Terminal Evaluation

ENPI/2013/317-847

ENPARD Ajara

Support to Agriculture Development in Ajara(Georgia)



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The opinions and recommendations in this report are those of the Evaluation Team and do not necessarily reflect the position of UNDP. The contents of this report are the product of the work of the team of two independent consultants.

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# Abbreviations and Acronyms

ABCO Georgia - Association of Business Organizations of Georgia

AR – Autonomous Republic

ASC – Agro Service Center

BBI - Batumi Business Incubator

DEX - Direct Execution Modality

ENPARD – European Neighborhood Programme for Agriculture and Rural Development

ET - Evaluation Terms

EU – European Union

GEL – Georgian Lari

IRR - Internal Rate of Return

LAG – Local Action Group

MA - Managing Authority

MoA – Ministry of Agriculture

NGO – Non Governmental Organization

NPV - Net Present Value

OECD/DAC - Organization for Economic Cooperation and Development/Development Assistance Committee

PMCRC – Policy and Management Consulting and Research Centre

PMU – Project Management Unit

RDS – Rural Development Strategy

TA – Technical Assistance

TOR – Terms of Reference

UNDP – United Nations Development Programme

UNEG - United Nations Evaluation Group

UNESCO – United Nations Educational, Scientific and Cultural Organization

VCA - Value Chain Analyze

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# Executive Summary

The Terminal Evaluation of the Project ‘ENPARD Ajara. Support to the Agriculture Development in Ajara’ (contract number ENPI/2013/317-847) was commissioned by the United Nations Development Programme (UNDP) Country Office in Georgia to a team of two independent consultants (hereinafter referred as the ‘Evaluation Team – ET’). The Project was implemented during the period May 2013 - June 2016 in the Autonomous Republic of Ajara. The Project was funded by the European Union, which allocated USD 3,926,701.57 and co-financed by the Ajara Government AR with an amount of 397.877.98 USD, for a total budget of USD 4,324,579.55. The Project was part of a wider range of the activities funded by the European Neighborhood Partnership Agriculture and Rural Development (ENPARD), which aims to reinvigorate the agricultural sector in Georgia with a thorough cooperation of governments, civil society organizations, and farmers.

The purpose of the evaluation was to review the project implementation since the beginning to its conclusion and to provide a comprehensive assessment and strategic recommendations to the Project and Project board on the implementation strategies.

Therefore, the main objectives of the evaluation include:

1. To develop a detailed plan of review of project performance as well as the context around the project with a forward looking perspective;
2. To assess the relevance, timeliness, effectiveness, sustainability and management arrangements of the project activities in light of the existing context;
3. To hold discussions with the main stakeholders: Government of Ajara, Ministry of Agriculture of Georgia, European Delegation, UNDP for consolidation of feedback on whether and how the Project met the expectations, achieved targets in sustainable manner;
4. To undertake the assessment of the Project vis-à-vis the targets set by the Project;
5. To provide operational and strategic advice to the Project team and UNDP on the Project implementation process.

The evaluation started with an examination of the terms of reference and was, then, divided into three main phases: i) desk review, ii) field mission and data collection, iii) synthesis. During the **desk review phase**, the Evaluation Team (ET) reviewed evaluation questions proposed by UNDP and examined existing project documentation. The team then proceeded to reconstruct the project’s intervention logic. Based on this initial analysis, the ET developed an additional set of questions and sub-questions to be answered during the course of the evaluation, as well as a list of appropriate indicators and means of verification. The ET also determined the methodologies best-suited to conduct the data collection in the field and subsequent analysis. During the data collection phase, a total of 13 interviews were conducted and meetings were held with approximately 28 persons. The objective of the data collection was to gather further information to supplement that of the project’s logical framework and to fill existing information gaps. Following the field mission, the **synthesis phase** took place, during which a critical analysis of the collected data was conducted in order to respond to the evaluation questions, produce recommendations and formulate conclusions.

The project aimed at contributing to increase national, regional and local governments’ skills and capacity to develop and steer national and local economic policies that promote inclusive growth and contribute to poverty alleviation. The main output of the Project concerned the support to the implementation of the national sector strategy and strengthen small farmers’ organizations in Ajara Autonomous Republic. The strategy of the Project included three main components: (i) increasing and improving services to small farmers; (ii) development of business oriented small farmers group, associations and other forms of profit-based collaborative actions between farmers, and (iii) institutional development of the Ministry of Agriculture of the Autonomous Republic of Ajara.

The Project was **fully relevant for the national and local context** and **appropriately addressed local needs**. Indeed, the project identified **three principle challenges**. The first concerns the the **size of the land** that is too small for achieving economy of scales and high **productivity**. In order to answer to this problem, the Project proposed to increase the number of extension services to farmers, and improve and increase the varieties and productivity of crops. The second issue concerns the **limited opportunities for small farmers to achieve economies of scales in input or output supply**. In order to address this problem, the Project supported the development of agriculture cooperatives and farmers’ associations. The third issue addressed by the project was the necessity to **develop appropriate strategies to address agriculture challenges** and to **improve the policy-making process**. This was made mainly by proving the MoA with a capacity building program, realizing studies and analyses in strategic sectors for the development of agriculture in Ajara, and by providing the MoA with a technical instrument, namely the information system, in order to appropriately monitor the quality of services provided to famers and measure the obtained results of agricultural policies.

The **reconstruction of the project intervention logic** has shown the Project to be coherent and that it benefited from the presence of relevant linkages between the three components. The Resource and Results Framework of the Project contained one intended outcome, one output, targets for years at output level, indicative activities and activity results for the three main components, indicators and baseline at output level. It is opinion of the Evaluation Team that more precise and detailed outputs would have helped in formulating adequate indicators and more specific targets, and to fully appreciate the complexity of the Project.

The timeframe of the Project was mostly appropriate for the local context and intended outputs. However, some concerns have been risen about the timeframe for the realization of the information system on agriculture that was planned to be concluded six months before the conclusion of the Project, a time that, according to the ET, is limited for testing the system, follow up and making adjustments.

The Project adopted an **adaptive management** approach and it was able to answer responsively to emerging needs in an appropriate and efficient way. Indeed, the managerial approach of the Project was considered as very **instrumental** in the success of the initiative. The Project and its main partners benefited from a long term partnership and consolidated relations. New stakeholders were involved during Project implementation according to the emerging needs and the development of the initiative (remarkable was the partnership with the University of Shota Rustaveli of Batumi).

The **efficient management** of financial and human resources allowed the Project to achieve more than initially planned. It is remarkable that a consistent part of the **savings** (11%) was made thanks to the reduction of the ‘Project Management and Monitoring costs’.

All project activities were carried out regularly with an extension of **two months** at no additional costs for the donor.

The Project succeeded in increasing the capacity of the Agro-service Centre (ASC) - recently established by the Government of Ajara as a budgetary-funded organisation - to support the development of rural farmers. The ASC developed and approved its own Strategic Development Plan, establishing main targets and strategies of the organisation. Accordingly, a significant number of extension services were put in place to support the farmers and succeed in reaching **16,597** farmers. Some of the extension services activated by ASC already demonstrated concrete results, for example: i. by June 2016 the **artificial insemination** service reached **5,000** farmers and **65-70%** of the cases were **successful**, ii. only in 2015, more than **1200** farmers from the different villages visited the demonstration plots and got familiarity with the modern production systems and new varieties, iii. up to **25,000** new varieties of citrus, grapes and berries sold by ASC to local farmers in 2015-2016. The development of 5 ASC’s branches allowed the Project to reach farmers in very remote and depressed areas.

The Project supported the creation of **77 agriculture cooperatives** through a specific Grant Support Program and contributed to their sustainability by providing business development services (an *ad hoc* business model was developed) and by training the members on technical and managerial issues through the Batumi Business Incubator. In addition, the Project realised training courses tailored for new emerging cooperatives (555 farmers trained), activated consultations in agribusiness and technical assistance (660 farmers received consultation services). These are a very promising number by taking in account that, in 2016, 140 agriculture cooperatives are registered in Ajara (source Agriculture Cooperatives Development Agency).

Another important achievement of the Project was the improvement of the policy-making capacities of the MoA. According to the results of **needs assessment**, the Project organized a well-structured **capacity building** program for the MoA staff. It included, traditional training courses, and studies on strategic challenges of the agricultural sector in Ajara (export, investment, structural analysis). The positive results made by the Project were possible also thanks to the involvement of MoA staff in all the phases of the capacity building program. As a result of the capacity building program, the MoA elaborated and approved the new ‘**Development strategic Plan’**, that addresses the main agriculture policy strategies to be implemented for the development of the sector in Ajara. Additionally, the Project supported the development of the ‘**Rural Development Strategy for Ajara**’. In order to test the bottom-up mechanisms promoted by the ‘Rural Development Strategy’, the Project supported the creation of a **Local Action Group (LAG)** in the municipality of Khulo. **573 households** participated in the election of 5 representatives, who later developed and implemented a community action plan. Last but not least, the Project supported the development of the information system. The **information system** aims at collecting and consolidating all the information (including statistics) related to farming and agribusiness by contributing to the policy making process and by providing information to the MoA on the main characteristics of the agriculture sector in Ajara. The system is currently tested on the artificial insemination service, and 2-3 person from each branch of ASC are in charge for uploading data. It is worth to remark it was decided to implement the system also at the **national level**. The ET considers the adoption of the Information System at national level as one of the main impact of the Project.

No critical elements have been founded for what it concerns the **institutional sustainability** of the Project. The institutional sustainability of the majority of Project results will be ensured by the ASC Strategic Development Plan, and the MoA Ajara Development Strategy and Rural Development Strategy. All these documents were formally adopted by the Government of Ajara. According to the ET, these strategies represent themselves a clear exit strategy from the Project and its external support.

Two ‘profitable activities’ were examined by the Project in order to verify their **financial sustainability**: the cooperatives supported through the Grant Support Program and ASC. The development plan of the ASC demonstrated that ASC activities (particularly public and club-goods) have to be funded by the government in order to continue the provision of those services. The fact that MoA has already increased the budget of ASC to GEL 1.3 million allows positive considerations about the future sustainability of the organisation.

For what it concerns, the financial sustainability of cooperatives supported by the Project, BBI conducted a study in order to assess their capacity to continue their activities and to develop their business. According to this study, at least 80% of the total granted cooperatives is successfully developing their business, while the 20% of the total is very promising in significantly expanding their business in the upcoming years.

# Introduction

The Terminal Evaluation of the Project ‘ENPARD Ajara. Support to the Agriculture Development in Ajara’ was carried out in June 2016 by a team of independent consultants, Ms. Serena Rossignoli and Mr. Konstantine Kobakhidze (hereinafter referred as the ‘Evaluation Team – ET’). The evaluation was commissioned by the United Nations Development Programme (UNDP) Country Office in Georgia. The general objective of the Evaluation is to identify the outputs produced by the initiative, its contributions to outcome level results, positive and/or negative changes produced, including possible unplanned results.

The objectof the Evaluation is the Project ‘ENPARD Ajara. Support to the Agriculture Development in Ajara’ (hereinafter referred to as the “Project”) in its entirety*,* which was at the time of the evaluation in the last stage of implementation. The Project was implemented during the period May 2013- June 2016. The Project, carried out in the Autonomous Republic of Ajara, and reached 132 cooperatives, 16,597 farmers, around 90 civil servants, and institutions in Batumi, Kobuleti, Khelvachauri, Keda, Shuakhevi and Khulo municipalities. The Project was funded by the European Union, which allocated USD 3,926,701.57 and co-financed by the Ajara Government AR with an amount of 397.877.98 USD, for a total budget of USD 4,324,579.55.

The Project was directly executed (DEX) by the UNDP Country Office in Tbilisi and implemented in close cooperation with the following actors: Government of Ajara Autonomous Republic, Ajara AR Ministry of Agriculture, Ministry of Economy and Finance, Agro-service Centre, and Batumi Business Incubator.

The evaluation report is structured around three main chapters, accordingly to the Evaluation Report Template of the *Handbook on Planning, Monitoring and Evaluation for Development Results*, with some adjustments made to better reflect the scope of the evaluation and Project features. Chapter 1 presents the evaluation objectives, its purpose, methodology and the evaluation team. It also provides a brief overview of the Project, main inputs, activities and outputs. Chapter 2 analyses main findings of the evaluation based on the revision of primary and secondary data. These are presented according to the evaluation criteria of relevance, effectiveness, efficiency and sustainability. The analysis includes also an examination of cross-cutting issues such as gender balance and environmental issues. A special section is dedicated to the visibility of the Project. Chapter 3 consolidates the Evaluation conclusions and offers a list of recommendations.

# Chapter 1 Background Information on the Evaluation and the Project

## 1.1. Description of the intervention

The Project Document was signed on the 7th of May 2013. The initial project implementation period was 36 months. In a second stage, in May 2016, a two months extension was agreed at no additional costs.

The total budget of the intervention was USD 4,324,579.55. The Project was funded by the European Union, which allocated USD 3,926,701.57 and co-financed by the Ajara Government AR with an amount of 397.877.98 USD.

The Project was part of a wider range of the activities funded by the European Neighborhood Partnership Agriculture and Rural Development (ENPARD), a five years program (March 2013 – March 2018), which aims to reinvigorate the agricultural sector in Georgia with a thorough cooperation of governments, civil society organizations, and farmers.

At outcome level, the project aimed at contributing to increase national, regional and local governments’ skills and capacity to develop and steer national and local economic policies that promote inclusive growth and contribute to poverty alleviation (UNDAF 2011-2015).

At output level, the main objective of the Project was to facilitate the implementation of the national sector strategy and strengthen small farmers’ organizations in Ajara Autonomous Republic.

In order to reach this goal, the project developed a strategy that included three main components:

1. Increasing and improving services to small farmers;

2. Development of business oriented small farmers group, associations and other forms of profit-based collaborative actions between farmers; and

3. Institutional development of the Ministry of Agriculture of the Autonomous Republic of Ajara.

During its implementation, the Project, in agreement with the EU Delegation to Georgia, adapted the strategy, proposed during the planning phase, to contextual changes and emerging needs. In particular one planned activity was not implemented (‘Developing post-harvest handling (consolidation) business models and delivery of consolidation and processing services to farmers’) since the contextual conditions revealed during the pre-feasibility study were not favorable and could not bring high opportunities to farmers within the given value chain opportunities (for detailed information see Chapter 2). In the same direction, the Project grasped the opportunity to target some needs emerging during the analytical phase and through the cooperation with local actors and key stakeholders. This leaded the Project to include new activities to the initial plan, such as: (i) the elaboration of an Exit Strategy from ASC support, (ii) the development of an Advocacy and replication of ASC model, (iii) the elaboration of Ajara AR Rural Development Strategy, (iv) the technical Assistance to Ajara AR (including municipalities and communities) in developing and running the Rural Development Policy implementation coordination mechanism, and (v) the support to national level Rural Development Policy Coordination mechanism.

The three main components included a variety of activities. The following paragraph lists the main ones and, where appropriate:

(a) **improving the capacity of the Agro-Service Centre (ASC) to provide professional high quality services fitting the needs of farmers in a sustainable and successful manner**.

(1) **Increasing and improving services to farmers**

(1.1) Training of the management and consultants of ASC

(1.2) Developing ASC’s Strategic Development Plan

(1.3) Developing ASC branches

(1.4) Delivery of extension services

(1.5) Training of local consultant in modern methods of artificial insemination

(1.6) Development of demonstration projects

(1.7) Developing post-harvest handling (consolidation) business models and delivery of consolidation and processing services to farmers (NOT IMPLEMENTED)

(1.8) Delivery of trainings in mechanization and plant protection

(1.9) Producing and broadcasting extension TV show

(1.10) Elaboration of an Exit Strategy from ASC support (NEW ACTIVITY)

(1.11) Development of an Advocacy of ASC model (NEW ACTIVITY)

(2) **Creating favorable environment and incentives for farmers’ cooperation development**

(2.1) Designing of business models and specific business development for supporting agriculture cooperatives

(2.2) Facilitation and promotion of agriculture cooperatives creation and provision of specific BDS services to the established ones

(2.3) Developing agriculture cooperatives’ capacities and technical assistance

(3) **Developing capacities for effective agriculture development policy formulation and implementation**

(3.1) Study on agriculture sector development factors, investment attractiveness and export potential

(3.2) Assessment of MoA staff capacity development needs

(3.3) Capacity development measures (training on the job)

(3.4) Capacity development measures for MoA staff implementation of common information system on agriculture sector

(3.5) Elaboration of Ajara AR Rural Development Strategy (NEW ACTIVITY)

(3.6) Technical Assistance to Ajara AR (including municipalities and communities) in developing and running the Rural Development Policy implementation coordination mechanism (NEW ACTIVITY)

(3.7) Support to national level Rural Development Policy Coordination mechanism (NEW ACTIVITY)

The Project staff consisted of three professionals: a. the Project Manager, b. The Agribusiness Advisor, and c. the Monitoring/Financial-Administrative Assistant. A certain number of consultants were hired for providing high level technical expertise in agriculture policy development, agriculture services, animal health and artificial insemination.

The Project was implemented under the Direct Execution modality (DEX) by the UNDP Country Office in Tbilisi, therefore UNDP took the full responsibility for the administration of financial and human resources according to UNDP regulations.

The Project was realized in close cooperation with the Government of Ajara Autonomous Republic, particularly the Ministry of Agriculture, Agro-service Centre, Ministry of Finance and Economy, and Batumi Business Incubator.

From the coordination point of view, the Project was steered by the Project Board (Steering Committee) that was composed by a member of EU Delegation to Georgia (Senior Supplier), UNDP (Executor), the Ministry of Agriculture and Agro-service centre (Senior Beneficiaries). The Project Board met on a biannual basis while the progress of the RRF targets achievement was made on quarterly basis.

In addition, UNDP and EU the Ajarian Ministry of Agriculture were members of the Project Board of the ENPARD Program in order to guarantee coherence amongst the various components of ENPARD program.

### 1.2 Contextual information

The agricultural sector in Ajara is characterized by a prolonged stagnation despite a dramatic increase in total regional added value of 130%. Nevertheless, agriculture is still the first employer in Ajara. In 2014 the estimated total population of Ajara AR amounted to 396,600 persons. In the Republic, the most important sector in terms of employment is the agricultural sector. In 2012 the agricultural employed about 75,700 persons, while the service sector employed 71,200 people, and the industry sector only 9,710 workers. Despite the great number of employee in the agriculture sector, the agricultural sector presents the lowest productivity in economic terms. On average, people working in the agricultural sector makes much less money than those working in other sectors (Industry or service). Additionally, The Economic Labor Productivity (ELP) in Ajara is lower than the national level.

In Ajara the most frequent land holding class size is just 0.2-0.49 hectares, while in Georgia is 0.5-0.99 ha. This means that agricultural land holdings are much smaller in Ajara than in the rest of Georgia. This implies that in Ajara land holding sizes are very similar and very small. The reasons for the low level of economic productivity must be searched in the fragmented land structure. The most frequent farm size is just 0.2-0.5 Ha. Moreover, farms are often fragmented in smaller plots. These conditions clearly make use of machinery very difficult because economies of scale cannot be exploited. Moreover, the great majority of farmers do not still have a formal title deed (property right) for their land.

Probably as a consequence of the land size characteristics, a number of farmers’ associations is emerging in Ajara. However, such cooperatives experienced a high mortality rate, this can be explained as a consequence of the small size of these groups. Indeed, the small size of these groups undermines the capacity of the farmers’ associations to achieve economies of scale in input supply and output marketing.

Despite these constraints, income received from agriculture is important in Ajara, not specifically for sales (sales in agriculture represent only 8% of household income), but as important source is non cash-income (mainly self-consumption of agricultural products). By combing sales and non cash-income, it can be said that income from agriculture represents 22% of the total household income (while in neighboring regions, such as in Guria is 40%).

The main source of family income in rural area is hired employment. Also pensions and social transfers are quite important. The greatest part of family income does not depend on agriculture sector. Agriculture seems to be more an activity rural households perform during their spare time rather than a professional economic activity. Indeed, the reason why agriculture is the biggest employer is due to the fact that the unemployment rate in Ajara is very high.

The combination of a stagnant agricultural production and rising domestic demand for food products has resulted in a large increase in food imports for the whole country (World Bank, 2009). However, there is an unsatisfied demand on Ajara domestic market for locally produced vegetables, such as tomatoes and cabbages.

In Ajara more than half of the agricultural land is used for pasture. The second most important use is the cultivation of permanent crops, of which citrus represents the most common crop. Among annual crops maize cultivation is responsible for 9% of the whole agricultural land use and potatoes for just 3%. In 2013 the number of cattle heads was 97,530, the number of sheep and goats was just 4,693 and the number of poultries was about 132,600.

The development of the agricultural sector is also constrained by limited and expensive financial opportunities. An analysis of the credit market demonstrates that only 4% of the total value of loans issued by commercial banks and microfinance institutions was directed towards the agricultural sector of Ajara AR in 2013. This is because, the agricultural credit market faces high risk. Compared to other economic activities agricultural production is more uncertain because of the unknown effects of weather and diseases.

Land reform is still incomplete in Ajara. The distribution of ownership land titles has progressed slowly. This is understandable because Ajara is characterized by a high number of owners and a fragmented land structure, thus provoking high transaction costs when formal property rights are changes or introduced. Formal land property titles facilitate access to credit because land can be used as collateral. In addition, well defined property rights promote a more dynamic rental market for land (which seems to be missing) and more land transactions, which facilitates the allocation of land towards more productive uses and more dynamic and entrepreneurial farmers.

## 1.3. Objectives and Scope of the Evaluation

The purpose of the evaluation was to review the project implementation since the beginning to its conclusion and to provide a comprehensive assessment and strategic recommendations to the project and project board on the implementation strategies. In line with the United Nations Evaluation Group (UNEG) Norms for Evaluation in the UN System, the evaluation contributed to general accountability, knowledge building, and organizational improvement by sharing the findings and lessons learned with all concerned stakeholders.

Accordingly, the main objectives of the evaluation included:

1. To develop a detailed plan of review of project performance as well as the context around the project with a forward looking perspective;
2. To assess the relevance, timeliness, effectiveness, sustainability and management arrangements of the project activities in light of the existing context;
3. To hold discussions with the main stakeholders: Government of Ajara, Ministry of Agriculture of Georgia, European Delegation, UNDP for consolidation of feedback on whether and how the Project met the expectations, achieved targets in sustainable manner;
4. To undertake the assessment of the Project vis-à-vis the targets set by the Project;
5. To provide operational and strategic advice to the Project team and UNDP on the Project implementation process.

The results of the analysis of the elements mentioned above constitute a significant source of information to support the formulation of possible strategies and actions in the future. The evaluation provides detailed and specific recommendations with the aim of fostering a culture of “lesson learning”.

## 1.4. Evaluation Methodology

In order to develop an appropriate evaluation methodology, the evaluation consultants started by examining the Evaluation Terms of Reference (ToR) ([Annex 1](#_1._Evaluation_ToR)). Given the nature of the required evaluation (final and purposive evaluation) the ET proposed to conduct a non-experimental evaluation[[1]](#footnote-1), by selecting a non-random sample of respondents.

The evaluation applied a combination of **qualitative and quantitative analysis**. For what it concerns the examination and the collection of primary data (interviews and focus groups), the evaluation mainly used qualitative analysis. Qualitative analysis method are, indeed, best suited for understanding processes and outputs—that is, the mechanisms by which a particular intervention instigates a series of events that ultimately result in the observed impact.

Differently, for secondary data (information gathered by UNDP PMU and main stakeholders involved), the evaluation used a descriptive quantitative analysis, and where possible and appropriate compared key measures after the intervention began with measures taken before the intervention began. The quantitative analysis conducted is appropriate for measuring the achievements at outputs level reached through Project implementation.

The evaluation process was divided into three main phases: i) desk review phase; ii) data collection phase; iii) synthesis phase (Figure 1).

During the **desk review phase**, the ET initially focused on analysing the evaluation questions proposed by UNDP and examined relevant supporting Project documentation ([Annex 4](#_4._List_of)), including the original project document developed in 2013, the *interim* narrative reports 1 and 2, the European Union Contribution Agreement with an International Organisation, the Addendum no 1 and the Addendum no 2 to the Agreement. The IEC then proceeded with the analysis of the intervention logic by examining the Resource and the Results Framework, the Project Workplan, and Risk Log.

Based on this analysis, the ET was able (a) to test the consistency of the intervention logic, identifying possible problems, and (b) to identify the main sectors of intervention and the overall project strategy.

Based on this initial analysis, the ET developed a set of evaluation questions and sub-questions (see the section on ‘Evaluation Questions’), appropriate indicators, means of verification and methodologies best suited to conduct the data analysis during the synthesis phase ([Annex 2](#_2._Evaluation_matrix) and [Annex 3](#_3._Evaluation_questionnaires)).

The **data collection phase** included around 13 interviews (6 individual interviews and 7 focus groups[[2]](#footnote-2)) were conducted and meetings were held with approximately 28 persons ([Annex 5](#_5._Agenda_of)). The sample of the persons to be interviewed has been selected in cooperation between the Evaluation Team and the ENPARD Project Manager. The sample has been selected by taking into account the evaluation purposes and objectives, and the representativeness of the selected actors, in terms of the role they played in the implementation of the project. Interview and focus group questions were constructed on the basis of the evaluation criteria mentioned above as well as on the respondents’ particular role and involvement in the Project. The questions comprised overall relevance of the Project activities in the national and local context, relevance and sustainability of the Project implementation, quality of the services provided by the Project, major achievements, and problems, strategic coordination, institutional coordination.

The objective of the data collection phase was to gather more information to fill gaps. Finally, the data collection phase allowed also the ET to collect additional documents related to the project implementation, sustainability and relevance.

Finally, during the **synthesis phase**, substantial data analysis was conducted, allowing for the formulation of responses to the evaluation questions and the development of recommendations and conclusions. The draft version of the evaluation report has been discussed with the UNDP project manager before its finalisation.

Figure 1 Evaluation Process

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Synthesis Phase  Data collection  phase  Desk Phase  **Evaluation phases** | | | | | |  |
|  |  | |  |  | |  |
| **Tasks** | Reconstruction of Intervention Logic  Determining Evaluation Questions | Document analysis  Determining preliminary findings  Determining information gaps  Preparing interviews and focus groups | Interviews and focus groups with beneficiaries, partners and main stakeholders | Drafting answers to evaluation questions  Overall judgement, conclusion and recommendations  Presentation to UNDP | Revision following comments of UNDP  Draft final report |  |
| **Deliverables** | Evaluation Framework | Evaluation questionnaires  Agenda of the interviews and focus groups | Interviews minutes | 1st draft Report | Final Report |  |

## 1.5. Evaluation Questions

The evaluation questions developed by the ET were consistent with the UNDP’s *Handbook on Planning, Monitoring and Evaluating for Development Results* as well as in the UNEG and The Organization for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) norms: relevance, effectiveness, efficiency and sustainability. The definitions of these criteria have been amended by the UNDP PMU, they are spelled out in the Evaluation Terms of Reference and included in the Evaluation framework as follows:

*Relevance* – the extent to which the project was suited to national and local development priorities and needs.

*Efficiency* – the extent to which the project was implemented in an efficient and timely manner.

*Effectiveness* – the extent to which the project achieved the planned outputs and contributed to achieve the established outcome.

*Cross cutting issues* - the extent to which the project adopted a process and approaches that take into account gender balance and environmental issues.

*Visibility* - the extent to which the project ensured visibility of funders and awareness among stakeholders and beneficiaries.

On the basis of the criteria and guidelines described above, the ET developed an evaluation framework ([Annex 2),](#_2._Evaluation_matrix) comprising 8 evaluation questions, divided into 16 sub-evaluation questions.

## 1.6. Sources of Information

The evaluation utilized a variety of sources and means of verification to ensure the cross-referencing of information, data reliability, and credibility of results, including:

* 29 Documents concerning the project and provided by UNDP PMU. In addition, the evaluation reviewed reference materials, including audio-visual and multimedia products ([Annex 4](#_4._List_of)).
* 8 Semi-structured interviews and 5 focus groups, with a wide variety of stakeholders and beneficiaries including UNDP PMU, the Minister of Agriculture of the Autonomous Republic of Ajara, officials of the Ministry of Agriculture (MoA), Agro-service Centre (ASC) , Batumi Business Incubator, farmers cooperatives, and individual farmers. The sampling method applied by the evaluation was established according to the evaluation scope and timing, and the nature of the project. Accordingly, the evaluation used a *purposive sampling method*, whereby the interviewees were selected not on a random basis, but intentionally selected from the population of the Project beneficiaries and stakeholders on the basis of their role and knowledge of the Project.
* 8 Direct observations through visits conducted to the 8 main sites affected by the project, such as the Kobuleti Agro-service branch, Batumi Business Incubator, Khelvachauri Information and Consultation Center, blueberry demo project in Kobuleti, ASC’s Citrus nursery, vegetable demo greenhouse in Kobuleti, poultry cooperative (chicken incubator system), vegetable greenhouse cooperative.

## 1.7. Limits of the Evaluation

The Evaluation did not face challenges related to the lack of data and/or financial resources, which were readily available for proper planning and carrying out the Evaluation.

The only notable challenge has been related to the format of indicators, targets, and baselines listed in the Results and Resources Framework. As noted in paragraph 2.1.2, not all the indicators and targets were quantifiable. Likewise, the Project did not carry out ex-ante surveys that would have allowed establishing proxy indicators for measuring the change in perceptions and attitudes, gains in income, harvest, etc.

In order to overcome this limit, the Evaluation Team relied on empirical observations and individual opinions, which allowed estimating the change towards the result.

Additionally, the methodology applied by the evaluation including the selection of the evaluation sample was conditioned by the timeframe of the evaluation. Indeed, given the coverage of the evaluation and its terminal nature, the time at disposal for covering all the aspects of a such extensive project was limited.

## 1.8. Evaluation Team

A team of two persons contributed to the evaluation: Ms. Serena Rossignoli (international consultant on evaluation) and Mr. Konstantine Kobakhidze (local expert on agriculture). Ms. Serena Rossignoli coordinated and supervised all the evaluation phases, while the local expert facilitated the data collection phase and the synthesis phase not only by providing technical and contextual expertise but also by **enabling access to information that would have otherwise been inaccessible to the ET given existing linguistic and cultural barriers.**  The international consultant on evaluation was identified from the *Vetted*

*Experts Roster (Regional Bureau for Europe and the Commonwealth of Independent States) Programme/Project Evaluation and Monitoring*. The local expert was identified directly by UNDP Country Office in Georgia.

Overall, the team utilized a multidisciplinary approach which benefited from the presence of qualified professionals with a background in evaluation and experience in the country.

**International Consultant on Evaluation - Serena Rossignoli** (13 years of experience) since 2015 has been an education policy expert at UNESCO, conducting a research on the privatisation of education in developing countries. She obtained a master degree in Anthropology and Development at the London School of Economics and she has been working in the field of development cooperation since 2003. She is PhD candidate in Social Sciences – Educational Evaluation at University of Genova. She conducted several ex-ante, final, mid-term and ex-post evaluations for different contractors and donors (Italian Ministry of Foreign Affairs, Regional and local Governments, Private Bank foundations, UNDP, World Bank) and across various areas (such as good governance, territorial planning, rural development, tourism management). She participated in various evaluation field missions in the following countries: Albania, Senegal, South Africa, Nicaragua, Brazil, Peru, Macedonia and Lebanon. She speaks English, Spanish, and French.

**National Support Consultant on Evaluation - Konstantine Kobakhidze** 16 years of combined experience in project management, marketing research, value chain analyses, capacity building and strategy development. His focus has been on agriculture policy, food trade and agribusiness extension/consulting activities. He obtained a Master degree in European Food and Agriculture Management at the Royal Agriculture University (UK). He has worked both in the public and private sectors. He served in management positions at the Ministry of Agriculture of Georgia from 2010 to 2012 (Deputy Minister of Agriculture of Georgia 2011-2012). He has intensive experience with the international and donor funded projects related to agriculture and rural development. He speak English, Russian and Georgian (native) languages.

# Chapter 2 Evaluation Findings

## 2.1 Relevance ‘Was the project relevant respect to national and local needs?’

**Main findings:**

The Project was **fully relevant for the national and local context** and **appropriately addressed local needs**. Indeed, the project identified **three principle challenges**. The first concerns the the **size of the land** that is too small for achieving economy of scales and high **productivity**. In order to answer to this problem, the Project proposed to increase the number of extension services to farmers, and improve and increase the varieties and productivity of crops. The second issue concerns the **limited opportunities for small farmers to achieve economies of scales in input or output supply**. In order to address this problem, the Project supported the development of agriculture cooperatives and farmers associations. The third issue addressed by the project was the necessity to **develop appropriate strategies to address agriculture challenges** and to **improve the policy-making process**. This was made mainly by proving the MoA with a capacity building program, realizing studies and analyses in strategic sectors for the development of agriculture in Ajara, and by providing the MoA with a technical instrument, namely the information system, in order to appropriately monitor the quality of services provided to famers and measure the obtained results of agricultural policies.

The **reconstruction of the project intervention logic through** has shown the Project to be coherent and that it benefited from the presence of relevant linkages between the three components. The Resource and Results Framework of the Project contained one intended outcome, one output, targets for years at output level, indicative activities and activity results for the three main components, indicators and baseline at output level. It is opinion of the Evaluation Team that more precise and detailed outputs would have helped in formulating adequate indicators and more specific targets, and to fully appreciate the complexity of the Project.

The Project adopted an **adaptive management** approach and it was able to answer responsively to emerging needs in an appropriate and efficient way. Indeed, the managerial approach of the Project was considered as very **instrumental** in the success of the initiative. The Project and its main partners benefited from a long term partnership and consolidated relations. New stakeholders were involved during Project implementation according to the emerging needs and the development of the initiative (remarkable was the partnership with the University of Shota Rustaveli of Batumi).

The **efficient management** of financial and human resources allowed the Project to achieve more than initially planned.

All project activities were carried out regularly with an extension of **two months** at no additional costs for the donor.

### 

### 2.1.1 To what extend the project was relevant respect to national and local needs?

In accordance with the Project Document, the Project aimed at achieving a set number of results under the ENPARD strategic objective, namely:

1. Increasing and improving services to small farmers;
2. Development of business-oriented small farmers’ groups, associations and other forms of profit-based collaborative actions between farmers;
3. Institutional development of the Ministry of Agriculture of the Autonomous Republic of Ajara.

The proposed strategy fully answered to the local needs and to contextual characteristics. Indeed, according to practitioners and international organizations, one of the main problem of the agricultural sector in Ajara is the size of the land that is too small for achieving economy of scales and high productivity (see Paragraph 1.2). In order to answer to these problems, the Project proposed to improve and increase the varieties and productivity of crops by: (i) testing crops that are more productive, resistant, and specific for the climatic and soil characteristic of the region and make them available to local farmers (i.e. demonstration plots walnut, blueberry, grape nursery, and greenhouses), (ii) testing new variety of crops that are already strategic for the agriculture productivity of the region, such as citrus and hazelnuts, and making them available to local farmers (i.e. citrus nursery) (iii) testing and making available modern technologies that can be applied in small lands and contribute to increase productivity (i.e. hydroponic production systems), (iv) increasing awareness among Ajara farmers on weakness and strengthens of relevant value chains, market opportunities, modern technologies (i.e. artificial insemination and hydroponic production system) through an extensive awareness and information campaign, (v) guarantying technical support also to farmers living in remote areas by strengthening Agro-service centre branches in all the Ajaran municipalities.

Additionally, the Project contributed in increasing the opportunity to small farmers to achieve economies of scales in input or output supply and better market positioning by supporting the development of farmers’ cooperatives. 77 cooperatives were selected as beneficiaries of a Grant Support Program. Thanks to the grant scheme, these cooperatives were able to access to modern technologies and machineries for improving the quality and the quantity of the production. Moreover, the Project supported these cooperatives by providing them with trainings and technical assistance so to increase their skills and capabilities to penetrate the market and facing all the legal and financial requirements set by the national law.

The Project, then, intervened on the lack of private input providers in the region and the lack of competition among these private providers. Indeed, the Project decided to partner with the Agro-service Centre (a public agency of the Ministry of Agriculture) to intensify the range of support services, including improved seeds, inorganic fertilizers, technical advice, market information, and output-market linkages. This strategy allowed the Project to immediately intervene on the individuated problems and provide support services to farmers without incurring in the risk of opportunistic behavior typical of a non competitive private sector. However, the Project was also able to foresee future development and emerging needs in the target areas, by planning the gradual privatization of some of the services activated (i.e. artificial insemination and soil test) when the market will be ready and enough mature to provide these services in an appropriate way and by benefiting of a proper competitive sector.

Finally, the Project supported the local Ministry of Agriculture in order to strengthen the policy making process of the region. This was made mainly by: (i) a ‘training on the job’ that supported the Ministry of Agriculture in drafting agriculture studied in strategic sectors, (ii) elaborating MoA Strategic Development plan and making it sure that it was completely aligned with the directions provided by the National Agriculture Sector Development Strategy, and (iii) elaborating a Rural Development Strategy for Ajara by increasing consultation process and bottom-up participation of local communities. Additionally, the Project provided the MoA with a technical instrument, namely the information system in order to appropriately monitor the quality of services provided to famers and measure the obtained results of agricultural policies. The system will allow the MoA to have quantitative and qualitative feedbacks on policy implementation with a ‘lesson learning’ approach in order to re-orientate strategies and future policies.

The Project was fully in line with the EU Program ENPARD objective to facilitate the implementation of the national sector strategy and strengthening small farmers’ organizations in Ajara Autonomic Republic.

The Project design fully fitted with national priorities, mainly with the Strategy for Agriculture Development in Georgia 2015-2020. The national development planning document establishes that the agricultural production is one of the backbone of economic development and poverty reduction over the upcoming decade.

Specifically, the national Strategy for Agriculture Development arises the need to improve the competitiveness of the rural entrepreneurs (Strategic Direction 3.1: Enhanced competitiveness of rural entrepreneurs), by proposing specific measures such as:

* Measure 3.1.1 - Improved farmer knowledge and information and the delivery of efficient agricultural extension service support; Measure 3.1.2 - Improved quality of vocational educational training (VET), university education and research within the food and agricultural sector; Measure 3.1.6- Supporting the development of cooperation in agriculture; Measure 3.1.7- Developing tools to increase awareness of agricultural investment opportunities;
* Strategic Direction 3.2: Institutional Development, covering the specific measures under this strategic direction like Measure 3.2.1- Improved MoA organizational structure and human resource management and training system; Measure 3.2.2- Supporting an efficient market information collection, processing and dissemination among the different stakeholders actively engaged in the agricultural sector; Measure 3.2.3- Creating farm registry; Measure 3.2.4- Strengthening coordination between the MoA, donor community and other stakeholders;
* Strategic Direction 3.4: Regional and sectorial development - value chain development, covering the specific measures under this strategic direction like Measure 3.4.1- Defining and supporting rural development and investment strategies for each region; Measure 3.4.2- Development, implementation and monitoring of sectorial agricultural programs; Measure 3.4.4 – Supporting the development of seed and planting material production; Measure 3.4.6. Development of Breeding System; Measure 3.4.7- Strengthening post-harvest services, facilities, and operations (handling, storage, grading/sizing, packing, processing, marketing);
* Strategic Direction 3.7: Climate Change, Environment and Biodiversity, covering the specific measures under this strategic direction like Measure 3.7.1- Maintaining good agricultural practices, biodiversity and environmental sustainability programs; Measure 3.7.3- Promoting climate smart agriculture (CSA) practice.

From a local perspective, the Project was in line with the Regional Development Strategy, approved in 2011, that stated the strong potentiality of the agriculture sector for the development of the region.

The Project has become more relevant since it was implemented in the time of global food crisis, resulting in more commodities being imported and inflation officially rising in the country where farming is still largely a subsistence economy.

The Project’s design was entirely relevant to the national policy environment and, as evident from observations reported by the different national and international consultants, its conception was timely and designed strategically, in terms of potentially sustainable outcomes and clear linkages with existing policies and initiatives, and tactical with respect to its grass-roots approach and execution.

All the interviewees agreed on the **high relevance** of the Project for the local and national needs.

### 2.1.2 Was the design of the project coherent and appropriate?

The quality of Project Design is **satisfactory**. This conclusion was based on the analysis of objective and pathways, Project feasibility for implementation within the timeframe, effective and efficient governance and implementation mechanisms.

From the internal logic point of view, the Project introduced a multi-level approach to agriculture development in Ajara by focusing on (a) the ministry level (developing the capacities of effective policy formulation of the MoA), (b) public implementing agencies level (development of the Agro-service centre capabilities to provide high quality services to fitting the needs of farmers), and (c) farmers level (development of business oriented small farmers groups). This allowed the Project to address multi-faced problems at national, regional and farmers level by adopting an integrated strategy to agriculture development. The integrated and multi-level approach contributed in strengthening the sustainability strategy of the Project that included appropriate institutional arrangements and financial instruments.

For what it concerns timeframe of the project, it was mostly appropriate for the local context and the Project intended outputs. However, some concerns have been risen about the timeframe for the realization of the information system on agriculture that was planned to be started at the first quarter of the second year and to be concluded by the second quarter of the third year. According to the initial work plan, it left only six months for testing the system, follow up and making adjustments if required. By taking into account the spread of the information system on agriculture and the importance for policy making activities and the management of key agricultural programs implemented by the MoA, it should have been recommendable to plan a well-timed timeframe by including the time necessary for testing the system and follow up.

The Resource and Results Framework of the Project contained one intended outcome, one output, targets for years at output level, indicative activities and activity results for the three main components, indicators and baseline at output level. Even if there were clear logical connections amongst the activities level and the output level, the formulation of one only general output did not allow to fully appreciate the complexity of the Project. It is opinion of the Evaluation Team that more precise and detailed outputs would have helped in formulating adequate indicators and more specific targets.

Another limitation in the project design is the lack of an ex-ante survey that would have allowed establishing proxy indicators for measuring the change in perceptions and attitudes, gains in income, harvest, etc. On the contrary, mid-term and final surveys were carried out by (a) the Agro-service Centre to measure the level of farmers’ satisfaction about the delivered extension services and (b) by the Batumi Business Incubator to verify the financial sustainability of the supported cooperatives through the Grant Support Program.

It is worth highlighting that the Resource and Results Frameworks was developed and improved during project implementation. This allowed to appreciate some improvements, but given the implementation stage of the Project it was not possible to make significant changes.

The Project risks and assumptions as well as risk mitigation measures were well articulated in the Project Document. The majority of the risks individuated were at operational level and were related to the final beneficiaries’ level. Although all risks were rated as medium or low (3/4), the Project addressed most of them though its target activities.

## 2.2 Timeliness and efficiency ‘Was the project implementation efficient and timeliness?’

### 2.2.1 Did the project adopt an adaptive management approach?

The Project document contained a well-defined monitoring and reporting plan with relevant budget allocated and detailed description of monitoring phases and instruments. Its adaptive management strategy included: (a) initial work plan for setting targets and to develop the strategy for ensuring the achievement of project objectives, (b) the officially reviewed work plan on the 23th of May 2016, (c) quarterly Progress Reports produced by the Project Manager, (d) the Terminal Project Report, (e) Independent External Audits carried on 2013, 2014 and 2015, (f) Project Board meetings that took place on quarterly basis or every six months, (g) the Resource and Results Framework officially reviewed and approved on the 29th of December 2014.

The review of a sample of Project Board minutes, Progress Reports and the Terminal Project Report indicates that the Project has been implemented consistently and satisfactory, in line with the work plan, and adapting responsively to comments and remarks and emerging needs in an appropriate and effective way. Many useful recommendations were made as a result of Project Board Meetings. This helped the Project to (i) tailor the activities to the diversified needs of final beneficiaries, (ii) increase the connection between the regional and the national level, (iii) stimulate the development of communication strategy by targeting also national public, (iv) rationalize the Project strategy, review the indicators and update them according to Project development, (v) disaggregate date by gender in order to appreciate the gender balance approach adopted by the project.

### 2.2.2 Did the project carry out quality and timeless monitoring activities?

As stated in the previous paragraph, the Project adopted a well defined monitoring strategy. The responsibilities for monitoring activities were clearly defined amongst UNDP staff and the frequency and accuracy of monitoring activities were adequate. In general, the monitoring plan defined in the Project Document has been implemented rigorously, including Quarterly Progress Reports, Terminal Report, and external audit reports.

Project stakeholders also contributed to monitor activities and the achievement of Project results. In particular, ASC conducted a survey amongst individual farmers in order to assess the level of satisfaction of final users on the extensive services provided. Similarly, Batumi Business Incubator conducted a detailed analysis on the financial sustainability of the supported cooperatives. These monitoring and evaluation instruments complemented and integrated the monitoring plan realized by UNDP Project staff. They also demonstrated the capacity of the Project as a whole to work collaboratively for reaching common goals and the level of engagement and ownership of all Project stakeholders.

However, the main challenge for the effectiveness of the adopted monitoring strategy was the weakness of the Resource and Results Framework that limited the success of the monitoring plan as stated in this Chapter, paragraph 2.1.2. not all the proposed baselines and targets were quantifiable, and no proxy surveys were conducted at the beginning of the project in order to fill these gaps. Additionally, some of the cross cutting issues, such as environment and gender balance, were not object of any measurable targets (see Paragraph 2.5). Indeed, despite the efforts of the project to monitor these cross cutting elements, the lack of quantifiable targets made it difficult to assess the success of the initiative on such aspects.

It is worth highlighting that any independent mid-term evaluation was planned and, consequently realized, during the Project implementation.

### 2.2.3 Did the project backstop partners and the main stakeholders involved?

The Ministry of Agriculture of Ajara and Agro-service Centre (ASC) are main partners of the Project and are members of the Project Board. In addition, the Project was implemented in close cooperation with other relevant actors, among them: the Ministry of Finance and Economy of Ajara (jointed the Project in 2014 as the main beneficiary of the value chain studies and Investment Promotion Study in Agriculture), Vocational College ‘Black Sea’, Batumi Business Incubator (BBI), and 8 NGOs (Association of Business Organizations of Georgia (ABCO Georgia), Black Sea Eco Academy (BSEA), Association Rural Development for Future Georgia (RDFG), Association of Environment Protection and Sustainable Development “Mta-Bari” (Ajarian NGO), Farmers Association “Subtropics” (Ajarian NGO), Biological Farming Association “ELKANA”, Care International in the Caucasus, PMC Research Centre (PMCRC), Youth Scientist Union ‘Intellect’).

Formally, UNDP relationships with mentioned organizations were regulated according to UNDP rules and procedures and were framed with Standard Letter of Agreement between UNDP and mentioned organizations.

One of the key element that guaranteed the success of the management approach adopted by the Project was the participatory and consultative nature of the Project and transparency of decision-making. Indeed, an important contributing factor to the success of the Project was the *synergy* between UNDP and Project stakeholders. UNDP has been working in the Ajara Autonomous Republic since 2008, and in particular it supported the Agro-service centre in 2011 for developing a scheme of extension services to small farmers, and since 2009 has been cooperating with the Batumi Business Incubator. Previous cooperation amongst Project stakeholders has allowed flexible approach to the Project implementation and the capacity to work in consultation with stakeholders, to take into account the interests and characteristics of the local populations, and to adapt the intervention to the local settings. As a result of this long term cooperation, the Project succeeded in having an effective management of the activities with any reported conflicts amongst Project Stakeholders.

In addition, the long term partnership among the main Project Actors and the successful management of UNDP PMU allowed the Project to guarantee effective coordination and integration of the three main components of the Project. Indeed, while ASC supported farmers by delivering extension services and recourses, BBI backed same group of farmers by providing agribusiness development services and VET provided vocational education.

Thanks to the appropriate management of the Project and the coordination capabilities of the UNDP PMU, the Project was able to establish new relations with other complementary initiatives, such as the animal husbandry and honey production activity coordinated by Mercy Corps, the REAP project supported by USAID, several initiatives carried on by FAO. The Project actively participated in the ENPARD Consortia members by sharing experiences, and lessons learned through *ad hoc* study tours realised in other regions targeted by ENPARD Programme (i.e. Armenia).

All partners considered the support and advice provided by UNDP as very instrumental in the success of the Project.

### 2.2.3 Did the project manage inputs in an effective and efficient way?

The Project document established the roles and responsibilities of UNDP implementing agency, including responsibility for overall Project supervision to ensure consistency with the UNDP financial regulations and transmission of all financial and progress reports to the EU Delegation to Georgia.

The analysis of secondary data indicates that the Project financial, human and time resources have been sufficient for the planned results. Additionally, the management of available funds has been efficient and the Project has achieved more than initially planned. Savings were possible thanks to the reduction of 11% of the budget dedicated to the Activity 1 ‘Increasing and improving services to small farmers’, since the study ‘Comprehensive Model of Consolidation Services in Ajara’ revealed that there were no preconditions for developing a postharvest consolidation services to local farmers due to the underdevelopment of the processing sector in the region. Secondly, an efficient use of the Project Management and Monitoring costs (Activity 4) allowed savings for 11%. Thanks to the mentioned savings and the efficient and adaptive management of the Project, it was possible to expand the Project strategy by including the realisation of new activities, such as: (a) increase the number of beneficiaries amongst the farmers cooperatives from 3-5 farmers groups (as initially planned in the Project Document signed on the 7th of May 2013) to 77 farmers cooperatives that beneficiated of the Grant Support Program (Activity 2), (b) develop and exit strategy from ASC support and an Advocacy model for ASC (Activity 1), and (c) develop the Ajara Rural Development Strategy, including the support to National level Rural Development Policy Coordination mechanism (Activity 3), (d) to pilot municipality and community level consultations, mobilization under LEADER/LAG approach initiatives (Activity 3), and (e) to cover 2 additional months of Project extension without incurring in any additional management costs for donors (Activity 4).

Between 2013 and 2016, the Project provided Micro-Capital Grant Agreements to 8 NGOs, following UNDP rules and the procedures. This allowed the selected NGOs to mobilize cooperatives and to provide capital costs within the Cooperative Grant Support Program framework.

Three financial audits were carried out during the Project life cycle (2013, 2014, and 2015) and, a part one minor error found in 2014 and related to the missing registration of an expenditure in the State of Expenditure (that was resolved in 2015), they certified the correctness and transparency of the financial management of the Project.

The use of human resources has been efficient as well. The cost of a three-person Project Management Unit over 3 years represented the 6.60% of the total Project cost and the 7% of the net Project cost[[3]](#footnote-3). Overall, resources allocated for management purposes represented the 13.60% of the total Project cost and the 14.50% of the net Project cost. These included costs of PMU, office maintenance, computer and office, travel, evaluation, visibility and communication.

For what it concerns the management of available timeframe, Table 1 represents the comparative analysis between the initial Work Plan approved on May 2013 and the final Work Plan presented in the Final Terminal Report. Table 1 allows to identify any deviations or changes from the initial programming. The original Project Work Plan is indicated by the symbol ‘X’, while the final timing of the activities is highlighted in ‘blue’.

The analysis of the timing of the activities highlights that implementation of the Project required an extension of two months in order to respond to the emerging needs related to application of the national rural development policy. The extension was officially approved on May 2016. Accordingly to the comparative analysis, the majority of adjustments were within a period of a quarter. This demonstrates the accurateness of the initial Work Plan and the effectiveness of time management.

Table 1 Management of Project Timeframe

|  | **Output/Activity  Budget Item Description** | **Year 1** | | | | **Year 2** | | | | **Year 3** | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **I** | **II** | **III** | **IV** | **I** | **II** | **III** | **IV** | **I** | **II** | **III** | **IV** | **Ext**  **May-June** |
|  | **Calendar years** |  | **2013** | | **2014** | | | | **2015** | | | | **2016** | |
|  | **Calendar quarters** | **II** | **III** | **IV** | **I** | **II** | **III** | **IV** | **I** | **II** | **III** | **IV** | **I** | **II** |
|  | **Activity 1. Increasing and improving services to farmers** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1.1 | Training of the management and consultants of ASC | X | X |  |  |  | X | X |  |  | X | X |  |  |
| 1.2 | Developing ASCs Strategic Development Plan | X | X |  |  |  |  |  |  |  |  |  |  |  |
| 1.3 | Developing ASC branches |  |  | X | X |  |  |  |  |  |  |  |  |  |
| 1.4 | Delivery of extension Services | X | X | X | X | X | X | X | X | X | X | X | X |  |
| 1.5 | Training of local consultant in modern methods of artificial insemination |  | X | X |  | X |  |  |  | X |  |  |  |  |
| 1.6 | Designing of template demonstration projects in selected fields and regular revision (gardening, vegetables, animal husbandry and others) | X | X |  |  | X |  |  |  | X |  |  |  |  |
| 1.7 | Development of demonstration projects |  |  | X | X | X | X | X | X | X | X | X | X |  |
| 1.8 | Developing feasibility studies and business plans for models of consolidation services and their update |  | X | X | X | X | X | X | X |  |  |  |  |  |
| 1.9 | Delivery of harvest consolidation services linked to value chain or small scale farmers (and cooperatives) |  |  |  |  |  |  | X | X | X | X | X | X | X |
| 1.10 | Planning and delivery of vocational courses in mechanization and other farmers services related topics |  |  | X | X | X | X | X | X | X | X | X | X |  |
| 1.11 | Designing and developing the TV extension shows | X | X | X | X | X | X | X | X | X | X | X | X | X |
| 1.12 | Elaboration of Exit Strategy from ASC support |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1.13 | Advocacy of ASC practice and model |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Activity 2. Development of business oriented small farmers groups and associations** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2.1 | Developing and adjusting the business models of business oriented small farmers groups to Ajarian socio-economic environment | X | X |  |  | X |  |  |  | X |  |  |  |  |
| 2.2 | Design of BDS services to agriculture business oriented small farmers group formations (access to finance, planning, internal saving schemes) | X | X |  |  |  |  |  |  |  |  |  |  |  |
| 2.3 | Delivery of BDS services to business oriented small farmers groups (company in cooperation with ASC and Batumi Business Incubator) |  |  | X | X | X | X | X | X | X | X | X | X |  |
| 2.4 | Developing capacities and infrastructure for farmers groups and business oriented small farmers groups (demonstration projects) the same as 2.5 |  |  | X | X | X | X | X |  |  | X | X | X |  |
| 2.5 | Delivery of capital costs supporting grants to farmers organizations |  | X | X | X | X | X | X | X | X | X | X | X |  |
|  | **Activity 3. Institutional development of the Ministry of Agriculture of Ajara AR** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3.1 | Agriculture Development Studies (baseline, investment promotion, export competitiveness, discussions, publication) | X | X | X | X | X | X |  |  |  |  |  |  |  |
| 3.2 | Capacity development needs assessment of the Ministry's staff, developing MoA strategy, Rural Development Strategy and value chain analysis |  | X |  |  |  |  |  |  | X |  |  |  |  |
| 3.3 | Capacity development measures (on job trainings) |  |  | X | X | X | X | X | X | X | X | X | X |  |
| 3.4 | Planning of common information system development for agriculture |  |  |  |  | X | X |  |  |  |  |  |  |  |
| 3.5 | Developing information system on agriculture |  |  |  |  |  |  | X | X | X | X |  |  |  |
| 3.6 | Developing Ajara Rural Development Strategy |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3.6.1 | Background Analysis (data gathering) and consultations with public and non-public stakeholders |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3.6.2 | Ajara Rural Development Policy Workshop |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3.6.3 | Elaboration and approval of the strategy |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3.6.4 | Strategy Action Plan elaboration |  |  |  |  |  |  |  |  |  |  |  |  |  |

## 2.3 Effectiveness ‘Did the project achieve set outputs?’ and ‘Did the project contribute to achieve the established outcome?’

**Main Findings:**

The Project succeeded in increasing the capacity of the Agro-service Centre (ASC) - recently established by the Government of Ajara as a budgetary-funded organisation - to support the development of rural farmers. The ASC developed and approved its own Strategic Development Plan, establishing main targets and strategies of the organisation. Accordingly, a significant number of extension services were put in place to support the farmers and succeed in reaching **16,597** farmers. Some of the extension services activated by ASC already demonstrated concrete results, for example: i. by June 2016 the **artificial insemination** service reached **5,000** farmers and **65-70%** of the cases were **successful**, ii. only in 2015, more than **1200** farmers from the different villages visited the demonstration plots and got familiarity with the modern production systems and new varieties, iii. up to **25,000** new varieties of citrus, grapes and berries sold by ASC to local farmers in 2015-2016. The development of 5 ASC’s branches allowed the Project to reach farmers in very remote and depressed areas.

The Project supported the creation of **77 agriculture cooperatives** through a specific Grant Support Program and contributed to their sustainability by providing business development services (an *ad hoc* business model was developed) and by training the members on technical and managerial issues through the Batumi Business Incubator. In addition, the Project realised training courses tailored for new emerging cooperatives (555 farmers trained), activated consultations in agribusiness and technical assistance (660 farmers received consultation services). These are a very promising number by taking in account that, in 2016, 140 agriculture cooperatives are registered in Ajara (source Agriculture Cooperatives Development Agency).

Another important achievement of the Project was the improvement of the policy-making capacities of the MoA. According to the results of **needs assessment**, the Project organized a well structured **capacity building** program for the MoA staff. It included, traditional training courses, and studies on strategic challenges of the agricultural sector in Ajara (export, investment, structural analysis). The positive results made by the Project were possible also thanks to the involvement of MoA staff in all the phases of the capacity building program. As a result of the capacity building program, the MoA elaborated and approved the new ‘**Development strategic Plan’**, that addresses the main agriculture policy strategies to be implemented for the development of the sector in Ajara. Additionally, the Project supported the development of the ‘**Rural Development Strategy for Ajara**’. In order to test the bottom-up mechanisms promoted by the ‘Rural Development Strategy’, the Project supported the testing of a Local Action Group (LAG) type mobilisation format in the municipality of Khulo. 573 households participated in the election of 5 representatives, who later developed and implemented a community development action plan. Last but not least, the Project supported the development of the information system. The **information system** aims at collecting and consolidating all the information (including statistics) related to farming and agribusiness by contributing to the policy making process and by providing information to the MoA on the main characteristics of the agriculture sector in Ajara. The system is currently tested on the artificial insemination service, and 2-3 person from each branch of ASC are in charge for uploading data. It is worth to remark it was decided to implement the system also at the **national level**. The ET considers the adoption of the Information System at national level as one of the main impact of the Project.

### 2.3.1 Did the Project facilitate the implementation of the national sector strategy?

According to the strategy proposed in the Project Document, the Project facilitated the implementation of the national sector strategy by increasing the capacity of local actors to support the development of rural farmers. In this direction, the Project decided to focus its support on strengthening the capacity and the skills of the Agro-service Centre (ASC), that was recently established by the Government of Ajara as a budgetary-funded organisation with the core function to provide extension services to farmers.

The output targets set by the Project are related mainly to two main aspects: a. the application of the promoted services by at least the 50% of the targeted farmers and, b. the increasing of the profit of the targeted farmers. However, since in the Resource and Results Framework, targets were not clearly quantified (i.e. number of farmers targeted by the Project and % of profit increasing as a consequence of the Project), the ET decided to take as a reference for the evaluation of the Activity n. 1 the targets indicated in the Agro-service Centre Strategic Plan 2014-2018. It is worth highlighting that the main difference between the targets proposed by the Project and those selected by the ASC is not only related to the quantification. Indeed, the target proposed by the Project was related to the application of the extension services, while the target proposed by the ASC is related to the provision of the extension services. However, since the data collected by the monitoring system did not allow to measure the application of the extension services by farmers, but mainly provided information on the provision of the extension services by ASC to local farmers, the ET has taken into account the measurement of the provision of those services and where possible has made some consideration on the application of the services.

The Project supported the Agro-service Centre to prepare and, later on, to update the Strategic Development Plan. The update of the Plan was needed because of the changes in the structure of the Center and introduction of new extension directions. Among others, the main output of the plan was to provide extension services at least to 10% of the Ajara farming community (represented by 64,000 households) and to increase their income as the result of the extension minimum by 3%. As a result of the implementation of the plan, the Agro-service Centre provided extension and consultation support to more than 16,597 farmers during 2013-2016 (up to 26%). Result has been 16% more than planned by ASC (10,000 farmers above the planned target).

The first step that was successfully implemented by the Project is related to the development of ASC’s Strategic Development Plan that is very important basement for the future sustainability of the organization.

‘Agro-service Centre Strategic Development Plan 2014 -2018’ was initially prepared in January 2014. Even if the Plan is mainly a strategy for the organization rather than the whole agricultural sector, careful consideration is given to the wider national and regional objectives, how each activity of the ASC can contribute in achieving these objectives and the role that ASC can play in developing the agricultural sector.

ASC’s strategic development plan was then updated in January 2015. The main reasons to upgrade the plan were: (i) the gradual rise in revenue generation from chargeable services, particularly artificial insemination, and (ii) the transfer of the advisory function and staff from ASC to the Ministry of Agriculture.

According to the strategic document three main goods have been identified as those that the ASC would offer to the farmers, namely: private, public and club-goods. Strategy was well-defined in the way that the private good (artificial insemination and soli test) should be later on ‘privatized’ and offered by the private sector, while ASC should continue offering to the farmers public and club goods. Accordingly, it was decided that ASC would price the private good by taking into account the effects that this could have on the private market and in order to not interfere on market prices. Indeed, during the meeting between the ET and the ASC management team, they mentioned that the artificial insemination would be soon transferred to the private sector. A similar strategy would be likely to be applied to the soil test and it is on the discussion with the MoA. However, preliminary considerations seem to make complicated to transfer the soil test to the private sector, this is because the soil test equipment is difficult to be leased without special conditions (number of tests annually and other conditional issues). Private actors that would like to ‘rent’ this equipment could not guarantee the volume of soil tests in advance.

For what it concerns the artificial insemination service, it has achieved remarkable results. By June 2016 more than 5,000 farmer households got extension services and 65-70% of these cases were successful (productive).

Concerning the public and club-goods, ASC delivers them in proper manner and the spread of the extensive services are very significant.

First of all, the Project supported the Agro-service Centre to develop comprehensive training/extension programs that include field days, media campaigns and publications to support small and mediums scale farmers and farm groups. More than **9000** farmers have participated in these programs since 2013.

Since 2013, the Project implemented several **demonstration plots and nurseries** in 5 municipalities of Ajara. Project introduced new crops like walnuts, blueberries, table grapes and strawberries. The crops themselves have been grown in Ajara, however, results demonstrated that the selected varieties are modern and give better harvest and quality than existing ones. A list of extension services provided is presented in Table n. 2 ‘Extension Services Provided by SCS 2013-2016’.

Table 2. Extension Services provided by ASC 2013-2016

|  |  |
| --- | --- |
| Year | Extension Services |
| 2013 | 8,500m2 walnut demo projects implemented in Keda, Shuakhevi and Khulo |
| 7,500m2 blueberry demo projects implemented in Keda, Shuakhevi and Khulo |
| 10,000 vine seedlings grafted and disseminated by the ASC nursery |
| 6 farms were equipped with automatic dairy milking |
| 14 farms with milk separation technology |
| 46 farmers (organized in 10-12 member groups) benefited from local Agriculture tours |
| 2014 | 500m2 vegetable demo greenhouse in Kobuleti |
| 60,000 grape rootstocks grafted and prepared for table grape production |
| 6 egg hatching / chicken incubation systems |
| 6 feed chopping machines in various municipalities |
| 2 hydroponic fodder production systems purchased for demonstration purposes with intention of further transfer to cooperatives |
| 2015-2016 | 1260 individual farmers visited demo project venues all over Adjara |
| 120 farmers (organized in 10-12 member groups) benefited from local Agriculture tours |
| blueberry demo project implemented in Badzauri Village, Khulo municipality |

Important and valuable results have been achieved through demonstration plots. They were able to reach a significant portion of local farmers. Only in 2015, more than **1200** farmers from the different villages visited the demonstration plots and got familiarity with the modern production systems and new varieties. According to the interviewees, the new varieties of crops promoted by the Project and ASC have been already adopted by local farmers. Unfortunately, no quantitative and official data are available to support these results. The only data available is the number of new varieties of citrus, grapes and berries sold by ASC to local farmers in 2015-2016. The number of sold varieties was up to **25,000**. However, it was not possible to track the number of farmers who bought these varieties.

In order to improve the technical quality of the extension services provided by ASC, the Project introduced also the cooperation with professors and researchers from the University of Shota Rustaveli based in Batumi. The cooperation between the Project, the University and the ASC has allowed to achieved remarkable positive effects, some of them unplanned. The relation between the academic world and public bodies was uncommon for the Georgian context by loosing development opportunities for both actors. Indeed, for the first time, since the end of the socialist era, in 2013 a Memorandum of Understanding (MoU) was signed between the ASC and the University. The MoU allowed the ASC to have technical and qualified professionals to support training activities and the development of new crops, while the University had the opportunity to use the ASC extension services for conducting research activities (12 scientific articles have been produced in so far, and 25 presentations and posters presented at national conferences) and to train students (120 master dissertations were been developed thanks and on the ASC’s demonstration plots).

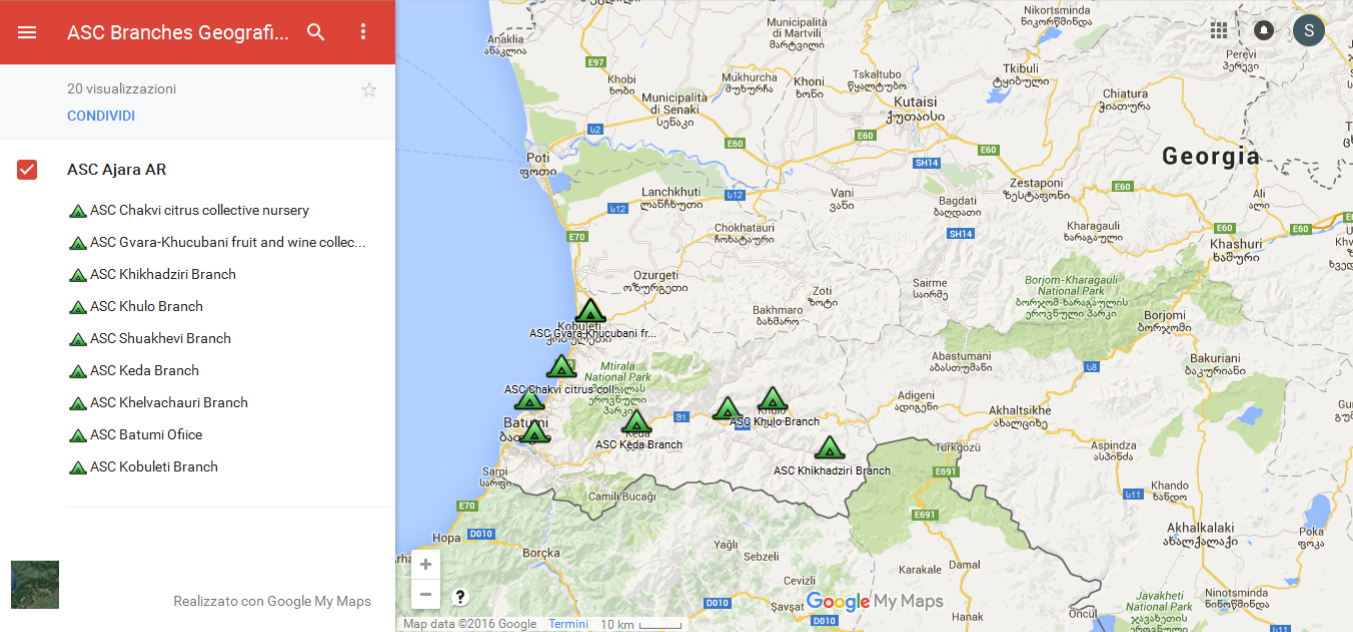
In order to increase the impact of the demonstration plots, the Project had very intensive media campaign for the promotion of new varieties and technologies among small and medium farmers. By April 2016, with support of the Project, 37 TV programs of “Agro Rchevebi” (agro advices) and 15 programs of “Agro Biznesi” (agro business) were developed and transmitted by Ajara TV. In parallel to the Project supported the development of 500 audio lessons that were recorded and aired every day on Ajara Radio. The listed TV programs were uploaded on the YouTube and Facebook and very popular among internet users (121,872 views on YouTube, 46,082 views on Facebook, and 410 shares on Facebook). However, it was not possible for the ET to reach disaggregated data by country and region. It was, then, difficult to circumscribe the spread of the media campaign in Ajara.

There was a scarcity of technical books and guidelines in modern production technologies not only in Ajara but also all over the country. Farmers did not have anything to read and use as a support of their agricultural activities. In this direction, the Project succeeded in developing and disseminating various textbooks and information materials to address the lack of teaching materials. ASC printed and distributed 110,000 of fliers and informational Booklets on 31 different agricultural topics (i.e. fish and rabbit breeding, honey production, fruit production and drying, poultry production), and a newsletter - "GUTNEULI"  (22,000 copies in 22 months). Thanks to the Project, the Agriculture Vocational Education’s publications were adjusted to the Ajarian context and updated for printing. This is very positive outcome of the cooperation among Project stakeholders and a positive effort in avoiding duplications and maximizing resources.

Last but not least, the Project supported the development of 5 ASC’s branches, by equipping them and training their professionals. This was one of the key achievements of the Project by considering the geographical coverage that was reached thanks to these branches. The ASC’s branches allows the organization to reach farmers in very remote and depressed area that are difficult to reach from private actors since the difficult connections and the small number of potential ‘clients’.

Hereby a map of the ASC’s branches demonstrates the geographical coverage of the organization within the region.

Figure 2 Map of the ASC’s Branches



### 2.3.2 Did the small farmers organizations were strengthened?

The strategy of the Project to strengthen small farmers’ organizations was to create a favorable environment and incentives for farmers’ cooperation through the development of business-oriented small farmers groups, associations and other forms of profit-based collaborative actions between farmers. In order to achieve this goal, the Project supported the creation of agriculture cooperatives through a specific Grant Support Program and contributed to their sustainability by providing business development services and by training the members on technical and managerial issues through the Batumi Business Incubator. The output targets set by the Project were: a. ‘Farmers’ groups are supported for the establishment of cooperatives through consultancy services in legal aspects as well as agribusiness operations’, and b. ‘New established and development farmers groups (11-13) are well managed in a successful and profitable manner’.

During Project implementation, and thanks to the cooperation with the Batumi Business Incubator (BBI), it was possible to provide business development services to promote business development among small farmers’ organizations, mainly cooperatives. The activated services included, trainings and consultations on agribusiness, cooperation and legal issues. Indeed, BBI organized various training courses in accounting, marketing, business planning and the fundamentals of agriculture cooperative. The training courses reached around 555 farmers. In details, around 500 individual farmers received consultations in agribusiness and technical assistance. 110 farmers groups was consulted in topics related to agriculture cooperatives and legal issues. Additionally, BBI also supported farmers’ groups to get the *status* of agriculture cooperatives. They assisted 50 farm groups in legal and other aspects related to the registration in the Agriculture Cooperatives Development Agency. This is a very promising number taking in account the fact that 140 agriculture cooperatives are currently (2016) registered in Ajara (source Agriculture Cooperatives Development Agency).

Additionally, in 2013 it was developed a business model for farmers’ cooperatives, ‘Farmers Business Union’. The business model covers main critical issues of farmers groups development in Ajara. A consideration should be done by taking into account that the Law on Agriculture Cooperatives has been approved by the Parliament of Georgia in July 2013 and the business model was developed before the approval of the national law. Indeed, some of the formal arrangements required by the current national law were not taken into account in the document. The national law defines more precise arrangements in the management and the structure of cooperatives rather than those mentioned in the business model. However, according to the ET, the business model can still be used by cooperatives with slight adjustments in order to align with the national Law on Agriculture Cooperatives. The model represents *per se* a real incentive for small scale and fragmented farm groups since it addresses concrete opportunities such as efficient marketing, sales, and input supply.

The developed business model examines honey value chain as a practical example of farmer group’s development. Honey is one of the important value chains in Ajara and it represents one of the few raw products produced by small and medium scale farmers. Value chain assessment realised by the project describes major challenges and recommends specific actions in order to integrate small scale farmers into profitable business ventures. It is opinion of the ET that this document should be updated using current structure of the agriculture cooperative (National Law) and disseminated among the actors as a guideline for profitable value chain development.

The Project supported 77 registered agriculture cooperatives through a co-financing grant scheme (the grant scheme required in the second and third calls for proposals a contribution of 30% from the applicants). The grant support scheme has seen the application of more than 130 farmers’ groups. The high number of applications was possible thanks to an extensive mobilisation campaign that involved all the key partners of the Project, the MoA, ASC, and the BBI and media campaign (national TV, radio, the website of the MoA and ASC, and also on the ENPARD Programme website). The results achieved were remarkable by considering the baseline of 140 registered cooperative in Ajara in 2016. This means that the Project was able to mobilise more than the 92% of the formal registered cooperatives in Ajara and to support the 55% of them. The cooperatives that benefited from the grant represented a wide range of sectors (around 12 different sectors, among others beekeeping, hazelnut production, blueberry production, trout farming, milk processing, poultry).

The grant proposals selection process was transparent and competitive. Transparency was guarantee by the presence of a selection committee composed by different actors, in details: two representatives of the Project, two representatives of the Ministry of Agriculture and two representatives of the local NGOs. Financial viability of the proposals have been checked and screened by the financial consultants of the Batumi Business Incubators. Grant selection committee used several selection criteria for selecting proposals. Among them, economies of scale, value added production, gender balance, new high value crops for Ajara, and modern production technologies in order to improve competitiveness of local producers.

The selected cooperatives were, then, assisted by the BBI since the very initial stage of the selection process. They were supported in developing sound business proposals and gain necessary skills for succeeding in managing members and penetrate the market. According to the BBI staff, these cooperatives still need assistance in accounting and taxation system. A the time of the Evaluation, BBI continued supporting the cooperatives despite the MoU with the Project was formally concluded.

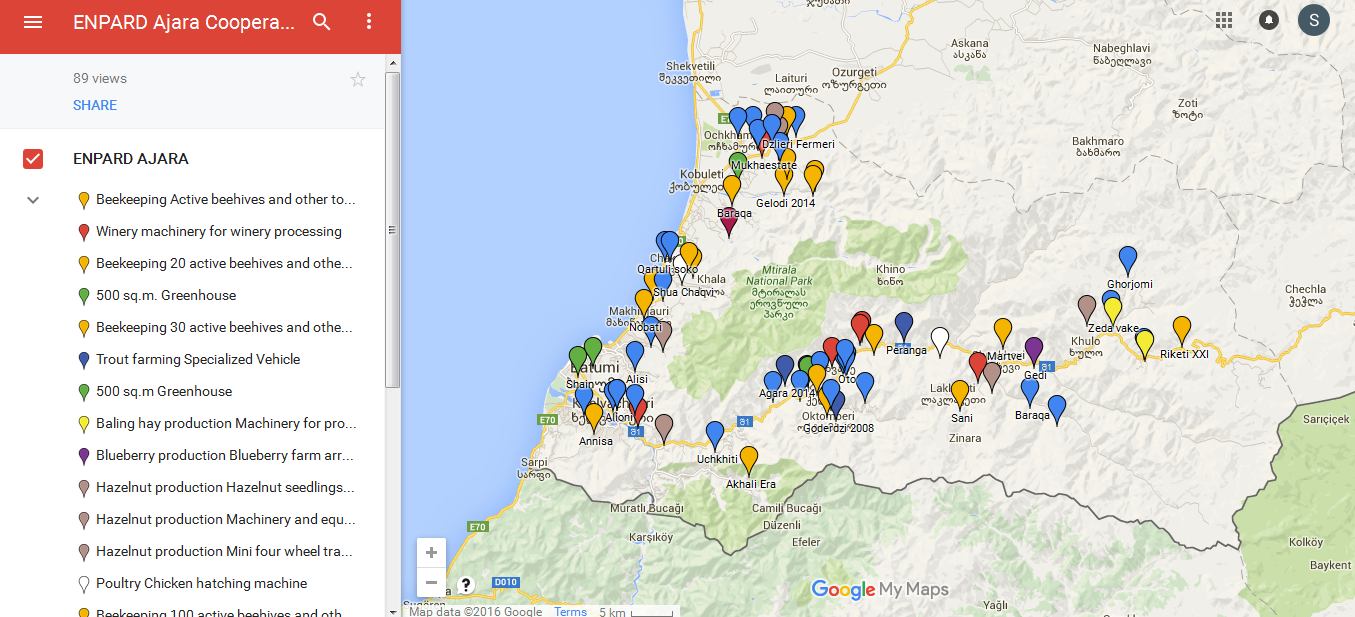
According to the ET, the contribution of BBI in the Project was remarkable and the decision to involve it as a partner in the Project was fully relevant and appropriate. The involvement of the BBI had as a positive side effect: BBI itself developed during the Project implementation the capacity and the skills to support farmers’ cooperatives. This contributes to increase the sustainability of the supported cooperatives that can continue benefiting from having a ‘trained’ organization such as BBI. It can also multiply the effects of the Project by extending the specific business development services to other potential farmers cooperatives in future.

Interviewed cooperatives demonstrated to be solid enough, from the financial and the managerial point of view. However, it is opinion of the ET that they need additional capacity building and training especially in management techniques and business administration. Ideally they should go through ‘on-job’ coaching programs, using the practical examples similar to that one developed by the Project for honey business model.

It is important to note that, in order to continue the support to cooperatives and small farmers in business administration, the Project developed an ‘Agro-business support portal’. The portal, available on the web ([www.biz-planner.com](http://www.biz-planner.com)), will support the cooperatives and small farmers in estimating product costs, processing costs, packaging, logistic and permanent costs, develop basic business plan for internal use or for fund raising purposes.

Figure 3 shows the geographical coverage of the Grant Support Program by indicating where the supported cooperatives were based. The Figure demonstrates how the Project succeeded in reaching most remote and disadvantaged areas in Ajara.

Figure 3 Map of the supported cooperatives through the Grant Support Program



### 2.3.3 Did the project developed capacities for an effective agriculture development policy formulation and implementation?

The third main component of the Project aimed at developing capacities for effective agriculture development policy formulation and implementation. To reach this goal the Project realised a very intensive capacity building program for the Ministry of Agriculture of Ajara (MoA) and equipped it with the necessary monitoring tools for measuring the success of public policies and actions. In detail, the Project:

- Developed studies on the agriculture sector in order to foster development, increase investment attractiveness and exports;

- Assessed the capacity needs of the MoA staff;

- Developed a common information system on agricultural sector.

One of the most important results of the project was to strengthen the capacity of the MoA in policy making. As the first step project produced comprehensive needs assessment study in order to identify the gaps in structure and capacity of the MoA and its sub-agencies. The results of the assessment were, then, used as a guideline for planning the capacity building program. Needs assessment report was well communicated with the main beneficiary (MoA) and adjusted according to their comments and feedbacks. The capacity building plan was perceived by the MoA not as a threat, as often happen with capacity development of state agencies, but rather as an opportunity. Needs assessment was followed by an intensive training program for the MoA staff members. Among the topics covered, it is worth to remind the following ones: a. Development of Policy Briefs, and b. Monitoring and Evaluation of policy programmes. As a result of the capacity building program, the MoA developed the ‘Monitoring and Evaluation Scheme for Ministry of Agriculture of Ajara’.

As the positive result should be mentioned that management representatives of the MoA and particularly Deputy Ministers and Heads of the Departments actively participated in the capacity building exercise and made their valuable inputs in all the activities implemented. As a consequence of the needs assessment produced by the Project, the MoA created new functional units, such as the Internal Audit Department and Extension Department.

In order to reinforce the policy making capabilities of the MoA, the Project supported the realization of key studies relevant for the development of the agriculture sector in the region. These are: a. ‘Ajara Agriculture Sector Competitiveness and Export Promotion Policy Study’, b. ‘Ajara Investment Profile and Investment Promotion Study’, d. ‘Structural Issues of Agriculture” including a number of qualitative analysis to support evidenced-based policy development. In particular, the Ajara Agriculture Sector Competitiveness and Export Promotion Policy study aimed at identifying best possible value chains and sectors that government should focus on for policy making in the upcoming years. Important remarks were related to the absence of non-farm economy and land registration. Indeed, according to the study, non-farm economy and land registration represents the bottle necks that should be addressed in order to allow the consolidation of farming business and the development of a competitive agriculture sector.

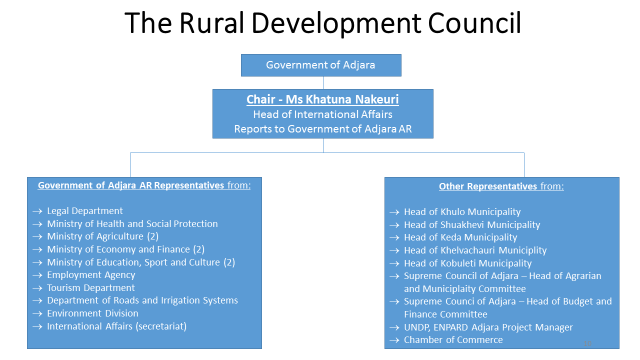
The ET evaluates positively that the mentioned studies had representatives of the Ministry of Agriculture and ASC on board as the members of the study team. They were involved starting from the development of the methodology ending with the elaboration of recommendations. Thanks to this methodology the elaboration of the studies resulted also as a training ‘on-the job’ for the government staff and increased their level of ownership.

On the basis of the mentioned studies, the MoA elaborated and approved the new ‘Development strategic Plan’, that addresses the main agriculture policy strategies to be implemented for the development of the sector in Ajara.

Another key achievement of the Project was the elaboration of the ‘Rural Development Strategy for Ajara’. The Strategy was formally approved and adopted by the Government of Ajara. The Strategy was developed according to a consultative process that involved all governmental and non-governmental stakeholders through the establishment of a region-level consultation and coordination mechanism, the ‘Ajara Rural Development Council’ (established by the Decree of the Chairman of Ajara AR). The council provides the coordination and advisory format to for elaborating the Rural Development Strategy  and comprises of public agencies and municipalities. The Ministry of Agriculture of Ajara as leading agency in rural development is obliged to provide organizational support to the Council. By May 2016, the Ajara Rural Development Strategy was approved by the Government of Ajara AR.

Figure 4 graphically represents the structure of the Rural Development Council and its functional mechanisms.

Figure 4: Structure of the Rural Development Council for Ajara AR



The Project has ensured further consultations for the elaboration of new institutional format for interinstitutional coordination in Ajara for the implementation, monitoring and evaluation of the Strategy.

The Project has elaborated the format for the Action Plan which provides with the opportunity of linking the Activities with needed resources and indicators for evaluation. The Action Plan elaboration has started in 2016. The Project has performed the desk review of the existing statistical analysis and independent surveys and reports on socio-economic development of Ajara AR in the prism of rural areas development. Four thematic working groups were established which comprise of the representatives of public agencies and municipalities. The thematic groups were supported by the “PMCG Research” – contractor organization providing technical assistance to the stakeholders in elaborating the strategy document. The municipality level stakeholder workshops were held in order to generate more evidence on the rural area development challenges from the community.

With the aim of acquiring high level expertise Project recruited international consultant for provision of advice and support to the Government of Ajara and UNDP in ensuring high quality and participatory approach in the process of elaborating the Strategy. At the same time the International Consultant highly contributed to the Strategy paper elaboration and compilation.

The Rural Development Strategy showed the need for testing and implementing some basic principles of Rural Development bottom-up mechanisms such as (i) the development of Local Action Groups (LAGs), and (ii) the development of local needs Assessment Documents. In order to verify how these mechanisms and activities should be applied, UNDP with the support of the local NGO ‘Intellect’ piloted the activation of a Local Action Group in one of the municipality of the region, Khulo municipality, and in particular in a remote village named Riketi.

The activation of the Local Action Group in Riketi was the first practical implementation of the Rural Development Strategy in Ajara. The Project piloted the LAG scheme by creation of Riketi LAG (in Khulo municipality) , having 573 families covered and 25 representatives selected in the 5 villages of the Riketi community. Each village selected 5 representatives with different background (one of the five is represented by the municipality representative in the village). The election of the LAG representatives has reached great participation among the selected communities, indeed almost all the members of the targeted communities participated in the election process. LAG members do not receive any salary as elected members of the community. The elected LAG has already elaborated a development Action Plan.

The Action Plan contained four main targets and six sub-targets, that include education, adult education, tourism, sport facilities, and agriculture development (including waste management). The activities individuated by the LAG were still in their implementation phase at the time of the evaluation. The ET had the opportunity to meet the Director of the NGO ‘Intellect’ but could not visit the areas targeted by the Project due to time constrains and the remote location of Riketi community. However, on the basis of the interview with the Director of the NGO ‘Intellect’, it was possible for the ET to appreciate the participatory process put in place and the level of engagement of the local community. Since the activity aimed at (i) piloting the creation of LAG, (ii) testing the capacity of a community to conduct its own needs assessment, and (iii) elaborating a LAG’s Action Plan, it can be concluded that the pilot reached positive results. However, some risks have to be taken into account in the sustainability and autonomy of LAGs. The ET considers as a key, for the success of such participatory mechanisms, the identification of clear incentives in order to motive members to actively participate even after the end of any external support. For incentives the ET does not consider only the provision of a salary for the elected members, but, broadly, the establishment of clear relations between the LAG and the Municipality, the role of LAG in the development of local policies, the allocation of a part of the municipal budget for the implementation of LAG activities (even through grant schemes), the consultative process that should connect the community and the municipality, and the coexistence (streamlining) with already existing consultative mechanisms.

Last but not least, the Project supported the development of the extension information system. The information system on the regional level aims at collecting and consolidating all the information (including statistics) related to farming and agribusiness. The system should contribute to the policy making process by providing information to the MoA on the main characteristics of the agriculture sector in Ajara and on the results of programs and policies implemented. The information system includes data on farmers and farm groups including number, provides the possibility to create a ‘Regional Registry’ of farmers and farmers groups, maps the acreage of the land parcels, their location, common agriculture practices, production of crops, number of cattle, breads, sets identification information and so on. The information system was developed together with the intensive involvement of MoA and ASC. The system has been successfully launched by the MoA, through ASC that is in charge for the consolidation and entry of the data in the system. At the time of the Evaluation, the system was trialed by the MoA and ASC only on cattle breeding sector. It is worth to remark that after the system was launched and presented to the national Ministry of Agriculture, it was decided to implement the system also at the national level. The centralized information system will also cover Ajara. The ET considers the adoption of the Information System at national level as one of the main impact of the Project. However, some concerns have to be risen on the effects that the centralization of the system could have. The centralization of the system should require more time than its implementation at regional level, and it could cause delays even in the proper implementation at regional level. In addition, it is no clear whether the information system could be satisfactory for the national needs, since it was specifically tailored for the regional context.

## 2.4 Sustainability ‘To what extent the outputs of the projects are likely to continue after the end of the project?’

**Main Findings:**

No critical elements have been founded for what it concerns the **institutional sustainability** of the Project. The institutional sustainability of the majority of Project results will be ensured by the ASC Strategic Development Plan, and the MoA Ajara Development Strategy and Rural Development Strategy for Ajara AR. All these documents were formally adopted by the Government of Ajara. According to the ET, these strategies represent themselves a clear exit strategy from the Project and its external support.

However, for what it concerns the pilot project in Khulo Municipality on LAG implementation, the ET considers that no sufficient mechanisms were in place for ensuring the institutional sustainability of LAG. This can be caused by the testing nature of this activity.

Two ‘profitable activities’ were examined by the Project in order to verify their **financial sustainability**: the cooperatives supported through the Grant Support Program and ASC. The development plan of the ASC demonstrated that ASC activities (particularly public and club-goods) have to be funded by the government in order to continue the provision of those services. The fact that MoA has already increased the budget of ASC to GEL 1.3 million allows positive considerations about the future sustainability of the organisation.

For what it concerns, the financial sustainability of cooperatives supported by the Project, BBI conducted a study in order to assess their capacity to continue their activities and to develop their business. According to this study, at least 80% of the total granted cooperatives is successfully developing their business, while the 20% of the total is very promising in significantly expanding their business in the upcoming years.

### 2.4.1 Did the project facilitate the institutionalisation of the capacity development efforts?

The Project implementation corresponded to a period of agrarian reforms in the country. This coincidence should mitigate main political and institutional risks. The fulfillment of the Project activities with national trends and policies constitutes an incentive for regional and local authorities to maintain and even further develop Project investments. The institutional sustainability of the majority of Project results will be ensured by the ASC Strategic Development Plan, and the MoA Ajara Development Strategy and Rural Development Strategy. All these documents were formally adopted by the Government of Ajara. These strategic documents were part of the Project implementation, but contemporarily they target the main activities realized during the Project (i.e. ASC extension services) and indicate the allocation of necessary financial resources for their future implementation. This is to say that, according to the ET, these strategies (except of Rural Development Strategy) represent themselves a clear exit strategy from the Project and its external support.

The Project assisted MoA and ASC in elaborating the ASC’s Strategic Development Plan, developing detailed technical service package for ASC and mapping agricultural services. In this direction, the Project contributed to the institutionalization of the capacity building programs and activities for the farmers and farm groups in the region.

As already mentioned in the paragraph 2.3.1, some of the extension services activated by the Project and currently delivered by ASC will be handed over to private sector (i.e. artificial insemination and soil test). In order to guarantee that these services will continue to serve small and disadvantaged farmers, the ET recommends to develop *ad hoc* policies and strategies that rule the appropriate use of those services and monitor their development.

Thanks to the Project, BBI has developed its own capacities and skills in supporting famers’ groups and cooperatives. These skills acquired through the Project will allow BBI to continue providing assistance to small farmers groups’ and cooperatives.

Finally, for what it concerns the pilot project in Khulo Municipality on LAG implementation, the ET considers that no sufficient mechanisms were in place for ensuring the institutional sustainability of LAG. Given the testing nature of this activity, elements such as the relation between LAG and the Municipality and to what extension the LAG is going to contribute to the development of municipal strategies were not defined due to the non-finished reform of the municipal development planning system. However, the following positive elements encourage the potential institutional sustainability of the LAG, in particular: (i) the great participation of local communities demonstrated the engagement of those communities and their willingness to become an active actor in their community, and (ii) the Project succeeded in advocacy for formal registering the LAG as non-governmental organization.

### 2.4.2 Did the project contribute to ensure the financial sustainability of the implemented activities?

Concerning the financial sustainability of the Project, the ET examined the two ‘profitable’ activities implemented by the Project, these are: the cooperatives supported by the Grant Support Program, and the ASC’s extension services.

The development plan of the ASC demonstrate that it has to be funded by the government in order to continue the provision of the public and club services. Accordingly, the MoA has increased the budget of ASC to GEL 1.3 million.

Table 3 shows the projected breakdown of revenue, costs and margin by activity, once all activities are running at full capacity of the ASC.

Table 3 Net Margin of ASC during the period 2014-2020 (Values in GEL)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| **Facilities:** | **-148,000** | **-75,000** | **-12,000** | **40,000** | **73,000** | **78,000** | **80,000** |
| A1: Orchards | -170,000 | -104,000 | -50,000 | -6,000 | 20,000 | 24,000 | 26,000 |
| A2: Greenhouses | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| A3: Fruit processing | -3,000 | 5,000 | 13,000 | 21,000 | 29,000 | 29,000 | 29,000 |
| **Field services:** | **-229,000** | **-253,000** | **-99,000** | **-60,000** | **-21,000** | **-21,000** | **-21,000** |
| A4: Soil testing | -64,000 | -79,000 | -56,000 | -44,000 | -31,000 | -31,000 | -31,000 |
| A5: Artificial insemination | -166,000 | -174,000 | -43,000 | -16,000 | 11,000 | 11,000 | 11,000 |
| **Extension:** | **-857,000** | **-869,000** | **-875,000** | **-884,000** | **-885,000** | **-885,000** | **-885,000** |
| A6: Extension | -857,000 | -869,000 | -875,000 | -884,000 | -885,000 | -885,000 | -885,000 |
| **Common services** | **-221,000** | **-221,000** | **-221,000** | **-221,000** | **-221,000** | **-221,000** | **-221,000** |
| **TOTAL NET MARGIN** | **-1,457,000** | **-1,418,000** | **-1,207,000** | **-1,125,000** | **-1,053,000** | **-1,049,000** | **-1,047,000** |
| **From UNDP:** | **315,000** | **315,000** | **315,000** | **315,000** | **315,000** | **0** | **0** |
| Consultants fees & research | 137,000 | 137,000 | 137,000 | 137,000 | 137,000 | 0 | 0 |
| Publications & broadcasts | 178,000 | 178,000 | 178,000 | 178,000 | 178,000 | 0 | 0 |
| **From MoA:** | **1,142,000** | **1,103,000** | **892,000** | **810,000** | **739,000** | **1,049,000** | **1,047,000** |
| MoA staff & activities | 0 | 691,000 | 697,000 | 705,000 | 707,000 | 885,000 | 885,000 |
| ASC budget line | 1,142,000 | 413,000 | 196,000 | 105,000 | 32,000 | 164,000 | 162,000 |
| + Subsidies | 0 | 0 | 170,000 | 215,000 | 260,000 | 260,000 | 260,000 |
| **= Total government cost** | **1,142,000** | **1,103,000** | **1,062,000** | **1,025,000** | **999,000** | **1,309,000** | **1,307,000** |

According to the figures showed in the Table 3, the total cost for the government for running ASC’s activities will reach maximum 1.3 million GEL per year, a cost equivalent to 16 GEL ($ 7) per farmer per year. These figures included the projected future subsidies for soil testing and artificial insemination. It is worth highlighting that the private goods that ASC offers might be sustainable, however ASC should compete with the private sector and it will not be fare. Concerning the public and club goods they can be maintained only in the case that the MoA will continue to finance them, since these goods are not profitable enough to make ASC 100% self-financed. They can contribute only to 3-5% of the turnover of the centre. The income from the club goods (particularly from the demonstration plots) will be significant after the full maturity of the orchards are reached, but it will not be enough to cover the service costs related to the extension and capacity building of the farm communities and cooperatives that will also increase time by time (during the last three years ASC covered only 26% of the farm community in Ajara AR).

For what it concerns, the financial sustainability of cooperatives supported by the Project, BBI conducted a study in order to assess their capacity to continue their activities and to develop their business. According to this study, at least 80% of the total granted cooperatives is successfully developing their business, while the 20% of the total is very promising in significantly expand their business in the upcoming years.

## 2.5 Cross cutting issues ‘Did the project adopt process and approaches that take into account gender balance and environmental issues?’

**Main Findings:**

Even if in the Project document was highlighted the willingness to proactive participation of women within the Project activities, no quantified indicators were established for adequately measuring the success of the Project in ensuring an adequate gender balance. For what it concerns the implementation of the Activity n.2 targeting farmers’ cooperatives, the Project facilitate the participation of women in the Grant Support Program by setting specific selection criteria for cooperatives that have women as members and/or were headed by women. Indeed, the 15% of total number of the cooperatives supported were women. Despite the results is encouraging, the percentage is below the national percentage of female agricultural holders in 2004 (National Agricultural Census).

The Project assisted ASC and MoA of Ajara to introduce modern production technologies and promote the integrated pest management techniques among the farmers and cooperatives. Integrated pest management system contributes to the controlled use of fertilizers and chemicals and also presents possibilities for bio chemicals and fertilizers usage among the farmers.

### 2.5.1 To what extent the approaches, concepts and services provided gender balance?

In analysing the gender balance achievements of the Project, it is important to remind that as stated in paragraph 2.1.2, no quantitative targets were individuated by the Project Document on gender balance. The Project Document highlighted the willingness to ‘ensure proactive participation of women in the activities proposed – training and consultancy to farmers and support to farmers associations’ and ‘the women headed household farms will be priorities while selecting the beneficiaries of the planned support’. The lack of quantitative targets has not allowed the ET to conclude whether the Project succeeded on targeting women as vulnerable group in a measurable way.

The examination of monitoring reports on gender balance allowed to individuate the total number and the percentages of females and males who benefited of the Cooperative Support Programme (Activity 2), while were not possible for the ET to access to the data on gender balance for the ‘increasing and improving services to small farmers’ (Activity 1). In order to incentivize the participation of women in the Cooperative Support Programme (Activity 2), the Project established a specific selection criteria for cooperatives that have females members and for cooperative headed by women.

As showed in Table 4, the total number of females who were selected for receiving the Cooperative Support Grant were 65 out of 435, the 15% percent of the total, while male were 370 out of 435, the 85% of the total.

While the gender balance among participating beneficiaries was tilted towards men, this was largely due to the fact that more men were involved in agricultural activities. However, according to the FAO gender statistics and Georgian National Agricultural Census[[4]](#footnote-4), in 2004 in Georgia the 29.1% of Agricultural Holders were female. Unfortunately, gender data on Agricultural Holders were not disaggregated by Region, and it was not possible to state whether in the Autonomous Republic of Ajara these trends are confirmed. However, it can be stated that the percentage of females targeted by the Project is below the national percentage.

It is worth noticing that female-led farmer cooperatives have demonstrated tendency to grow and expand and have emerged as the leaders among farmers’ associations.

Table 4. Gender Distribution Among the Beneficiaries of the Cooperative Support Program

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Beneficiaries of the Cooperative Grant Support Program per year** | **Female** | | **Male** | |
| **Total Number** | **%** | **Total Number** | **%** |
| Beneficiaries 2014 | 8 | 8.80 | 83 | 91.20 |
| Beneficiaries 2015 | 49 | 16.70 | 244 | 83.30 |
| Beneficiaries 2016 | 8 | 15.70 | 43 | 84.30 |
| **Total** | **65** | **15** | **370** | **85** |

### 2.5.2 To what extent the approaches, concepts and services promoted environmentally friendly approach?

The Project assisted the MoA and ASC in introduction of the modern production technologies and machineries for the demonstration plots and extension services. Most of these technologies like drop irrigation system, soil testing labs, pruning and integrated pest management systems contributes to the environmentally friendly production using strictly controlled volumes of plant protection chemicals and fertilizers. Soil testing is a very essential part of the production that allows farmers not to over supply the fertilizers (especially when these fertilizers are available on the marked at discounted prices because of government subsidies). The same can be said for the integrated pest management techniques promoted by ASC that disseminates modern practices and plan protection techniques in order to minimize the applications of pesticides and maximizes the economy on these detergents during the production seasons.

The ET reviewed the Rural Development Strategy elaborated and it included a very solid environmental management activities. Waste management and sewage systems’ existence are one of the most important parts in the strategy and a first trail was tested in Khulo LAG. As a result of the pilot LAG, Riketi community members obtained special waste containers and Khulo Municipality agreed to take care about the waste consolidated in these villages. Positive environmental impact will be enormous due to the fact that these communities have more than 500 families (minimum 600-700 MT of waste if we assume 3-5 kg of waste per family per day).

Finally, the ET analyzed the grant applications submitted by the 77 cooperatives for the Grant Support Program and identified the lack of the environmental mitigation plan among the selection criteria. Mitigation plans, developed with the support of qualified environmental specialists together with the cooperatives’ managers, could have guarantee an environmental friendly approach for this activity (cooperatives support). Mitigation plans should have been developed by taking into account the state of the cooperatives and their ability to invest in environmentally friendly production. It is opinion of the ET that realistic mitigation plans including minimum environmental requirements would have not required big financial investments from the cooperatives.

## 2.6. Visibility ‘Did the project ensure visibility of funders and awareness among stakeholders and beneficiaries?’

**Main Findings:**

The Project carried out a high number of visibility activities. All of these activities were realised in accordance with the Communication and Visibility Manual of the EU External Actions. All the material produced by the Project took the appropriate measures for publicising the fact that the Project was funded by the European Union.

The visibility strategy of the Project succeed in ensuring that all the involved stakeholders were aware about the Project objectives, funding and implementation scheme. All the interviewees were aware about the fact that the Project was funded by the European Union, co-founded by the Government of Ajara and implemented by UNDP.

This result was achieved thanks to the extensive visibility work realised by the Project. Indeed, a high number of successful visibility activities were implemented.

Additionally, the audience of the Project awareness campaign was multiplied thanks to the fact that several stakeholders, engaged in the agriculture sector, shared media extension products.

### 2.6.1 Did the project respect the visibility guidelines of EU?

The Project carried out a high number of visibility activities listed in the following paragraph (2.6.2). All these activities were realised in accordance with the Communication and Visibility Manual of the EU External Actions. Indeed, all the material produced by the Project took the appropriate measures for publicising the fact that the Project was funded by the European Union.

All Project material, official notes, reports and publications examined by the ET reported the logos of the European Union, the ENPARD Programme, and UNDP. All the buildings visited (ASC Branch in Kobuleti, the ASC head office in Batumi, the farmer cooperative – Greenhouse- in Kakhaberi, and the farmer cooperative –Eggs Incubator – in Chakvi) displayed in an appropriate way the European, ENPARD and the UNDP logos.

The Project developed media products, such as TV, ASC’s website, Facebook, YouTube and Radio. All these products ensured visibility of the EU, the Programme and the implementing agency by displaying logos and clearly communicated that the Project was carried out ‘with funding by the European Union’.

### 2.6.2 Did the project ensure awareness about ENPARD project among beneficiaries and stakeholders?

The visibility strategy of the Project succeed in ensuring that all the involved stakeholders were aware about the Project objectives, funding and implementation scheme. All the interviewees were aware about the fact that the Project was funded by the European Union, co-founded by the Government of Ajara and implemented by UNDP.

This result was achieved thanks to the extensive visibility work realised by the Project. Indeed, a high number of successful visibility activities were implemented. Among others:

* Media Visibility Tours. In partnership with ENPARD Communication Unit conducted media tour for raising awareness about ENPARD Ajara activities. During the tour a number of key strategic activities were visited (Agro-Service Centre of Ajara, Farmers households, and Demo projects). As a result of this media tour, relevant positive media coverage was ensured by journalists.
* In the framework of Activity n. 1 ‘Increasing and improving services to small farmers’, the Project developed *ad hoc* video and radio programs for demonstration, education and information purposed. In particular by the end of January 2016, the Project developed 45 video podcasts on 12 technical topics[[5]](#footnote-5). These podcasts were disseminated through web tools and on CDs by ASC extension agents.
* By the end of April 2016, the Project supported the development of 37 TV programs of “Agro Rchevebi” (agro advices – 30 to 40 minutes program focused on the development of processing agricultural business) and 15 TV programs of “Agro Biznesi” (agro business – 15 to 20 minutes programs aiming at improving the commercial efficiency of farms). The listed programs were transmitted by Ajara TV.
* 500 audio lessons that are recorded and aired every day on Ajara Radio.

As a demonstration of the success of these initiatives, the ET reports below the number of views and of sharing of the TV programs as monitored by the Project:

* Total views on YouTube channel: 121,872
* Total views on Facebook page: 46,082
* Programs were shared by Face Book users: 410 times

Additionally, the audience of the Project awareness campaign was multiplied thanks to the fact that several stakeholders, engaged in the agriculture sector, shared media extension products. Among them: Georgia Farmer’s Association; Union “Agroservice”; Information and Consulting Service; Information and Consulting Service Center of: Kaspi, Oni, Bagdadi, Gurjaani, Lentekhi, Samtredia, Regional Division of the Ministry of Agriculture in: Kakheti, Khashuri, Bolnisi, Mestia; Agricultural Cooperative Development Agency; Facebook Users: Farmers of Georgia; Ferma.ge; Georgia Bee; Business 365 days.

# Chapter 3 Conclusions and Recommendations

## 3.1. Conclusions

Conclusion 1: **Coherence and appropriateness of Project Design**

The Project was well designed and the proposed strategy adopted a holistic approach by addressing different actors engaged with the agricultural development of the Region, including the policy making level (Ministry of Agriculture), the implementation level (Agro-service Centre) and the beneficiary level (individual farmers and cooperatives). This allowed the Project to structured a very comprehensive approach addressing multiple problems of the same sector. The only concern observed by the ET is related to the timeframe for implementing key activities, such as the information system. According to the ET, the implementation of the information system ended very close to the conclusion of the Project. This reduced the time to appropriately follow up the system.

The Project Document contained a well structured and relevant analysis of risks and assumptions.

The Resource and Result Framework (RRF) of the Project contained one outcome, one output and yearly targets, indicators at outcome, output and targets. By considering the complexity of the Project, the ET considers that the selection of an unique output was not sufficient for covering the spread of activities and intended results.

*Based on EQ1B*

Conclusion 2: **Adaptive Management**

The monitoring and the reporting system together with the coordination mechanisms (Project Board and Program Steering Committee) allowed the Project to have a high satisfactory adaptive management. The Project demonstrated to react to the inputs provided by the Project Board and to contextual changes in an appropriate and timely manner.

*Based on EQ2A*

Conclusion 3: **Monitoring Activities**

The Project defined the monitoring activities in the Project Document and included: defined roles among the UNDP staff, Quarterly Progress Reports, Terminal Report, External Audits and Terminal Evaluation. The monitoring activities were implemented in a rigorous way. However, the effectiveness of the monitoring activities was limited by the quality of the Resource and Result Framework. Since not all the proposed targets were quantifiable, this gap reduced the capacity of the Project to collect relevant data and report on the achievements of the Project. The Project did not plan and realise any external mid-term evaluation.

*Based on EQ2B*

Conclusion 4**: Backstopping partners and main stakeholders**

All the partners considered the support and advice of UNDP as very instrumental in the success of the Project. Among others, one of the element that determined the success of UNDP in supporting partners and stakeholders was the consultative nature of the Project and the transparency of decision-making. The synergy between UNDP and Project partners has been possible also thanks the long-term cooperation of UNDP within the Ajara Region and with some of the key partners, Agro-service Centre, Batumi Business Incubator, and the Government of Ajara. This allowed the Project to reach a great integration and coordination among the three main components of the initiative.

*Based on EQ2C*

Conclusion 5**: Effectiveness and Efficiency of Inputs Management**

UNDP was the implementing agency of the Project taking full responsibility for overall Project supervision to ensure consistency with UNDP financial regulations and transmission of all financial and progress reports to the EU Delegation to Georgia. The analysis of financial, human and time resources have been sufficient for the planned results. Thanks to an efficient management of the financial and human resources, the Project succeed in achieving more than initially planned. Additionally, three external audits attested the regularity and transparency of the financial management of the Project. For what it concerns the management of timeframe, the implementation of the Project required an extension of two months. Accordingly, main variations in the implementation of the activities did not exceed three months.

*Based on EQ2D*

Conclusion 6**: Availability of the ASC’s Strategic Development and Operational Plan**

ASC developed and approved its Strategic Development Plan. The Plan has been updated according to the changes of the extension structure of the Centre and the MoA. The main output of the plan was to provide extension services at least to 10% of the Ajara farming community (represented by 64,000 households) and to increase their income by 3% in order to make this action plan worth of implementation. As a result of the implementation of this plan Agro-service Centre provided extension and consultation support to more than 16,597 farmers during 2013-2016 (up to 26%). Result has been 16% more than planned (more than 10,000 farmers served in addition).

ASC succeeded in providing extension services to famers in Ajara, among others: 5,000 famers benefited of artificial insemination (65-70% of the cases was successful), several demonstration plots have been implemented (blueberries, walnuts, greenhouses), grape and citrus nursery (around 25,000 seedlings sold), intensive media and awareness campaign (52 TV programs launched, 500 radio lessons aired).

Finally, 5 ASC’s branches were equipped and trained in order to extend extensive services to remote and disadvantaged areas.

*Based on EQ3A*

Conclusion 7**: Strengthening Farmers’ Organizations**

134 cooperatives applied for obtaining the support provided through the Grant Support Program. BBI supported all of them to fill up the grant application forms and submit them. Finally after the scoring process the Project selected 77 agriculture cooperatives for its grant program. These cooperatives received equipment and machinery with their own cash contribution reaching 30%. These 77 farmer groups also received technical assistance and training in agribusiness, legal aspects, market penetration.

It is necessary to remark that the Business Model developed for the cooperative did not take into account the National legislation on cooperatives. This is because the Business Model was developed prior to the approval of the national law.

*Based on EQ3B*

Conclusion 8**: Information System for Better Policy-Making**

The Project developed pilot version of the information system that has been trialled by the MoA and ASC. Currently this information system operates only for the artificial insemination project. The system will include all the hard and electronic data on Ajara farmers. The system will allow to have a registry of farmers in the region with the detailed information on the characteristics of crops and productivity. This system should help the MoA to better target programs and policies and to measure the effects of those policies. Ministry of Agriculture of Georgia would like to adopt this information system with minor changes ans extend it at national level.

It is important to state that given the status of the implementation of the information system, the ET could not verify the genuine contribution that the system can make for policy development.

*Based on EQ3C*

Conclusion 9: **Capacity Building for Better Policy-Making**

The Project realised the capacity needs assessment of the MoA. Based on the results of the needs assessment, the Project provided capacity building to the staff of the MoA in strategic area, such as: competitiveness, export and investment.

The Project organized a very intensive capacity development exercise for the representatives of the Ministry of Agriculture. The evaluation mission considers this exercise as a good combination of different tools like studies, analyses, training ‘on-the job’ plus development of the information systems that ideally would consolidate all the needed data for decision making. According to the ET, the capacity development program was particularly successful thanks to participatory method applies that included the active involvement of MoA staff in all the phases of the capacity building strategy, starting from the needs assessment to the realisation of selected studies and analyses. As a result of the capacity building activity, the MoA adopted its own a ‘Monitoring and Evaluation Scheme’.

Another two important achievements of the Project was the development and approval of the ‘Development Strategic Plan’ and the ‘Rural Development Strategy’. Additionally, the Project contributed in testing some of the bottom-up mechanisms suggested in the Rural Development Strategy. The test targeted the creation of a Local Action Group in Khulo municipality (573 families from 5 villages), the development and the implementation of its Action Plan. Despite the action was a first pilot, it allowed to make some conclusion on the high participation of the communities involved and their willingness to contribute to the development of their own community.

*Based on EQ4A*

Conclusion 10: **Institutionalization of the Capacity Development Efforts**

The Project achieved a substantial sustainability from an institutional point of view. The sustainability is guaranteed by the development and approval of the ASC’s Development Plan and the Ajara Development Strategy. These documents included the engagement of the regional institutions to continue the implementation of the activities started with the Project. Indeed, these strategies represent themselves a clear exit strategy from the Project and its external support.

Thanks to the Project, BBI has developed its own capacity in supporting famers’ groups and cooperatives. These skills acquired through the Project will allow BBI to continue providing assistance to small farmers groups’ and cooperatives.

Finally, for what it concerns the pilot project in Khulo Municipality over LAG implementation, the ET considers that no sufficient mechanisms are taken in place for ensuring the institutional sustainability of LAG. This was mainly due to the testing nature of this activity.

*Based on EQ6A*

Conclusion 11: **Financial Sustainability Activities**

ASC offers three main types of goods to the farmers: public, private and club goods. Private goods have the best financial sustainability compared to the other two. According to the ASC Strategic Plan the income coming from different services is not enough to reach financial sustainability. On the other hand Government of Ajara has allocated sufficient amount of funds for the implantation of the activities carried out by ASC.

For what it concerns the cooperatives supported by the Project, 20% of them seem to be very promising and to be able to significantly develop their business in the future, while another 40% is, on average, financially sustainable.

*Based on EQ6B*

Conclusion 12**: Gender Balance**

Even if in the Project document was highlighted the willingness to proactive participation of women within the Project activities, no quantified indicators were established for adequately measuring the success of the Project in ensuring an adequate gender balance. For what it concerns the implementation of the Activity n.2 targeting farmers’ cooperatives, the Project facilitates the participation of women in the Grant Support Program by setting specific selection criteria for cooperatives that have women as members and/or were headed by women. Indeed, the 15% of total number of the cooperatives supported were women. Despite the results is encouraging, the percentage is below the national percentage of female agricultural holders in 2004 (National Agricultural Census).

*Based on EQ7A*

Conclusion 13**: Environmental Aspects**

The Project assisted ASC and MoA of Ajara to introduce modern production technologies and promote the integrated pest management techniques among the farmers and cooperatives. Integrated pest management system contributes to the controlled use of fertilizers and chemicals and also presents possibilities for bio chemicals and fertilizers usage among the farmers. In addition, the Project launched the pilot development of the in the Khulo municipality, Riketi community. In the framework of this activity, the villages have been equipped with the waste management containers and the municipality agreed to take out the waste from these villages. Grant proposals submitted by the agriculture cooperatives do not have simple environmental mitigation plans in place.

*Based on EQ7B*

Conclusion 14**: Respectfulness of EU visibility Guidelines**

The Project carried out a high number of visibility activities. All of these activities were realised in accordance with the Communication and Visibility Manual of the EU External Actions. Indeed, all the material produced by the Project took the appropriate measures for publicising the fact that the Project was funded by the European Union.

*Based on EQ8A*

Conclusion 15**: Awareness about ENPARD Project among Beneficiaries and Stakeholders**

The visibility strategy of the Project succeed in ensuring that all the involved stakeholders were aware about the Project objectives, funding and implementation scheme. All the interviewees were aware about the fact that the Project was funded by the European Union, co-founded by the Government of Ajara and implemented by UNDP.

This result was achieved thanks to the extensive visibility work realised by the Project. Indeed, a high number of successful visibility activities were implemented.

Additionally, the audience of the Project awareness campaign was multiplied thanks to the fact that several stakeholders, engaged in the agriculture sector, shared media extension products.

*Based on EQ8B*

## 3.2 Recommendations

Recommendation 1: **Improve the quality of the Resource and Result Framework**

Some remarks were made by the ET about the relevance of Project Design and the effectiveness of the Monitoring system. In order to improve the management of future initiative is recommendable to:

- Develop outputs in accordance with the project strategy, and ensure that they are precise and detailed as much as possible;

- Individuate ad hoc indicators for ‘intended outputs’. They should be ‘SMART’, s*pecific* (target a specific area for improvement), *measurable* (quantify or at least suggest an indicator of progress), *assignable* (specify who will do it), *realistic* (state what results can realistically be achieved, given available resources), t*ime-related* (specify when the result(s) can be achieved);

- Where quantitative baselines are too difficult to be measured or less appropriate than qualitative ones, it would be, then, necessary to carry out ex-ante survey in order to establish appropriate proxy indicators;

- ‘Output Targets for Year’ should be carefully tailored according to the planned activities and expected results during project life-cycle. This will contribute in improving the effectiveness of project monitoring activities;

- Refer as much as possible to other project planning instruments, such as the theory of change. This would help in defining clearly all the elements needed for appropriately designing the strategy;

- Specific targets and indicators should be developed also for cross cutting issues, such as gender balance.

*Based on EQ2, EQ7A and Conclusion 1, 3, 5 and 6*

Recommendation 2: **Appropriately Design the Necessary Time for the Follow-up of Key Activities**

In order to allow effective follow up of activities that are strategic for the success of the initiative, it is highly recommendable to accurately plan the time necessary for conducting a proper follow-up. This would contribute to the sustainability of the initiative and measuring its success.

*Based on EQ1B and Conclusion 1*

Recommendation 3: **Update the Business Model according to the National Law on Agriculture Cooperatives**

It is opinion of the ET that the Business Model developed for Agricultural Cooperatives should be updated with the requirements established by the 2013 National Law on Agriculture Cooperatives in order to be fully respondent to national rules and directions. Indeed, the Law on Agriculture Cooperatives has been approved by the Parliament of Georgia in July 2013 and the business model was developed before the approval of the national law. Some of the formal arrangements required by the current national law were not taken into account

*Based on EQ3B and Conclusion 7*

Recommendation 4: **Individuate Right Incentives for the Autonomy and Sustainability of LAGs**

By analysing the pilot activity of Local Action Group realised in the Khulo Municipality, the ET noted some risks for the sustainability and autonomy of LAGs. The ET considers a key, for the success of such participatory mechanisms, the identification of clear incentives in order to motivate members to actively participate even after the end of any external support. For incentives the ET does not consider only the perception of a salary for the elected members, but, broadly, the establishment of clear relations between the LAG and the Municipality, the role of LAG in the development of local policies, the allocation of resources (for example a part of the municipal budget to the implementation of LAG activities (even through grant schemes), strengthen the consultative process that should connect the community and the municipality, and the coexistence (streamlining) with already existing municipality development related consultative mechanisms.

*Based on EQ6A and Conclusion 1*

Recommendation 5: **Environmental Impact Assessment for the Grantee Cooperatives**

One of the cross cutting issues suggests to address environmental aspects in monitoring and reporting activities. The evaluation team suggests to add simple environmental mitigation plan in each grant project proposal in order to decrease the negative impact of the projects on the environment. This plan should be brief indicating the minimum safety practices that should be used in primary production and processing (for example how the chemicals and fertilizers will be stored and used, that how the fertilizers and pesticides packaging will be utilized and etc.).

*Based on EQ7B and Conclusion 13*

# Annexes

## 1. Evaluation ToR

## 2. Evaluation matrix

## 3. Evaluation questionnaires

## 4. List of documents reviewed

## 5. Agenda of the mission

## 6. Interviews minutes

## 7. Project logical framework

## 8. Summary of tables

## 9. Short biographies of the evaluation team

## 10. Code of conduct

1. The Evaluation did not apply experimental methods, which involve controlled variables and random sampling for treatment and control groups. [↑](#footnote-ref-1)
2. Focus groups were conducted with ASC’s Management Unit in Batumi (Director, Representative of the Extension Department, Representative of Communication Unit), BBI’s Management Unit (Director, representatives of Agricultural Audit and Cost Management, Legal Issues, and the Consultant for Cooperative Economic Evaluation), two members of the Cooperative ‘Shain’ beneficiary of the ENPARD grant program, two members of the Cooperative ‘Shua Chakvi’ beneficiaries of the ENPARD grant program, two researchers from the Shota Rustaveli University, four farmers from the Khelvachauri District who carried on diverse demonstration plots, ASC’s Management Unit of the Kobuleti Branch (Director, Head of the Agro Technology Development Division, representative of the Extension Department, representative of the Communication Unit). [↑](#footnote-ref-2)
3. Total Project budget after deducting General Administration Service costs (7%). [↑](#footnote-ref-3)
4. <http://www.fao.org/gender-landrights-database/data-map/statistics/en/> [↑](#footnote-ref-4)
5. Trout Rearing; Trout Nursing; Nursing of the Blue Bilberry; modern beehives; Georgian honey production to the European standards; Citrus production; Tangerine Nursing; Orange Nursing; Lemon nursing; Production of table grape varieties; Nursing of Table Grape Breeds; hydroponics; greenhouse construction; and fruit processing. [↑](#footnote-ref-5)