300	19	677	225.7				
	Total persons trained in crop			1 000	51	2 430	243				
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	
	Males	0		35		80	228.6				
	Females	0		15		29	193.3				
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	1	3	300				
Output output 2.6: Access to financial services	Number of people receiving small grants										
	Males			154	75	588	381.8				
	Females			66	70	203	307.6				
	People who received small grants			220	145	791	359.5				

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: 18-29 May 2020
Document Date: 24/06/2020
Project No. 1100001760
Report No. 5426-GE

Near East, North Africa and Europe Division
Programme Management Department

Appendix 2: Financial: Actual financial performance by financier; by component and disbursements by category

Annex 1 - Financial: Actual financial performance by financier, by component and disbursement by category

AMMAR - FINANCIAL PERFORMANCE - Total Programme SUMMARY

Table 1A: Financial performance by FINANCIER (USD 000, as at 31 MARCH 2020)

FINANCIER:	Budget (USD 000)	Actual (USD 000)	%
IFAD loan	12 004 087	10 380 698	86%
IFAD grant	500 000	160 000	32%
IFAD- GEF Grant	5 300 000	4 442 548	84%
DANIDA Grant	4 110 000	4 110 000	100%
Beneficiaries	9 760 800	7 483 819	77%
Government*	2 457 000	1 564 707	64%
TOTAL	34 131 887	28 141 771	82%

* Government Contribution at PDR /COSTAB was \$2.457 million. The final amount of Government contribution agreed at negotiation is \$1.8 million. As per Financial Agreement the GoG committed to contribute \$1.8 million and \$1.57million is contributed by GoG.(87%)

Table 1B: Financial performance by COMPONENT (USD 000, as at 31 MARCH 2020)

COMPONENT:	IFAD loan			GEF IFAD grant			IFAD GRANT			Danida GRANT			Government			Beneficiaries			TOTAL		
	Budget (USD 000)	Actual (USD 000)	%	Budget (USD 000)	Actual (USD 000)	%	Budget (USD 000)	Actual (USD 000)	%	Budget (USD 000)	Actual (USD 000)	%	Budget (USD 000)	Actual (USD 000)	%	Budget (USD 000)	Actual (USD 000)	%	Budget (USD 000)	Actual (USD 000)	%
Irrigation and Agricultural Value Chain Investment		9 551 242.16								4 110 000	4 075 825	100%	2 359 000	1 182 209	50.11%	9 760 800.00	7 483 818.69	76.67%		22 293 095.20	
Climate smart agricultural and value chain development	11 547 569	386 791.47	86.06%				500 000	119 000.00	23.8%		24 137		38 000	17 771.75	46.77%				28 315 369	547 700.14	81%
Project Management	456 518	442 664.22	96.97%	208 200	250 684	120%		41 000.00			10 038		60 000	36 937	61.56%				724 717.78	781 323.57	106%
Effective Irrigation, Soil and Water Conservation for provision sustainable agricultural production					1 712 902	33.6%								2 465						1 715 367	
Landscape restoration to prevent climate risks					1 508 039	29.6%								153 520.37						1 661 559	
Enabling environment for climate risk reduction in agriculture														171 803.72					5 091 800	1 142 725	89%
sub-total	12 004 087	10 380 698	86.48%	5 300 000	4 442 548	83.82%	500 000	160 000	32%	4 110 000	4 110 000	100%	2 457 000	1 564 707	64%	9 760 800.00	7 483 818.69	77%	34 131 887	28 141 771	82%
Outstanding advance		1 617 096			800 000						0									2 417 096	
TOTAL	12 004 087	11 997 794	99.95%	5 300 000	5 242 548	99%	500 000	160 000	32%	4 110 000	4 110 000	100%	2 457 000	1 564 707	63.7%	9 760 800.00	7 483 818.69	76.7%	34 131 887	30 558 867	90%

Table 1C: IFAD Loan - 2000000778 disbursement (XDR 000, as at 30 April 2020)

CATEGORY:	Original Allocation (XDR 000)	Disbursement (XDR 000)	Balance (XDR 000)	% Disbursed*
Works	5 070 000	4 375 801	694 199	86.31%
Consultancies	60 000	48 676	11 324	81.13%
Grants and Subsidies	3 040 000	2 327 922	712 078	76.58%
Operating costs	440 000	159 533	280 467	36.26%
Unallocated	0	0	0	
Initial Allocation DA	0	1 693 407	-1 693 407	
TOTAL	8 610 000	8 605 339	4 661	99.95%

Table 1C: IFAD-GEF Grant - 2000000827 disbursement (USD 000, as at 30 April 2020)

CATEGORY:	Original Allocation (USD 000)	Disbursement (USD 000)	Balance (USD 000)	% Disbursed*
Works	1 586 000	1 481 394	104 606	93.40%
Consultancies	1 138 000	908 630	229 370	79.84%
Grants and Subsidies	2 076 000	1 795 360	280 640	86.48%
Operating costs	500 000	257 164	242 836	51.43%
Unallocated	0	0	0	
Initial deposit		800 000	-800 000	
TOTAL	5 300 000	5 242 548	57 452	98.92%

Table 1D: DANIDA Grant- 2000001739 disbursement (USD 000, as at 30 April 2020)

CATEGORY:	Original Allocation (USD 000)	Disbursement (USD 000)	Balance (USD 000)	% Disbursed*
Consultancies	274 097	247 106	26 991	90%
Grants and subsidies	3 583 948	3 593 383	-9 434	100%
Training	251 954	269 511	-17 557	107%
Initial deposit		0	0	
TOTAL	4 110 000	4 110 000	0	100%

Georgia

Agriculture Modernization, Market Access and Resilience Project Supervision Report

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 18-29 May 2020
Document Date: 24/06/2020
Project No. 1100001760
Report No. 5426-GE

Near East, North Africa and Europe Division
Programme Management Department

Appendix 2: Physical progress measured against AWP&B

Physical progress report (performance) - as of March 31 st , Y2020							
Project component/Activity	Unit	Total for period (Q1 2020)			Cumulative to date		
		AWPB	Actual	% of AWPB	Appraisal	Actual	% of appraisal
Component 1 -Irrigation and Agricultural Value Chain Investment							
Sub-component 1.1: Irrigation and value chain infrastructure							
Land under irrigation rehabilitation works	Ha	4071	133	3%	4750	5653	119%
Other productive infrastructure constructed/rehabilitated	Number	0	0	n/a	10	13	130%
Landscape Restoration plans	Number	0	0	n/a	8	42	525%
Civil works of the landscape Restoration	Number	0	-2	n/a	8	39	488%
Land under improved management practices	Ha	0	-56	n/a	2000	3079	154%
Sub-component 1.2: Facilitating private investment in agricultural value chains							
Matching grants for smallholder farmers	Number	50	60	120%	220	513	233%
Matching grants for agribusinesses	Number	7	0	0%	40	11	28%
Matching grants to young entrepreneurs (DANIDA)	Men	0	10	n/a	105	125	119%
	women	0	17	n/a	45	78	173%
Pre-financing support (DANIDA)	Men	0	0	n/a	350	851	243%
	women	0	0	n/a	150	578	385%
Post-finance services (DANIDA)	Men	0	0	n/a	105	100	95%
	women	0	0	n/a	45	53	118%
Component 2: Climate smart agricultural and value chain development							

Physical progress report (performance) - as of March 31st, Y2020

Project component/Activity	Unit	Total for period (Q1 2020)			Cumulative to date		
		AWPB	Actual	% of AWPB	Appraisal	Actual	% of appraisal
Sub-component 2.1: Value Chain development processes and support							
National policy processes on climate issues to which the project-is contributing	Number	1	1	100%	1	3	300%
Marketing Study (include a plan for VCs to access markets)	Number	0	0	n/a	6	10	167%
Facilitated events	Number	0	0	n/a	25	103	412%
People accessing advisory services facilitated by project (Events)	Male	0	0	n/a	700	2070	296%
	Female	0	0	n/a	300	705	235%
Sub-component 2.2: Climate-smart agricultural technology transfer							
Demonstration Plots	Number	0	0	n/a	10	17	170%
People trained in crop production and technologies (Individual participants)	Male	56	32	57%	700	1753	250%
	Female	24	19	79%	300	677	226%
Government officials and staff trained	Male	0	0	n/a	35	80	229%
	Female	0	0	n/a	15	29	193%

Georgia

Agriculture Modernization, Market Access and Resilience Project Supervision Report

Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 18-29 May 2020
Document Date: 24/06/2020
Project No. 1100001760
Report No. 5426-GE

Near East, North Africa and Europe Division
Programme Management Department

Appendix 3: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section 4.02	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.	July 2015	Complied with	The project has bank account in the State Treasury (National Bank of Georgia). There is only one account which is used by all government entities, and a 9 digit code has been assigned to individual funds for identification. All payments are entered to the software and they go through treasury account.
Section 4.02	GOG to replenish Project Account quarterly in advance	Continuous	Complied with	
Section 4.03	Procurement of goods, works and services carried out in accordance with the procedures laid down in Schedule 3	Continuous	Complied with	
Section 4.04	Insurance of vehicles, equipment and civil works financed from the loan proceeds to be consistent with sound commercial practice.	N/A	N/A	Assets are not financed by IFAD loan, GEF and DANIDA grant.
Section 4.05, section 11.10(b)	Audit report submitted to IFAD.	30/06/2020	Complied with	
Section 4.06	Progress reports to be submitted to IFAD on a quarterly basis.	Quarterly basis	Not Complied with	
Schedule 4, para 7	AWPB to be submitted to the Fund, for its review and comments	2 months prior to year-end for the upcoming year	Complied with	
Schedule 4, para 8(a)	A Mid-Term Review (MTR) to be carried out jointly by the Borrower and IFAD.	3 rd year of project implementation	Complied with/ September 2017	
Schedule 4, para 16	Project to be exempted from all import duties, excise taxes and value added tax (VAT) on investment expenditures	Entire implementation period	Complied with	No tax (VAT) payments from IFAD funds.

Georgia

Agriculture Modernization, Market Access and Resilience Project Supervision Report

Appendix 4: Technical background analysis

Mission Dates: 18-29 May 2020
Document Date: 24/06/2020
Project No. 1100001760
Report No. 5426-GE

Near East, North Africa and Europe Division
Programme Management Department

Appendix 4: Technical Background Analysis

This appendix includes the following working papers:

- A. Irrigation and small infrastructure
- B. Policy support
- C. Land restoration – windbreaks
- D. Geo-referenced activities and M&E
- E. Questionnaires on training and exchange visits
- F. Questionnaires on W1 and W2 grants
- G. Updated status of past agreed actions (June 2019)
- H. Procurement review

A. Sub-component 1.1: Irrigation and small infrastructure.

Overall Assessment. Activities planned under the sub-component 1.1 are aiming to ensure reliable irrigation water supply and improved market access within areas where agriculture value chains have been identified, through the rehabilitation and modernization of existing irrigation systems as well as rehabilitation of small scale rural infrastructure such as rural feeder roads with ancillary structures and bridges.

The overall performance rating since the last mission is satisfactory (5/6). In general, the mission had positive impressions from the data and photo materials provided, and performance of activities. All the recommendations and agreements reached during the previous mission were considered and successfully implemented. Good quality of irrigation canal lining and pipeline placement with required ancillary structures for water management and distribution, stabilized gravel feeder roads, side ditches, culverts, road drainage facilities and bridge structures were reported by the PIU. Overall good construction practices and reasonable standards of rehabilitation have been used.

Currently, works funded by AMMAR are still ongoing in 2 irrigation schemes and due to Covid-19 situation the contractors had to stop works. Furthermore, once the irrigation season starts the contractors will have to interrupt their operations till the month of September, meaning that they cannot complete the planned works at current set of completion dates (23/05/2020 and 23/07/2020). A more realistic date for completion of these 2 schemes is December 2020, which is beyond the completion date of AMMAR.

In view of this situation linked to COVID-19 restrictions, it was thus agreed during the course of this mission to request by way of exception a further 3-month extension for IFAD-funded activities. This would imply new completion and closing dates of 31 January 2021 and 31 July 2021 respectively.

Physical and Financial Progress. Eighteen civil works contracts have been completed or at completion stage so far in three project area regions of Shida Kartli, Samegrelo and Kakheti. They consist of ten irrigation schemes and one dam with total command area of 14,322 ha including 8,486 ha under the Iakublo dam; and rehabilitation of eight roads and five bridges with total length of about 24.8 km. These feeder roads will serve some 3,975 ha of agricultural area. The aggregate cost of these investments is about GEL 22.6 million, equivalent to about USD 10.0 million. The total payment to contractors as of 30.04.2020 is about GEL 18.7 million or some 83% of total value of the contracts. As per the PIU database, these investments directly benefit over 14,839 households, including 4,730 under the improved irrigation schemes, 7,126 households under the Iakublo dam and 2,983 households from the investment in feeder roads and bridges improvement.

Table 1 – Physical and Financial progress in irrigation and small infrastructure

	Scheme	Region	Status	Unit	Number of beneficiaries (HH)	Cost (GEL)		Unit Cost	Note	
						Contract	Paid as of 30.04.2020			
Irrigation										
1	Rehabilitation of Dzevera-Skertuli Irrigation Scheme (Lot 3a)	Shida Kartli	Completed	Ha	1,800	1,170	1,638,451	1,638,451	910	Completed on 30.12.2017
2	Rehabilitation of Dzevera-Skertuli Irrigation Scheme (Lot 3b)	Shida Kartli	Completed	Ha	615	400	1,062,466	1,062,466	1,728	Completed on 12.05.2018
3	Rehabilitation of G-3 secondary canal of Tirifoni irrigation scheme in Gori municipality.	Shida Kartli	Completed	Ha	874	600	1,813,752	1,813,752	2,075	Completed on 30.05.2018
4	Rehabilitation of distribution network under G-3 secondary canal of Tirifoni irrigation scheme in Gori municipality.	Shida Kartli	Ongoing				864,866	400,324.53	990	Contract completion date 23.05.2020. Due to Covid-19 and start of irrigation season the estimated completion of works by the 31.01.2021

	Scheme	Region	Status	Unit		Number of beneficiaries (HH)	Cost (GEL)		Unit Cost	Note
							Contract	Paid as of 30.04.2020		
5	Rehabilitation of Alternatuli canal from pk 43+34 to pk 92+30 (till g-2) and Dzlevijvari canal (till g-2) and distribution network of Saltvisi irrigation scheme in Gori and Kareli municipalities.	Shida Kartli	Ongoing	Ha	1,215	1,315	4,878,206	4,699,124	4,015	Contract completion date is 30.04.2020. Physical works are completed. Final acceptance and handover in process.
6	Rehabilitation of G-32 secondary canal and distribution network of Kvemo Alazani irrigation scheme in village Chumlaki of Gurjaani municipality	Kakheti	Completed	Ha	1,008	915	2,005,500	1,264,649	1,990	Completed on 23.03.2020. The last payment of around GEL 250 000 will be paid after the confirmation of the last executed volumes.
7	Rehabilitation/modernization of G-35 secondary canal and distribution network of Kvemo Alazani irrigation scheme.	Kakheti	Completed	Ha	324	295	1,475,143	1,437,186	4,553	Completed on 30.03.2020. The last payment of around GEL 38 000 will be paid after the confirmation of the last executed volumes.
8	Rehabilitation of G-3-2-1 canal and distribution network of Tifoni irrigation scheme in Gori municipality.	Shida Kartli	Ongoing	Ha	650	370	2,816,910	408,227.38	4,334	Contract completion date is 23.07.2020. Due to Covid-19 and start of irrigation season the estimated completion of works is 31.01.2021.
9	Rehabilitation of Iakublo reservoir in Dmanisi reservoir (Phase II)	Kvemo Kartli	Completed	Ha	8,486	7,126	2,547,077	2,475,020	300	Contact signing by 30.06.2019. Completed on 15.02.2020
Sub-Total Irrigation					14,972	12,191	19,102,371	15,199,201	1,276	

Rural Roads

1	Rehabilitation of road and bridge in village Dzveli Senaki of Senaki municipality.	Samegrelo	Completed	km	1.00	138	94,843	94,843	94,843	Completed on 25.06.2017
2	Rehabilitation of road and bridge in village Betlemi and Ushapati of Senaki municipality.	Samegrelo	Completed	km	1.80	270	299,205	299,205	166,225	Completed on 15.10.2017
3	Rehabilitation of bridge in village Nagvazao of Martvili municipality.	Samegrelo	Completed	km	0.02	35	149,408	149,806	7,470,400	Completed on 30.11.2017
4	Rehabilitation of road in village Abedati and Jolevi of Martvili municipality.	Samegrelo	Completed	km	0.20	900	142,305	142,305	711,523	Completed on 15.10.2017
5	Rehabilitation of road in village Giorgeti of Lagodekhi municipality.	Kakheti	Completed	km	9.90	865	1,072,924	1,072,924	108,376	Completed on 07.08.2018
6	Rehabilitation of road in village Kitsnisi of Gori municipality.	Shida Kartli	Completed	km	3.00	105	228,818	220,641	76,273	Completed on 26.02.2019
7	Rehabilitation of road in village Sakasheti of Gori municipality.	Shida Kartli	Completed	km	1.30	160	129,919	129,919	99,938	Completed on 26.02.2019
8	Construction/rehabilitation of road and bridge in village Bredza of Kareli municipality.	Shida Kartli	Completed	km	3.30	476	755,396	754,899	228,908	Completed on 15.08.2019
9	Rehabilitation of road in village Akhalsopeli of Khobi municipality.	Samegrelo	Completed	km	4.30	120	581,387	581,387	135,206	Completed on 10.07.2019
Sub-Total Rural Roads					24.82	3,069	3,454,205	3,445,929	139,170	
TOTAL						15,260	22,556,575	18,645,130		

Source: PIU Database

In addition to the above activities the PIU conducted feasibility studies and development of engineering designs for rehabilitation of most deteriorated sections of the Saltvisi, Skra Kareli and Tashiskari irrigation systems (total 3,981 ha) in Shida Kartli region. Due to lack of funding resources these schemes will not be implemented in the framework of AMMAR and design documents are provided to GA for further consideration.

Table 2 – Engineering designs developed under AMMAR and provided to GA

	Scheme	Region	Status	Command Area (Ha)
1	Rehabilitation of G-3 secondary canal and its distribution network in Saltvisi irrigation scheme in Gori and Kareli municipalities.	Shida Kartli	Completed	2,928
2	Rehabilitation of G-22, G-23, G-25, G-27, G-30, G-31, G-32, G-33, G-35 and G-36 secondary canals and distribution network in Skra-Kareli irrigation scheme	Shida Kartli	Completed	303
3	Rehabilitation of MU-58, MU59, MU-60, MU-61 and MU-61-1 secondary canals and distribution network in Tashiskari irrigation scheme.	Shida Kartli	Completed	750
	TOTAL			3,981

Source: PIU database

Outputs and outcomes.

- **Rehabilitation of irrigation schemes:** Total to be completed under the project is 14,322 ha (including 5,836 ha under the irrigation schemes and 8,486 under the lakublo dam) versus target of 4,750 ha or about 123% if considered only irrigation schemes. Number of benefitting households – 4,730 under the improved irrigation schemes and 7,126 households under the lakublo dam.
- **Small Infrastructure:** Total number of small-scale infrastructure rehabilitated is 13 versus target of 10 or 130%. These include 8 feeder roads and 5 bridges with total length of about 24.82 km servicing of 3,975 agricultural area. Number of benefitting households – over 2,983.

While the mission's assessment is that investments in irrigation and feeder roads improvement in general are responding to the needs of projects' target groups, the final outcomes, impact and sustainability of the actual investment has to be properly assessed during the completion evaluation stage. Particularly, it should properly assess the following aspects of the infrastructure investments: (a) operational and maintenance cost and procedures followed for maintenance of the rehabilitated assets; and (b) assessment of the potential economic benefits including changes in income, employment generation; and backward and forward multiplier effects.

Engineering Designs. Development of technical designs for infrastructure to be considered under the AMMAR is completed. All the designs have passed through review and approval (technical and financial) by independent external expertise as per the applicable legislation of Georgia. Generally, design methods are adequate for the types of infrastructure under consideration. All the design requirements are standardised in national technical specifications. The PIU and GA engineers reviewed all the designs prior to submission the final set of documents for external expertise review and approval. Desk review of engineering designs conducted by the mission during the previous mission for some of the contracts revealed no major issues. Furthermore, the implementation performance since the previous mission confirms the overall satisfactory quality of design documents highlighting little need for variation so far.

Supervision of Works: Under the AMMAR both individual and consulting companies are involved in works supervision. The second level of supervision is a procedure for author supervision from the design company required by the Georgia regulations. The overall impression from the last mission was positive and the quality of works implemented is of sound engineering standards for the kind of infrastructure under consideration. Overall good construction practices and standards of rehabilitation have been used. Interim payment certificates are signed by the contractor, site supervisor, GA representative (or municipality, in case of roads), PIU Engineer and AMMAR Manager, while the request for payment is signed by the contractor, site supervisor, GA or municipality representative. The certificate of substantial completion is signed by the contractor, designer, GA or municipality representative, site supervisor, PIU Engineer and AMMAR Manager. The mission wishes to express its satisfaction with the supervision procedure applied and the adequacy of the documentation and filing system. Particularly, all documentation as per the applicable regulations such as daily register book, material and equipment certificates, certificates of invisible works, test certificates, request for interim payment and interim payment certificates, certificate of substantial completion, variation orders, etc. have been duly conducted and are available at the PIU.

Construction costs. A general review of the actual construction cost of completed and ongoing works so far reveals an overall cost-effective use of project resources. Particularly, average per hectare investments in irrigation systems rehabilitation (excluding lakublo dam) is about GEL 2,279, equivalent to about USD 835 against USD 1,000-1,500 estimated in the project design document. Average per kilometer cost for rehabilitation of roads and ancillary structures is about GEL 126,818, varying from GEL 76,200 to 228,900 depending on the complexity of structures (bridges) and original condition of roads. On average this is equivalent to about USD 45,000 per kilometre that is coinciding with current market prices in Georgia and similar investments in the region. The cost of feasibility studies and engineering designs for irrigation schemes is about 9.5% of total investment cost, and for roads and bridges is about 6.9% of investment costs that is within the limit of international standards. The overall cost of works supervision is below 1.5% of total investment cost.

B. Policy Support

The Regulatory Impact Assessment (RIA) to support policy

Potential impact areas of the law are assessed along the overall goals of sustainable development of the 2030 Agenda. However, the impact is often difficult to foresee without detailed assessments and analyses and consultations with affected parties and stakeholders. A Regulatory Impact Assessment (RIA) was initiated by RECC in order to improve the process of drafting the Law on Windbreaks in Georgia. RIA is a tool for evaluating various alternatives (options) for solving particular policy issues. It is applied when a new regulation has been drafted and there is a need to assess its potential impacts on stakeholders. The objective of the RIA is to evaluate the social, environmental and economic impacts of the draft law by conducting a cost-benefit analysis along with a multi-criteria analysis. The research team applied the so-called "RIA+" methodology which takes into account Agenda 2030 principles and the impact of the proposed regulation on achieving the Sustainable Development Goals (SDGs). RIA's purpose is to provide valuable information to policy makers and other stakeholders and thus contribute to evidence-based and accountable policy making.

According to the EU 2009 Guidelines¹ "the RIA process prepares evidence for political decision-makers on the advantages and disadvantages of possible policy options by assessing their potential impacts".

The purpose of the assignment was to support the Standing Committee on Agriculture of the Parliament of Georgia to create evidence-based justification for the draft Law on Windbreak and the draft Law on Soil and to insure that final draft of the new legal instrument is as efficient and effective as possible before its public disclosure and start of formal review process.

To ensure the efficiency of GEF's investment applying long term sustainability strategy, RECC Caucasus prepared the RIA in coordination with the Standing Committee on Agriculture of the Parliament of Georgia and the Ministry of Environmental Protection and Agriculture (MEPA).

Policy support step by step

Law on Windbreaks

The objective of the draft law on windbreak is to support sustainable management of windbreaks in the country in order to reduce soil erosion as well as help to provide adequate soil and macroclimate environment for crops cultivated on agricultural land. Thus, specific objectives of the draft law include the reduction of soil erosion and the increase of agricultural productivity.

In 2017 under the auspices of the Ministry of Environmental Protection and Agriculture (MEPA) and in partnership with the German Federal Agency for International Cooperation (GIZ), the Regional Environmental Centre for the Caucasus (RECC) facilitated process for elaboration of framework policy document "Windbreaks Management Concept". The policy document was agreed by main stakeholders and adopted by the MEPA and was further used by the Standing Committee on Agriculture of the Parliament of Georgia as a basis for development of the draft Law on Windbreaks.

Draft Law on Windbreaks was initiated by the Agricultural Committee of the Parliament in 2017-2018. In 2017, the Agricultural Committee of the Parliament asked the MEPA to assist in finalization of the draft Law on Windbreaks. The assistance was provided through GEF funded project On Land Degradation implemented by the REC Caucasus. After finalization of the draft, in 2018 the Agricultural Committee of the Parliament asked the MEPA to assist in preparation of RIA for the Draft Law on Windbreaks (Assistance was provided by IFAD/AMMAR project through the RECC and was completed in the first half of 2019).

In June, 2019 Parliament issued two new Laws "**On Agricultural Land Ownership**" and "**On Defining Land Category Designation and on Sustainable Management of Agricultural Lands**". Both laws introduced new provisions concerning ownership and management of agricultural lands (including windbreak lands). Also, laws prescribed the government to create a new agency for sustainable management of agricultural lands and land-use monitoring of agricultural lands.

The new **National Agency for Sustainable Management of Land and Land Use Monitoring** was created under umbrella of the MEPA in December 2019 and became effective since January 2020.

Law on Soil

The Law on Soil has the objective to regulate the rational use of soil, the protection and the rehabilitation of degraded soils in Georgia. The Draft Law on Soil Protection has been prepared by the MEPA and is supposed to be submitted to the Parliament through the Government of Georgia.

In the first half of 2019 MEPA asked IFAD/AMMAR to assist in preparation of RIA for the Draft Law on Soil Protection (Assistance was provided by IFAD/AMMAR project through the REC Caucasus and was completed in January 2020). Thus, in the beginning of February, 2020, the MEPA was equipped with both: 1) Text of the Draft Law on Soil Protection and 2) relevant RIA.

Where do we stand as of today?

Law on Windbreaks

Because of the fact that the above laws and mandate (Statute) of newly created **National Agency for Sustainable Management of Land and Land Use Monitoring** were interlinked to the provisions of the existing Draft Law on Windbreaks (regarding windbreak lands' management and monitoring), Agricultural Committee of the Parliament started adjustment process of the said new legislation in force with the provisions of the Draft Law on Windbreaks. This process was still ongoing before COVID-19 pandemic outbreak in Feb-Mar-2020. Once the above mentioned process is completed, the Parliament will start procedures to pass the draft law.

Law on Soil

Next steps imply: (a) submission of the Draft Law and RIA to all governmental agencies for their final conclusions/comments; (b) submission of the agreed draft to the Government of Georgia; (c) approval of the draft by the Government of Georgia and (d) formal submission of the draft to the Parliament by the Government of Georgia. The above process was hindered by COVID-19 pandemic outbreak in Feb-Mar, 2020. Presently, it's not known when the process will be renewed – this mainly depends on post-pandemic policy planning in general.

C. Land restoration – windbreaks

As mentioned in the GEF proposal, windbreaks played a significant role in moderating the microclimate of fields and vineyards, and protecting soil from wind erosion in the plain in the central and eastern semiarid regions prone to wind erosion and desertification. Unfortunately, during the 1990s, these belts were almost completely cut down, as a result of which the productivity of the land has significantly decreased (e.g. according to MEPA, from 3-4 t/ha of winter wheat to a little less than 2t/ha after the cutting of windbreaks). Windbreaks direct winds over or around protected areas.

The amount of wind speed reduction and the area affected depend on the height, density, width, and shape of the windbreak. The most important factor is the height of the windbreak, used to determine the distance downwind that is protected by a windbreak. Wind speed is reduced most nearest the windbreak; at distances of 25 to 30 times H wind speed is reduced less than 10 percent. In addition there is a small reduction in wind speed up to one to four times H on the upwind side of a windbreak.

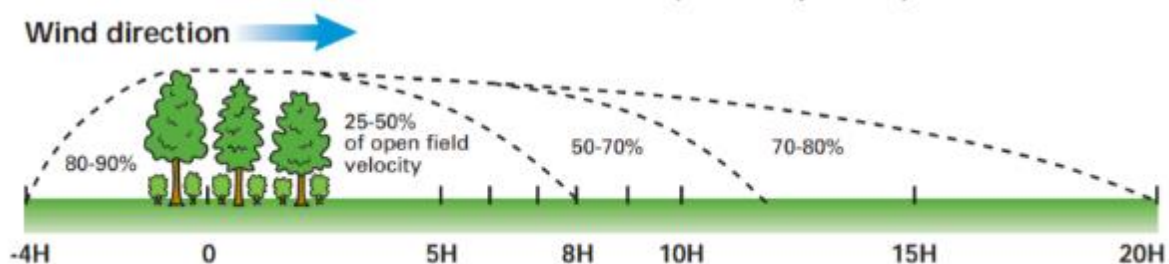


Figure 1. Zones of reduced wind velocity downwind of barrier as percentage of open field velocity. Vertical scale exaggerated.

Source: Iowa State University of Science and Technology, Ames, Iowa.

AMMAR under the GEF funded project ERASIG, has contributed to the reinstallation of windbreaks in Georgia. At the date of March 2020, 53.1 km length of windbreaks were planted in Shida Kartli and Kakheti regions and more than 2800 ha will be protected from wind erosion.

The plantation activities were led by RECC and closely monitored. Based on the monitoring reports, lessons learned on windbreak plantation in Georgia will be produced. The survival rate (%) will be documented as well as conclusion on good, innovative practices. Indeed, RECC proposed phyto-degradable tubes to protect the seedlings during the first years of their development.

The windbreaks GIS interactive map, indicating selected windbreak plots' locations, have been elaborated and transferred to relevant municipalities. The GIS map may serve the municipalities as important tool for opportunity mapping of restoration activities of degraded windbreaks/agro-forestry system within other projects and initiatives in the future. Besides, the data sets will be of support to RIA operational objectives of the Law on Windbreaks. AMMAR will prepare an informative document on windbreaks and nurseries established under the project together with their GPS coordinates and share it with the National Agency of State Property (NASP) to contribute to the Inventory of windbreaks (1.2. of the Operational objectives in the RIA). Finally the geo-referenced data sets will be shared to IFAD and will be introduced in the Geo-node system together with all the geo-referenced activities of AMMAR.

During this supervision mission, the GPS coordinates of the windbreaks were gathered together in a folder (in KMZ format). Location can be used, among others, to analyse the relevance of geographic targeting of such activities with remote sensing data sets. Below, the figures represent a quick analysis of the windbreaks location compared with Land Productivity Dynamics in Georgia (NDVI/MODIS/NASA).

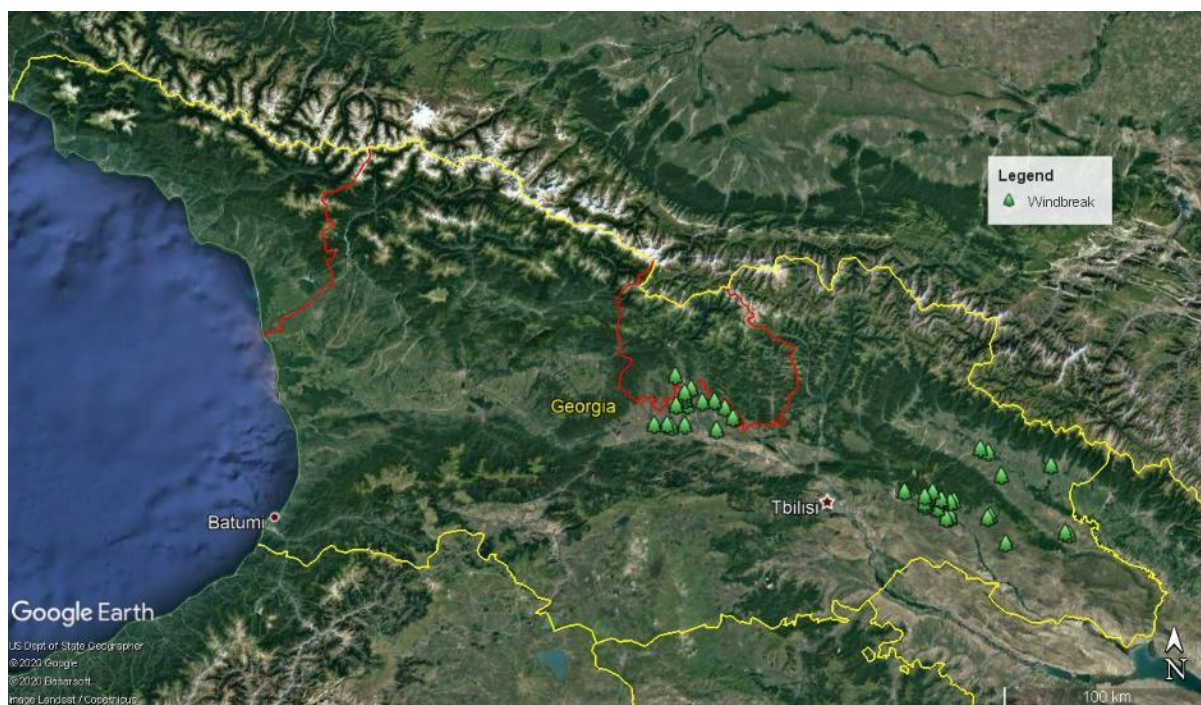


Figure 2: Windbreak plots location in Georgia.

The reduction in wind speed around the windbreaks results in many benefits as erosion control, improved snow distribution, food and wood production, increase wildlife habitat, improved livestock productivity and improved crops quality and yield. When comparing the windbreak plots location of AMMAR and the Land Productivity Dynamics of Georgia (for the period 2000-2018), we clearly see that the areas targeted by the project are the ones more prone to declining or with early signs of decline in productivity and their location is therefore relevant for Georgia.

Before the PCR at the same time as the impact survey (i.e. October 2020), a finer analysis should be done in order to showcase the adequate geographic targeting. The analysis could be done "in house" at IFAD by remote sensing specialists to support RECC and AMMAR analysis. Later on, during project impact evaluation (by IOE), the geo-referenced data sets would be available for further studies on soil, water and vegetation condition at plot level (i.e. windbreak effective influence zone). The studies could be done through remote sensing and/or through field study.

To ensure sustainability and continuity in the windbreak surface expansion in Georgia, AMMAR established 4 nurseries (2 for youth and 2 for women). Surveys were shared with the 4 nurseries during the supervision mission in May 2020 and results were encouraging, they all mentioned they are very satisfied about this nursery business facilitated by RECC/AMMAR. Three of them were unemployed before starting the nursery business. One of the owner has already expanded her nursery and the four of them are willing to expand their business in the future.

A national planning is proposed to be done under the RIA for the Law on Windbreaks – "Operational objectives - 1.3 Planning windbreak planting and rehabilitation" based on inventory results of windbreaks in Georgia. This planning at national level shall consider the seedlings production capacity and rely, at least partially, on private nurseries and establish new ones in specific areas to support windbreak planting and rehabilitation.

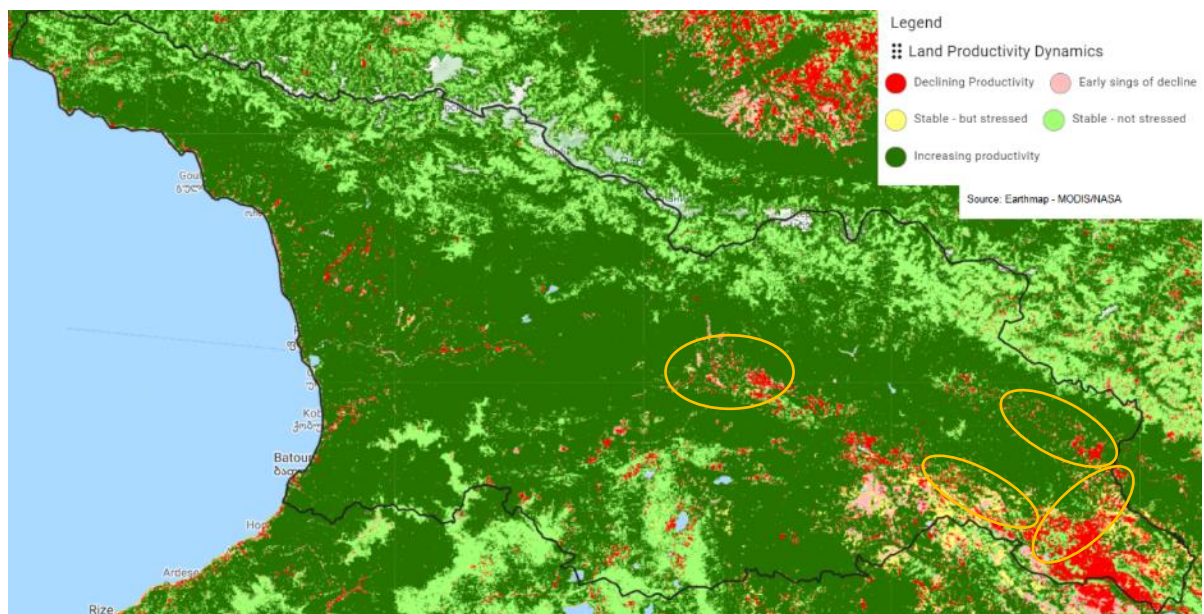
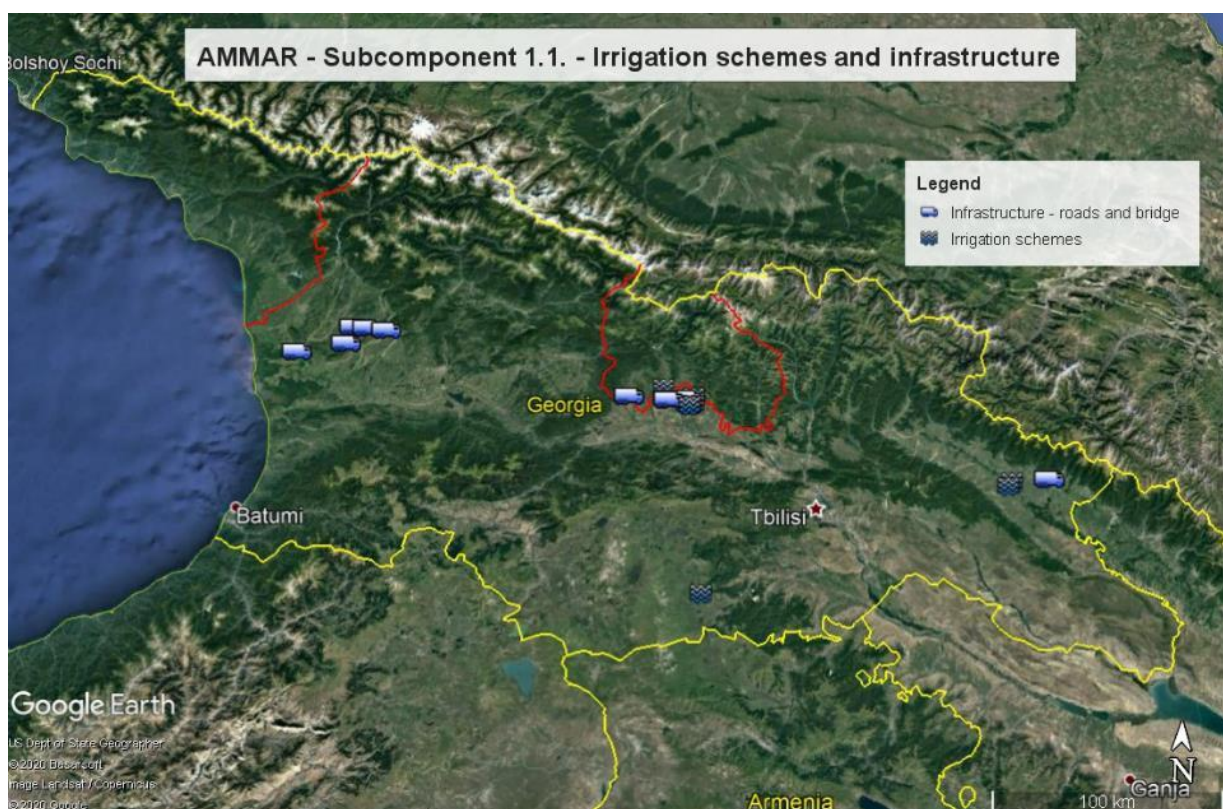
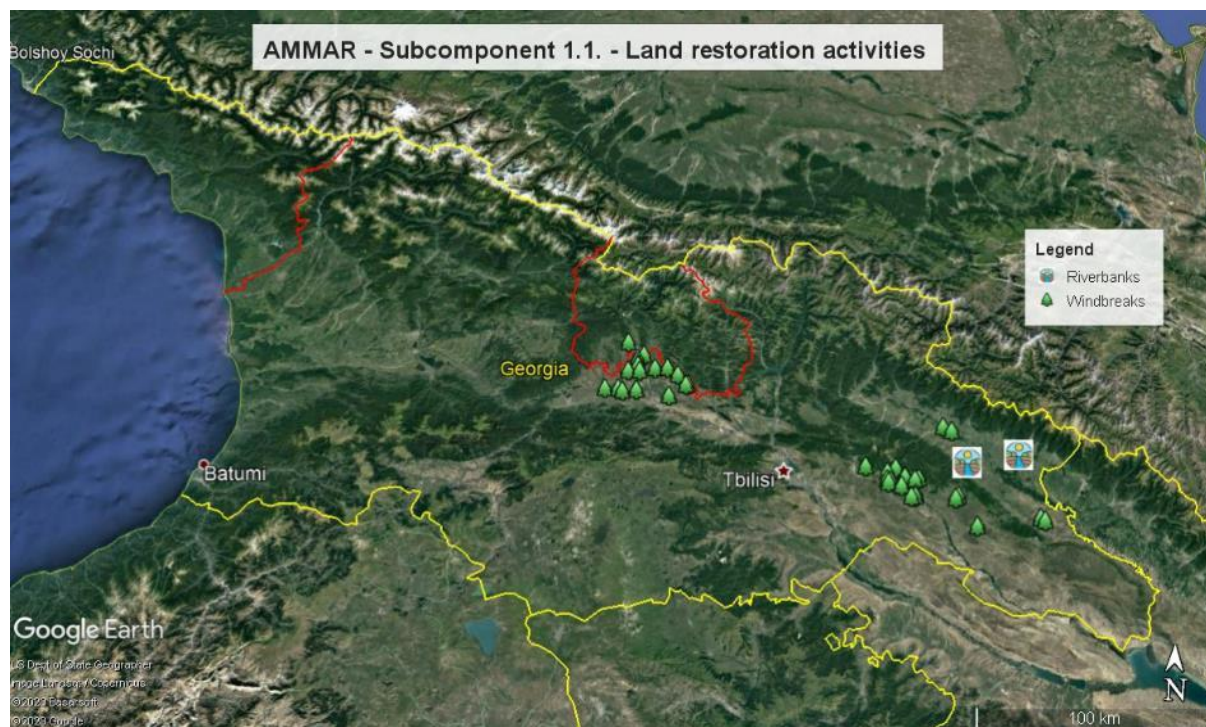


Figure 3: Land Productivity Dynamics in Georgia. LPD is a map of persistent decline/stress, stability and gain of land productivity, strictly during the observation period from 2001 to 2018 generated through the interaction of three NDVI-based indicators: Steadiness, Initial standing biomass, and Standing biomass at change.

D. Geo-referenced activities and M&E

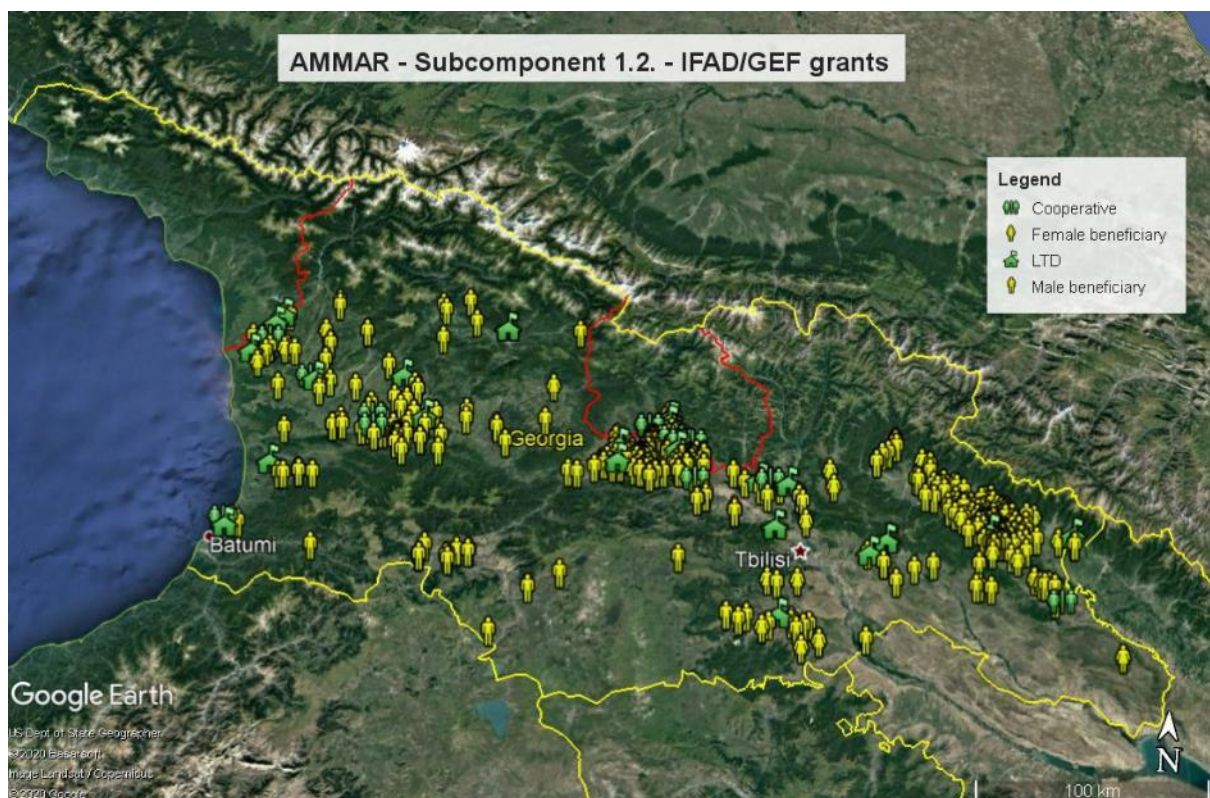
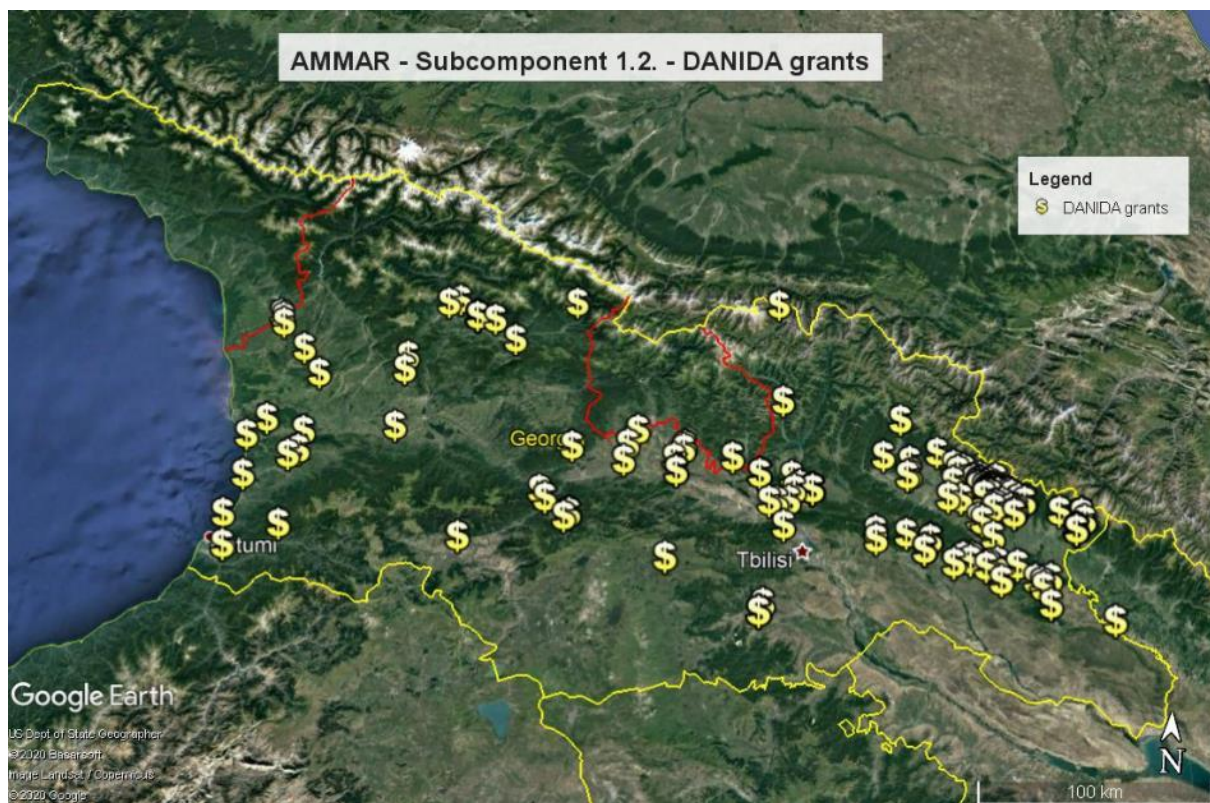
The data sets presented below are the result of a good collaboration between AMMAR PIU team members. Data was collected by several individuals coordinated by the M&E officer who was in charge of bringing together the data in one and single file. The data was updated continuously and early impact analysis could be done by IFAD. The data are presented below by subcomponent. Some of the data are disaggregated by gender when applicable, and have pictures and description.





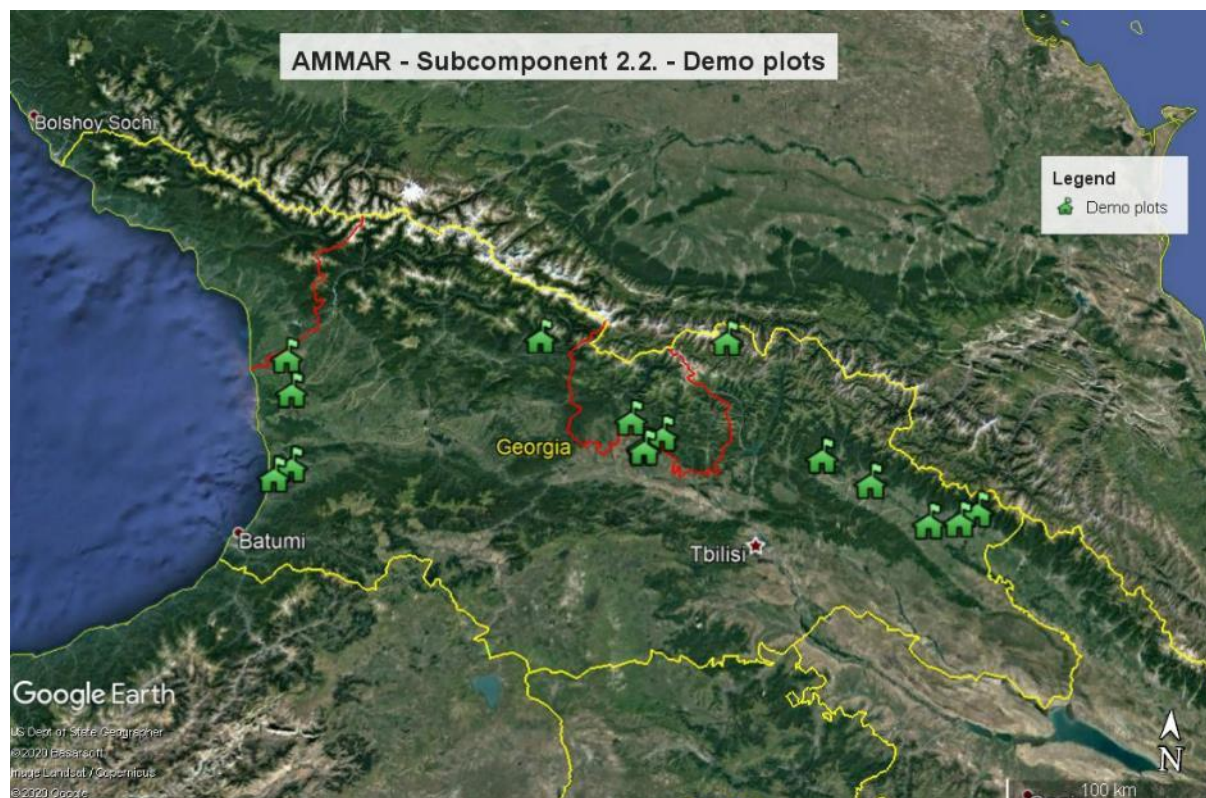
The irrigation schemes and infrastructure data set is one of the data set that will need to be strengthened before completion of the project. Indeed, most of the roads and water canals for irrigation are presented as points and not lines. It is therefore not possible to understand exactly where the works took place and analyse the impact on land or people (e.g. hectare of irrigated land). Similar observation is done for the land restoration activities, but in this case the windbreak effective influence zones are presented in the management plans and could be easily retrieved from these.

As proposed above in the section on Windbreaks, remote sensing analysis could be undertaken on selected sites as it has already been done in some areas in Georgia by the Independent Office of Evaluation (IOE) in the past (Georgia Agricultural Support Project - Annex VII - Geospatial analysis of project impact: <https://www.ifad.org/en/web/ioe/evaluation/asset/39824042>). Specifically for riverbank activities, analysis of flood trends in relation with rainfall could be undertaken at completion to understand the impacts of these on the river flow dynamics.



The grants are disaggregated by gender, and status (e.g. cooperative, LTD). This information is useful at implementation to monitor project progress and at completion for targeting and evaluation purposes. Analysis has already been produced during a DANIDA donation supervision mission in October 2018.¹

¹ Analysis produced and presented by Enrico Mazzoli, 2018:
<https://www.dropbox.com/s/pucpbeigyaeloum/Danida%20Grant%20status.mp4?dl=0>



At the Coordination Meeting for the Establishment of the National Network of Demonstration Plots initiated by the MEPA, IFAD activities were recognized as exemplary information and knowledge distribution models for other agencies. ARDA was supplied with detailed information on all AMMAR demo plots and is going to use them throughout their training campaign piloted by their newly established regional offices (including Geo-referenced data sets of demo plots that are easily sharable with other agencies).

The data sets as per May 2020 was arranged by component, subcomponent and activity and is available in KMZ



AMMAR_2020_nopics.kmz

format here (without picture due to space in the document):

E. Questionnaires on training and exchange visits

Questionnaires were prepared by the mission team to interview beneficiaries by phone during the supervision mission. The PIU supported the mission team in this regard by calling all the beneficiaries pre-selected by the mission team. A random selection from the list of beneficiaries was done within three categories: (i) Vermicompost training recipients – 4; (ii) Exchange visit Participants – 4; (iii) Mix of training recipients – 14.

The key findings of these surveys are presented below. 63% of the respondent are smallholders with less than 1 ha of land. Around a fourth of them received a grant from W1 in addition to the training/exchange visit which indicates that the project does not work in silos. Indeed, components are well articulated and build on each other to have greater and more significant impact.

The compost and vermicompost training was particularly well received and more than 90% of people receiving the training declared that they were confident in performing the technique themselves. In general, 90% of the respondent declared applying what they learned during the trainings in their activities. 84% of the respondents declared the trainings support them in coping with climate change impacts and 86% of them rated the training received as “very satisfied”. Nearly 60% of the respondents acknowledge that their farm is currently affected by the coronavirus situation with issues of reduced mobility and labour force mainly. Those respondents encounter difficulties to pay salary and will try to get additional loan to keep the farm going and may have to reduce the number of employees.

Question/Statement	Question number	Total	Training	Vermicompost	Exchange
What is the size of your farm? Less than 1 ha	3	63%	58%	33%	100%
What is the size of your farm? 1-5 ha	3	32%	33%	67%	0%
What is the size of your farm? More than 5 ha	3	5%	8%	0%	0%
Did you get a grant from the W1 of the AMMAR project?	4	24%	29%	25%	0%
Total number of people receiving training on vermicompost	9	12	4	4	4
People that have received compost & vermicompost training and are now able to perform confidently.	9 & 10	92%	75%	100%	100%
Do you actually apply in your activities what you learned during the trainings? YES	11	90%	92%	100%	75%
Did the training and/or exchange visits helped you to cope with those changes? YES	18	84%	75%	100%	100%
How would you rate your satisfaction about AMMAR training programme? VERY SATISFIED	20	86%	79%	100%	100%
How would you rate your satisfaction about AMMAR training programme? Moderately SATISFIED	20	14%	21%	0%	0%
How would you rate your satisfaction about AMMAR training programme? moderately unsatisfied & unsatisfied	20	0%	0%	0%	0%
Is your farm currently affected by the coronavirus situation?	22	59%	57%	100%	25%
In which way is your farm mostly affected?	23				
Reduced orders		5	4	1	
Reduced mobility		13	8	4	1
Reduced labour force		8	5	3	
How does it or will it translate in your farm management?	24				
Difficulties to satisfy orders		2	2		
Will have to reduce nr of employees		4	2	1	1
Will try to get additional loan to keep the farm going		7	3	3	1
Difficulties to pay salaries		6	2	3	1
Difficulties to pay loan instalments		1	1		

The survey's template is presented below:

Questions to farmers that have received training through ELKANA and/or RECC:

Proposed respondents:

- recipients of latest vermicompost training (2 males and 2 females) = 4
 - attendants to latest exchange visits (2 males and 2 females) = 4
 - a mix of various recipients in berry/persimmon/peach/bay leaf/vegetable seedling/windbreak/honey (like 2 persons for each topic, 1 male and 1 female) = 14
- Total = 22

#	Question	Answer
1	Identification of respondent	<ul style="list-style-type: none"> - name - location (village, region) - age - sex
2	What is your main farming activity?	<i>Tick where applicable:</i> <ul style="list-style-type: none"> - livestock - fruits (please specify) - vegetables (please specify) - cereals production - Others... (please specify)
3	What is the size of your farm?	<i>Tick where applicable:</i> <ul style="list-style-type: none"> - 0-1 ha - 1-5 ha - more than 5 ha
4	Did you get a grant from the W1 of the AMMAR project?	<i>Tick where applicable:</i> YES/NO
5	If the answer to above question is YES, what did you get with the grant? If the answer to above question is NO, what is the reason why you did not get the grant? (Skip questions 6 to 15).	<i>Tick where applicable:</i> YES: <ul style="list-style-type: none"> - Arrange the greenhouse/reconstruction - Agricultural equipment - Beekeeping Inventory - Purchase of equipment/Repairs - Cultivation of perennial garden/Rehabilitation - Anti-hail nets - Drip irrigation system - Others: ... (please specify) NO: <ul style="list-style-type: none"> - amount requested too high - business plan not economically viable - weak financial management capacity - lack of collateral - others... (please specify)
6	Did you receive some training from AMMAR project or participate to an exchange visit?	<i>Tick where applicable:</i> YES/NO
7	If the answer to above question is YES and you received some training, through which institution?	<i>Tick where applicable:</i> <ul style="list-style-type: none"> - Elkana - RECC - others... (please specify)
8	How did you hear about AMMAR training opportunities?	<i>Tick where applicable: (multi choice)</i> <ul style="list-style-type: none"> - through Elkana staff - through RECC staff - through AMMAR project staff - through municipality meetings - through newspapers - through radio - through facebook - through friends - Others..... (please specify)
9	What type of training and on which topic?	<i>Tick where applicable: (multi choice)</i> <ul style="list-style-type: none"> - Pruning orchards - Sowing in greenhouse - Harvesting & Storing - Crops cultivation and maintenance - Marketing - Windbreak - Compost & Vermicompost - Use of pesticides and fertilizers - Beekeeping training - Post harvest management - others... (please specify)
10	What did you learn during this training, that you are now able to perform confidently?	<i>Tick where applicable: (multi choice)</i> <ul style="list-style-type: none"> - Establish windbreak - Conservation agriculture production - Compost production

#	Question	Answer
		<ul style="list-style-type: none"> - Vermicompost production - Seeds production and sowing - Post harvest management - calculation of production cost - calculation of break-even point - market identification - cashflow management - product branding - grant application - loan application - others... (please specify)
11	Do you actually apply in your activities what you learned during the trainings?	<i>Tick where applicable:</i> - YES/NO
12	Did you apply for a LOAN after receiving the training?	<i>Tick where applicable:</i> - YES/NO - individual loan - group loan (please specify)
13	For which purpose did you request a LOAN?	<i>Tick where applicable: (multi choice)</i> <ul style="list-style-type: none"> - Storage infrastructure - Irrigation equipment - Processing equipment - Farm machinery (tractors, trailers, excavators, shredders,...) - Anti hail nets - Vermi-composting unit - Windbreak plantation - Working capital (e.g. to buy, seeds, chemicals, equipment repairs,...) - Others... (please specify)
14	Was the LOAN request successful?	<i>Tick where applicable:</i> YES/NO
15	If you received a bank loan, please indicate the following:	<i>Answer:</i> <ul style="list-style-type: none"> - amount..... GEL - bank name..... - interest rate.....% - repayment period..... years - grace period? (Yes/No)
16	If the LOAN request was rejected, what were the reasons?	<i>Tick where applicable: (multi choice)</i> <ul style="list-style-type: none"> - amount requested too high - business plan not economically viable - weak financial management capacity - lack of collateral - Others... (please specify)
17	Have you perceived any changes in the past 5-10 years in climate and impacts on crops and livestock?	<i>Tick where applicable: (multi choice)</i> <ul style="list-style-type: none"> - Planting season - Wind - Rainfall scarcity/excess - More frequent storms (hail, etc.) - Extreme Temperature - Decreasing crop performance (diseases, pest, yield) - Livestock issues (health, yield) - Others... (please specify)
18	Did the training and/or exchange visits helped you to cope with those changes?	<i>Tick where applicable:</i> YES/NO
19	In a few words, how could AMMAR and IFAD support you in facing these changes and have a better resilience?	<i>Answer:</i>
20	How would you rate your satisfaction about AMMAR training programme?	<i>Tick where applicable: (single choice)</i> <ul style="list-style-type: none"> - very satisfied - moderately satisfied - moderately unsatisfied - not satisfied at all
21	Can you describe in short the reasons for your rating in above question 20?	<i>Answer:</i>

#	Question	Answer
22	Is your farm currently affected by the coronavirus situation?	<i>Tick where applicable:</i> YES/NO
23	If the answer to above question 22 is YES, in which way is your farm mostly affected?	<i>Tick where applicable: (multi choice)</i> - reduced orders - reduced labour force - reduced mobility - others... (please specify)
24	If the answer to above question 22 is YES, how does it or will it translate in your farm management?	<i>Tick where applicable: (multi choice)</i> - difficulties to pay salaries - difficulties to pay loan installments - difficulties to satisfy orders - will have to reduce nr of employees (state nr) - will try to get additional loan to keep the farm going - others... (please specify)

F. Questionnaires on W1 and W2 grants

Questionnaires were prepared by the mission team to interview beneficiaries of W1 and W2 grants by phone during the supervision mission. The PIU supported the mission team in this regard by calling all the beneficiaries pre-selected by the mission team. The selection of respondents was made by the mission, with the objective to represent as many different profiles as possible.

Proposed respondents for W1 grants:

1	Giorgi Keadze	557357506	Shida kartli	Gori (mountain & dividing area)	Apple	Anti-hail nets	Signed
2	Eka Todadze (W)	595370702	Kakheti	Kvareli	Peach	Drip irrigation	Signed
3	Lurji Veli Ltd	591221515	Guria	Ozurgeti	Berry	GlobalGAP	Signed
4	Tea Tsintsadze (W)	579500871	Kakheti	Gurjaani	Vegetables	Greenhouse	Signed
5	Tamar Motsonelidze (W)	591404442	Kakheti	Lagodekhi	Persimmon	Technology adapted to CC	Signed
6	Marine Lomia (W)	568332140	Samegrelo	Zugdidi	Vegetables	Greenhouse	Rejected
7	Guram Maruashvili	593904020	Imereti	Tskaltubo	Berry	Green fencing	Rejected
8	Olga Molashkhia (W)	555956969	Samegrelo	Zugdidi	Bay leaf	Agricultural equipment	Signed

Note that proposed respondent for #7 – Guram Maruashvili – was not reachable despite several phone calls

Key findings show that:

- 43% of respondents' farms are maximum 1ha
- Respondents heard about W1 grants through 4 different channels: friends (38%), municipality meetings (25%), ARDA (25%), facebook (12%)
- 100% of respondents found the application process easy
- Average total investment value is GEL 27,071 and average grant received is GEL 10,831
- 33% of respondents used a loan (average loan value GEL 45,000 at 4% interest rate, over 4.5 years)
- 83% of respondents could produce before investment
- 83% of respondents noticed an improvement in productivity following investment
- 100% of respondents will continue using their investment
- 67% of respondents had received training
- 75% of those who received training apply what they learned
- 100% of respondents perceived climate change over the past 5-10 years
- 57% of respondents perceive rainfall scarcity as CC challenge
- 67% of respondents think that their CSA investment will help them cope with CC challenges
- 87% of respondents are very satisfied with AMMAR grant facility, 13% not satisfied at all (the one whose grant was not approved)
- 86% of respondents declared that they were not affected by COVID-19

Questionnaire for W1 Grants

#	Question	Answer
1	Identification of respondent	- name - location (village, region) - age - sex
2	What is your main farming activity?	<i>Tick where applicable:</i> - livestock - fruits (please specify) - vegetables (please specify) - cereals production (please specify) - Others... (please specify)
3	What is the size of your farm?	<i>Tick where applicable:</i> - less than 1 ha - 1-5 ha - more than 5 ha
4	How did you hear about AMMAR grant facility?	<i>Tick where applicable: (multi choice)</i> - through APMA (ARDA) - through AMMAR project staff - through municipality meetings - through newspapers - through radio - through facebook - through friends - Others..... (please specify)
5	Did you find the application process easy?	<i>Tick where applicable:</i> YES/NO
6	If you encountered difficulties in applying for the grant, what are the main reasons?	<i>Tick where applicable: (multi choice)</i> - Procedure too complicated - Eligibility criteria not clear enough - Difficulties to raise 60% own contribution - Not used to prepare a business plan - Others..... (please specify)
7	Was your AMMAR W1 grant application approved?	<i>Tick where applicable:</i> YES/NO
8	If the answer to above question 7 is YES, for which value chain and investment did you get the grant? If the answer to above question is NO, what is the reason why you did not get the grant? (Skip questions 9 to 18).	<i>Tick where applicable:</i> <i>If YES:</i> - value chain.... - Arrange the greenhouse/reconstruction - Agricultural equipment - Beekeeping Inventory - Purchase of equipment/Repairs - Cultivation of perennial garden/Rehabilitation - Anti-hail nets - Drip irrigation system - Others: ... (please specify) <i>If NO:</i> - value chain... - amount requested too high - business plan not economically viable - weak financial management capacity - lack of collateral - others... (please specify)
9	What is the total amount of the project you submitted?	<i>Answer:</i>GEL
10	What is the amount of the grant you received?	<i>Answer:</i>GEL
11	How did you raise your own contribution?	<i>Tick where applicable: (single choice)</i> - personal savings - bank loan - both personal savings and bank loan - others... (please specify)
12	If you received a bank loan, please indicate the following:	<i>Answer:</i> - amount..... GEL

#	Question	Answer
		<ul style="list-style-type: none"> - bank name..... - interest rate.....% - repayment period..... years - grace period? (Yes/No) if yes how long?
13	What is the main production under the CSA investment?	Answer
14	What made you choose this specific production?	<i>Tick where applicable: (multi choice)</i> <ul style="list-style-type: none"> - strong market demand - used to cultivate these products - higher profitability of these products - advised by AMMAR project - Others... (please specify)
15	When did you start applying the CSA investment mentioned above?	<i>Tick where applicable: (single choice)</i> <ul style="list-style-type: none"> - Not yet started - less than 6 months - 6 months to less than 1 year - 1 to 2 years - More than 2 years
16	Were you able to produce these specific products before receiving the grant?	<i>Tick where applicable:</i> YES/NO
17	If the answer to above question is NO, what was the reason why you could not produce these before?	<i>Tick where applicable: (multi choice)</i> <ul style="list-style-type: none"> - Lack of water - Too sensitive to climate shocks - Lack of technology - Lack of capital - Others:(please specify)
18	If the answer to above question is YES, do you notice an improvement in the productivity of your crops after your investment?	<i>Tick where applicable:</i> YES/NO
19	Are you facing some specific challenges in operating the CSA investment?	<i>Tick where applicable:</i> YES/NO
20	If the answer to above question is YES, what are your main challenges?	<i>Tick where applicable: (multi choice)</i> <ul style="list-style-type: none"> - lack of technical know how - water restrictions - difficult access to inputs - poor packaging - lack of transport facilities - weak or erratic market - selling prices too low - lack of working capital - others... (please specify)
21	Are you planning to continue using the mentioned CSA investment?	<i>Tick where applicable:</i> YES/NO
22	If the answer to above question is NO, what is the reason why?	<i>Tick where applicable: (multi choice)</i> <ul style="list-style-type: none"> - Lack of technical know how - Too costly to maintain - Weak or erratic market - Water restrictions - Difficult access to inputs - Selling prices of production too low - Lack of working capital - Others:(please specify)
23	Did you receive some training from AMMAR project or participate to an exchange visit?	<i>Tick where applicable:</i> YES/NO
24	If the answer to above question is YES and you received some training, through which institution?	<i>Tick where applicable:</i> <ul style="list-style-type: none"> - Elkana - RECC - others... (please specify)
25	What did you learn during this training, that you are now able to perform confidently?	<i>Tick where applicable: (multi choice)</i> <ul style="list-style-type: none"> - Establish windbreak - Conservation agriculture production

#	Question	Answer
		<ul style="list-style-type: none"> - Compost production - Vermicompost production - Seeds production and sowing - Post harvest management - calculation of production cost - calculation of break-even point - market identification - cashflow management - product branding - grant application - loan application - others... (please specify)
26	Do you actually apply in your activities what you learned during the trainings?	<i>Tick where applicable:</i> - YES/NO
27	Have you perceived any changes in the past 5-10 years in climate and impacts on crops and livestock?	<i>Tick where applicable: (multi choice)</i> <ul style="list-style-type: none"> - Planting season - Wind - Rainfall scarcity/excess - More frequent storms (hail, etc.) - Extreme Temperature - Decreasing crop performance (diseases, pest, yield) - Livestock issues (health, yield) - Others... (please specify)
28	Did the CSA investment help you to cope with those changes?	<i>Tick where applicable:</i> YES/NO
29	In a few words, how could AMMAR and IFAD support you in facing these changes and have a better resilience?	<i>Answer:</i>
30	How would you rate your satisfaction about AMMAR grant programme?	<i>Tick where applicable: (single choice)</i> <ul style="list-style-type: none"> - very satisfied - moderately satisfied - moderately unsatisfied - not satisfied at all
31	Can you describe in short the reasons for your rating in above question 28?	<i>Answer:</i>
32	Is your farm currently affected by the coronavirus situation?	<i>Tick where applicable:</i> YES/NO
33	If the answer to above question 22 is YES, in which way is your farm mostly affected?	<i>Tick where applicable: (multi choice)</i> <ul style="list-style-type: none"> - reduced orders - reduced labour force - reduced mobility - others... (please specify)
34	If the answer to above question 22 is YES, how does it or will it translate in your farm management?	<i>Tick where applicable: (multi choice)</i> <ul style="list-style-type: none"> - difficulties to pay salaries - difficulties to pay loan installments - difficulties to satisfy orders - will have to reduce nr of employees (state nr) - will try to get additional loan to keep the farm going - others... (please specify)

Proposed respondents for W2 grants:

1	Mziani Mosavalli	595083803	Kvemo kartli	Bolnisi	Vegetables	Purchase of equipment/ Repairs
2	Kavkasus Organik Fruit	595899913	Mtskheta-Mtianeti	Mtsketa	Flower	Purchase of equipment/ Repairs
3	Chikura	595777471	Shida kartli	Gori	Apple	Processing plant

Key findings show that:

- 66% of respondents are involved in fruit drying/processing
- Average date of creation of enterprise is 2017
- 100% of respondents heard about W2 grants through ARDA

- 67% of respondents received pre-finance support (through ARDA)
- 100% of respondents beneficiaries of pre-finance support found it useful and think that it should be included systematically in grant programmes
- Average total investment value is GEL 730,451
- Average grant value is GEL 271,843
- 67% of respondents used bank loan to raise their contribution
- Average loan value was GEL 554,000, interest rate 12%, duration 4.5 years, 50% with grace period
- 67% of respondents report business improvement following investment
- 0% of respondents report income increase so far, but 67% expect income increase in next 12 months
- 33% of respondents report job creation this year, and 33% expect job creation next year
- Minimum total job creation expected from respondents is 25
- 100% of respondents indicated that they are very satisfied with AMMAR grants
- 67% of respondents indicated that their business is currently affected by COVID-19, due to difficulty to buy raw materials
- 100% of respondents are confident that they will overcome the situation, and 67% think that this recovery will take place within the next 2 months

Questionnaire for W2 Grants

#	Question	Answer
1	Identification of respondent	- name - location (village, region) - age - sex
2	What is your main activity?	Answer:
3	In which year did you start your activity?	Answer:
4	How did you hear about AMMAR grant facility?	Tick where applicable: (multi choice) - through APMA (ARDA) - through AMMAR project staff - through municipality meetings - through newspapers - through radio - through facebook - through friends - Others..... (please specify)
5	Did you find the application process easy?	Tick where applicable: YES/NO
6	If you encountered difficulties in applying for the grant, what are the main reasons?	Tick where applicable: (multi choice) - Procedure too complicated - Eligibility criteria not clear enough - Difficulties to raise 60% own contribution - Not used to prepare a business plan - Others..... (please specify)
7	Did you receive additional support from AMMAR to submit your application?	Tick where applicable: - YES/NO - if answer is yes, from whom? ...
8	Did you find this pre-financing support useful?	Tick where applicable: YES/NO
9	Would you say that this kind of pre-finance support should be provided on a more systematic way to all grant applicants?	Tick where applicable: YES/NO
10	For which value chain did you get a grant?	Answer:
11	What is the exact purpose of the investment for which you received a grant?	Tick where applicable: (multi choice) - Purchase of equipment/Repairs - Primary storage - Processing plant - Others ...(please specify)

#	Question	Answer
12	What is the total amount of the project you submitted?	Answer:GEL
13	What is the amount of the grant you received?	Answer:GEL
14	How did you raise your own contribution?	Tick where applicable: (single choice) - personal savings - bank loan - both personal savings and bank loan - others... (please specify)
15	If you received a bank loan, please indicate the following:	Answer: - amount..... GEL - bank name..... - interest rate.....% - repayment period..... years - grace period? (Yes/No)
16	Can you report an improvement in your business in direct relation with AMMAR grant?	Tick where applicable: YES/NO
17	If the answer to above question 16 is YES, what type of improvement?	Tick where applicable: (multi choice) - increased processing capacity (approx. %?) - increased storage capacity (approx. %?) - upgraded/more modern machinery - increased quality of end product - increased access to market - others... (please specify)
18	If the answer to above question 16 is YES, has this improvement translated into an increase in your enterprise net profit?	Tick where applicable: - YES/NO - if yes, average % increased profit...
19	If the answer to above question is YES, has this improvement translated into the employment of additional staff in your business?	Tick where applicable: - YES/NO - if yes, number of additional staff...
20	How would you rate your satisfaction about AMMAR grant programme?	Tick where applicable: (single choice) - very satisfied - moderately satisfied - moderately unsatisfied - not satisfied at all
21	Can you describe in short the reasons for your rating in above question 20?	Answer:
22	Is your business currently affected by the coronavirus situation?	Tick where applicable: YES/NO
23	If the answer to above question 22 is YES, in which way is your business mostly affected?	Tick where applicable: (multi choice) - reduced orders - reduced labour force - reduced raw materials to process - reduced mobility - others... (please specify)
24	If the answer to above question 22 is YES, how does it or will it translate in your business implementation?	Tick where applicable: (multi choice) - difficulties to pay salaries - difficulties to buy raw materials - difficulties to pay loan installments - difficulties to satisfy orders - will have to reduce nr of employees (state nr) - will try to get additional loan to keep the business going - others... (please specify)
25	Do you believe that your business can overcome this crisis?	Tick where applicable: YES/NO
26	If the answer to above question 24 is YES, how many months do you think you will need to go back to "normal"?	Answer:months

G. Updated status of past agreed actions

86%	Actions fully executed : 25/29
14%	Actions partially implemented : 4/29
0%	Actions not executed : 0/29
	N/A not applicable : 2

Irrigation and small infrastructure (8) 8/8

Actions	Responsibility	Deadline	Status
Works Implementation (1) - Completion of works in Alternatiuli and Dzlevijvari canals and networks.	PIU Engineers	March /2020	Works are completed, Contract is till April 30
Works Implementation (2) - Completion of works in G-32 canal and network.	PIU Engineers	November /2019	Works were completed in April 2020
Works Implementation (3) - Completion of works in G-35 canal and network.	PIU Engineers	August /2019	Works were completed in April 2020
Works Implementation (4) - Completion of works for rehabilitation of road and a bridge in Bredza village, Kareli municipality.	PIU Engineers	June /2019	Works were completed in August 2019
Works Implementation (5) - Completion of works for rehabilitation of road in Akhalsopeli village, Khobi municipality.	PIU Engineers	July /2019	Works were completed in July 2019
Works Implementation (6) - Contract signed and works initiated for rehabilitation of upstream slope in Iakublo reservoir.	PIU Management	June /2019	Works were completed in February 2020 – MEPA visited and very satisfied
Bids announcement - Bids are announced for rehabilitation of irrigation network under the G-3 secondary canal and G-3-2-1 secondary with its distribution network in Tirifoni irrigation scheme, Gori municipality.	PIU Management	August /2019	Works are ongoing – contract deadline to be extended to 31 December 2020 because of COVID
Development of Engineering Design - Completion of engineering design for rehabilitation of G-2 secondary canal and its distribution network in Saltvisi irrigation scheme, Gori and Kareli municipalities.	PIU Engineers	March /2020	Detailed design was submitted to GA, rehabilitation will be conducted by GA

Facilitating private investment in agricultural value chains (3): 3/3

Actions	Responsibility	Deadline	Status
Funds reallocation from W2 to W1 - Funds remaining for W2 should be used for the purpose of W1 grant facility	PIU	July /2019	Done, immediately
Beneficiaries monitoring: Methodology - Develop justification for the monitoring of beneficiaries' progress to ensure the representativeness of the sample.	PIU grant manager, APMA	July /2019	Methodology was prepared and accordingly grant manager together with M&E are implementing this methodology – interviews made after 1 year post grant disbursement – monitoring loan

			repayment (2018 grants)
Beneficiaries monitoring: Progress tracking - Include question(s) on beneficiaries' loan repayment (whether they are on track or delay repayments) in the list of questions for monitoring visits.	PIU grant managers	July /2019	Grant manager and M&E are interviewing grant beneficiaries on permanent base, they already interviewed beneficiaries which got grants in 2018, and accordingly data basis is being revised

Climate smart agricultural technology transfer (2) 2/2

Actions	Responsibility	Deadline	Status
Reorganization of works - The PIU should revise the budget and finance the work of lakublo reservoir under IFAD loan and use GEF grant to finance rehabilitation/installation of on-farm tertiary irrigation canals (2 schemes) under its Component 1: On-farm efficient irrigation, and soil and water conservation for sustainable agriculture production	PIU / Engineers	June /2019	Done the works were financed from IFAD loan. The list of on-farm efficient irrigation systems that was financed from GEF is indicated in the report.
Sustainability of nurseries - The PIU with the support of RECC should insure the sustainability of installed nurseries by creating relation between the nurseries and private farmers and other privates interested in installing windbreak in the future (e.g. contact numbers).	PIU / GEF Coordinator / RECC	July /2019	REC/ AMMAR team actively disseminated information in the region on the existence of these nurseries. The demand is increasing, evidence of which one fact can be considered, that one of the nursery already twice increased its land area on which they are producing seedlings.

Agreed Action	Responsibility	Agreed Date	Status
Development Effectiveness (6) 4/5 + 1/5 + 1 N/A			
Demo plot and exchange visits - ELKANA should provide a proposal plan and 2019/20 agenda for DP and exchange visits activities and the PIU should revise it with the support of IFAD.	ELKANA/ PIU / GEF Coordinator / IFAD	06/2019	Plan was provided in time and exchange visits were conducted, please see report Out of 10 planned visits only 6 were conducted, remaining 4 were planned for March/June and due to corona virus they were postponed.
Impact Survey - Finalise the TORs for AMMAR's Impact Survey, prepared during the mission	PIU/IFAD	07/2019	Draft ToR was prepared in July 2019 and relevant tender will be launched timely.

Take stock of AMMAR results on gender - Prepare a document of lessons learned about women's opportunities and bottlenecks in accessing and benefitting from AMMAR project activities. This will be based on findings of the gender trainings as well as general observations of monitoring visits. Lessons learned should be clustered around key aspects and processes of the DiMMA project (e.g. grants' outreach, trainings outreach and adoption, value chain development steps, etc.) and will be used to feed into the Project implementation manual. Lessons learned will be presented by the PIU gender specialist to the whole PMU	PIU Gender Specialist	07/2019	The relevant document was prepared in July 2019 and sent to IFAD Not done, as it was agreed that it will be done after DIMMA base-line survey is completed that is May, 2020. Done
Prepare a gender analysis of the dairy value chain in DIMMA target areas - Prepare a gender analysis of the dairy value chain in DIMMA target areas, identifying women's role, benefits and challenges along different value chain nodes. Identify opportunities for women's economic empowerment, relevant networks and potential partners. The analysis should dig deeper in the milestones of the gender strategy included in the Project Document Report, so as to provide concrete recommendations for the PIM and the organization of activities. If needed, a specialized consultant can be hired to support the PMU gender specialist in this task.	PIU Gender Specialist	08/2019	This will be done after DiMMA base-line survey is completed
Lessons learned on Gender - Provide inputs to the project's impact assessment, baseline for DiMMA and upcoming Programme Implementation Manual to ensure their ability mainstream gender considerations	PIU Gender Specialist	08/2019	Done and was sent to IFAD in August 2019
Identify, characterize poverty groups - Identify and characterize different target sub-groups among the beneficiaries, based on the annual outcome survey findings and the beneficiaries' database. These groups will be further analysed through the impact survey to understand different patterns of results of project activities.	M&E officer, Gender specialist	09/2019	PIU committed to do such analysis based on i) poverty classification of Georgia national statistical system ii) income type and diversification. Because the Georgia poverty threshold is very low, most of AMMAR beneficiaries will fall above it – hence the need to provide another classification criteria, that will be incorporated in the ToRs for impact survey
Sustainability and Scaling up (3)			
Finalize project-wide exit strategy - Finalize AMMAR exit strategy based on achievements so far, remaining bottlenecks, potential for scaling up and sustainability prospects of each interventions	PIU (all team)	09/2019	Draft shared with mission but not yet finalized
Document evidence of this potential of scaling up in view of project completion - Document evidence of this potential of scaling up in view of the imminent project completion and to describe what supportive Knowledge Management framework has been put in place to learn lessons and share experiences for the design of new	PIU	09/2019	Under preparation

projects.			
Support to policy enforcement - The PIU should continue to follow the progress of the enforcement of the law on windbreaks in Parliament and support in making amendments if needed	PIU / GEF Coordinator		The Law on windbreaks has been already submitted to the Parliament – law on soil ready but not yet submitted
Project Management (5) 4/4 + 1 N/A			
Link up to IFAD headquarter initiatives - Share KM materials (stories of change, videos and others) particularly on women, to link up with initiatives at corporate level such as IFAD gender newsletter, real ground breakers campaign etc.	PIU and IFAD	07/2019	Periodically all materials were shared with IFAD
KM plan - Prepare a KM plan including the second half of 2019 and the first half of 2020. Specify responsibility (supervision and implementation), money to be allocated and results expected in terms of activities implemented and beneficiaries reached.	PIU and IFAD	08/2019	KM was prepared .
Prepare a small report on AMMAR's M&E approach - Think of a monitoring approach for every category of project activity (grants, land restoration, training and small infrastructures construction): what do you want to achieve with this activity? Have we reached the expected results? If not, how is the project planning to fill the gap? Prepare a small document (in word or in excel) to summarize the approach.	PIU & M&E office	08/2019	Done and it was sent to IFAD on September 16, 2019
Calculate actual number of indirect beneficiaries - Calculate the number of employees hired by grantees during the impact survey, making a clear distinction between seasonal and fixed workers, as well as age and sex disaggregation.	PIU & M&E officer	07/2020	Ongoing, will be included in impact survey
Report on KM activities implemented - Prepare a report on the effect of the KM activities towards completion. (Example of topics to analyses in the report: How many beneficiaries were reached? Where the measures put in place effective? Have those activities raised awareness on project's achievements, and strengthen farmers' interest in participating to more activities? Has knowledge acquired during project implementation been spread and lessons learned used to improve such performance?)	PIU	08/2020	Under preparation – new KM plan should be now geared towards DiMMA Report on KM in AMMAR will feed PCR
Financial Management & Execution (4/4)			
Quarterly submission of Interim financial reporting - Regular submission of IFRs with respected deadlines (Quarterly). 1ST period to be covered will be the first 6 months of FY19.	Finance Team/ Project Director	08/2019	Done

Re-allocation of DANIDA grant - Re-allocation between categories will be done for DANIDA grant. DANIDA agreement was signed by Ministry of Environmental Protection and Agriculture of Georgia, the official request for the re-allocation will be sent by Ministry to IFAD shortly.	Finance Team/ MEPA	09/2019	Done
In-Kind Contribution details to be added to next annual financial statements - Disclosure of in-kind contributions in the Annual Financial Statements to be submitted to the external auditors for their review as notes to the financial statements.	Project Director and Finance Manager	06/2020	Done – also included in 2019 Audit Report
Quarterly WAs for DANIDA Grant - Quarterly WAs for DANIDA Grant. Request APMA to provide regular reports (in GEL and equivalent USD), at least quarterly, on actual grant provided to them, expenses and the balance of non-disbursed amount received from the IRD to improve frequency of DANIDA grant's WA submissions.	Finance Team/ Project Director		Done

Georgia

Agriculture Modernization, Market Access and Resilience Project Supervision Report

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

Mission Dates: 18-29 May 2020
Document Date: 24/06/2020
Project No. 1100001760
Report No. 5426-GE

Near East, North Africa and Europe Division
Programme Management Department

Appendix 5: List of people met/interviewed¹

Name	Title	Institution
Levan Davitashvili	Minister	MEPA
Giorgi Khanishvili	First Deputy Minister	MEPA
Lali Durmishidze	Project Manager	AMMAR PIU
Katie Sharabidze	Deputy Project Director	AMMAR PIU
Nino Kizikurashvili	GEF Coordinator	AMMAR PIU
Ekaterine Gurgenidze	Gender Focal Point	AMMAR PIU
Tamar Tsintsadze	M&E Officer	AMMAR PIU
Levan Tskhovrebashvili	Engineer	AMMAR PIU
Andzor Andguladze	Engineer	AMMAR PIU
Yana Samkharadze	Procurement Specialist	AMMAR PIU
Nino Tatishvili	Financial Management Specialist	AMMAR PIU
Rusudan Khachidze	Disbursement/Accounting Specialist	AMMAR PIU
Tornike Latatia	Grant Consultant	AMMAR PIU
Giorgi Kalandadze	Dty Project Director WB projects	WB/MEPA
Tornike Kapanadze	Grants Project Manager	ARDA
Tamaz Dundua	Programme Manager	ELKANA
Sophie Akhobadze	Regional Director	RECC
Keti Tsereteli	Project Manager	RECC
4 respondents for RECC nurseries for windbreaks		
4 respondents for vermicompost training		
4 respondents for exchange visits		
14 respondents for various CSA training		
7 respondents for W1 grants		
3 respondents for W2 grants		

¹ Due to the COVID-19 pandemic, this mission was undertaken on a remote basis and all contacts took place through zoom meetings, emails, whatsapp or phone

Georgia

Agriculture Modernization, Market Access and Resilience Project Supervision Report

Appendix 6: Procurement

Mission Dates: 18-29 May 2020
Document Date: 24/06/2020
Project No. 1100001760
Report No. 5426-GE

Near East, North Africa and Europe Division
Programme Management Department

Appendix 6: Procurement Review

I. Introduction and background

1. Given the COVID-19 outbreak, the last supervision mission for the Agriculture Modernization, Market Access and Resilience (AMMAR) is undertaken remotely.
2. AMMAR is a 4-year project which was approved by IFAD in September 2014 and entered into force in May 2015. The Project Completion Date (PCD) was extended until October 2020. Assigned FMDB risk is low and there are no ineligible expenditures.
3. 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 the resilience of smallholder farmers in selected project areas. The programme is expected to benefit around 10,000 households across the country.
4. The TORs of the remote supervision included, among others, to review procurement activities and ensure their compliance with the IFAD Procurement Guidelines. Given that the project is in its last year of implementation, procurement review has taken into consideration the activities left and their likelihood to be completed before the PCD. The report emphasizes the overall analysis of project procurement during the project life-cycle based on previous supervision mission reports; consultations and the post review soft-copies of procurement files.

II. Procurement Review

A. Procurement Rating

5. The project procurement is rated as satisfactory (5) backed from the overall justifications below. The project procurement processes mostly follow IFAD Procurement Guidelines and the Handbook and conform with the national procurement regulations, where applicable, as well as the good procurement practices. In addition, the efforts made by the team and the progress during the project implementation period is visible. The majority of the activities for AMMAR includes civil works. Hence the rating.

B. Procurement Unit

6. The project procurement is performed by the two experienced Procurement Officers (POs) employed one on a full and one on a part-time basis. Procurement is carried out in accordance with IFAD Guidelines. The processes are found to be of good quality. The POs maintain complete records for each procurement activity. The 2020 procurement plan has been submitted on NOTUS together with AWPB 2020. Project procurement is being carried out in compliance with the approved 2020 AWPB and procurement plan.

C. Procurement Planning

7. The mission has reviewed Procurement Plan (PP) for the remained 2020 and noted that there are only two civil works left to be completed by the PCD. These concern the rehabilitation of distribution canals in Tiriponi G-3 and G 3.2.1) whose completion has been agreed to be postponed to 31 December 2020 based on the exceptional request for 2-month extension caused by the COVID-19 lockdown.
8. The overall tendency for procurement planning has been observed to be good. The delays during the first year of the project were not caused due to poor planning but rather due to other externalities, such as late disbursements. However, based on the supervision mission reports for the entire project life-cycle evidences that the coordination and team-based planning have been improved over time. The improvements are noted especially since the project has hired a dedicated PO for civil works.
9. IFAD has recently released a new PP which includes tools and algorithms to facilitate the planning. The new template was shared with the team who has already submitted the updated one on NOTUS for IFAD approval.

D. Review of Procurement processes

10. The assessment of the procurement processes conducted for a sample of contracts noted that the proper procurement methods were used for each activity based on the cost estimate applied. Post review procurement is satisfactory. A couple of observations need to be highlighted. For consultancy services, the project uses mostly Selection-based on consultants' qualifications (CQS) method. This is justified given the small assignments and the budget. The CQS, as it is not a full bid process, there is no formalized technical or financial scoring announced yet points are duly used for internal use.
11. During the entire project cycle, it was noted that in several occasions only one or two bids were received in the case (mostly) for civil works. Few times this was caused because the team has published the bid during the very high season for civil works. The second probable reason is that under the Georgian e-procurement system the project indicates the estimated budget for civil works. Bidders, even if they find the budget low, some still decide to submit the proposal to grab the occasion. This is problematic partially because of the time-lapse between preparing the estimated budget until the bid proposal is received. Bid proposals tend to stay

under the budget estimations to win the bids. On the other hand, exchange rate fluctuations in Georgian Gel and the USD is common, hence, variations in price are sometimes significant. Projects should ensure that the bid proposals are realistic and budgeted correctly and ask for clarifications and extra attention to this estimation. Also, where the price is a criterion for evaluation, the estimated budget should not be disclosed. AMMAR follows the IFAD Project Procurement Guidelines and disclosing the estimated budget is not IFAD requirement. However, Georgian E-procurement system is used, and this is important to reach the qualified and accredited construction/civil work companies but the budget estimation is mandatory window to fill.

12. In couple of occasions, for the civil works undertaken in 2018, the Project proceeded with the evaluation and Contract award although only one or two bids were submitted which is in contradiction with IFAD Procurement Guidelines applied at time of bid evaluation.
13. The remaining consultancies to be undertaken include the audit and the impact survey. Two ongoing civil works (Rehabilitation of distribution canals of Tiriponi G-3 and G-3-2-1 on-farm) are estimated to be completed by December 2020, i.e. two months after current completion date, because of the COVID-19 lockdown that put the works on halt. For this reason it was agreed during this mission that a 2-month extension would be granted on exceptional basis.

E. Bidding documents and bid opening

14. Bidding documents are found to be of good quality. Standard bidding documents (SBDs) used has been approved by IFAD and were elaborated as advised. Yet, the mission informed the project that IFAD is currently in the process of elaboration of its SBDs. It has been agreed that as soon as the new SBDs are released, the project team will use them for IFAD projects for other ongoing projects.
15. For procurement methods that require a public bid opening, the procurement unit complies with such procedures.

F. Contract Management and Administration

16. Contract monitoring is now conducted by the procurement officers. This task is assigned to the project coordinator and financial team yet the previous mission has recommended that the Procurement Officers undertake the task and ensure the contract management and monitoring are traced by the POs. For the contract monitoring purposes, the project found a way to track also deadlines of contracts with different instalments/multiple delivery dates. This is to ensure all delivery dates are traced timely, the late deliveries identified, and the relevant sanctions applied. Till now, no major challenges were observed in this regards.

G. Project's Procurement Filing System

17. The mission was pleased to find that AMMAR has been very responsive and swift in providing soft copies of each procurement activity requested. The inspection and acceptance reports were part of the soft-copies. The previous mission noted that the project filing and record-keeping were complete. This has greatly facilitated the already complicated remote supervision process.

H. Review of issues identified in the previous mission

18. The last supervision mission has highlighted two activities and advised to set up realistic completion dates for the ongoing works contracts for three irrigation rehabilitation and two roads rehabilitation. These Contracts have been extended and the roads works are completed.
19. All the activities and actions agreed were completed, including:
 - updated PP in IFAD's new template was duly submitted for approval;
 - the procurement filing system was visibly improved. This was evident also through making soft copies available promptly;
 - contract registrar was maintained complete and duly shared with IFAD;
 - remained activities are on track to be completed by the PCD.
20. As a general observation, based on previous supervision mission reports and the recent outcomes, the project has always completed agreed actions and followed the recommendations.

III. Georgian public procurement legislation and the PRM

21. There are no significant updates in the national public procurement legislation hence the PRM remains the same.
22. The current Public Procurement Legislation (PPL) was adopted in 2010. The new legislation ensured an increased level of transparency, non-discrimination, competition and introduced several procurement procedures. Dispute settlement mechanism and procedures were established in 2011 to deal with procurement disputes. Along with legislative changes, an e-platform was created that allowed conducting public procurement activities online.

23. In 2013, the PPL was amended to introduce the debarment system and has expanded the number of procurement procedures. In 2016, a two-stage Electronic Tenders was launched. The Georgian electronic tender with two stages created an algorithm that automatically calculates the results for different components of the evaluation criteria, the weights of which are determined by the procuring entity. The mathematical formula makes the procurement with two stages reliable and efficient.
24. Despite the changes in the legislation, data analysis and research have revealed several flaws that require further improvement of the overall health of the public procurement system. The Georgian Procurement System has two main efficiency-related problems, a high number of failed tenders and a high share of direct procurement.
25. The reduction in the number of direct contracts was achieved with the adoption of new regulations that obligated procuring entities to get direct procurement approvals from the State Procurement Agency (SPA) for the four legal exceptions listed above. In fact, in the case of one of the four exceptions, urgent necessity, the number of direct procurement contracts was reduced by 61%¹. Additionally, any interested user of the e-platform can express their opinion about the plausibility of the request, after which the SPA has to deliberate on the comment and consider it while making a decision.
26. Georgia has a score of 58/100 in the TI index. The country is the 41 least corrupt nation out of 175 countries. Policy Paper "Small steps towards big goals: Georgia's anti-corruption policy in the context of EU Association Process" published by the Transparency International Georgia on 11 June 2019 examines the situation in the context of the commitments Georgia has made under the EU Association Agreement. According to the document, Georgia has attained positive results for maintaining previous achievements for eradicating petty corruption.
27. Under public procurement legislation, open competition above GEL 5,000 (around USD 2 000) is the default method. However, the rules allow for procurement to be carried out without an open completion. These are (i) Exclusive right (of a supplier on certain goods, works, or services); (ii) Urgent necessity; (iii) Prevention of deterioration (of the quality of a previously procured object); and (iv) Holding of an event of state and public importance without hindrance and within limited time frames. In exceptional cases where an adjustment has to be made to an existing tender and the amount is above the threshold. In such instances, the procuring entity has to apply to the SPA for no objection. The SPA places the request on the procurement portal which allows potential suppliers the opportunity to comment. The SPA, if satisfied that the request is legitimate, issues a no objection and the procurement can then take place outside the normal competitive tendering process
28. The SPA organizes periodic consultations with business sector (twice a month) as well as civil society representatives, where they receive feedback about problems they encounter in their respective sectors or when dealing with the system.
29. According to the Georgian legislation, a tender varies by status, which can be considered as failed tenders - if it is cancelled by the procuring entity, if no eligible supplier is found among tender participants, or if it has no bidder. Based on the statistical data gathered by the SPA and the World Bank, the latter was the reason for 80% of all failed tenders. Flawed planning and lack of information in the annual e-plan are two of the main possible reasons for the high failure rate.
30. For the firms to be eligible to participate in Georgian bidding they have to be registered in Georgia, unless the assignment is less than 12 month. This is for tax purposes. Yet, for IFAD project procurement activities this is a limitation in case the activities are internationally advertised (in case of ICB for goods and works).
31. E-procurement system has a donor-funded window separately to undertake procurement activities. There is a challenge to this, indicating the price/estimated budget is mandatory. This creates problems for IFAD Project activities where the price is used for evaluation criterion or where it is subject to negotiations – in case of consultancy.
32. There is no minimum number of quotations listed under the legislation. The project should follow IFAD Procurement Guidelines and a Handbook in this regards.
33. Instructions how to submit the complaint is enlisted in the SPA webpage yet, not available when clicking on it. Handling complaints is yet to be explored. The Public Expenditure and Financial Accountability (PEFA) assessment gives a rating equivalent to 1 for IFAD PRM matrix. According to the Decree №1 of February 27, 2015, where the Chairman of State Procurement Agency is at the same time Chairman of the dispute review board, with the prevailing vote. State Procurement Agency is also a clearing/reviewing body for Simplified Procurement (aka Direct Contracting requests from implementing agencies). The involvement of the state procurement agency in the specific procurement procedure for simplified procurement procedures (direct contracting) makes it part of the procurement transactions and procurement decision-making process leading to contract award, which creates conflicts with its oversight function and its role in the review of procurement complaints. The project should ensure that all opportunities for complaint management are given participating bidders and should conduct debriefing sessions with all bidders to not only present the results of the process but to show shortcomings and any errors committed by bidders during the procurement process.

¹ https://idfi.ge/public/upload/IDFI_Photos_2017/tppr/PPL_Implementation-Assessment_Georgia.pdf

34. During the previous mission in November 2019, I met SPA representatives to discuss this matter and find out eventual changes since 2018 on the dispute mechanism and the PEFA assessment indicator above. SPA staff informed that the SPA chairman is no more the chairman of the dispute review committee, yet the mission was not able to identify the legal reference to this rule.

IV. Conclusions

35. The following are the key conclusions and recommendations:

- The procurement processes for AMMAR were found to be improved significantly and aligned with IFAD's requirements, hence the rating - satisfactory. Bidding processes follow IFAD Procurement Guidelines and the Handbook and comply with good procurement practices. The overall efforts are evidenced in completing all the agreed actions during the project life-cycle and improving the quality of procurement processes.
- Procurement plan and planning process follows the IFAD requirements. The PP for 12 months is approved via NOTUS. The 12-month plan includes activities grouped and/or separated correctly. The mission has supported procurement team to get familiar with IFAD's new PP template. The team has updated the PP in IFAD new format has just been submitted by the project.
- As agreed previously, the project keeps proper record-keeping and procurement filing to ensure the ease of document retrieval. The soft copies of post-review activities were promptly provided. This has greatly facilitated the revision.
- Contract registrar is maintained up to date using the IFAD template. The updated contract registrar was provided by the team during the remote supervision.
- POs are now actively involved in the contract monitoring and contract management process. IFAD's new ICP Contract Monitoring system will be an important tool allowing for a better traceability, reporting and feeding in a risk-based management approach.
- Last but not least, the team is advised to take into consideration the following key points with regards to the low bid proposals received for civil works during the project life-cycle: in the budget estimation, we may want to allow for some variations, especially due to strong exchange rate fluctuations; the project may allow for an analysis of the local market that is not outdated and that gives a better budget estimation/more flexibility; and for the planning purposes, high seasons for civil works should be taken into consideration. Bids should be published a while ahead, before the high season starts.

V. Procurement Performance Indicator Rating and Justification

No.	Performance Indicator	Rating	Justification for Rating
1	Procurement Planning Process	6	Procurement planning has been greatly improved. Efforts were made so that the activities are completed on time. This is especially true for civil works, which is more complicated for estimating time frames. There are no delays. IFAD new PP template was shared during the mission and the POs were provided by the brief explanation in its use and functions. POs have submitted the updated version of the PP even before completing this technical report.
2	Processes and Procedures from Prequalification to Bidding	5	Processes and procedures applied do not exhibit shortcomings. These are mostly conducted through the E-procurement system where all the processes are accessible and visible.
3	Process and Procedures for Evaluation and Contract Award	4	Processes and procedures applied are satisfactory, a preliminary examination is conducted correctly. Documentation for bid evaluation is of good quality and specifications were included. Couple of cases were enlisted in the analysis above, when the project has proceeded with the evaluation after having received only two or one bid proposals.
4	Contract Management and Administration	6	Processes, procedures and systems for administration, supervision and management of contract were not under the tasks of the procurement officers yet the project has immediately addressed the recommendations from the last supervision mission. contract management is now part of the project procurement team. In addition, for future purposes, the capacity concerning handling challenges and protests should be explored.
5	Record Retention and monitoring	6	Record keeping complies with IFAD requirements. Soft copies were filed and provided in a swift manner that document retrieval has been significantly easy.

VI. Agreed actions

Actions	Responsibility	Deadline	Status
Activities completed before the PCD Monitor closely all activities, especially works, to ensure that these are completed and payments undertaken by the new completion date (31/12/2020)	Procurement Officers and Project Director	December/ 2020	Agreed

Annex I

Post Review Checklist²

#1	Description	Check	Remarks
NCB - Civil works – Rehabilitation of Iakublo Irrigation Reservoir, AMMAR/CW/2019/19			
A	Bidding Process (for each procurement)		
1	Is the item in the Procurement Plan?	Yes	NCB for small works
2	Is there a formal Procurement Requisition that initiates the process?	Yes	
3	Is the Method proposed in the PP used?	Yes	NCB as planned under the PP
4	Is enough done to demonstrate that competition was achieved?	Yes	Published at the State Procurement Agency online e-procurement platform which is the main reference for the civil work bidders. 4 bids received
5	Is there time provided for bidders to request and receive clarifications, before the submission deadline?	Yes	14 days before the deadline
6	Is there sufficient time allotted for bidders to prepare quotations, bids and proposals	yes	1 month was allowed
7	Ensure that no late bids were accepted	yes	The e-procurement system does not allow for the late bid submissions automatically
B	Evaluation Process (for each procurement)		
1	Was Preliminary Examination done?	yes	
2	Are there objective and justifiable reasons for rejections at Preliminary Examination?	Yes	Based on the noncompliance of the Bidder with the specific construction requirements, one bid - "El Georgia" Ltd was rejected
3	Was Technical Evaluation done?	Yes	
4	Are there objective and justifiable reasons for rejections at Technical Evaluation?	NA	
5	For QCBS and QBS was a Technical Evaluation Report submitted to and no-objected to by IFAD before the Financial Proposal(s) was/were opened?	N/A	
6	For all advertised procurement, were bidders informed of the (technical) evaluation outcome?	yes	Published At the SPA website the contract award notice
7	Were the bidders given sufficient explanation as to their performance at the (technical) evaluation, if one or more requested this information?	NA	No information as requested. the evaluation is uploaded in the system. The Lowest Evaluated Responsive Bidder was contracted.

² 2 more consultancy and 2 more civil works were reviewed but these are not enlisted here since it was observed that the activities have exactly the same characteristics and answer the questions exactly the same ways.

8	Were bidders given enough time to submit a challenge/protest?	NA	No one appeal the decision of the evaluation committee
9	For consulting services under QCBS, QBS and LCS, was there a formal opening of financial proposals?	NA	
10	Was Financial evaluation done and properly?	yes	Yet, the system obliges for CWs to indicate the estimated budget
11	Were corrections to Bidders' financials/prices were done, is there correspondence to show that the bidders were (i) notified and (ii) accepted the correction?	NA	
12	Are there objective and justifiable reasons for rejections at Financial Evaluation?	NA	
13	For consulting services under QCBS, were bidders provided the results of the combined evaluation and accorded sufficient time to challenge/protest?	NA	
14	Were challenges/protests received? Were they handled properly?	NA	
C	Award and Negotiations (for each procurement)		
1	Was award done after all challenges/protests were received?	NA	
2	Ensure that negotiations were not held for Goods and Works	yes	As reported negotiations are not held for goods or works
3	Ensure that negotiations were held for consulting services?	NA	
4	Did the negotiations significantly alter (i) the scope, (ii) the duration and (ii) the prices?	NA	
D	Contract, Contract Administration and Management Process (for each procurement)		
1	Was the Contract signed by both parties? (A copy must be evident in file)	yes	
2	Have the contract the standard commercial and contractual terms required for a proper procurement agreement, as per relevant category and method?	Yes	
3	Is the procurement requirement (terms of reference, description of services, schedule of requirements, technical specifications) expressed in the contract as consistent with the successful bidder's bid, evaluation report and negotiated outcome?	yes	
4	Was a Contract amendment made to extend	No	

#2	Description	Check	Remarks
CQS—Consultancy for the annual outcome survey - AMMAR/CS/205			
A	Bidding Process (for each procurement)		
1	Is the item in the Procurement Plan?	Yes	
2	Is there a formal Procurement Requisition that initiates the process?	Yes	Publicly advertised through EOI

3	Is the Method proposed in the PP used?	Yes	CQS as per PP – a 3 month assignment
4	Is enough done to demonstrate that competition was achieved?	yes	
5	Is there time provided for bidders to request and receive clarifications, before the submission deadline?	yes	Clearly stated that the communications shall be in written
6	Is there sufficient time allotted for bidders to prepare quotations, bids and proposals	Yes	2 weeks were allowed and 5 bids were received
7	Ensure that no late bids were accepted	Yes	According to the project records no late bid was accepted.
B	Evaluation Process (for each procurement)		
1	Was Preliminary Examination done?	Yes	
2	Are there objective and justifiable reasons for rejections at Preliminary Examination?	Yes	2 substantially responsive consultants were shortlisted
3	Was Technical Evaluation done?	Yes	
4	Are there objective and justifiable reasons for rejections at Technical Evaluation?	Yes	
5	For QCBS and QBS was a Technical Evaluation Report submitted to and no-objected to by IFAD before the Financial Proposal(s) was/were opened?	NA	
6	For all advertised procurement, were bidders informed of the (technical) evaluation outcome?	NA	
7	Were the bidders given sufficient explanation as to their performance at the (technical) evaluation, if one or more requested this information?	NA	No consultant requested such information
8	Were bidders given enough time to submit a challenge/protest?	NA	
9	For consulting services under QCBS, QBS and LCS, was there a formal opening of financial proposals?	NA	
10	Was Financial evaluation done and properly?	Yes	
11	Were corrections to Bidders' financials/prices were done, is there correspondence to show that the bidders were (i) notified and (ii) accepted the correction?	NA	
12	Are there objective and justifiable reasons for rejections at Financial Evaluation?	NA	
13	For consulting services under QCBS, were bidders provided the results of the combined evaluation and accorded sufficient time to challenge/protest?	NA	
14	Were challenges/protests received? Were they handled properly?	No	
C	Award and Negotiations (for each procurement)		
1	Was award done after all challenges/protests were received?	Yes	No protests received

2	Ensure that negotiations were not held for Goods and Works	NA	
3	Ensure that negotiations were held for consulting services?	yes	Minutes of the negotiations are not used in practice. It has been agreed to introduce this as a practice for future projects.
4	Did the negotiations significantly alter (i) the scope, (ii) the duration and (ii) the prices?	No	Within the budget and the signed contract reflects the TORs published
D	Contract, Contract Administration and Management Process (for each procurement)		
1	Was the Contract signed by both parties? (A copy must be evident in file)	Yes	
2	Has the contract the standard commercial and contractual terms required for a proper procurement agreement, as per relevant category and method?	Yes	
3	Is the procurement requirement (terms of reference, description of services, schedule of requirements, technical specifications) expressed in the contract as consistent with the successful bidder's bid, evaluation report and negotiated outcome?	Yes	Detailed in the contract
4	Was a Contract amendment made to extend	No	

#3	Description	Check	Remarks
CQS – technical supervision of the rehabilitation of Tripoli irrigation schemes - g32 AMMAR/CS/2020/238			
A	Bidding Process (for each procurement)		
1	Is the item in the Procurement Plan?	Yes	
2	Is there a formal Procurement Requisition that initiates the process?	Yes	
3	Is the Method proposed in the PP used?	Yes	CQS as per PP
4	Is enough done to demonstrate that competition was achieved?	yes	
5	Is there time provided for bidders to request and receive clarifications, before the submission deadline?	Yes	2 weeks
6	Is there sufficient time allotted for bidders to prepare quotations, bids and proposals	Yes	14 days were allowed. Normally 2 weeks are the standard time used by the project
7	Ensure that no late bids were accepted	Yes	As reported
B	Evaluation Process (for each procurement)		
1	Was Preliminary Examination done?	Yes	
2	Are there objective and justifiable reasons for rejections at Preliminary Examination?		
3	Was Technical Evaluation done?	yes	3 EOIs were received.
4	Are there objective and justifiable reasons for rejections at Technical Evaluation?	yes	
5	For QCBS and QBS was a Technical Evaluation Report submitted to and no-	NA	

	objected to by IFAD before the Financial Proposal(s) was/were opened?		
6	For all advertised procurement, were bidders informed of the (technical) evaluation outcome?	NA	
7	Were the bidders given sufficient explanation as to their performance at the (technical) evaluation, if one or more requested this information?	NA	No information was requested
8	Were bidders given enough time to submit a challenge/protest?	yes	No protests were logged
9	For consulting services under QCBS, QBS and LCS, was there a formal opening of financial proposals?	NA	
10	Was Financial evaluation done and properly?	NA	
11	Were corrections to Bidders' financials/prices were done, is there correspondence to show that the bidders were (i) notified and (ii) accepted the correction?	NA	
12	Are there objective and justifiable reasons for rejections at Financial Evaluation?	NA	
13	For consulting services under QCBS, were bidders provided the results of the combined evaluation and accorded sufficient time to challenge/protest?	NA	
14	Were challenges/protests received? Were they handled properly?	NA	No protest received
C	Award and Negotiations (for each procurement)		
1	Was award done after all challenges/protests were received?	yes	There were no complaints logged.
2	Ensure that negotiations were not held for Goods and Works	NA	
3	Ensure that negotiations were held for consulting services?	Yes	Negotiations were duly conducted. The negotiated price and the tasks are aligned with the original scope and the estimated budget.
4	Did the negotiations significantly alter (i) the scope, (ii) the duration and (ii) the prices?	No	Negotiations were conducted and the signed contract and the negotiated price is slightly below the estimated budget
D	Contract, Contract Administration and Management Process (for each procurement)		
1	Was the Contract signed by both parties? (A copy must be evident in file)	Yes	The signed copies of the contracts were duly filed
2	Has the contract the standard commercial and contractual terms required for a proper procurement agreement, as per relevant category and method?	Yes	
3	Is the procurement requirement (terms of reference, description of services, schedule of requirements, technical specifications) expressed in the contract as consistent with the successful bidder's bid, evaluation report and negotiated outcome?	Yes	

4	Was a Contract amendment made to extend	No	
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#4	Description	Check	Remarks
NCB - Civil works – AMMAR/CW/18/16- Khobi Municipality, axalsopheli, roads rehabilitation			
A	Bidding Process (for each procurement)		
1	Is the item in the Procurement Plan?	Yes	
2	Is there a formal Procurement Requisition that initiates the process?	Yes	
3	Is the Method proposed in the PP used?	Yes	NCB as planned under the PP
4	Is enough done to demonstrate that competition was achieved?	Yes	Published at the State Procurement Agency online e-procurement platform which is the main reference for the civil work bidders. Yet, only one bid was submitted.
5	Is there time provided for bidders to request and receive clarifications, before the submission deadline?	Yes	14 days before the deadline
6	Is there sufficient time allotted for bidders to prepare quotations, bids and proposals	yes	1 month was allowed
7	Ensure that no late bids were accepted	NA	Only one bid proposal was received
B	Evaluation Process (for each procurement)		
1	Was Preliminary Examination done?	yes	Yet only one bidder have expressed interest
2	Are there objective and justifiable reasons for rejections at Preliminary Examination?	NA	
3	Was Technical Evaluation done?	Yes	
4	Are there objective and justifiable reasons for rejections at Technical Evaluation?	NA	
5	For QCBS and QBS was a Technical Evaluation Report submitted to and no-objected to by IFAD before the Financial Proposal(s) was/were opened?	N/A	
6	For all advertised procurement, were bidders informed of the (technical) evaluation outcome?	yes	Published At the SPA website the contract award notice
7	Were the bidders given sufficient explanation as to their performance at the (technical) evaluation, if one or more requested this information?	NA	The only bidder who has submitted the bid was contracted
8	Were bidders given enough time to submit a challenge/protest?	NA	No one appeal the decision of the evaluation committee
9	For consulting services under QCBS, QBS and LCS, was there a formal opening of financial proposals?	NA	
10	Was Financial evaluation done and properly?	yes	
11	Were corrections to Bidders' financials/prices were done, is there correspondence to show that the bidders were (i) notified and (ii) accepted the correction?	yes	
12	Are there objective and justifiable reasons for rejections at Financial Evaluation?	NA	

13	For consulting services under QCBS, were bidders provided the results of the combined evaluation and accorded sufficient time to challenge/protest?	NA	
14	Were challenges/protests received? Were they handled properly?	NA	
C	Award and Negotiations (for each procurement)		
1	Was award done after all challenges/protests were received?	NA	
2	Ensure that negotiations were not held for Goods and Works	yes	negotiations are not held for goods or works
3	Ensure that negotiations were held for consulting services?	NA	
4	Did the negotiations significantly alter (i) the scope, (ii) the duration and (ii) the prices?	NA	
D	Contract, Contract Administration and Management Process (for each procurement)		
1	Was the Contract signed by both parties? (A copy must be evident in file)	yes	
2	Have the contract the standard commercial and contractual terms required for a proper procurement agreement, as per relevant category and method?	Yes	Included Revised IFAD anticorruption policy
3	Is the procurement requirement (terms of reference, description of services, schedule of requirements, technical specifications) expressed in the contract as consistent with the successful bidder's bid, evaluation report and negotiated outcome?	yes	
4	Was a Contract amendment made to extend	yes	Extension was signed for additional works 126.785, Gel was additionally added to the initial contract plus the contract was extended for 1 month.

#5	Description	Check	Remarks
NCB - Civil works – Rehabilitation/construction of urban roads in Sakasheti village of Gori municipality AMMAR/CW/2018/13			
A	Bidding Process (for each procurement)		
1	Is the item in the Procurement Plan?	Yes	
2	Is there a formal Procurement Requisition that initiates the process?	Yes	
3	Is the Method proposed in the PP used?	Yes	NCB as planned under the PP
4	Is enough done to demonstrate that competition was achieved?	Yes	Published at the State Procurement Agency online e-procurement platform which is the main reference for the civil work bidders. Yet, only one bid was submitted.
5	Is there time provided for bidders to request and receive clarifications, before the submission deadline?	Yes	14 days before the deadline
6	Is there sufficient time allotted for bidders to prepare quotations, bids and proposals	yes	1 month was allowed

7	Ensure that no late bids were accepted	NA	Only 2 bid proposals were received. With civil works this is a tendency. Sometimes, over the course of the project lifecycle- low bid proposals were noted due to availability of companies at the local market
B	Evaluation Process (for each procurement)		
1	Was Preliminary Examination done?	yes	
2	Are there objective and justifiable reasons for rejections at Preliminary Examination?	NA	only two bidder submitted the bid and both were responsive
3	Was Technical Evaluation done?	Yes	
4	Are there objective and justifiable reasons for rejections at Technical Evaluation?	NA	
5	For QCBS and QBS was a Technical Evaluation Report submitted to and no-objectioned to by IFAD before the Financial Proposal(s) was/were opened?	N/A	
6	For all advertised procurement, were bidders informed of the (technical) evaluation outcome?	yes	Published At the SPA website the contract award notice
7	Were the bidders given sufficient explanation as to their performance at the (technical) evaluation, if one or more requested this information?	NA	
8	Were bidders given enough time to submit a challenge/protest?	NA	No one appeal the decision of the evaluation committee
9	For consulting services under QCBS, QBS and LCS, was there a formal opening of financial proposals?	NA	
10	Was Financial evaluation done and properly?	yes	
11	Were corrections to Bidders' financials/prices were done, is there correspondence to show that the bidders were (i) notified and (ii) accepted the correction?	NA	No errors identified or corrections made
12	Are there objective and justifiable reasons for rejections at Financial Evaluation?	NA	the Lowest Evaluated Responsive Qualified Bidder was contracted
13	For consulting services under QCBS, were bidders provided the results of the combined evaluation and accorded sufficient time to challenge/protest?	NA	
14	Were challenges/protests received? Were they handled properly?	NA	
C	Award and Negotiations (for each procurement)		
1	Was award done after all challenges/protests were received?	yes	No challenged were logged
2	Ensure that negotiations were not held for Goods and Works	yes	As reported negotiations are not held for goods or works
3	Ensure that negotiations were held for consulting services?	NA	
4	Did the negotiations significantly alter (i) the scope, (ii) the duration and (ii) the prices?	NA	

D	Contract, Contract Administration and Management Process (for each procurement)		
1	Was the Contract signed by both parties? (A copy must be evident in file)	yes	Duly filed
2	Have the contract the standard commercial and contractual terms required for a proper procurement agreement, as per relevant category and method?	Yes	Included Revised IFAD anticorruption policy
3	Is the procurement requirement (terms of reference, description of services, schedule of requirements, technical specifications) expressed in the contract as consistent with the successful bidder's bid, evaluation report and negotiated outcome?	yes	
4	Was a Contract amendment made to extend	yes	Due to weather conditions, the delays were envisaged and the extension was signed until February 2019. The works have been completed within this amended timeframe.