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Investir dans les populations rurales

République de Géorgie

Programme d'options stratégiques pour le pays axé sur les résultats 2019-2024

Note pour les représentants au Conseil d'administration

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Sigles et acronymes

AMMAR	Projet sur la modernisation de l'agriculture, l'accès aux marchés et la résilience
COSOP-AR	programme d'options stratégiques pour le pays axé sur les résultats
DANIDA	Agence danoise de développement international
DiMMA	Projet sur la modernisation de la filière laitière et l'accès aux marchés
ESPP	évaluation de la stratégie et du programme de pays
FAO	Organisation des Nations Unies pour l'alimentation et l'agriculture
GIZ	Agence allemande de coopération internationale
S&E	suivi et évaluation
UE	Union européenne

Carte du pays indiquant les zones d'intervention du FIDA



Les appellations figurant sur cette carte et sa représentation graphique ne constituent en aucun cas une prise de position du FIDA quant au tracé des frontières ou limites, ou aux autorités de tutelle des territoires considérés.

Résumé

1. La Géorgie rencontre de sérieuses difficultés pour réduire la pauvreté rurale. Elle doit composer avec un dépeuplement rural ininterrompu, qui affaiblit le dynamisme et l'esprit d'entreprise dans les zones rurales et pourrait en modifier la démographie, ne laissant que quelques retraités vivant des transferts d'argent, des prestations sociales et de ce qu'ils cultivent et élèvent dans leurs propres jardins. De plus, si elle veut concrétiser ses ambitions d'entrer dans l'Union européenne (UE), la Géorgie doit imposer des normes de sécurité sanitaire des aliments plus strictes, équivalentes à celles de l'UE, et mieux les faire respecter. Bien que cela profite aux consommateurs géorgiens et offre aux producteurs agroalimentaires un possible sésame vers le plus grand marché du monde, seule une maigre fraction de la population pauvre productive en milieu rural est aujourd'hui en mesure de se conformer à ces exigences. Enfin, les changements climatiques apportent leur lot de nouveaux risques aux agriculteurs géorgiens. Les petits exploitants ont une connaissance limitée des mesures d'adaptation et ont encore moins les moyens de les appliquer.
2. S'ils ne bénéficient pas prochainement d'un appui ciblé, les ruraux pauvres risquent bien de se retrouver laissés pour compte. Le FIDA a donc pour rôle de promouvoir et de défendre les intérêts de la population pauvre productive, en veillant à ce qu'elle puisse participer à une transformation rurale positive.
3. La stratégie du FIDA vise de façon générale à appuyer les efforts déployés par la Géorgie pour promouvoir une transformation économique durable et inclusive du monde rural, tout en améliorant la résilience des communautés rurales. Deux objectifs stratégiques contribueront à la réalisation de cet objectif global.

Objectif stratégique 1 (OS1): Créer des débouchés économiques pour la population pauvre productive.

4. Premièrement, le FIDA créera des débouchés économiques pour la population pauvre productive, en travaillant notamment à l'établissement de chaînes de valeur et en appuyant la mise en place de modèles d'activité innovants, en particulier dans les zones rurales les plus pauvres du pays. Le FIDA promouvra l'accroissement de la productivité et de la production agricoles ainsi que la diversification des revenus.

Objectif stratégique 2 (OS2): Créer un environnement porteur pour une économie rurale adaptable, durable et inclusive.

5. Deuxièmement, le FIDA encouragera et appuiera les efforts engagés pour mettre en place un environnement porteur indispensable à l'avènement d'une économie rurale adaptable, durable et inclusive. Les actions menées au titre de cet objectif participeront à la préservation et à l'augmentation des capacités productives de l'eau, des sols et des terrains de parcours (ressources dont dépend la population pauvre productive en milieu rural), en plus de renforcer leur capacité à améliorer la sécurité sanitaire des aliments et la sécurité alimentaire.
6. L'impact stratégique se matérialisera sous forme d'itinéraires de transition crédibles et fondés sur des faits permettant aux ruraux pauvres de sortir de la pauvreté, lesquels seront établis grâce à un ensemble équilibré d'actions mêlant conseils techniques, financements et un positionnement plus haut dans des chaînes productives à plus forte valeur ajoutée. Le FIDA s'affirmera donc comme le fer de lance des intérêts de la population pauvre productive en milieu rural, démontrant la viabilité de la transformation et encourageant la reproduction à plus grande échelle des actions éprouvées. En ciblant les zones reculées, le FIDA garantira une meilleure inclusion et démontrera que l'on y peut briser le cercle vicieux du vieillissement de la population, de l'exode rural des jeunes et du déclin économique.

7. Pour réaliser l'impact stratégique sous-tendu par les deux objectifs stratégiques précités, le FIDA privilégiera les projets d'investissement: 1) le Projet sur la modernisation de l'agriculture, l'accès aux marchés et la résilience, en cours d'exécution (AMMAR); 2) le projet sur la modernisation de la filière laitière et l'accès aux marchés (DiMMA), en cours de conception; et l'appui éventuel de futurs investissements du FIDA, dans le cas où de nouveaux financements seraient disponibles à l'issue du projet DiMMA. Pour l'heure, au-delà du projet DiMMA, la Géorgie ne bénéficie d'aucune ressource au titre du Système d'allocation fondé sur la performance, mais les objectifs visés devraient pouvoir être réalisés dans le cadre des projets AMMAR et DiMMA.

Géorgie

Programme d'options stratégiques pour le pays axé sur les résultats

I. Diagnostic concernant le pays

A. Contexte socioéconomique

1. **Vue d'ensemble:** La Géorgie a connu d'importantes mutations depuis l'élaboration du dernier programme d'options stratégiques pour le pays (COSOP) en 2004. Le pays a été le théâtre de conflits armés, qui ont rendu plus erratique l'accès au principal marché, où les petits exploitants géorgiens exportent depuis toujours leurs produits agricoles. S'il y a eu un véritable élan en faveur de l'accroissement des exportations vers l'UE, en particulier après la signature de l'accord d'association en 2014, le marché russe et les autres marchés de la Communauté des États indépendants demeurent importants pour les petits exploitants.
2. **Sur le plan économique,** la Géorgie a connu une croissance vigoureuse ces dix dernières années. Le PIB par habitant a progressé de 5,4% par an entre 2004 et 2016 pour dépasser 4 290 USD par habitant en 2017, le revenu national brut par habitant s'établissant à 3 830 USD (2016)¹. La Géorgie affiche de solides résultats au regard des indicateurs que sont la stabilité macroéconomique et financière, la facilité de faire des affaires² et la sécurité et la gouvernance, autant d'éléments qui ont permis d'attirer des investisseurs étrangers et favorisé la croissance du tourisme.
3. Le secteur agricole contribue au PIB à hauteur de 9%, mais emploie 45% de la population active. Le secteur des services compte pour 50% du PIB, tandis que le secteur manufacturier et le bâtiment y contribuent à hauteur de 28%. Les transferts de fonds en provenance de l'étranger profitent à 10% de la population et représentent environ 9% du PIB.
4. La croissance soutenue s'est accompagnée d'une réduction du taux de pauvreté (de 43% en 2006 à 32% en 2014), mais les inégalités se sont creusées entre urbains et ruraux. Ainsi, 43% des personnes résidant en milieu rural vivent en dessous du seuil de pauvreté, soit avec moins de 2,50 USD par jour, tandis que la pauvreté urbaine avoisine seulement les 20%. Depuis 2006, la pauvreté rurale n'a reculé que de 4%. Au cours des dix dernières années, le principal facteur de réduction de la pauvreté rurale n'a pas été une croissance robuste tirée par la locomotive urbaine (qui aurait pu accroître la demande de produits ruraux), mais des prestations sociales plus élevées et mieux ciblées³.
5. La Géorgie occupe la 32^e place sur 119 dans le classement 2017 de l'Indice de la faim dans le monde. D'après les estimations de l'Institut international de recherche sur les politiques alimentaires, la prévalence des retards de croissance chez l'enfant s'établit à 11%, le taux d'émaciation est de 2% (2009) et, selon une étude d'Oxfam, le taux de sous-alimentation du pays atteint 7,4%. Dans l'ensemble, les apports caloriques et protéinés sont généralement suffisants, mais, sur le plan nutritionnel, la consommation alimentaire est faiblement à moyennement diversifiée.

¹ Banque mondiale (2018).

² La Géorgie se classe aujourd'hui en neuvième place des 190 pays considérés dans le rapport *Doing Business* de la Banque mondiale

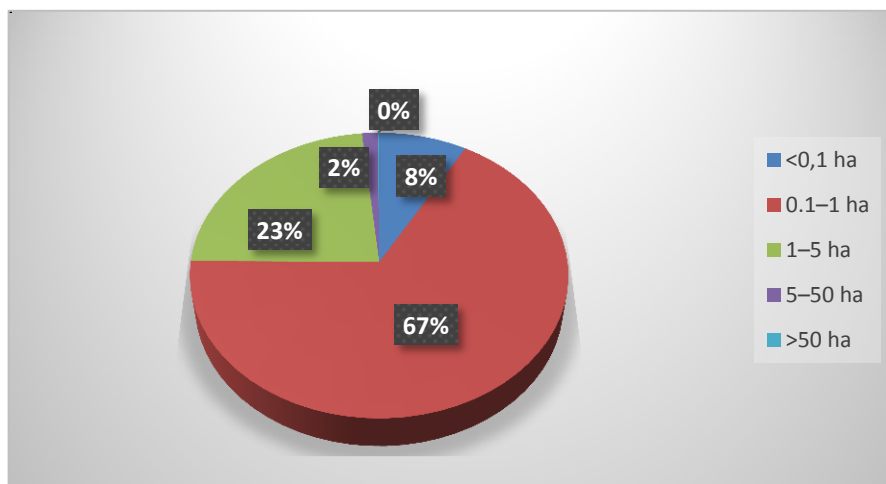
³ Banque mondiale (2016).

6. Le Gouvernement s'emploie à promouvoir l'activité des femmes en milieu rural, y compris dans les entreprises agroalimentaires, les coopératives et les instances décisionnaires locales. Toutefois, les femmes participent moins à la prise de décisions et ont un accès moindre à l'information, aux actifs, au crédit et aux services que les hommes, ce qui explique en partie que la Géorgie occupe la 90^e place sur 144 au classement de l'indice mondial des disparités entre hommes et femmes. Le salaire moyen des femmes dans le secteur agricole est inférieur de 25% à celui des hommes. Les femmes ne possèdent que 31% des exploitations agricoles et seuls 4,7% des coopératives sont dirigées par des femmes. Les exploitations appartenant aux femmes sont en moyenne quatre fois plus petites que les exploitations appartenant à des hommes.

B. Secteur agricole et économie rurale

7. Au début des années 1990, le régime foncier agricole a connu une révolution, marquée par la privatisation de la quasi-totalité des terres agricoles. Les petites exploitations familiales occupent désormais 90% des terres agricoles. Il en résulte un morcellement extrême de la propriété foncière (voir figure 1 ci-dessous). Ainsi, deux tiers des exploitants possèdent moins d'un hectare de terres. Nombre d'entre eux pratiquent une agriculture semi-vivrière, limitant le commerce de leurs produits au voisinage. De plus en plus, les exploitants sont âgés, très tributaires des prestations sociales et connaissent mal l'agriculture commerciale, à laquelle ils s'intéressent peu.

Figure 1: Pourcentage d'agriculteurs par superficie d'exploitation.



Source: GeoStat, recensement agricole.

8. La population rurale pauvre productive se heurte à un défi de taille: avec l'extrême morcellement des terres, il est difficile de maintenir une production constante en volume et en qualité, une constance recherchée par les acheteurs et les transformateurs et qui permettrait aux producteurs d'intégrer les chaînes de valeur commerciales. La population pauvre productive fait face à d'autres difficultés liées à l'accès aux services financiers, aux infrastructures et à la connaissance des nouvelles technologies et de la demande des marchés, qui pourrait être mise à profit pour accroître le niveau de revenus.
9. Les marchés fonciers demeurent sous-développés et les droits de propriété sont mal définis. Ce dernier point est particulièrement vrai pour les pâturages communaux, où les questions de gouvernance relatives à la réglementation des accès, à la protection des terrains et à leur entretien se posent de façon

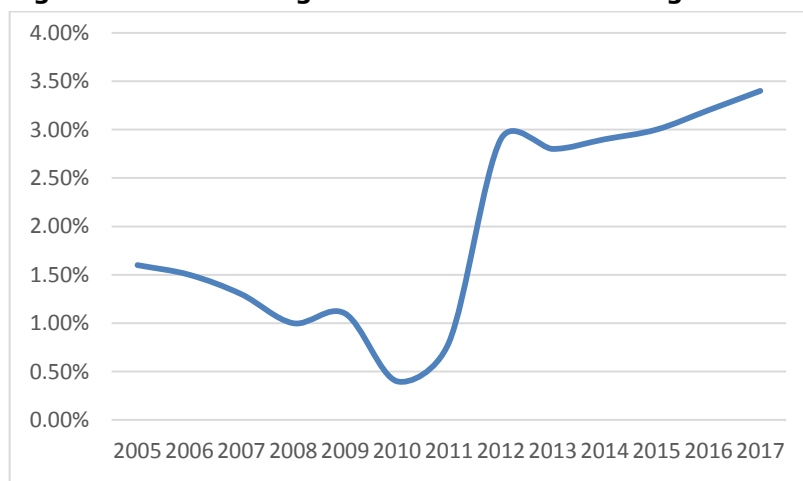
particulièrement aiguë. Seuls 25% des terres agricoles figurent au cadastre⁴. La Géorgie doit aussi affronter les nouveaux défis posés par les changements climatiques. La production agricole comporte aujourd'hui des risques plus nombreux, associés à l'augmentation des phénomènes extrêmes, à l'élévation des températures et à la réduction des précipitations, sans compter que les cultures, les forêts et les animaux d'élevage sont exposés à de nouveaux ravageurs et maladies. Or, les ruraux pauvres sont ceux qui ont le moins les moyens d'investir dans des mesures d'adaptation et ils ne savent guère comment ajuster leurs pratiques et saisir les possibilités qui s'offrent à eux.

10. Le secteur privé structuré se compose généralement de grandes exploitations et d'entreprises agroalimentaires, notamment des exportateurs, qui restreignent leur offre à certains produits de base et il existe un service de vulgarisation privé très actif, par exemple pour la filière noisette. En revanche, les services de vulgarisation publics sont concentrés dans un petit nombre de centres, dotés de maigres ressources. Les exploitants ont aussi un accès limité aux chaînes de valeur commerciales, en partie parce que leurs volumes de production sont faibles et inconstants, mais aussi et de plus en plus en raison d'un renforcement des normes applicables, par exemple en matière de sécurité sanitaire des aliments, dicté par les exigences de l'UE. Toutefois, il est manifestement possible de relier les petits exploitants disposant de la volonté et des capacités nécessaires à des chaînes de valeur prometteuses, comme en témoignent divers exemples récents.

C. Cadre politique et institutionnel

11. Le cadre politique et institutionnel s'est profondément modifié ces cinq dernières années. En particulier, le Gouvernement a sensiblement relevé le rang de priorité accordé à l'agriculture (voir figure 2 ci-dessous).

Figure 2: Part du budget national consacrée à l'agriculture.



Sources: Ministère de l'agriculture – *Stratégie de développement agricole 2015-2020* et budget national 2017.

12. Cela s'est traduit par un accroissement des investissements, les agriculteurs et les entreprises agroalimentaires ayant désormais accès à un nombre accru de dispositifs de soutien, de subventions et de crédits à faible coût. Ces mesures ont eu un effet immédiat très prononcé, la croissance agricole s'étant envolée à 12% en 2013 sous l'effet de l'accroissement des surfaces cultivées et des rendements. Néanmoins, depuis lors, la croissance a atteint un palier et des inquiétudes ont été

⁴ Le Gouvernement, avec le soutien de la Banque mondiale, travaille sur cette question dans le cadre du projet de développement des marchés fonciers.

soulevées quant à certains aspects des dispositifs en place, y compris le ciblage, la durabilité et les distorsions du marché⁵.

13. Les politiques du secteur agricole sont avant tout déterminées par les ambitions européennes de la Géorgie, dont les mesures sanitaires et phytosanitaires applicables aux produits agricoles sont une dimension importante. La Géorgie a déjà commencé à harmoniser ses textes de loi avec la législation de l'UE.
14. Si "Géorgie 2020", la Stratégie de développement socioéconomique à long terme de la Géorgie (2014), demeure la pierre angulaire de l'action publique, la stratégie à moyen terme adoptée en 2016 (liberté, développement rapide et prospérité) décrit dans le détail la façon dont le Gouvernement entend promouvoir une croissance économique durable et inclusive dans le monde rural, par exemple grâce à un accès aux financements et à une amélioration de la compétitivité du secteur privé. Dans ce contexte, une attention accrue est portée aux services destinés aux petits exploitants et à l'amélioration de l'accès au crédit, tandis que les biens publics ruraux suscitent un regain d'intérêt. Au niveau sectoriel, le Gouvernement reconnaît dans sa stratégie de développement agricole 2015-2020 qu'il importe de prendre des mesures résolues après une décennie de sous-investissement public et souligne qu'une approche transformatrice s'impose dans le secteur agricole. La stratégie tient aussi compte des défis extérieurs et des possibilités qui se matérialiseront dans le cadre de l'accord de libre-échange avec l'UE; la Géorgie bénéficiera alors d'un soutien accru de l'UE, mais sera aussi soumise à des normes plus strictes.

D. Risques et mesures d'atténuation par pays, secteur et programme

15. Divers risques doivent être pris en compte dans la conception de la stratégie de pays. Ces risques, ainsi que les mesures d'atténuation correspondantes, sont résumés ci-dessous.

Risque	Niveau du risque	Stratégie d'atténuation
Institutionnel: Les capacités de l'administration géorgienne sont insuffisantes pour gérer l'augmentation de la charge de travail accompagnant l'accroissement des allocations financières et la mise en œuvre du programme de réforme réglementaire.	Moyen	Renforcer les capacités de la principale unité d'exécution au sein de l'administration géorgienne, qui se charge aussi d'autres projets de développement non financés par le FIDA. Des ressources supplémentaires seront mises à disposition pour favoriser l'efficacité de la mise en œuvre.
Le fait que les solutions collectives aux défis communs inspirent peu confiance nuit à la coopération en faveur d'actions collectives.	Moyen	Promouvoir les organismes et les coopératives de développement à assise communautaire selon une approche en plusieurs étapes, activées à mesure que les capacités et la confiance se développent.
Ciblage: Les projets ciblant les populations pauvres des zones reculées n'attirent pas les investissements du secteur privé, dont l'effet catalyseur est pourtant nécessaire pour une transformation inclusive.	Moyen	Les projets cibleront les ruraux pauvres, tout en intégrant des "agents de transformation" qui pourront encourager d'autres acteurs à commercialiser leurs produits et en accompagnant les entrepreneurs actuels et en devenir.
Climat: Les changements climatiques et les phénomènes extrêmes exacerbent les risques pesant sur l'agriculture paysanne.	Moyen	Tester et promouvoir des techniques agricoles intelligentes face au climat, des techniques de gestion des ressources naturelles et une infrastructure adaptative.

II. Enseignements et résultats précédents

Expériences et enseignements

16. De nombreux résultats clés, tirés de l'examen à l'achèvement du précédent COSOP et de l'évaluation des stratégies et politiques de pays réalisée en 2017, ont été pris

⁵ Voir: Banque mondiale, *Georgia Public Expenditure Review* (Examen des dépenses publiques, 2015).

en compte dans l'élaboration du présent COSOP. L'un des grands résultats positifs a été la reproduction à plus grande échelle d'interventions telles que la mise en place et le renforcement de services d'enregistrement foncier, ce qui a contribué à l'objectif gouvernemental relatif à l'ouverture d'antennes plus nombreuses dans tout le pays et au pilotage consécutif du remembrement foncier.

17. Le FIDA a aussi déployé d'importants efforts pour accroître les revenus des petits exploitants. L'enquête finale menée pour le Projet d'appui à l'agriculture a montré que les revenus agricoles des bénéficiaires avaient augmenté de 14%, tandis que le rapport d'achèvement de projet établi pour le Projet de développement rural fait état d'un accroissement de 28% des revenus des agriculteurs et des entreprises.
18. Le FIDA a aussi contribué à l'augmentation du volume de production mis sur le marché et à l'expansion des activités de valorisation des produits agricoles locaux. D'après les résultats du Projet d'appui à l'agriculture, les entreprises ayant bénéficié d'un appui ont pu se mettre en relation avec des exploitants et d'autres entreprises. Les conclusions du rapport d'achèvement de projet et de l'évaluation de l'impact réalisée par le FIDA en 2017 montrent par ailleurs la satisfaction des agriculteurs vivant à proximité des entreprises agroalimentaires visées, qui s'explique par les faibles coûts de transport, les prix plus élevés obtenus et le règlement rapide des factures lorsque les produits sont vendus à ces entreprises. Le projet a permis de créer plus de 1 152 emplois et de relier 2 700 exploitants et entreprises.
19. Toutefois, on observe aussi d'importantes difficultés au sein du portefeuille, en particulier pour ce qui concerne la création des caisses de crédit mutuel, des coopératives et des organisations dites à assise communautaire, dont la viabilité et l'impact sont historiquement limités. Sur les 160 caisses de crédit mutuel établies dans le cadre du Projet de développement agricole, seules deux étaient encore en activité en 2017. De même, la démarche participative retenue au titre du Programme de développement rural pour les zones de montagne et de hautes terres visait des organisations à assise communautaire et des associations paysannes nouvellement créées, mais aucune n'a survécu après la clôture du projet.

Enseignements à retenir pour la stratégie future

20. Le principal enseignement tiré de l'expérience est qu'il faut veiller à insérer la stratégie dans son contexte politique et choisir l'échelle des objectifs en fonction des priorités et de l'enveloppe du Gouvernement, en particulier du Ministère de l'agriculture et de l'environnement. D'un côté, le FIDA a enregistré des succès, avec par exemple la mise en place de six agences de sécurité sanitaire des aliments, toutes bien gérées et encore pleinement fonctionnelles; ces dernières jouent un rôle important dans le processus de rapprochement des législations de l'UE, comme l'a récemment montré l'évaluation de la stratégie et du programme de pays effectuée par le FIDA (ESPP, 2018). De l'autre côté, avant 2013, la faible mobilisation des pouvoirs publics en faveur du secteur agricole influait sensiblement sur la pérennité des interventions, qui ne pouvaient être maintenues qu'avec un appui continu.
21. L'échec de l'accompagnement des coopératives et des caisses de crédit mutuel montre qu'il y a des limites à vouloir imposer les "meilleures pratiques" venues de l'extérieur dans le contexte géorgien, où les stigmates de la collectivisation forcée ont créé un sentiment de méfiance à l'égard des solutions fondées sur la coopération. Cet enseignement a été pris en compte dans la conception du présent COSOP. Manifestement, les petits exploitants ont beaucoup à gagner à unir leurs forces (économies d'échelle, attrait auprès des négociants et amélioration de leur pouvoir de négociation, par exemple), mais ce processus doit impérativement être enclenché à leur demande.

22. Pour ses prochains investissements, le FIDA devrait définir une orientation stratégique relative à la finance rurale et au renforcement des institutions rurales, qui soit conforme aux priorités du Gouvernement. La finance rurale est un domaine dans lequel le FIDA s'est bâti un capital d'expérience, grâce à l'expérimentation de différents modèles d'accès aux financements (ESPP, 2018).
23. On retiendra également que le FIDA ne peut cibler les plus pauvres des zones rurales tout en mettant simultanément en œuvre son mandat relatif à l'investissement durable dans les actifs productifs des ruraux pauvres en Géorgie. Les habitants les plus pauvres des zones rurales sont généralement âgés, vivant des prestations sociales, des pensions, des transferts de fonds et d'une agriculture potagère et de basse-cour (généralement autour de 0,1 ha) à vocation essentiellement vivrière; ils échangent (troquent) des volumes insignifiants avec leurs voisins et familles. Toutefois, dans de nombreuses zones, les terres laissées à l'abandon ouvrent la voie à un remembrement foncier et à des économies d'échelle. Par ailleurs, des débouchés hors exploitation apparaissent dans le secteur des services ruraux, les filières agroalimentaires et le tourisme. Le FIDA concentrera donc ses futures opérations dans les zones les plus pauvres exclues et reculées, et ciblera les pauvres et ceux exposés au risque de pauvreté et d'exclusion sociale. Ces opérations comportent toutefois un volet économique dynamique et cibleront également des agents de transformation moins pauvres, aptes à démontrer l'application d'approches résilientes et rentables et à créer de l'emploi.
24. Étant donné que la Géorgie devrait confirmer sa croissance moyenne de 5% par an jusqu'en 2023 (*Perspectives de l'économie mondiale*, FMI, 2018), on peut s'attendre à ce que le pays sorte progressivement de la catégorie des pays à revenu intermédiaire de la tranche inférieure dans environ deux à trois ans. Cela signifie que le FIDA devrait prévoir d'autres modalités de coopération avec le Gouvernement, par exemple l'introduction d'une assistance technique remboursable et le transfert des savoirs et de l'expertise que possède le FIDA au niveau mondial.

III. Objectifs stratégiques: Mettre en cohérence les priorités du FIDA et celles de la Géorgie pour un partenariat inclusif et synergique

25. **Avantage comparatif.** Partenaire respecté en Géorgie, le FIDA est connu pour ses compétences en matière de réduction de la pauvreté rurale, axées sur l'investissement durable dans les capacités de production des agriculteurs, des entreprises agroalimentaires et des prestataires de services financiers ruraux. Le FIDA défend une ambition claire dans toutes ses opérations, à savoir proposer des itinéraires innovants permettant aux ruraux de sortir de la pauvreté, sur fond de dépeuplement, de renforcement des exigences réglementaires et d'accroissement des pressions concurrentielles. Sur le plan opérationnel, les actions sont essentiellement axées sur les petits exploitants et sur les investissements productifs qui permettent d'accélérer la croissance inclusive dans l'agriculture et, plus généralement, l'espace rural. Enfin, le FIDA met de plus en plus l'accent sur l'intermédiation, négociant des partenariats pour le savoir, et sur l'innovation à effet catalyseur dans les domaines où apparaissent de nouveaux défis, notamment les changements climatiques⁶. En Géorgie, le FIDA mettra à profit ces compétences pour promouvoir des moyens d'existence plus résilients dans les zones rurales marginales, notamment en appuyant une agriculture intelligente face au climat, la diversification économique, la rétention des talents et l'accès à la finance rurale.

⁶ Cadre stratégique du FIDA 2016-2025 (2015).

26. **Finalité et objectifs stratégiques.** La finalité générale du COSOP 2019-2024 est d'appuyer les efforts déployés par le Gouvernement pour promouvoir une transformation économique durable et inclusive du monde rural et l'amélioration de la résilience des communautés rurales. Le FIDA s'attachera à accroître les capacités de la population pauvre productive, à savoir les ruraux qui sont aptes et aspirent à rester en milieu rural et à faire figure de modèles de référence, l'objectif étant qu'ils puissent tirer parti des débouchés générés par la transformation mise en œuvre dans les zones rurales, tout en relevant l'ensemble de défis qui se posent à eux. Selon l'hypothèse retenue, cette finalité générale se concrétisera grâce à la réalisation des deux objectifs suivants.
- i) **Objectif stratégique 1 (OS1): Créer des débouchés économiques pour la population pauvre productive.** Le FIDA continuera de venir en aide aux petits paysans des zones défavorisées et montagneuses afin de renforcer leur productivité agricole, leur rentabilité et leur accès aux marchés, et améliorera l'infrastructure productive. Cet objectif sera aussi axé sur la promotion de l'emploi et la diversification de l'activité hors exploitation, y compris dans le secteur du tourisme. L'amélioration de l'accès des ruraux pauvres aux services financiers sous-tendra les actions prévues tant dans l'agriculture que dans les secteurs non agricoles. Les actions menées à ce titre aideront le Gouvernement à concrétiser ses propres objectifs en matière de diversification rurale.
 - ii) **Objectif stratégique 2 (OS2): Créer un environnement porteur pour une économie rurale adaptable, durable et inclusive.** Face aux changements climatiques, il apparaît nécessaire de réduire la vulnérabilité du secteur agricole et de mieux gérer les ressources naturelles. Cet objectif est axé sur la préservation et l'augmentation des capacités productives de l'eau, des sols et des terrains de parcours, autant de ressources à l'égard desquelles les ruraux pauvres affichent une dépendance disproportionnée, notamment dans les zones de montagne où les terrains de parcours sont au cœur des stratégies de subsistance. Le FIDA s'emploiera à réduire la vulnérabilité des petits exploitants face aux phénomènes météorologiques extrêmes et mettra pour ce faire sur un ingrédient clé: les infrastructures adaptatives. De plus, le FIDA s'attachera à créer une plateforme de données factuelles sur la gestion des ressources naturelles, susceptible d'étayer l'élaboration de politiques et les pratiques concrètes appliquées dans des domaines tels que l'irrigation et la gestion des terres de parcours. Pour atteindre cet objectif, il sera crucial de renforcer les capacités des ruraux pauvres afin qu'ils puissent gérer eux-mêmes ces ressources et améliorer la sécurité sanitaire des aliments et la sécurité alimentaire.
27. Ces deux objectifs sont pensés pour concrétiser un impact stratégique, en particulier dans les zones les plus pauvres et reculées, où les populations sont le plus touchées par la marginalisation et ont le plus besoin de mesures de correction. Pour matérialiser l'impact, on indiquera des itinéraires de transition fondés sur des faits permettant aux ruraux pauvres de sortir de la pauvreté, lesquels seront établis grâce à un ensemble équilibré d'actions mêlant conseils techniques, financements et un positionnement plus haut dans des chaînes productives à plus forte valeur ajoutée. Le FIDA veillera à une meilleure inclusion et démontrera que l'on peut briser le cercle vicieux du vieillissement de la population, de l'exode rural des jeunes et du déclin économique dans les zones reculées; il ne s'agit pas forcément d'inverser les flux migratoires entre milieu rural et milieu urbain, mais plutôt de démontrer que les moyens d'existence ruraux offrent des perspectives de carrière attrayantes aux jeunes entrepreneurs.
28. Ces deux objectifs stratégiques contribueront à l'objectif de développement durable (ODD) 1 (Éliminer la pauvreté sous toutes ses formes et partout dans le monde), à l'ODD 2 (Éliminer la faim, assurer la sécurité alimentaire et promouvoir l'agriculture

durable), à l'ODD 5 (Parvenir à l'égalité des sexes et autonomiser toutes les femmes et les filles), à l'ODD 6 (Garantir l'accès de tous à l'eau et à l'assainissement, et assurer une gestion durable des ressources en eau) et à l'ODD 13 (Prendre d'urgence des mesures pour lutter contre les changements climatiques et leurs répercussions). En outre, ces objectifs stratégiques sous-tendent et appuient la réalisation des sept priorités stratégiques du Ministère géorgien de l'agriculture et de l'environnement ⁷. Enfin, le COSOP est aligné sur les trois objectifs du Cadre stratégique du FIDA 2016-2025. Les opérations du FIDA sont aussi parfaitement coordonnées avec celles du Partenariat mondial pour le développement durable et en cohérence totale avec ce dernier.

29. Les projets d'investissement constitueront l'instrument central de réalisation des objectifs. Le projet AMMAR, axé sur l'irrigation et les pratiques agricoles intelligentes face au climat, contribuera aux deux objectifs et à l'ensemble des effets directs prévus. Les données d'expérience tirées de la gouvernance des ouvrages d'irrigation contribueront à la concertation sur la gestion des ressources naturelles et aideront le FIDA à concrétiser ses objectifs en matière de reproduction à plus grande échelle. Le projet DiMMA à venir participera aussi aux deux objectifs, mettant l'accent sur les petites exploitations laitières des zones de montagne. Il appuiera également la gouvernance et la gestion des pâturages et contribuera à une gestion plus résiliente et durable des ressources naturelles.
30. Dans le scénario de financement actuel, où aucun financement du FIDA n'est prévu pour la Géorgie au titre du prochain cycle de financement du Système d'allocation fondé sur la performance (aussi appelé Onzième reconstitution des ressources du FIDA, ou FIDA11, qui couvre la période 2019-2021), les équipes des projets AMMAR et DiMMA devront engager des efforts concertés pour atteindre les deux objectifs stratégiques. Cela dit, vu les solides modalités de gestion de projet en place et le fort attachement du Gouvernement tant au secteur qu'aux investissements du FIDA, les perspectives sont essentiellement positives, même si le programme est ambitieux. De toute évidence, tout futur investissement échelonné du FIDA apporterait un appui critique et permettrait d'amplifier l'impact pressenti, mais, pour l'heure, le scénario le plus réaliste prévoit que seuls les projets AMMAR et DiMMA seront exécutés et constitueront le cœur des actions menées pour atteindre les objectifs stratégiques.

IV. Résultats durables

A. Ciblage, jeunesse et problématique femmes-hommes

31. Conformément à la politique du FIDA en matière de ciblage, aux échanges tenus avec le Gouvernement, à l'examen à l'achèvement du COSOP et aux recommandations du Bureau indépendant de l'évaluation du FIDA, la stratégie de ciblage du présent COSOP sera axée sur les ruraux pauvres qui ont le potentiel nécessaire pour moderniser leur capacité de production. Il s'agira de petits paysans et de petites entreprises. Bien qu'ils soient exposés au risque de pauvreté et d'exclusion sociale, ils ont les capacités actives et l'envie d'accroître leur production et d'augmenter et diversifier leurs revenus. Les actions cibleront les communautés locales et les responsables officiels et autres personnes d'influence afin de diffuser largement l'information sur les débouchés créés et d'assurer la transparence dans le choix des bénéficiaires.
32. Un ciblage géographique, reposant sur des critères et des données clairs et tangibles, sera appliqué pour atteindre les communautés pauvres et vulnérables. Le projet DiMMA proposé ciblera les producteurs de produits laitiers dans les zones

⁷ i) compétitivité accrue des entrepreneurs ruraux; ii) développement institutionnel; iii) amendement et fertilité des sols; iv) développement régional et sectoriel/développement des chaînes de valeur; v) sécurité alimentaire garantie; vi) sécurité sanitaire des aliments, protection vétérinaire et des végétaux; et vii) changements climatiques, environnement et biodiversité.

reculées et montagneuses où les taux de pauvreté sont élevés. Les mesures d'autociblage seront adaptées aux capacités et aux priorités propres aux groupes pauvres et vulnérables. Le projet mettra l'accent sur les sous-secteurs pourvoyeurs d'emploi et sur une participation accrue des petits exploitants, en particulier des femmes et des jeunes.

33. Sachant que les femmes occupent une position d'infériorité dans le secteur agricole en Géorgie, les projets d'investissement feront appel, dans tous les cas possibles, à des mécanismes de ciblage direct et mettront en place des dispositifs de transversalisation de la problématique hommes-femmes afin d'accroître la participation des femmes et leur accès à l'information, au savoir, aux marchés et aux financements.
34. Les jeunes sont ciblés dans le cadre du projet AMMAR, ainsi que dans le descriptif du projet DiMMA. L'accent sera mis en particulier sur la création de débouchés économiques qui soient suffisamment attrayants aux yeux des fractions jeunes de la population rurale pour les inciter à rester dans leurs localités et à y lancer une activité prospère⁸.

B. Reproduction à plus grande échelle

35. La stratégie vise à promouvoir une reproduction systématique des innovations à plus grande échelle. Au niveau du portefeuille, on adoptera une approche programmatique, à savoir un mécanisme institutionnel qui facilite la détermination, la documentation, l'évaluation et la diffusion et reproduction d'innovations susceptibles d'être appliquées à plus grande échelle générées par des activités sur le terrain.
36. Les principaux enseignements qui étayeront les trajectoires de transposition à plus grande échelle s'articuleront sans doute autour des moyens à mettre en œuvre pour créer des chaînes de valeur inclusives pour les petits producteurs laitiers, propres à accroître la commercialisation tout en promouvant les intérêts et le bien-être des ruraux pauvres. Un second axe d'apprentissage pourrait se centrer sur la définition des ingrédients clés à inclure dans un ensemble de mesures attrayantes incitant les jeunes talents ruraux à investir dans leur localité. Enfin, les enseignements révèlent qu'il est primordial de mettre en place des stratégies d'adaptation viables pour les petits exploitants, dans le sens où ils doivent pouvoir perdurer alors que le cadre réglementaire et les normes de sécurité sanitaire des aliments sont de plus en plus strictes en raison du processus de rapprochement avec l'UE. Ces enseignements seront aussi pris en compte dans l'élaboration des politiques (voir ci-dessous).

C. Participation à l'élaboration des politiques

37. Le FIDA aidera le Gouvernement à promouvoir une lecture commune des conséquences et des impacts que les nouvelles réglementations adoptées en lien avec l'accord d'association signé avec l'UE auront sur les différents sous-segments de la population rurale, et émettra des suggestions quant à la façon d'apporter un soutien ciblé aux catégories menacées par une marginalisation accrue. Le FIDA examinera également les méthodes permettant d'identifier les jeunes entrepreneurs ruraux capables de satisfaire à des réglementations toujours plus rigoureuses, et de façonner un environnement porteur afin de les inciter à rester dans les zones rurales. Le projet AMMAR livre déjà des éclairages importants susceptibles de contribuer à cette réflexion⁹. Dans le cadre du projet DiMMA, des efforts seront déployés d'une part pour déterminer par l'expérience comment les petits producteurs laitiers des zones reculées peuvent relever les défis associés à la

⁸ En Géorgie, on entend par "jeunes" les personnes âgées de 14 à 29 ans.

⁹ Le projet AMMAR couvre aussi l'intermédiation pour l'inclusion financière, par exemple par le biais de dons de contrepartie, comme le montre l'évaluation de la stratégie et du programme de pays.

réglementation et à la normalisation, et d'autre part pour acquérir des clés de lecture sur les pratiques améliorées de gestion des ressources naturelles et de gouvernance des terrains communaux, y compris pour ce qui est du statut foncier des pâturages.

D. Enjeux relatifs aux ressources naturelles et aux changements climatiques

38. Le FIDA continuera d'appuyer l'action nationale d'adaptation aux changements climatiques, un élément clé des deux objectifs stratégiques. L'équipe du projet AMMAR travaille à l'élaboration d'approches innovantes afin d'aider les petits producteurs à renforcer leur résilience face aux changements climatiques et à tirer parti des mesures d'incitation et des financements disponibles pour opérer la bascule vers des systèmes de production résilients face aux changements climatiques. Au titre du projet DiMMA à venir, il est prévu d'intensifier l'appui en faveur de l'adaptation aux changements climatiques grâce à la promotion de pratiques et de techniques de gestion durable des ressources naturelles, y compris des mesures en faveur des filières élevage, telles que des points d'eau résilients face aux changements climatiques pour le bétail, des écoducs, des améliorations ponctuelles du réseau routier, la remise en état des parcours dégradés, la lutte contre l'érosion des sols liée aux inondations et au ruissellement des eaux et l'apport d'ombrage. De plus, conformément à la recommandation de l'ESPP, le FIDA cherchera à obtenir des financements sous forme de dons pour accélérer les mesures d'adaptation aux changements climatiques (par exemple auprès du Fonds pour l'environnement mondial et du Fonds vert pour le climat).

E. Agriculture et développement rural sensibles aux enjeux nutritionnels

39. Si la dénutrition n'est pas un problème majeur, l'augmentation des taux de surpoids et d'obésité suscite des inquiétudes croissantes: 53% des femmes et 16% des hommes sont concernés (2014)¹⁰. En Géorgie, les régimes alimentaires sont faiblement à moyennement diversifiés. Ainsi, les Géorgiens n'ont les moyens de consommer que cinq des dix familles d'aliments recommandées. En raison du faible pouvoir d'achat des consommateurs, les régimes alimentaires sont généralement dominés par le pain et les produits de panification: les aliments à base de glucides constituent donc 62% des apports caloriques. Selon Oxfam, les ménages en situation de pauvreté consacrent plus de 65% de leurs revenus aux achats alimentaires. Pour corriger ces problèmes au niveau institutionnel, le Gouvernement a pris d'importantes mesures pour faire mieux connaître les enjeux de la sécurité alimentaire et a formulé 20 recommandations de base sur la sécurité alimentaire et la nutrition, ainsi qu'un projet de loi sur la sécurité alimentaire, confirmant un peu plus son engagement. Le présent COSOP vise à favoriser la diversification des régimes alimentaires dans le pays en renforçant la chaîne de valeur des produits laitiers, ce qui améliorera la nutrition des petits exploitants qui accéderont, plus facilement et à des prix plus abordables, au lait et aux produits laitiers en circuits courts. Les interventions du FIDA contribueront également à améliorer la qualité et la sécurité sanitaire des aliments, en particulier des produits laitiers, grâce au renforcement des capacités des transformateurs et des producteurs et à l'offre d'un soutien financier pour la mise à niveau des installations en conformité avec les normes internationales de sécurité sanitaire des aliments.

¹⁰ <http://globalnutritionreport.org/wp-content/uploads/2017/12/gnr17-Georgia.pdf>.

V. Réussite de la mise en œuvre

A. Cadre de financement

40. Le FIDA s'emploiera à mobiliser des financements auprès des partenaires de développement et de tous les bénéficiaires partageant l'ambition d'accroître la résilience des ruraux pauvres grâce à des investissements productifs.
41. Le projet DiMMA démarrera en 2019. Selon le scénario de transition, il se peut qu'un investissement échelonné soit approuvé, mais cela dépendra de circonstances échappant pour l'essentiel au contrôle de la Géorgie. Toutefois, aucun financement du FIDA n'est prévu à l'issue du projet DiMMA, en raison de la sélectivité des investissements du FIDA dans le monde. En tout état de cause, pour tout projet futur – et dans l'éventualité où une enveloppe serait affectée à la Géorgie – le ratio de cofinancement devrait être conforme au ratio fixé par le FIDA au niveau institutionnel, à savoir 1:1,4.

B. Suivi-évaluation

42. Le système actuel de suivi-évaluation (S&E) des projets est pleinement conforme aux systèmes d'établissement de rapports du FIDA. Les progrès accomplis au regard des objectifs stratégiques seront mesurés à l'aide du cadre de résultats du COSOP, qui s'appuiera sur les succès enregistrés par le système de S&E actuellement en place pour le projet AMMAR. La nouvelle approche de géoréférencement des interventions sera défendue grâce à la mise en place d'un système de S&E fondé sur des données probantes. Le responsable du S&E bénéficie déjà d'un accompagnement dans le cadre des programmes de renforcement des capacités du FIDA relevant du Programme relatif au suivi-évaluation rural. Parmi les autres mécanismes de renforcement des capacités prévus, le FIDA apportera son concours aux missions de supervision organisées pour optimiser la performance du système de S&E.

C. Gestion des savoirs

43. L'ESPP a montré que l'attention portée à la gestion des savoirs dans le programme de pays était limitée. Une attention particulière et des orientations précises lui seront consacrées dans le cadre du nouveau COSOP.
44. La gestion des savoirs sera essentielle pour garantir que les enseignements pertinents tirés des projets appuient la reproduction à plus grande échelle des actions, la concertation sur les politiques et le dialogue Sud-Sud, et sont pris en compte dans la conception et l'exécution des projets. La gestion des savoirs reposera sur les données produites à l'aide du système de S&E. Une stratégie de gestion des savoirs et de communication sera établie par le responsable de la gestion des savoirs, recruté dans le cadre du projet AMMAR, afin de définir des trajectoires claires pour les différentes activités y afférentes.
45. Différents produits du savoir seront élaborés, notamment des notes d'orientation relatives à la réglementation de l'élevage, et une évaluation des circuits de commercialisation et des stratégies opérationnelles seront mises au point pour les chaînes de valeur. En outre, d'ici à la fin du projet AMMAR, un important produit du savoir sur l'inclusion des jeunes doit être élaboré au titre du volet consacré aux jeunes entrepreneurs, cofinancé par l'Agence danoise de développement international (DANIDA).

D. Partenariats

46. Comme le confirme l'ESPP, le FIDA a forgé des partenariats solides, y compris des partenariats de cofinancement conclus avec des donateurs bilatéraux et multilatéraux¹¹. Des partenariats stratégiques seront établis ou confortés au niveau

¹¹ Voir: Bureau indépendant de l'évaluation du FIDA, ESPP de la Géorgie (Rome, FIDA, 2018).

local, national, régional et international, en fonction de l'avantage comparatif dont dispose chaque institution, le but étant d'obtenir un effet de levier financier plus vigoureux par un cofinancement des projets, un appui de meilleure qualité pendant l'exécution des projets (de la part du secteur privé et de la société civile) et un pouvoir d'influence accru sur les questions de politique nationale. Ces partenariats viseront aussi à démultiplier l'impact du FIDA grâce à la mise en place d'une concertation sur les politiques avec les principaux partenaires décisionnaires à tous les niveaux.

47. Ces partenariats seront noués principalement avec: a) les ministères d'exécution et les autorités municipales pour ce qui concerne la gestion des résultats, la gestion des savoirs et la concertation sur les politiques; b) les autres partenaires de développement externes, notamment l'UE, la Banque européenne pour la reconstruction et le développement, la Direction du développement et de la coopération de la Confédération suisse et la Banque mondiale, pour les éventuels projets conjoints ou la complémentarité des actions; et l'Organisation des Nations Unies pour l'alimentation et l'agriculture (FAO), l'Agence allemande de coopération internationale (GIZ) et l'Agence autrichienne de développement, en particulier pour la gestion foncière dans les zones marginales et reculées. De plus, le FIDA continuera de travailler aux côtés de ses partenaires bilatéraux, y compris avec la DANIDA, afin de mobiliser les ressources techniques et financières nécessaires pour une participation inclusive à plus grande échelle, en particulier des jeunes.

E. Innovations

48. Le FIDA a fait ses preuves dans le secteur de l'innovation: portées par le Projet de développement rural, les institutions de microfinance ont pu établir des pratiques innovantes pour ouvrir l'accès au microcrédit rural et elles se sont développées, ont mis à niveau leur offre de services à destination des clients ruraux et se sont constitué de nouvelles clientèles. Démarche innovante, le recours aux prêts non garantis a permis aux paysans sans terre d'accéder à la finance rurale, comme le confirme l'ESPP du FIDA, qui met particulièrement en avant l'appui aux institutions de microfinance. Dans le cadre du Projet d'appui à l'agriculture, le secteur privé a investi dans le crédit-bail agricole, secteur jusque-là négligé.
49. À l'avenir, l'innovation se centrera sur trois défis majeurs étroitement liés: premièrement, il s'agira d'innover autour de la croissance économique dans les zones reculées et marginales et de tester différentes approches axées par exemple sur l'appui à l'investissement direct, l'infrastructure et les relations commerciales entre acteurs, afin de définir des mesures efficaces pour retenir les talents dans les zones rurales; deuxièmement, des innovations seront développées autour de la résilience climatique en milieu rural, qui sera renforcée par le biais de diverses pratiques agricoles et solutions d'infrastructure; et troisièmement, les innovations seront optimisées dans le cadre de dispositifs de gouvernance relatifs à la gestion des ressources partagées, tout particulièrement l'eau, les espaces irrigués et les pâturages.

F. Coopération Sud-Sud et triangulaire

50. En Géorgie, le FIDA s'attachera à jouer plus largement son rôle de médiation et de promotion des solutions de développement rural et d'autres ressources provenant de la région et d'ailleurs, susceptibles d'être exploitées collectivement pour améliorer les moyens d'existence des ruraux dans l'ensemble des pays en transition.
51. Plus concrètement, le FIDA encouragera l'établissement de partenariats régionaux avec des pays rencontrant des défis similaires, y compris concernant les changements climatiques, l'action collective et le dépeuplement rural, en particulier dans les zones de montagne. À l'évidence, on peut compter parmi les possibles pays partenaires l'Arménie, la République de Moldova, le Monténégro et la Turquie. Dans la pratique, les innovations développées en Géorgie pourraient être mises en

avant lors de manifestations en lien avec la coopération Sud-Sud et triangulaire (telles que l'Exposition mondiale sur le développement Sud-Sud du Bureau des Nations Unies pour la coopération Sud-Sud et la Journée des Nations Unies pour la coopération Sud-Sud), dans des publications et via le portail du FIDA sur les solutions rurales.

RB-COSOP Results Management Framework

Goal: support the Government's efforts to promote inclusive and sustainable rural economic transformation with improved resilience of rural communities				
Country strategy alignment	Key Results for RB-RB-COSOP			Indicative Lending and Non-Lending Activities For the next 3 years
Strategy for Agricultural Development in Georgia 2015-2020	Strategic objectives	Outcome indicators	Milestone indicators	
<p>The Ministry of Agriculture's six year strategy for agriculture development focuses on seven key strategic directions:</p> <ol style="list-style-type: none"> 1. Enhanced competitiveness of rural entrepreneurs 2. Institutional Development 3. Amelioration and Soil Fertility 4. Regional and sectorial development - value chain development 5. Ensuring Food Security . 6. Food Safety, Veterinary and Plant Protection . 7. Climate Change, Environment and Biodiversity . <p>IFAD's strategic</p>	SO1: Creating economic opportunities for the productive poor	<ul style="list-style-type: none"> • At least 20% Increase in income for targeted households • At least 30% of targeted households reporting an increase in production (Core indicator) • 30% of supported households reporting improved physical access to markets, processing and storage facilities • At least 2,500 FTE job created (Core indicator) • At least 70% of supported/ created rural enterprises are profitable after 3 years (Core indicator) 	<ul style="list-style-type: none"> • At least 15 productive infrastructures constructed/rehabilitated. • At least 2500 people trained in production practices and/or technologies (30% women) (Core indicator) • At least 50% of trained beneficiaries reporting adoption of new/improved inputs, technologies or practices (Core indicator) • At least 5,000 persons trained in income-generating activities or business management (30% women) (Core indicator) • At least 50 rural enterprises created. 	<p>Lending activities: through IFAD financing (Loan and Grant) and additional financial leverage</p> <ul style="list-style-type: none"> • Trainings and capacity building for beneficiaries and government staff • Engagement of youth and vulnerable groups in diversified income generating activities • Infrastructure to support the value chains • Support to improve natural resources management (including irrigation schemes, pastures) • Climate change
	SO2: Establishing an enabling environment for an adaptable, sustainable and	<ul style="list-style-type: none"> • At least 2,000 ha under improvement management practices (RIDE indicator) • At least existing/new laws, 	3000 hectares of land brought under climate-	

Goal: support the Government's efforts to promote inclusive and sustainable rural economic transformation with improved resilience of rural communities				
Country strategy alignment	Key Results for RB-RB-COSOP			Indicative Lending and Non-Lending Activities For the next 3 years
Strategy for Agricultural Development in Georgia 2015-2020	Strategic objectives	Outcome indicators	Milestone indicators	
objectives is aligned with the Government strategy and will contribute to the different strategic directions	inclusive rural economy.	regulations, policies or strategies within smallholder dairy, talent retention, EU approximation consequences or similar areas, proposed to policy makers for approval, ratification or amendment (Core indicator)	resilient management At least 10 policy-relevant knowledge products completed (Core indicator)	mitigation through environmental plans Non-lending activities <ul style="list-style-type: none"> • Evidence-based data and knowledge products on productivity and income to inform policy discussions with the Government and other partners • Undertaking different studies and formulation of environmental plans • Annual implementation review workshops with stakeholders and potential partners

Agreement at completion point of last country programme evaluation

Agreement at Completion Point

Introduction

1. This is the first country strategy and programme evaluation (CSPE) conducted by the Independent Office of Evaluation (IOE) in Georgia, as approved by the 116th Session of the IFAD Executive Board. The main purpose of this evaluation is to assess the results and performance of the country strategy and programme and to generate findings and recommendations for the upcoming COSOP to be prepared in 2018. The CSPE identifies the factors that contributed to the achievement of strategic objectives and results, including the management of project activities by IFAD and the Government.
2. The CSPE assesses the results and performance of the activities conducted since December 2004, when the first COSOP was presented to the Executive Board. The CSPE covers the full range of IFAD support to Georgia, including lending and non-lending activities (knowledge management, partnership-building, and country-level policy engagement), including grants, as well as country programme and COSOP management processes.
3. The CSPE benefitted from other IOE evaluations that have covered Georgia. This includes the evaluations of four closed projects, including the impact evaluation of a recently closed project, as well as country studies prepared as part of the 2016 corporate level evaluation on decentralization and the thematic evaluation of rural finance (2005).
4. The CSPE main mission took place from 12 June to 12 July 2017. It included meetings with a wide range of stakeholders in Tbilisi and in project areas. Field visits to completed and ongoing IFAD-supported projects covered infrastructure, demonstration plots, microfinance institutions (MFIs), credit unions (CUs), and supply chain beneficiaries in the Autonomous Republic of Adjara, and the regions of Guria, and Samegrelo-Zemo Svaneti. The mission teams visited land registration and food safety offices, infrastructure sites, and matching grant beneficiaries in Kvemo Kartli region, and infrastructure in Mtskheta-Mtianeti region. The main mission concluded with a wrap-up meeting in Tbilisi on 11 July 2017.
5. The Agreement at Completion Point (ACP) reflects commitment of the Government of Georgia and IFAD Management of the main CSPE to adopt and implement the CSPE recommendations within specific timeframes. The implementation of the agreed actions will be tracked through the Presidents Report of the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA), which is presented to the IFAD Executive Board on an annual basis by the Fund's Management.
6. The ACP will be signed by the Government of Georgia (represented by H.E. the minister of Finance) and IFAD Management (represented by the Associate Vice President of the Programme Management Department). The signed ACP will be submitted to the Executive Board of IFAD as an annex to the new COSOP for Georgia.

7. **Recommendation 1. Establish some form of country presence or limit IFAD's engagement to co-financing operations led by other development partners.** Without a country presence IFAD cannot maintain the required flexibility, and at the same time consistency, in its engagement with a country such as Georgia, that is changing at such a fast pace and that is becoming increasingly demanding in terms of the kind of assistance it requires. For IFAD to play to its comparative advantage and add value, it has to leverage influence through partnerships. A consistent strategy for policy engagement and KM - yet to be developed - will require dedicated resources and solid expertise on the ground. If IFAD cannot establish a country presence, it should confine its engagement to co-financing operations led by other development partners. Past experience with co-financed projects has shown that IFAD can achieve good results through strong partnerships. This would enable IFAD to focus its resources on critical areas where it can add value through lending and non-lending activities.
8. **Agreed follow-up to recommendation 1:** The CSPE has highlighted that despite the challenges, the portfolio was relevant and, with some notable exceptions, well-aligned with Government priorities. While Management fully agrees that consistent with corporate priorities, there is a need to leverage partnerships, strengthen policy engagement and knowledge management, it does not concur with the premises of the recommendation as put forward *i.e. to establish some form of country presence or limit IFAD's engagement to co-financing operations led by other development partners*. Corporate level co-financing targets have been established and IFAD is also committed to country selectivity and prioritising investment opportunities for results and impact at scale. The Government and IFAD jointly prepared the Country Strategic Opportunities Programme which scopes the intensity of action and engagement. IFAD will continue to strengthen partnerships in Georgia and maximise opportunities for co-financing and scaling up investments for sustainable rural transformation and rural poverty reduction. While country presence is generally desirable, the current decentralisation plans foresee a Sub-regional hub in Turkey that will cover the Georgia country programme. This will increase proximity to the country and contribute to a closer engagement with the Government and other partners.
9. Responsible partners: Not applicable
10. Timeline: Not applicable
11. **Recommendation 2. Establish a strategic focus on rural finance and rural institution building, in line with Government priorities.** Rural finance is an area where IFAD has built up a body of experience due to experimentation with different access-to-finance models. No other development partner in Georgia has similar experience and IFAD should continue to pursue this niche. Furthermore, now that Government is showing an increasing interest in grassroots institutions and the EU (through ENPARD) and World Bank are supporting them, grassroots bodies can be the conduits for the financial products supported by IFAD. In this regard, IFAD should graft upon the work of others; there is no need to create parallel institutions unless absolutely necessary. It can also build on its successful relationship with MFIs. In the upcoming livestock project, MFIs should be used to target farmers and livestock cooperatives in the lower mountain regions.
12. **Agreed follow-up to recommendation 2:** IFAD Management agrees. IFAD has been engaged in Georgia since 1997. In the early years of engagement, there was a need to develop the mechanisms and institutional framework to allow for access to credit. This has been successfully achieved as also recognised in the CSPE.¹

13. Government has recognised that the rural financial markets are robust and have enough liquidity. Government's request to IFAD is to support the organisation of smallholder farmers to enable them to tap into this available financial resource and its value added is to create the demand for the rural financial services; this approach is already in place. IFAD has not established parallel institutions and continues to build on and tap into the successful partnership with MFIs and the government agency, Agriculture Project Management Agency (APMA), as is the case with the ongoing IFAD-funded Agriculture Modernisation, Market Access and Resilience project.
14. Responsible partners: IFAD and Ministry of Environmental Protection and Agriculture
15. Timeline: through the COSOP 2018 and next designs
16. **Recommendation 3. Radically revise the approach to targeting, to adopt an explicit strategy for targeting those at risk of poverty and social exclusion within the rural population, in close cooperation with other development partners.** IFAD has an important role to play in Georgia if it focuses clearly on the poorer parts of the rural population and in particular women and youth. For this IFAD needs to do more to reach out to those parts of the rural population that are economically active, but at risk of poverty and social exclusion.¹ Only targeting entrepreneurial farmers and assuming that the rest will benefit indirectly will not be sufficient. IFAD has to adopt a differentiated targeting strategy that will support direct benefits for the relatively poorer parts of the population. Therefore, it is recommended that in preparation for the new country strategy, and in cooperation with like-minded partners, IFAD should conduct robust poverty and gender analysis to provide the basis for identifying and reaching out those groups that are at risk of poverty and social exclusion in rural development interventions, with a specific focus on women and youth. The outcome of the consultation would be to identify actionable strategies and, where possible, agree on coordinated interventions specifically targeted to rural youth and women, including single women and women-headed farming households. These strategies should inform IFAD's future project designs. Furthermore, any intervention supported by IFAD should ensure that women and youth from poorer households benefit equally. Interventions targeted at entrepreneurial farmers should ensure that entrepreneurial women are mobilized and benefit equally. Every project targeting value chains should include a commensurate set of activities that will give the private sector incentives to include smallholder farmers and monitoring to ensure the active poor benefit.
17. **Agreed follow-up to recommendation 3:** IFAD Management broadly agrees but recognises that the targeting approaches in MICs will not necessarily be directed at the extreme poor who mostly rely on social assistance programmes and are not economically active. Adopting a differentiated strategy is statutory for all our interventions (COSOP and design). The learning on IFAD operational policies are part and parcel of the engagement process by IFAD to ensure that pro-poor targeting mechanisms and approaches are employed. However, IFAD engages in policy dialogue and ensures alignment with Government

¹ Note: this does not include those parts of the population that depend on social assistance

strategies and priorities. As a MIC and with imminent EU approximation, Georgian smallholders will have to comply with EU standards if they will continue to exist and participate in the economy. Our investments are intended to help these smallholders organise and graduate from their current situation and comply with EC standards. The fact that we also support enterprises is driven by this imminent development ensuring backward and forward linkages with the poorer segments. In all IFAD projects especially in MICs and particularly investments in VCs, various segments in the value chains provide opportunities for indirect outcomes such as job opportunities and input supplies and services from the youth and women in particular. Resources permitting, we will continue to conduct more feasibility and preparatory studies to develop packages for different segments of the target groups that fit with the overall macro-economic evolution and transformation of the agricultural sector

17. Responsible partners: IFAD and Government of Georgia
18. Timeline: through the COSOP 2018 and next designs

Signed by:

First Deputy Minister of the Ministry of Environmental Protection and Agriculture
Government of Georgia, Tbilisi

Signature: _____



Associate Vice President
Programme Management Department
IFAD, Rome

Signature: _____

A handwritten signature in blue ink.

RB-COSOP preparation process including preparatory studies, stakeholder consultation and events

1. This RB-COSOP has been designed with IFAD's partners in Georgia, most notably the Ministry of Environmental Protection and Agriculture, but also other stakeholders from the private sector, civil society and external development partners. A RB-COSOP design team visited Georgia from 1 to 14 October 2017, during which intensive consultations were held, culminating in a joint learning event on 12 October 2017, when the preliminary findings were presented, discussed and the overall strategic direction agreed.¹³
2. Simultaneously, a RB-COSOP completion review was undertaken, upon which this RB-COSOP also rely for insights into past performance and learnings from the previous RB-COSOP (covering 2004-2013) and the country partnership and strategy note (CPSN, covering 2014-2017). Moreover, the RB-COSOP has also been informed by the preliminary findings, conclusions and recommendations of country strategy and programme evaluation conducted by IFAD's independent office of evaluation (2018). Other documentation include project evaluations, project completion reports, reviews and M&E reports.
3. The consultations in Georgia including the following stakeholders:
 - Ministry of Environmental Protection and Agriculture, including all relevant departments and units
 - AMMAR project staff
 - Ministry of Finance
 - Ministry of Economy and Sustainable Development
 - Ministry of Regional Development and Infrastructure
 - Statistics Georgia (GeoStat)
 - Georgia Farmers' Association
 - Georgian Amelioration Company
 - Georgian Alliance on Agriculture and Rural Development (GAARD)
 - OXFAM / Bridge
 - Action Against Hunger (a NGO)
 - European Neighbourhood Programme for Agriculture and Rural Development (ENPARD, EU supported)
 - Agricultural Cooperatives Development Agency (ACDA)
 - Agriculture Projects Management Agency (APMA)
 - Agriculture Projects Management Agency (APMA)
 - Biological Farming Association (Elkana, a NGO)
 - Women's Information Center (WIC, a NGO)
 - Scientific-Research Center of Agriculture (SRCA)

¹³ The COSOP design team was led by Dina Saleh, IFAD country programme manager, Nicolas Tremblay, IFAD lead technical specialist, environment and climate, Edward Heinemann, IFAD, lead advisor, Peter Frøslev Christensen, lead consultant, Renaud Colmant, IFAD climate change specialist, Mohamed El Ghazaly, M&E consultant, Asyl Undeland, gender and targeting consultant, Sophie Berishvili, climate change specialist and Shorena Tchokhoniidze, institutional specialist.

- World Bank (including project staff and office staff)
- Swiss Agency for Development and Cooperation
- German International Cooperation (GIZ)
- Austrian Development Cooperation
- FAO
- UNDP
- UN Women
- UN Women
- CARE, Georgia
- USAID (office as well as USAID supported projects)

A country programme management team meeting was held in IFAD HQ on 17 October 2017, during which a presentation of the process and outcomes was made and broad agreement on the strategic direction was also solicited and obtained.

Georgia RB-COSOP joint learning event: 12 October 2017



Partnership for rural prosperity

Proposed strategic focus of IFAD for the future

By Peter Frøslev Christensen
IFAD lead consultant



IFAD country strategy – engagement process

Approach to strategy review - Conversations with key partners:

- Government stakeholders, incl. MoA and its key departments and agencies
- Farmers, service providers and rural entrepreneurs
- External development partners, incl. SDC, WB, ADA, FAO, USAid and CSOs.

Learnings from these engagements have and are informing the strategy drafting process



IFAD historical engagement with Georgia



Key strategic context

IFAD own corporate strategies and mandate:

- IFAD is focused on raising the productivity and incomes of the rural poor; and improve their market integration
- Operationally, a key focus area is on the smallholders, and there are plenty in Georgia
- Priority on *productive* investment that accelerates inclusive growth not only in agriculture but in the wider rural space
- Increasingly also on brokering knowledge and innovation on emerging challenges especially on climate change.



Georgian strategic policy context

Policy level: Substantial changes since the last strategy:

- Georgia's long term *SDS 2020* (2014) medium term *Freedom, Rapid Development & Prosperity* (2016) key in driving sustainable and inclusive economic growth, through effective public administration, human capital development, access to finance, and private sector competitiveness
- Increased focus on rural space through e.g. cheap credits, assistance to smallholders for e.g. inputs and ploughing and renewed interest in rural public goods



Georgian strategic policy context

Ministry of Agriculture's 2020 strategy:

- Key is to frame previous urgent but ad-hoc measures into a systemic transformative strategy
- Accentuated by the DCFTA/AA and the accompanying challenges and opportunities
- The seven strategic directions give guidance and IFAD is ready to assist on delivering on the promises
- Complements the Rural Development Strategy 2017 - 2020



Georgian context - challenges

- Extreme land fragmentation and high rural poverty
- Animal and crop diseases still prevalent
- Climate change impact diseases, stress and risk
- Rural infrastructure in state of disrepair
- Poor governance of infrastructure and natural resources
- Quality standards underdeveloped, squeezing smallholders
- Insufficient 'quality infrastructure'
- Weak value chains esp. for smallholders
- All partly due to policy neglect and underinvestment



Poverty and its drivers in Georgia



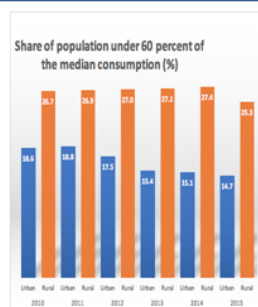
- 32% of country's population poor in 2014 (<\$2.5/day)

- More than 60% moderately poor and vulnerable to poverty

- Income sources of smallholders: Hired labour and from selling ag products



Poverty disparities



- Rural areas home to about 46% of population

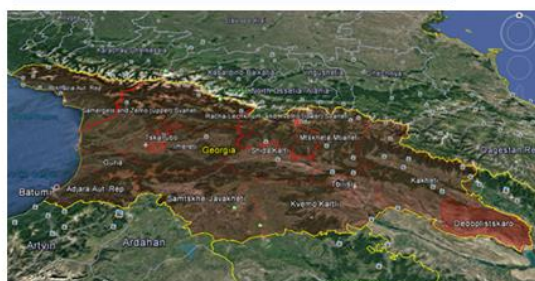
- Here poverty is almost twice as high

- Poverty level differs by regions and proximity/connectivity to urban centres

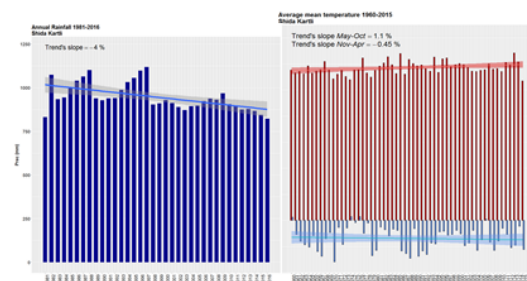
- Mountainous regions have higher concentration of poor



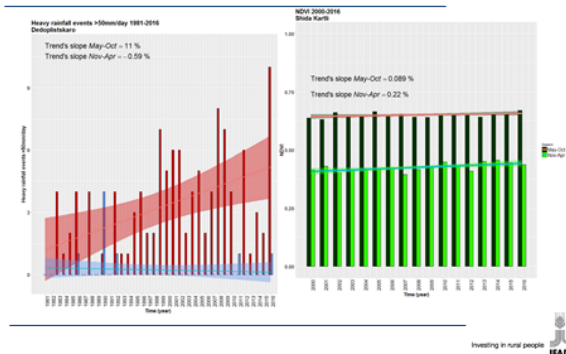
Georgian climate context



Climate context: Rain & Temperature



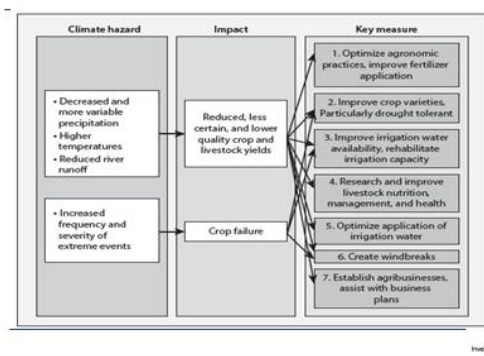
Climate: Extreme events & vegetation



Climate impacts

- Climate change is happening in Georgia
- Impacts are not yet dramatic
- But it would be unwise to neglect the trends, including :
 - increasing water deficits, to be compensated by additional irrigation
 - increase in extreme events due to changes in the rainfall pattern;
 - risk of new plant/animal/human diseases;
 - exposure to land degradation (wind and water erosion, potential reduction in biodiversity, etc.).

Climate adaptation framework



IFAD's climate lessons & challenges

- Lessons learned from IFAD's AMMAR Project (Agricultural Modernization, Market Access and Resilience Project)
- Attempts of reforestation, pasture enrichment, windbreaks were unsuccessful due to uncertainty of property rights & responsibility of land.
 - Significant policy and regulatory barriers, particularly affecting pastures:
 - Demarcation and registration
 - Land degradation and pasture condition insufficiently analyzed
 - Unclear management authority and lack of regulatory environment.

IFAD's future climate engagements

- Upcoming project Livestock Improvement in the Mountain Areas (LIMA) to address barriers to climate-smart investments in pastoral areas.
- This requires significant collaboration between Ministries of Economy, Agriculture, Environment & Justice.
- Funding from the Green Climate Fund may be sought to complement IFAD financing, resulting in the potential for "win-win-win" interventions.

IFAD's learnings

Informed by lessons learnt from past experiences:

- Government support, ownership is critical
- Don't be driven by numbers only. Institutional context matter
- Ad-hoc, time-bound measures not sufficient to achieve rural transformative impact
- As a corollary, need to have better integrated approaches, factoring in CC, governance and complete VCs
- Poverty targeting and monitoring hereof needed
- Partnerships (domestic and international) are necessary

IFAD's learnings

Informed by lessons learnt from past experiences:

- 'Broken' value chains reduce profitability and market access esp. for small-scale producers
- However, top-down established producer, marketing and community groups have had severe sustainability challenges
- Need to base support more robustly on demand, market driven consolidation, increased competitiveness and economies of scale
- Need to engage different partners such as the financial sector, suppliers, buyers and processors.



IFAD's strategic partnership principles

Enhancing partnerships and leveraging impacts:

- Use existing sustainable structures for delivery
- Partner with like-minded rural development catalyzers such as IFIs and CSOs
- Seek to leverage finance for e.g. CC and youth
- Align to government policies



IFAD's strategic partnership principles

Three pillars of mutual support areas – four point plan 2016–2020:

1. **Private sector strengthening** – IFAD will target the single largest business cluster
2. **Spatial planning** – IFAD will help deliver on the promise of development of rural highland and remote areas
3. **Governance** – IFAD work on both public and private governance of collective goods



IFAD's strategic partnership principles

Seven pillars of mutual support areas – Agricultural strategy 2020:

1. **Competitiveness of farmer and rural entrepreneurs** – IFAD response: support value chain strengthening
2. **Institutional Development** – IFAD response: Assist in selected areas such as extension, APMA capacity and coordination
3. **Irrigation and Soil Management** – IFAD response: Key area but increasingly complemented with governance focus and climate adaptive engagements



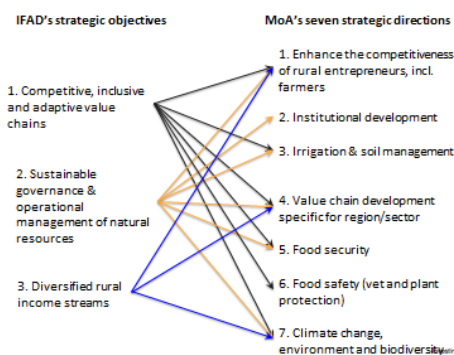
IFAD's strategic partnership principles

Agricultural strategy 2020 (Cont'd):

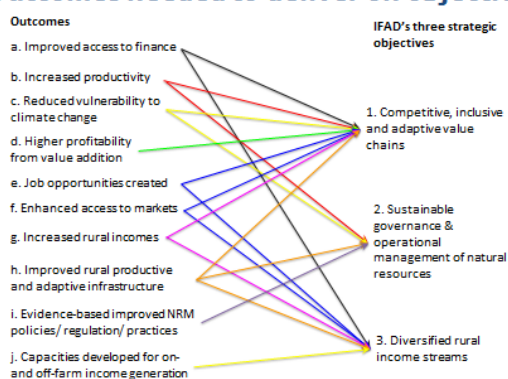
4. **Regional/sector specific value chain development** – IFAD response: Engage in adaptive VCs and solutions
5. **Ensuring food security** – IFAD response: Focus on commercialization & diversification of subsistence and smallholders
6. **Food safety, vet & plant** – IFAD response: Complement EU with technologies, inputs and VC strengthening
7. **Climate Change, environment and biodiversity** – IFAD Response: Robust focus on climate adaptive agriculture, sustainable water and land governance



IFAD's strategic partnership objectives and alignment with MoA strategy



Outcomes needed to deliver on objectives



Tentative results framework

Key Results for RB-COSOP (covers 2 funding cycles)		
Strategic objectives	Outcome indicators	Milestone indicators
SO 1: Promote competitive, inclusive and adaptive value chains	<ul style="list-style-type: none"> At least 20% increase in income for targeted households At least 30% of targeted households reporting an increase in production (Core indicator) 30% of supported households reporting improved physical access to markets, processing and storage facilities 	<ul style="list-style-type: none"> At least 15 productive infrastructures constructed/rehabilitated At least 2500 people trained in production practices and/or technologies (30% women) (Core indicator) 30% increase in volume of agriculture and dairy produce At least 50% of trained beneficiaries reporting adoption of new/improved inputs, technologies or practices (Core indicator)
SO2: Improve sustainable governance & operational management of natural resources	<ul style="list-style-type: none"> At least 2,000 ha under improved management practices (RIDE indicator) Two existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment (Core indicator) 	<ul style="list-style-type: none"> 2000 hectares of land brought under climate-resilient management At least 10 policy-relevant knowledge products completed (Core indicator)
SO3: Advance diversification of rural income streams	<ul style="list-style-type: none"> At least 2,500 FTE job created (Core indicator) At least 1,000 persons reporting using 	<ul style="list-style-type: none"> At least 5,000 persons trained in income-generating activities or business management (30% women) (Core indicator)

How to do it: Reaching the rural poor

Geographic targeting: IFAD is working nationwide, with special focus on disadvantaged regions and municipalities

Direct Targeting: IFAD exercises direct targeting of the vulnerable, youth, smallholders; and quota for female-headed households

Self-targeting measures – focusing on the priorities and capacity of the productive smallholders

Enabling measures – to support a policy and operational environment favourable to poor



Engaging & empowering women



IFAD's strategic partnership – engaging with partners

- Continue the strong partnership with ministry of agriculture and its agencies
- Reach out to the key actors in inclusive value chains, from farmers, to coops, buyers, sellers and extension
- Engage and broker with financial institutions from MFIs to banks and IFIs
- Learn, cooperate, coordinate and complement with other ministries, development partners and civil society organizations
- Openness to new partnerships that share IFAD vision of transformative and adaptive change in the rural space



IFAD's strategic partnership – next steps

Next steps in the process

Based on previous consultations, learnings and inputs from this workshop:

- Revise and update the strategy and results framework
- Share draft with government partners - soliciting comments
- Finalise strategy paper
- Submit to IFAD Executive Board (2018)



Questions for discussion

- Do you agree with the three objectives?
- To what extent should IFAD focus outside core agriculture to e.g. diversify off-farm incomes
- How can smallholders become more integrated in and benefitting from value chains? Coops, consolidation or connectivity?
- What are the critical elements that can attract entrepreneurial youth to invest in their rural livelihoods?
- Why have past public investment in agriculture underperformed? And what to do?



Natural resources management and climate change adaptation: Background, national policies and IFAD intervention strategies

Social, Environmental and Climate Assessment Preparatory Study for the RB-COSOP of Georgia

1. Major landscape characteristics and issues

1.1 Socio-cultural context

1. Georgia spans on a territory of 69,700 km² and, as of January 2016, is home to 3.72 million people. Georgia's capital – Tbilisi – is the largest city of the country with the population of 1.1 million people¹⁴.
2. Georgia is a semi-presidential democratic state with multiparty system, has a president, as Head of the State and Prime Minister, as head of the Government (Government of Georgia). The President of the Republic and the Government wield executive power. The Parliament holds the legislative power in Georgia and court power is executed by constitutional court and other united courts.
3. Georgia is divided in nine regions: Guria, Imereti, Kakheti, Kvemo Kartli, Mtskheta-Mtianeti, Racha-Lechkhumi and Kvemo Svaneti, Samegrelo and Zemo Svaneti, Samtskhe-Javakheti, Shida Kartli. Georgia has two breakaway regions – Abkhazia and South Ossetia. A region is a non-self-governing administrative unit providing coordination and communication of several municipalities therein (with the exception of the municipalities of Adjara and that of Tbilisi) with the central Government. The 'State Commissioner' or the 'Governor' leads a region being formally appointed by the Prime Minister of Georgia.



4. Each region of Georgia is sub-divided in municipalities. According to the Local Self-

¹⁴ Geostat, 2016: <http://geostat.ge/>

Government Code of Georgia (2014), a municipality is a self-governing unit where a local self-governance is implemented. The municipality could be under the form of a settlement (self-governing city) which has administrative borders or of a unity of settlements (self-governing community or 'Temi'), which has administrative borders and administrative centre.

5. A municipality has elective representative and executive bodies, registered population and hold its own property, budget, and revenues. The executive body of the municipality is called Gamgeoba (or Municipality Board), and the highest official of the municipality is a Governor (Gamgebeli or Head of the Board), or a mayor for self-governing city. For the purposes of optimisation of governance, a municipality may be again sub-divided in administrative units.
6. The population of Georgia has significantly decreased since the collapse of the Soviet Union, as a direct result of emigration triggered by economic hardship. According to the World Bank, at least 15% of the country's population migrated permanently since 1990s¹⁵.

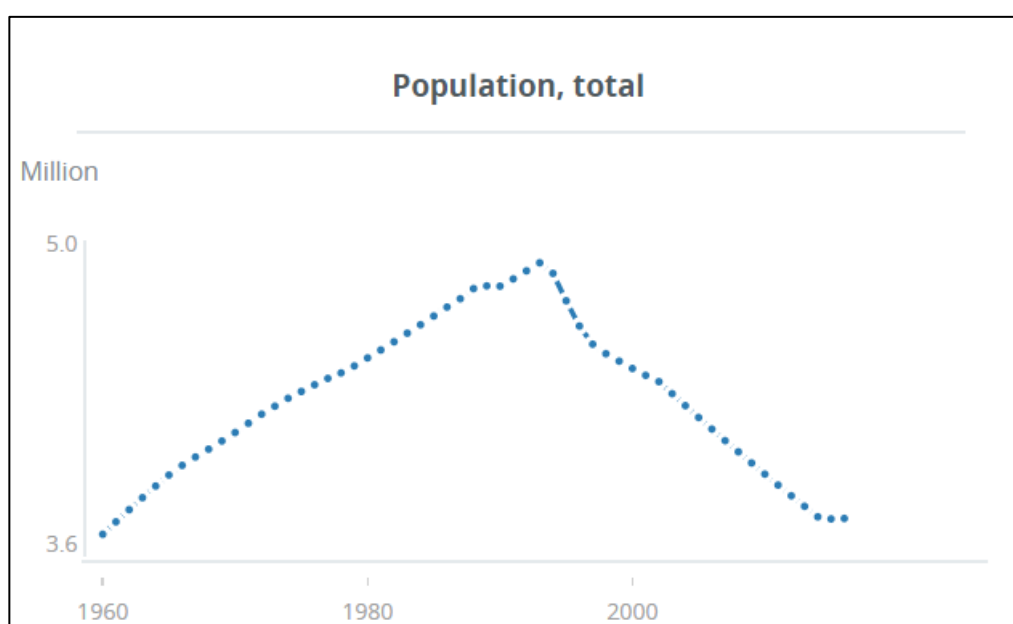


Figure 1: Total population in Georgia (World Bank, 2016)

A. Rural poverty

7. The average monthly income per capita and per household during the last ten years have been slowly increasing. The same trend is observed for the average monthly expenditure per capita and per household, with incomes only slightly higher than expenditures. The poverty level has nonetheless increased in the country from 6.4% in 2007 to 10.1% in 2015¹⁶. Georgia's Human development index (HDI) value for 2014 was measured at 0.754 by UNDP. This index indicator places the country in the high human development category and positions it at 76 out of 188 countries and territories. It is noteworthy that between 2000 and 2014, Georgia's HDI value increased from 0.672 to 0.754. Rural population has been decreasing. The majority of the poor are in rural areas, many of them occupied in subsistence or small-scale agriculture since the fall of the Soviet Union. Agriculture is no longer one of the main driver of the economic growth of Georgia. Still, agriculture maintains its importance in rural development and the rural labor force is predominantly employed in the

¹⁵ World Bank, 2016

¹⁶ Social Service Agency, 2016. <http://ssa.gov.ge>

agriculture sector.

B. Gender and youth

8. **Gender.** The constitution of Georgia guarantees equal rights to women and men. In 1995, Georgia adopted the Beijing Platform for Action and the Convention on the Elimination of All Forms of Discrimination against Women. The Millennium Development Goals also obliges the government to take measures for women's advancement and gender equality. After pursuing a fragmented approach to women's advancement and gender equality in the late 1990s, Georgia has made important policy improvements since 2003. According to UNDP, slight gender inequalities persist in rural Georgia and justify measures to give equal opportunity to men and women in projects. However, these inequalities do not result in higher vulnerability for female-headed households
9. **Youth.** According to the State Youth Policy Document of Georgia a "youth" is considered to be a person aged from 14 to 29 years. The policy document covers identification and support of youth groups, among them students, children, vulnerable and marginalised groups, such as young people with disabilities, internally displaced young people, young people from ethnic minorities, underprivileged young people, young people living in mountains and rural areas, juvenile inmates, young people living in the areas bordering the occupation line etc. Georgian youth is considered by the state among the most valuable assets to ensure long-term democratic development and economic growth of the country.

C. Land and water tenure

10. According to the Strategy for Agricultural Development in Georgia for 2015-2020, agricultural land accounts for over 3 million ha and constitute 43.4% of the whole territory of Georgia. It is made up of arable lands, pastures and meadows. 25% of Georgia's total land area is classified as permanent pasture which represents about 1.7 million ha of Georgia total land area of 6.9 million ha. This confirms the importance of pastures, as they constitute over 50% of the total agricultural lands in Georgia.
 11. While most arable land was privatized after Georgia's independence, pastures remained under state ownership and are used under a regime of free access¹⁷. To date, there no clear delineation between state-owned, municipal and privately-owned land for agricultural; only 20-30% of the agricultural lands are officially registered by the National Agency of Public Registry. In 2010, with the issuance of the Law of State Property, privatization of pasture was *de facto* stopped; however, some of pasture lands had already been acquired by private owners between the independence and the issuance of the Law. The current ownership of pastures is estimated as follows:
 - Private owners: 15% -25%
 - Municipalities: 2-5%
 - Agency for Protected Areas: 2%
 - Public Property: 70-80%
 12. Currently, conflicting policies are driving the pastures registration process. On one hand, the Agency of State Property (ASP) is conducting a national inventory of all state land, including pastures, in view of strengthening the administration of state property. ASP is coordinating with municipalities and concerned ministries the registration process of state property. On the other hand, the Ministry of Regional Development and Infrastructure (MRDI) is supporting municipalities to register state property, including pastures in view of strengthening the decentralization process in Georgia. This process is aiming at improving revenues of municipalities and is linked to various on-going legal, institutional and financial support to local development.
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¹⁷ Raaflaub and Dobry (2015). Pasture Management in Georgia

1.2 Natural resources and their management

13. Georgia is a mountainous country with rich biodiversity and varying climate and precipitation. Almost the entire infrastructure, as well as industrial and agricultural lands are located in the lowlands. About half of the area is farmland, mostly hay land and pastures due to the mountainous landmass. Arable land often requires land reclamation measures. The key environmental problems in Georgia include pollution to air and water, as well as land degradation; deforestation, forest degradation, localized overgrazing, erosion and loss of biodiversity are affecting the provision of ecosystem services negatively.

A. Water resources

14. The country can be divided into two main river basin groups: The Black Sea Basin, in the west of the country. The internal renewable surface water resources (IRSWR) generated in this basin are estimated at 42.5 km³/year.
15. Although water is abundant in Georgia, it is unevenly distributed geographically. Almost 80% of the fresh water is found in the western part of the country, while a majority of industrial facilities, irrigated land, and population is situated in the eastern part. Failing infrastructure for water supply, sewage, and wastewater treatment causes pollution of watercourses, particularly in the East, and may affect human health. Many of the rivers, especially Mtkvari and Rioni, are heavily polluted, affecting water quality nationally as well as in downstream countries.
16. Coliform bacteria levels in reservoirs and water supply systems have reached dangerous levels in many areas. The quality of drinking water often does not comply with human health and safety standards. The major sources of water pollution are domestic, industrial and agricultural activity, including inadequate waste management practices. In 1996, only 13% of domestic and industrial sewage was treated prior to discharge. Also the Black Sea is heavily polluted by uncontrolled sewage, agricultural runoff, oil spills and dumping of wastes. The entire ecosystem of the Black Sea has begun to collapse, and the wetlands (including Ramsar sites) are heavily affected.

B. Soil and land degradation issues

17. Georgia is among the countries having the most diverse soil types within a small area, stipulated by vertical zonality consisting from five climatic zones. Distribution of the major soil types are shown on the map (Figure 2).
18. The World Bank¹⁸ estimates that two-thirds of agricultural lands are eroded or degraded. Soil erosion, desertification and salinization (most common in east Georgia) are growing problems. Water and wind erosion, environmentally degrading agricultural practices and other anthropogenic pressures (e.g. uncontrolled logging)¹⁹ and natural processes has led to the degradation of farmland. Given the scarcity of arable land, soil erosion remains one of the greatest problems. There is no systematic monitoring of industrial pollution of soils. There is however, an increase in the use of chemical substances (fertilizers, pesticides, herbicides, etc.) which may affect the soil quality. Bad waste management practices, including sub-standard landfills (official and illegal dumping sites) cause constant pollution of soil, water and air.
19. Land degradation does not only lead to a loss of land productivity but also increases the frequency and magnitude of floods, landslides, and mudflows. From 1995 to 2012, floods and erosion—particularly through landslides and mudflow—led to US\$650 million in economic losses.²⁰

¹⁸ Georgia: Country Environmental Analysis – World Bank 2015

¹⁹ Geostat, 2016: <http://geostat.ge/>

²⁰ Georgia: Country Environmental Analysis – World Bank 2015

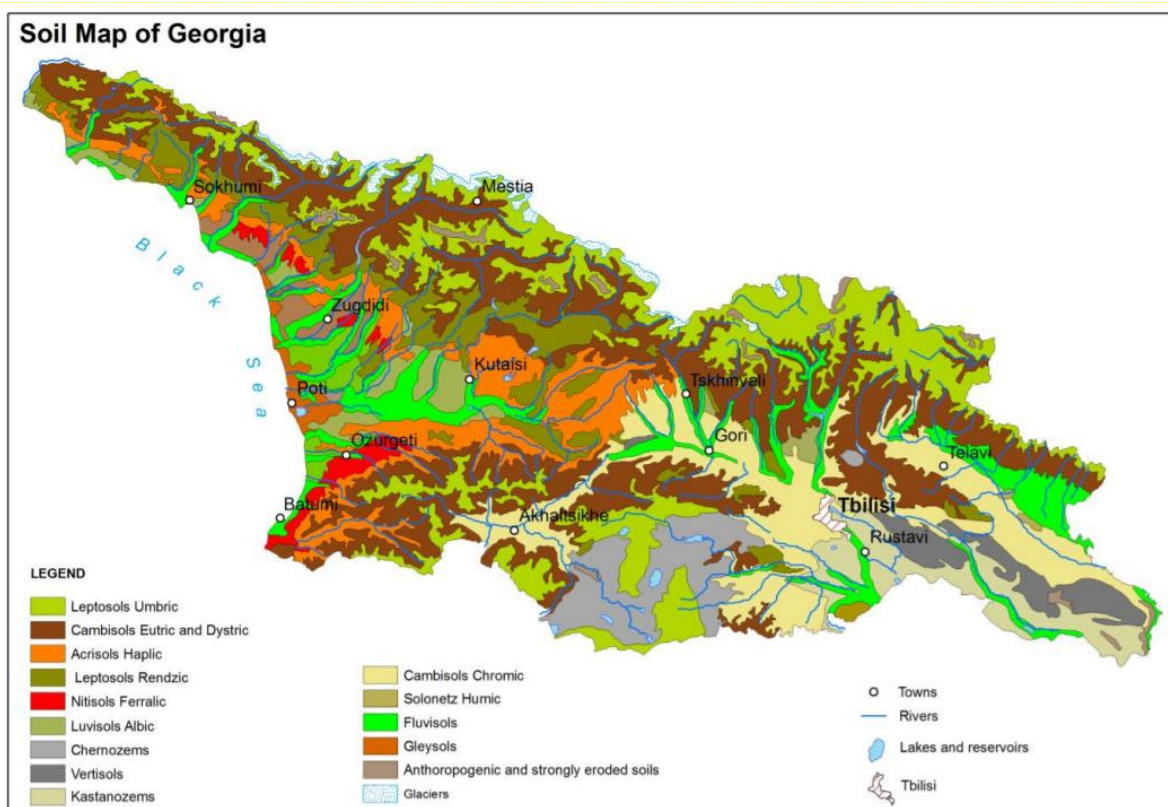


Figure 2: Soil map of Georgia²¹

C. Vegetation cover

20. Forests, which cover almost 40% of the land area, are mainly located in mountainous areas and large parts are severely degraded. Currently the average density of the forest has reached a critical threshold in 52% of the land area. The intensive deforestation since the late 1990s is unprecedented in the history of Georgia. Unsustainable forestry practices and the encroachment of livestock into forests are affecting the diversity, quality and productivity of the forests.²² Deforestation is mainly due to the drastic reduction in firewood imports from Russia. This has been compensated by illegal logging by the population. Degraded forests have drastically decreased protective functions (protection of soils, storage of waters, regulation of waters, sanitary-hygienic functions, etc.) and self-recovery ability. Landslides and avalanches are becoming more frequent. Deforestation exerts a negative influence on the entire ecological state in Georgia.

D. Biodiversity

21. Because of its high landscape diversity and low latitude, Georgia is home to about 5,601 species of animals, including 648 species of vertebrates (more than 1% of the species found worldwide) and many of these species are endemics. The Caucasus is one of the most biologically rich areas on earth and is ranked among the planet's 25 most diverse and endangered hotspots by Conservation International. The bulk of biodiversity is found in the forests, freshwater habitats, marine and coastal ecosystems and high mountain habitats; these are also where the threats are the greatest.

1.3 Climate change impacts and vulnerabilities

22. The climate of Georgia is extremely diverse, considering the nation's small size. There

²¹ Joint Research Center, European Commission, Soil Resources of Mediterranean and Caucasus Countries, 2013.

²² Akhalkatsi (2015). Forest habitat restoration in Georgia, Caucasus ecoregion

are two main climatic zones, roughly separating Eastern and Western parts of the country. The Greater Caucasus Mountain Range plays an important role in moderating Georgia's climate and protects the nation from the penetration of colder air masses from the north. The Lesser Caucasus Mountains partially protect the region from the influence of dry and hot air masses from the south as well.

23. Much of western Georgia lies within the northern periphery of the humid subtropical zone with annual precipitation ranging from 1,000–2,500 mm. The precipitation tends to be uniformly distributed throughout the year, although the rainfall can be particularly heavy during the autumn months. The climate of the region varies significantly with elevation and while much of the lowland areas of western Georgia are relatively warm throughout the year, the foothills and mountainous areas experience cool, wet summers and snowy winters, snow cover often exceeds 2 meters in many regions.
24. Eastern Georgia has a transitional climate from humid subtropical to continental. The region's weather patterns are influenced both by dry, Caspian air masses from the east and humid, Black Sea air masses from the west. Annual precipitation is considerably less than that of western Georgia and ranges from 400–1,600 mm.

A. Climate change impacts

25. According to the IPCC, at regional level in West Asia, upward temperature trends are notable and robust in recent decades. Also, a weak but non-significant downward trend in mean precipitation was observed in recent decades, although with an increase in intense weather events.
26. Recent study from the National Adaptation Plan for Agriculture (NAPA) in Georgia observed changes in climate and therefore in agro-climatic zones in Georgia²³. Temperature has increased in most parts of the country. According to the data of 1991-2015, precipitation through the period decreased slightly overall.
27. Climate change scenarios considered in the country's NAPA and its INDC predict:
 - (i) An increased risk to crops from rains that bring floods, landslides and mudslides
 - (ii) Reduced yields (except in eastern mountain regions where yields may increase)
 - (iii) Increase in variety and range of pests and diseases; (iv) Shifts in production zones and (v) Increased erosion and degradation of limited arable land. Climate change will impact natural resources (forest, pasture, water bodies, others) as well as rural infrastructures such as roads and water points and therefore livelihoods of smallholders and rural people.
28. Neglecting smallholders' adaptation will impact the rural poor negatively and will contribute to socio-economic issues such as rural depopulation (rural population in Georgia was reported at 46.17 % in 2016 and is decreasing) and unemployment (11.8% total population) with possible consequences on the country's stability. Economic losses without adaptation measures during 2021-2030 are estimated to be about 10-12 billion USD, while adaptation measures will cost within 1.5-2 billion USD.²⁴
29. The analysis of the last decades climatic patterns (1960-2016) done by IFAD in 2017²⁵ confirms that the climate in Georgia has already changed and that the main trends foreseen by the IPCC and the NAPA are becoming evident. Extremes in maximum and minimum temperatures have exacerbated since 1960, meaning warmer maximum temperature in summer and colder minimum temperature in winter, for most of the Regions in the country.

²³ Climate Change National Adaptation Plan for Georgia's Agriculture Sector, Ministry of Environment and Natural Resources Protection of Georgia, 2017

²⁴ [Georgia's intended nationally determined contribution submission to the UNFCCC](#)

²⁵ Georgia Georeferenced Climate Trends Assessment 1981-2016. IFAD 2017.

30. Significant decrease in annual rainfall since 1981 is observed for several of the municipalities in Georgia but not at regional level except for Shida Kartli region (see figure 4). Georgia has several micro climates and the trends for annual precipitation can vary from one municipality to another within the same region (i.e. significant increase in Martvili and significant decrease in Tskhakaia within the Samagrello and Zemo Svaneti region). Significant decrease of annual rainfall is noted at local level in most of the municipalities in Imereti particularly during summer and in the North of Kakheti Region throughout the whole year. Those municipalities have experienced smallest amount of annual rainfall since 1981 three years in a row (2014-2015-2016).
31. A shift in intra annual monthly rainfall is observed with an increase in concentration of monthly rainfall in early autumn and late winter and a decrease in summer (with a negative trend of around 1mm/year^2 for August). Rainfall events are not equally distributed during the summer and assessments show trends of longer dry period combined with more intense rainfall events, storms that increase erosion and provoke mudflows and landslides. The study shows a significant increase in heavy rainfall events ($>50\text{mm/day}$) during summer season for the period 1981-2016 (see Figure 3 below).

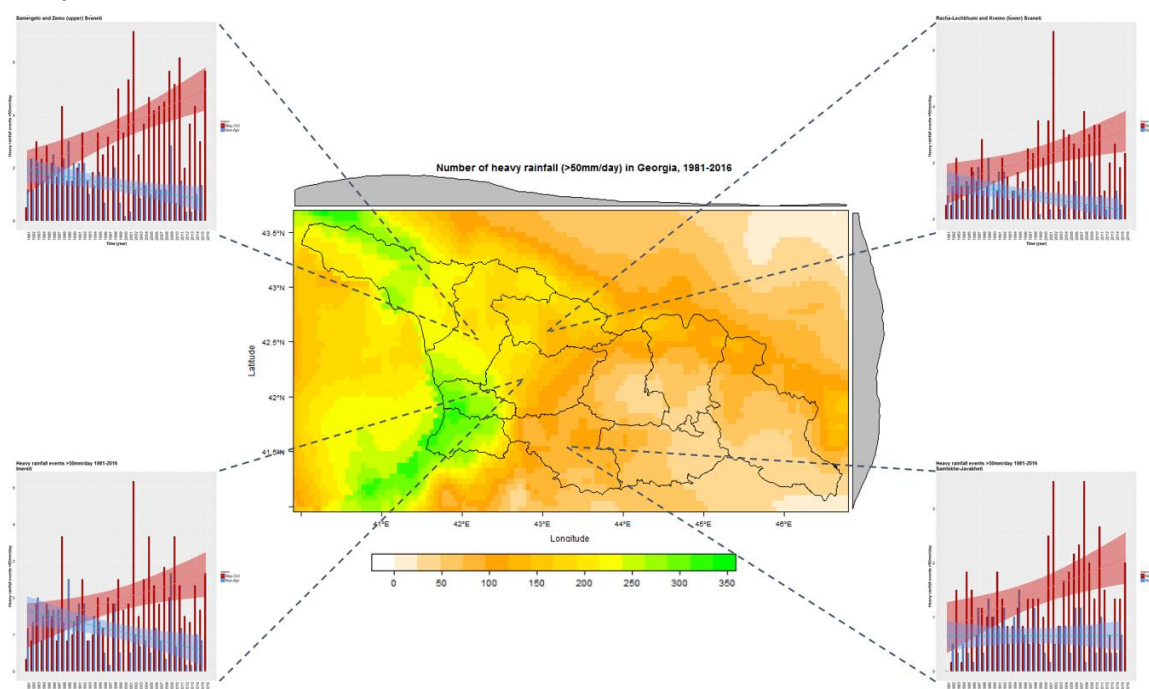


Figure 3: Number of heavy rainfall events ($>50\text{mm/day}$) in Georgia for the period 1981-2016

32. A study of trends in snow cover for the period 2000-2016 was also conducted by IFAD²⁶ based on satellite imagery from Landsat, NASA. Results show as expected that the percentage of the territory covered by snow is higher during the winter months. In the two regions situated in the north of the country (Racha-Lechkhumi and Kvemo (lower) Svaneti, Samergelo and Zemo (upper) Svaneti) the study shows a robust trend of decreasing snow cover since 1981.

²⁶ Georgia Georeferenced Climate Trends Assessment 1981-2016. IFAD 2017.

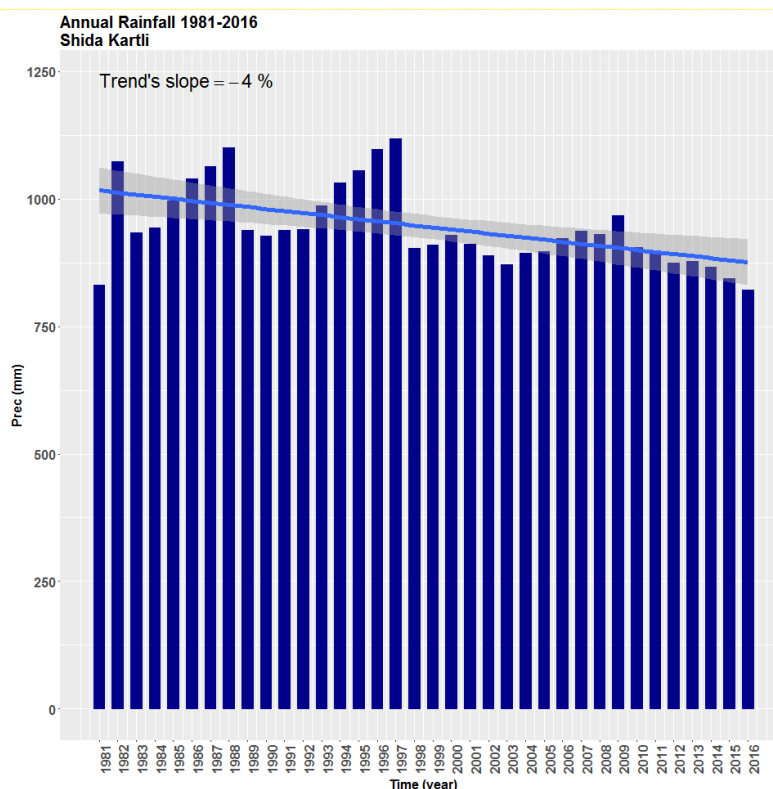


Figure 4. Declining rainfall in Shida Kartli (Eastern Georgia)

33. From the above data the following conclusions can be made: (i) Although there is uncertainty of increase or decrease in annual rainfall, in the eastern part of the country rains are more concentrated and heavier in summer, increasing the torrential regime and thus the risk of flooding, soil erosion, and reduced infiltration of water in the soils (lower availability of water in during the warm season); (ii) the precipitation decrease in summer months and increased evaporation caused by higher temperatures could have negative impact on water availability leading to longer drought events in the future.
34. Aggregated climatic models under the scenario RCP8.5 predict higher temperatures in the whole country and less rainfall especially during summer months, with higher probability of drought in those areas with higher maximum number of consecutive dry days. The third communication to the UNFCCC (2014) similarly predicts higher temperature by 2070-2100 for the whole territory. The study also predicts an increasing trend for annual rainfall in the mountainous area until 2050, followed by a decrease except for some areas (Batumi, Pskhu and Mta – Sabueti). Significant decrease of precipitation is expected by 2100 on whole territory of Georgia, mostly in Samegrelo, Kvemo Kartli and Kakheti (22%).
35. According to the Initial National Communication Report to the United Nations Framework Convention on Climate Change (UNFCCC) published in 2014 and the National Adaptation Plan for Agriculture (NAPA) published in 2017, the climate of Georgia is affected by global climate changes and variability, with impacts illustrated in Table 1.

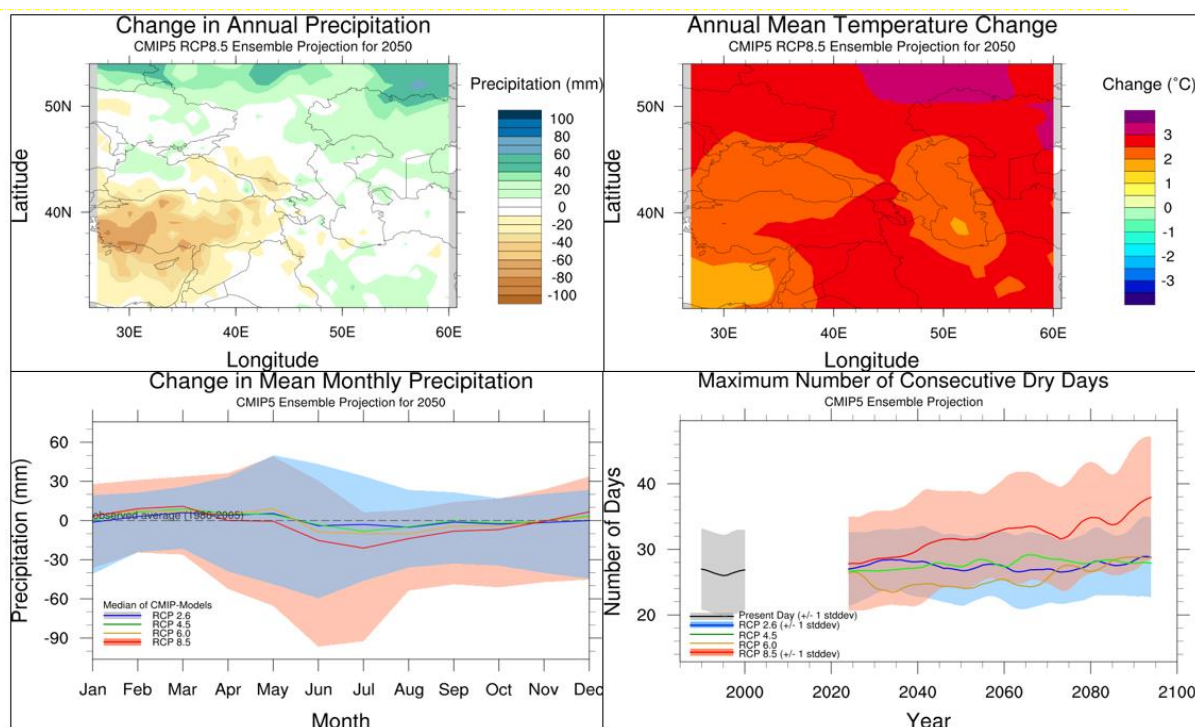


Figure 5: Change in annual precipitation (upper left), annual mean Temperature (upper right) and in Mean Monthly Precipitation (lower left) for 2050 compared to 1996-2005 baseline; Maximum Number of Consecutive Dry days (lower right) in Georgia (IPCC-CCKP^{27 28}).

B. Impact of climate change on urban infrastructures

36. Storm-water systems are under-designed in Georgia. Urban development increases the amount of water runoff and localized flooding and flash floods occur in urban areas where there are too few drains, or where their capacity is insufficient to deal with heavy precipitation. The population of Georgia, as well as its lands, roads, oil and gas pipelines, hydropower sites, energy transmission lines and mountain tourism sites periodically suffer with disasters, and the threat is increasing constantly. This is confirmed by disasters recorded by the geological office of Georgia. A large share of the populated and urbanized areas of Georgia are in ecologically dangerous zone, where West Georgia is distinguished with the greatest vulnerability.

²⁷ World Bank Climate Portal: <http://sdwebx.worldbank.org/climateportal/>

²⁸ IPCC 5th Assessment Report <https://www.ipcc.ch/report/ar5/>

Table 1: Climate change impacts in Georgia

Resource	Impact
Water resources	<p>With increasing temperatures (30–38C) the water supply of cattle watering points in Kakheti and Kvemo Kartli decreases every day from June to September. Water sources fed by rainwater (which is often the single source of watering) are gradually decreasing or are generally dried out. Water points are often subject to pollution due to animal high pressure.</p> <p>High-water levels of rivers should also be taken into consideration. Rivers often change riverbeds grasping thousands of hectares of soil every year, including even territories of populated areas. In such cases old burial grounds of anthrax might be stripped off. Several cases of anthrax in animals were recorded in the south of Georgia in 2013. It was stated that the focus of infection was the soil washed off by the heavy rains in that year.</p>
Agriculture and livestock	<p>Current climate change has already influenced cattle breeding. Frequent precipitation, strengthened as a result of warming, causes washing-off of the soil from the slopes, which, against the background of intense utilization of the grass cover, is accompanied by harsh reduction of productivity of mowing and grazing lands.</p> <p>Heat waves, which are projected to increase under climate change, could directly threaten livestock, reducing weight gain and sometimes causing fatal stress. Heat stress affects animals both directly and indirectly; it can increase an animal's vulnerability to disease, reduce fertility, and reduce milk production in dairy animals.</p> <p>The year 2000 was one of the worst harvest years for wheat due to "great" drought. According to the data of Dedoplistskaro meteorological station, aggregate precipitation in the wheat vegetation period was the lowest value in 1961-2015 period. The drought was further aggravated by increased temperatures. Average temperature for June in 2000 was the highest temperature in 1961-2015 period.</p> <p>Drought in 2014 has significantly damaged grain crops in some municipalities of Kakheti (East Georgia) and has serious negative impact on agricultural production in general.</p>
Forest and biodiversity	<p>Displacement of natural boundaries at sensitive areas of eastern Georgia (temperature forest ecosystems), loss of resilience of flora and fauna to invasive species, loss of natural ecosystems "corridors" for migration of rare and endemic species, increased cases of forest fires (Summer 2017) degradation of landscape diversity, loss of biodiversity impact on livelihood.</p>

C. Knowledge gap

37. The National Adaptation Plan for Agriculture published in 2017 intends to reduce the knowledge gap on climate related impacts on agriculture. However, even though the document gives us a broad idea on main crops in Georgia, the document is not complete yet and the recommendations for adaptation measures should be strengthened.
38. There is a knowledge gap, which makes it challenging to improve the adaptation analysis. As an example, erosion risk is well known in Georgia but no recent study on this issue was conducted so far to identify the location and the related adaptation activities. In addition, there is a need to enable systematic quality control of the data used in the analysis. Technical training to share experience and best practice with the deployment of these adaptation practices in similar regions.
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2. Institutional analysis

39. Georgian legislation comprises various laws and international agreements. Along with the national regulations, Georgia is signatory to a number of international conventions related to environmental and social protection.
40. The Constitution of Georgia (1995, last amended in 2013) lays down the legal framework that guarantees environmental and social protection, and public access to information with regard to environmental conditions.
41. A number of ministries, departments and agencies are responsible either directly or indirectly for the implementation of environmental and social related legislation and policy.
42. The **Ministry of Environment and Natural Resources Protection** (MoENRP) was the authority for implementing and enforcing environmental legislation and policy, however due the recent restructuring in the government in November 2017, the MoENRP was moved to the Ministry of Agriculture. The natural resources management was moved to the Ministry of Economy and Sustainable Development. At this stage it is unclear how these two Ministries will work together.
43. The core function of the **Ministry of Agriculture** (MoA) is to develop and implement a unified government policy on the development of agricultural sector of Georgia. Along with other issues, the Ministry is in charge of agro-production, agro-processing, land conservation and productivity improvement, crops, livestock, fisheries, agro-engineering and veterinary, as well as promotion of upgrade and accessibility of agricultural technology.
44. **Ministry of Economy and Sustainable Development** has an important role in the supporting agricultural development as well as pastures through its role in overseeing land management policies in general and the process of privatization of state owned lands as well as their registration in specific.
45. **National Environmental Agency** is a legal entity under the Ministry of Environment Protection of Georgia. The agency represents an independent organization from public administration that implements its activities independently under state control. Official functions include preparing and spreading informational documents, forecasts, warnings regarding to existing and expected hydro-meteorological and geodynamic processes.
46. **National Forestry Agency** is a legal entity under the Ministry of Environment Protection of Georgia. Its official functions include forest protection, monitoring, reforestation and forest use state policy.
47. **Ministry of Energy** of Georgia implements State Energy Policy for Georgia, participates in the development of strategies and programs that address the priorities in the energy sector, monitors their implementation, and works out appropriate recommendations. The Ministry structure includes the Department for Energy Efficiency and Renewable Energy.
48. **The low emission development strategies (LEDS)** aims to reduce greenhouse gas emissions. In 2013 the low emission development strategy, funded under the US EC LEDS program, started in Georgia. The program aims at supporting efforts to pursue transformative development and accelerate sustainable, climate-resilient economic growth while slowing the growth of greenhouse gas emissions.
49. **Ministry of Regional Development and Infrastructure** (MRDI) is in charge of regional development policies in addition to overseeing the development of the infrastructure, including water, roads and others. MRDI is in the process of strengthening policies and laws which allow transferring the implementation of services from central level to municipalities. MRDI has developed Regional Action Plans (for a duration of 7 years) of all regions and has initiated the development of

municipal development plans (for a duration of 4 years) for 40 municipalities.

50. Georgia's **climate change adaptation strategy** is structured around the **National Adaptation Plan (NAPA) to Climate Change** produced by Ministry of Environment and Natural Resources Protection in collaboration with other agencies including IFAD. The Third National Communication to UNFCCC as well as the Georgia's Intended Nationally Determined Contribution (INDC) are equally important documents. New strategies to ensure environment management and climate change mitigation and adaptation have been developed. Nonetheless, the country is still facing a major deficit in terms of climate change adaptation.

3. Recommendations to enhance environmental and climate resilience in agriculture and rural development

3.1 Strategic orientation for the RB-COSOP

51. The RB-COSOP features two strategic objectives: 1. Inclusive and adaptive rural economic growth; and 2. Sustainable governance and operational management of natural resources of importance to the rural poor. These objectives will guide projects towards development of social and environmental strategies that include investments and capacity building practices, taking into account environmental constraints and climate change challenges.
52. IFAD aims to support climate change adaptation to increase the resilience to climate change at household level. This includes improving soil and water management to secure higher crop yields and land productivity, and mitigating the impact of the higher frequency and intensity of increased extreme weather events, such as drought, torrential rainfall/floods and storms.
53. Projects to be developed under the new RB-COSOP have to be in line with international environmental conventions and national strategies. These include Georgia's Intended Nationally-Determined Contribution (INDC), its National Adaptation Plan for Agriculture (NAPA) and its National Biodiversity Strategy and Action Plan 2014 – 2020 (NBSAP) under the Convention for Biological Diversity. RB-COSOP objectives have to be in line with the UN Sustainable Development Goals.
54. Georgia's INDC states that adaptation measures of the agricultural sector include the following measures of direct relevance to IFAD: (a) research and development of emergency response plans for agriculture dealing with droughts, floods, etc; (b) introduction of innovative irrigation management and water application techniques to safeguard agricultural yields; (c) implementation of various site specific anti-erosion measures to reverse land and forest degradation; (d) establishment of information centers for farmers that provides guidance on adaptive management of agriculture.
55. National and international stakeholders from different sectors and agencies should enhance coordination in their approach to the agricultural sector. IFAD should explore opportunities to partner with other agencies such as EBRD, GIZ, FAO, UNIDO or UNDP to increase the impact of its programmes. IFAD is currently not an implementing agency in the current United Nations Partnership for Sustainable Development (UNPSD) framework document for Georgia.²⁹ IFAD could contribute to the framework's objectives, especially in strengthening the government's capacities in environmental governance.
56. Funding from other co-financers (e.g. the Green Climate Fund or the Global Environment Facility) will be sought to complement IFAD financing. Possible projects should identify components that have development and environmental co-benefits making it possible to apply for climate and environmental funding.

3.2 Proposed strategic actions

57. **Promote collective management of natural resources.** Explore different governance models to sustainably manage water and pasture resources in order to address the regulatory gap that currently affects public lands in Georgia. Specifically check whether user associations/unions present commercially and environmentally sustainable governance options, in combination with municipalities in the overall context of decentralization.

²⁹ [United Nations Partnership for Sustainable Development \(Framework Document\) Georgia 2016-2020](#)

- 58. Promote sustainable use of pastures.** Pasture overuse is a regional and local problem in Georgia and is mostly concentrated on pastures and forests near settlements. Increasing the productivity and the efficiency of animal feeding will mitigate the livestock pressures causing pasture and forest degradation. Measures should aim at halting soil erosion, increasing soil productivity and restoring vegetation and soils on degraded grasslands and forests that are used for grazing. Sustainable grazing practices include pasture rotation, setting up hay meadows, and pasture improvement including mowing, environmentally friendly fertilisation, seed dissemination, improved access to water, etc. The prospects for improvement of communally used natural pastures are limited without appropriate legislation. Proper pasture management requires a regulatory framework that allows for better stewardship and sustainable use of resources. In this respect it is important to ensure that low income and transhumant pasture users are not excluded.
- 59. Improve farmer access to agronomic technology and information.** According to the National Adaptation Plan for Agriculture (MoENRP, 2017), relevant government institutions have limited systems, capacity and expertise to address challenges related to climate change efficiently. There is a need to effectively collect and analyze climatic and environmental data that not only support policy and decision making but also support farming households to identify resilient practices. This includes expanding and modernizing the hydrological and meteorological observing network (that largely fell into dereliction in the 1990s) and further applying geo-information technologies (GIS). Information systems should also provide farmers with market information for various products. Extension services should aim to reduce the climate change adaptation deficit in rural areas through promoting improved agronomic practices. This includes the capacity building of (i) technical offices of rural municipalities and villages, (ii) private sector companies, as well as of (iii) smallholders, associations and institutions in the field of natural resource management and sustainable livestock management. The INDC specifically mentions information centers for farmers that provides guidance on adaptive management of agriculture.
- 60. Accelerate the construction of irrigation and drainage systems.** The relatively arid climate of eastern Georgia which will become drier and hotter requires wide application of irrigation, while many regions of western Georgia need to remove excess water through drainage systems. Measures include the construction and rehabilitation of water reservoirs through irrigation designation as well as the rehabilitation of drainage systems. The most efficient use of irrigation water can be achieved through drip and artificial sprinkling irrigation systems that strongly reduce the risk of soil water erosion and salinization. This priority is also listed in Georgia's INDC as an adaptive measure for agriculture.
- 61. Strengthen youth involvement.** It is essential to have a common view of the needs, challenges and role of young people, based on which appropriate mechanisms and approaches will be established for full-fledged development of the young generation in Georgia. Young people are generally more open for migration. It is very hard to face all the challenges (employment, education, health and healthy lifestyle, drug/alcohol abuse, violence, participation in social life, etc.) of young people if there is no cross-sectoral approach to youth and youth policy. It is important to establish a permanent co-ordination body with participation of all ministries, local governments, youth organisations and groups, the private sector, international organisations and donors.
- 62. Mainstream gender.** IFAD projects should analyse how intended interventions benefit or disadvantage women. Projects should be mainstream gender into their activities and give equal opportunities to women and men to improve their livelihoods.

3.3 Proposals for additional financing

63. The international climate finance landscape offers many opportunities for IFAD to significantly increase the impact of its programmes through its blended financing approach. However, requirements of climate funds are becoming more demanding and require IFAD to adjust its programming approaches. IFAD is registered as an implementing entity of the Global Environment Facility, Adaptation Fund, and the Green Climate Fund.
64. **Green Climate Fund:** Currently two other multilateral agencies submitted proposals to the fund. The United Nations Development Programme (UNDP) submitted in November 2016 a funding proposal of USD 46 million for the project titled "Scaling-up Multi-Hazard Early Warning System and the Use of Climate Information in Georgia". The European Bank for Reconstruction and Development (EBRD) submitted a regional concept note in October 2016 that includes Georgia for the programme "FP025: GCF – EBRD Sustainable Energy Financing Facilities". US\$420.5 million are requested from the GCF. The programme aims to promote technologies that address water efficiency and climate resilience in agricultural sector. To avoid overlap IFAD should not invest in renewable energy and early-warning systems without ensuring close cooperation with these eventual projects. Investment opportunities should be explored in irrigation and drainage systems as adaptation measures against climate change.
65. **Global Environment Facility:** Various environmental projects are currently financed through this fund (see GEF website). IFAD projects aimed to improve pasture management may be highly eligible for GEF co-financing, because sustainable grazing practices prevent erosion, protect biodiversity and maintain ecosystem services. Georgia's GEF-6 allocation has been fully committed. Planning for GEF-7 should begin in the second half of 2018.
66. **Adaptation Fund:** The Adaptation Fund will be approached for co-funding of the upcoming DiMMA project (Dairy Modernization and Market Access). The proposed AF funding will complement the modernization of the dairy value chain with specific interventions in pastoral areas to prevent or reverse land and forest degradation, consistent with the above recommendation and in line with the INDC.

Country at a glance

Land area (km ² thousand) ¹	69.7	GNI per capita (USD) 2013/1	
Total population (million) 2016/1	3.7	GNI per capita growth (annual %) 2012 /1	
Population density (people per km ²) 2013		Inflation, consumer prices (annual %) 2013 /1	
Local currency	Georgian Lari (GEL)	Exchange rate: USD 1/3 =	2.48
Social Indicators		Economic Indicators	
Population (annual population growth rate) 2016/2	0.1	GDP (USD million) 2016 /2	14332.9
Crude birth rate (per thousand people) 2015/2	13.8	Annual rate of growth of GDP 2016/2	2.7
Crude death rate (per thousand people) 2015/2	13.3	Sectoral distribution of GDP 2016 /2	
Infant mortality rate (per thousand live births) 2016 /2	12	% agriculture	9.3
Life expectancy at birth (years) 2015 /2	73	% industry	25.4
Number of rural poor (million) (approximate) 2016/2	1.7	% services	65.4
Poverty headcount ratio at \$3.10 a day (2011 PPP) (% of population) 2014/2	25.3	General government final consumption expenditure (as % of GDP) 2016/2	83.2
Total labour force (million) 2016 /2	2.03	Household final consumption expenditure, etc. (as % of GDP) 2016/2	64.8
Female labour force as % of total 2016 /2	45.5	Gross domestic savings (as % of GDP) 2016/2	16.8
Education		Balance of Payments (USD million)	
School enrolment, primary (% gross) 2006-2015 /2	116.78	Merchandise exports 2016 /2	2114
Adult literacy rate (% age 15 and above) 2014 /2	99.6	Merchandise imports 2016 /2	7236
		Balance of merchandise trade	
Nutrition		Current account balances (USD million)/2	-1673
Daily calorie supply per capita 2012/6	n.a	Foreign direct investment, net 2016 /2 (USD million)	1571
Malnutrition prevalence, height for age (% of children Under 5) 2009/5	11.3		
Malnutrition prevalence, weight for age (% of children under 5) 2009/5	1.1	Government Finance	
Malnutrition prevalence, weight for height (% of children under 5)/ 20095	1.6	Total expenditure (% of GDP) 2016 /2	18.4
		Total external debt (USD million) 2015/2	14853
Health		Present value of debt (as % of GNI) 2015 /2	37.8
Health expenditure, total (as % of GDP) 2014 /2	1.55	Total debt service (% of exports of goods and services) 2015 /2	29.7
Physicians (per thousand people) 2014 /2	4.776	Lending interest rate (%) 2016 /2	12.6
Percent of population with sustainable access to an improved water source/2 (%)	100	Deposit interest rate (%) 2016 /2	9.9
Population without access to improved sanitation /2 (%)	86.3		
		Land Use	
Agriculture and Food		Arable land as % of land area 2014 /2	6.6
Food imports (% of merchandise imports) 2016 /2	14.2	Forest area (km ² thousand) 2015 /2	28224
Fertilizer consumption (hundreds of grams per ha of Arable land) 2014 /2	151.2	Forest area as % of total land area 2015 /2	40.6
Food production index (2004-2006=100) 2014/2	88.49	Agriculture irrigated land (% of total agriculture land) 2008/2	4
Cereal yield (ton per ha) 2014/2	1.99		
1/Geostat			
2/ World Bank World Development Indicators			
3/ National bank of Georgia			
4/WHO			

Key file 1: Rural poverty and agricultural/rural sector issues

Priority Areas	Affected Groups	Major Issues	Action Needed
Poverty and vulnerability to poverty The poverty and most importantly vulnerability to it has been slightly growing during last two years;	<ul style="list-style-type: none"> • Lone retired people, • People with disabilities and extreme poor, IDPs and minorities • Rural HHs especially in remote and mountainous areas 	<ul style="list-style-type: none"> • Climate change poses risks to all rural households, but effects more vulnerable HHs, and mountainous communities; • Limited employment and labour opportunities in rural areas; • Lack of property ownership among women and youth restricts access to finances; • Migration from rural areas to urban settlements and abroad; • Remittances used for consumption; • The social targeted assistance in many cases stimulates 'inactive' behavior 	<ul style="list-style-type: none"> • State policies and strategies on social issues are to be inclusive (not IFAD mandate); • Support to sub sectors dominated by the <i>productive</i> poor and must include smallholders; • Wide outreach and information dissemination on IFAD programme's benefits for inclusion; • Promote diversification of income streams; • Target mountainous areas in policies and investments with higher poverty incidents and climate change vulnerability; • Direct targeting of productive groups to improve nutrition and incomes (women headed HHs and youth)
Vulnerability to climate change and natural disasters	<ul style="list-style-type: none"> • Rural HHs, • HHs in mountainous areas 	<ul style="list-style-type: none"> • Growing incidents of drought, hail, frost and other natural disasters; • Degradation of natural resources because of lack of policies and legislation in pastures management and de facto 'open access' regime; • Overgrazing of near village pastures; • Limited knowledge on climate smart technologies; • Limited knowledge on climate resilience and adaptation strategies; • Lack of off farm opportunities; 	<ul style="list-style-type: none"> • Support policies, legislation, strategies on sustainable management of natural pastures; • Support adaptation of sustainable agricultural technologies and ecosystem-based practices by smallholder farmers in agriculture and livestock to enhance climate change resilience • Build capacities for diversification and off farm incomes;
Low agricultural productivity	<ul style="list-style-type: none"> • Subsistence oriented and small scale farmers; • Farmers in mountainous areas; • Smallholder farmers 	<ul style="list-style-type: none"> • Very small land plots suitable for cropping; • Animal and crop diseases; • Rural infrastructure in state of disrepair; • Poor governance of infrastructure and natural resources; • Quality standards underdeveloped, squeezing smallholders • Insufficient 'quality infrastructure' • Weak value chains esp. for smallholders • Limited access to irrigation water; • Low yield, limited production, limited returns • Lack of knowledge of adequate agricultural 	<ul style="list-style-type: none"> • Investments focus on improvements in horticulture/livestock productivity • Support access of smallholders to improved inputs and technologies • Enhance capacity of smallholders • Encourage and incentivize links between farmers to form groups • Provide support to improve fodder and feed production and management

		<ul style="list-style-type: none"> practices and limited access to extension Limited use of inputs (seeds, breeds, fertilizers) 	
<ul style="list-style-type: none"> Weak Value Chains 	<ul style="list-style-type: none"> Smallholder farmers, inputs suppliers, small and medium size enterprises 	<ul style="list-style-type: none"> EU requirements for food safety to be introduced in 2020, would mostly affect smallholders and squeeze many from small scale production Small producers have difficulties to meet market requirements in quantity, quality and food safety Poor level of organization along the value chain Limited processing and short value chains Limited access to finances 	<ul style="list-style-type: none"> Provide support to viable smallholders with meeting food safety requirements; Support efficient linkages and partnerships amongst producers and processors; Support improved access to modern technology; Investments in supportive infrastructure and services; Improving access to finances

Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats analysis)

Organization	Strengths	Weaknesses	Opportunities	Threats
Ministry of Finance	<ul style="list-style-type: none"> - Well developed and generally efficient financial management system for use of IFAD funds to finance programme activities. - Key role in enforcing state policies on financial issues, budgeting and taxes. - Robust expertise in Loan Negotiations, concluded by Government of Georgia, controls their realization and loan's return. - Capacity to provide and manage state budget funds and control their transfer within Georgia. 	<ul style="list-style-type: none"> - Does not support implementation of LEADER-CLLD approach which include the development of local strategies, supporting stakeholder networking and the appraisal and approval of individual LEADER projects. 	<ul style="list-style-type: none"> - Can manage the Special Account, flow of funds and withdrawal applications. 	Limited cooperation from line ministry may undermine coordination
Ministry of Economy and Sustainable Development	<ul style="list-style-type: none"> - Key role in implementation of macroeconomic policy and private entrepreneurship development. - Priority is to support liberalization of entrepreneurial activities, creation of favorable, transparent and stable legal regulatory framework for private business owners. - Controls the privatization process. - Facilitates issuance of licenses and permits and reform of the system of technical regulation. - Directs development of tourism, transport and communication infrastructure. <p>Important Legal Entities under the Ministry: National Agency of State Property, Georgian National Tourism Administration, Enterprise Georgia</p>	<ul style="list-style-type: none"> - Has few resources and limited competence to manage agricultural land plots under its ownership: pastures, windbreaks etc. - Significant amount of land resources is neither in state nor in private ownership or may be disputable between the private sector and the state. 	<ul style="list-style-type: none"> - Can accelerate process of land registration of state land plots in the certain municipalities or districts. - Can transfer certain state land plots for usage to the local government. 	<ul style="list-style-type: none"> - Merging the Ministries: The Ministry of Energy and the natural resources management component of the Ministry of Environment and Natural Resources Protection will be incorporated into the Ministry of Economy and Sustainable Development. -
Ministry of Regional Development and Infrastructure	<ul style="list-style-type: none"> - Key agency in development and implementation of regional development strategy of Georgia as well as regional development strategies for nine regions of Georgia with their regional action plans. - Responsible for the Rural Development Strategy, which emphasizes diversification. - Oversees regional and infrastructure development throughout the country which includes modification and modernization of state road networks of international and domestic importance. - Monitors architectural and construction works in 	<ul style="list-style-type: none"> - No hierarchy of strategic documents on central, regional, municipal, administrative unit level. 	<ul style="list-style-type: none"> - To create regional development agencies in all regions of Georgia for implementation of strategic documents and projects. - To delegate project implementing duties of municipal development fund to the municipal governments (announcing tenders, supervising construction process etc.) - To advocate transferring management of state agricultural land resources to the 	

	<p>Georgia.</p> <ul style="list-style-type: none"> - Issues proposals and drafts on modernization of Georgian infrastructure which is then reviewed by the Parliament of Georgia. - Creates legislation basis for decentralization process. <p>Subdivisions of the Ministry: Automobile Roads Department of Georgia, Transport Administration and Main Architectural-Constructions Inspection.</p>		municipal governments.	
Ministry of Agriculture	<ul style="list-style-type: none"> - Key agency in development and implementation of unified government policy on the development of agricultural sector of Georgia. - Has a wide range of technical and administrative capabilities. - Has direct contacts with farmers on the fields through regional and municipal branches. - Supports the development of agricultural cooperation. - Promotes processing of primary agricultural and food products. - Organizes scientific-consulting services, capacity building and hands-on training courses of agricultural entrepreneurs; <p>Important Legal Entities under the Ministry: National Food Agency, Georgian Amelioration, Agricultural Cooperatives Development Agency, Agricultural Projects' Management Agency, Meqanizatori</p>	<ul style="list-style-type: none"> - Limited interagency cooperation of rural development commission which was created within the Ministry and it is not the governmental commission involving all other Ministries of Georgia. 	<ul style="list-style-type: none"> - To enhance impact through an enabling role in supportive policy, regulatory, coordination and monitoring functions. - To develop a long-term vision for the development of agriculture extension services. - To strengthen the capacity of provincial governments to assume a leadership role in the agriculture sector. 	<p>Merging the Ministries: The environment component of the Ministry of Environment and Natural Resources Protection merged with the Ministry of Agriculture.</p>
Ministry of Environment and Natural Resources Protection	<ul style="list-style-type: none"> - Key role in implementation of national policy in environmental protection. - Organizes evaluation of the existing and expected meteorological and geodynamic processes, geo-ecological situation and preparation of information on the state of environment on the territory of Georgia, in rivers and water reservoirs, Black Sea territorial waters, continental shelf and special economic zone. - Coordinates and monitors development of national policy of founding, functioning and managing the system of protected areas. - Ensures the rational use and protection of land, 	-	<ul style="list-style-type: none"> - Can play a key role in supervising environmental projects funded by international funds, providing implementation support to enhance impact. - To strengthen the capacity of provincial governments to manage natural resources. 	<p>Merging the Ministries: The environment component of the Ministry of Environment and Natural Resources Protection will be merged with the Ministry of Agriculture and the natural resources management component of the</p>

	<p>measures against soil erosion, carrying out activities on restoration and preservation of fertility within its competence.</p> <ul style="list-style-type: none"> - Key role in climate change adaptation and mitigation of climate change. - Coordinates and monitors the implementation of the commitments assumed under international environmental agreements. <p>Important Legal Entities under the Ministry: Agency of Protected Areas, National Forestry Agency, National Environmental Agency</p>			Ministry of Environment and Natural Resources Protection will be incorporated into the Ministry of Economy and Sustainable Development.
Geostat	<ul style="list-style-type: none"> - Produces the statistics and disseminates the statistical information according to the Georgian legislation. - Priority is to introduce the international practice and methodology and share relevant experience based on the agreements and treaties concluded with the international organizations engaged in this field. - Works out a unified policy for the field of statistics and secures coordinated cooperation with its territorial units and other bodies producing the statistics. - Conducts statistical surveys and census of the population, processes administrative data and produces annual reports. 	<ul style="list-style-type: none"> - Prolonged process of obtaining specific statistical information for governmental bodies. 	<ul style="list-style-type: none"> - Can conduct specific surveys on demand. - Particular statistics can be purchased on the basis of the agreement. 	Integrity of especially rural data can be weak.
The private sector	<ul style="list-style-type: none"> - Dynamic and growing rapidly for crops, livestock, fruit & vegetables. - Introduction to the EU regulations develops quality control mechanisms and leads to value chain improvements. - Emergence of agriculture and livestock service providers. 	<ul style="list-style-type: none"> - Poor infrastructure in the rural areas (irrigation, drainage systems, roads, transportation). - Lack of land titling in some areas makes it difficult to ensure the use rights of purchasers. - Fragmented and unrecorded supply chain. - The lack of cold storage, grain storage, grain drying facilities, and deep processing of fruits and vegetables. 	<ul style="list-style-type: none"> - To develop winter and off-season production of different agricultural commodities. - To provide rural insurance, financial, consulting, and rental services. - To export agricultural products to neighboring countries and EU. 	<ul style="list-style-type: none"> - Geopolitically dependent on what events can occur in the neighboring countries. - Uncertainty of government policy.
Financial institutions	The banking system is the biggest part of the Georgian financial market. It is sound and stable and has continued to perform well. There are 17 commercial banks operating in the country with	<ul style="list-style-type: none"> - Lack of agro credit opportunities for small holder farmers. - Low competence of credit officers in assessment of agricultural 	<ul style="list-style-type: none"> - Potential exists for developing financial products suitable for rural areas. - Willing to increase their activities in rural areas. 	- Dollarization presents specific challenges as it increases credit and liquidity risks.

	<p>nonresident shareholding structure. The leading commercial banks are presented throughout the major rural centers (Liberty Bank, TBC, BoG). As for microfinance organizations in Georgia, there are 75 institutions operation in the country. Some of them are also presented in rural centers (Credo, Crystal, Rico). Before launching governmental program of cheap agro credits through commercial banks, according to the National Bank data, microfinance institutions had been leaders in providing agro credits. The National Bank, as an independent body, exercises supervision over the financial sector for the purposes of facilitating financial stability and transparency of the financial system, as well as for protecting the rights of the sector's consumers and investors.</p>	business potential and risks.	- Potential for enhancing Agro credit project initiated by the government.	
Local NGOs, CSOs, service providers	<p>Many organizations active, with different expertise, degree of community outreach and knowledge. Some have well qualified and experienced personnel, strong grassroots base, advocacy skills and the cultural knowledge that is essential for successful grassroots development. Important role in developing gender equity.</p>	<p>Limited technical and management capacity in the regions. Service providers are not presented in all municipalities of Georgia. Fragmented funding is not enough to create the basis for sustainable development.</p>	<p>Can help programme implementation but local expertise is needed at community level. Community activities must continue long enough to be sustainable. Communities that have benefitted from good NGO assistance desire longer-term engagements with outsiders to help their development. Upgrading of skills is essential.</p>	

Key file 3: Complementary donor initiatives

Project Name	Amount	Grant/Credit	Donor(s)	Govern Authority	Start date	Duration (years)	Geographic Coverage	Main Thematic Areas (Value chains, Irrigation, Water Management, etc.)
Capacity Building Of Agricultural Cooperatives (CBAC)	770,000 EUR	Grant	ADA	Georgian Farmers Association	2015	3	Georgia (except Tusheti)	Polycymaking, value chains
Sustainable Forest Governance In Georgia II	1,000,000 EUR	Grant	ADA	Caucasus Environmental NGO Network	2015	3	Adjara, Samegrelo-Upper Svaneti, Kakheti and Tbilisi	Forest Management, Polycymaking
Gender Assessment Of Agriculture And Local Development Systems And Follow Up To Its Findings	30,000 EUR	Grant	ADA	United Nations Entity for Gender Equality and the Empowerment of Women	2015	1	Adjara, Qvemo Qartli, Samtskhe-Javakheti, Kakheti, Shida Qartli and Samegrelo regions	Improvement of the social and economic living conditions in rural areas
Capacity Development Of The Ministry Of Agriculture Of Georgia: Improved Policy Making And Effective Implementation Of The Strategy For Agricultural Development (Contribution To Enpard Georgia Programme)	1,900,000 EUR	Grant	ADA	Food and Agricultural Organization	2013	4	Georgia (except Tusheti)	Strengthening small farmers and small farmers' organizations as well as farmer cooperation, environmentally friendly agriculture, the sustainable models for rural development in mountainous areas
Sustainable Forest Governance In Georgia: Strengthening Local And National Capacity And Developing Structured Dialogue Phase I	582,835 EUR	Grant	ADA	Caucasus Environmental NGO Network	2012	3	Adjara, Samegrelo-Upper Svaneti, Kakheti and Tbilisi	Forest Management, Polycymaking
Participative Rural Development In Georgia	187,400 EUR	Grant	ADA	CARE Austria, Association for	2015	3	Lagodekhi district and Eastern Georgia	LAGs, innovative agricultural initiatives, non-agricultural enterprises

Project Name	Amount	Grant/Credit	Donor(s)	Govern Authority	Start date	Duration (years)	Geographic Coverage	Main Thematic Areas (Value chains, Irrigation, Water Management, etc.)
				Development Cooperation and Humanitarian Aid				
Contribution To Rural Projects In Georgia	375,000 EUR	Grant	ADA	CARE Austria, Association for Development Cooperation and Humanitarian Aid	2014	4	Georgia (except Tusheti)	Small holder farmers, cooperatives, food production, rural poverty
Plant the Future	13,000,000 GEL	State Budget	Ministry of Agriculture of Georgia	APMA	2015	2021	All regions of Georgia (Except Tbilisi, Kutaisi, Rustavi, Batumi, Poti)	Perennial gardens, Seedlings Farms
Irrigation and Land Market Development Project	50,000,000 USD	Credit	World Bank	Ministry of Agriculture of Georgia - Project Planning and Monitoring Division (PPMD)	2014	5	Three regions of Georgia	Irrigation and Drainage, Public Administration - Agriculture, Fishing & Forestry
Restoring Efficiency to Agriculture Production (REAP)	22,000,000 USD	Grant	USAID	Cultivating New Frontiers in Agriculture (CNFA)	2013	5	All regions of Georgia	Small and medium enterprises (SMEs), machinery services for farmers, markets for agricultural goods and services, livestock sector and milk processing
Developing Georgia's Agricultural	300,000 USD	Grant	USAID	Partnership for	2014	3	Georgia	Education focusing on

Project Name	Amount	Grant/Credit	Donor(s)	Govern Authority	Start date	Duration (years)	Geographic Coverage	Main Thematic Areas (Value chains, Irrigation, Water Management, etc.)
Economics Capacity				Economics Education and Research (PEER)				agricultural market analysis, trade in agricultural goods, and agricultural policy
Georgia Agricultural Policy Initiative (GAPI)	2,100,000 USD	Grant	USAID	U.S. Department of Agriculture (USDA)	2013	4	All regions of Georgia	Agriculture information system, market outlook and agricultural policy analysis
Farmer to Farmer program (F2F)	2,500,000 USD	Grant	USAID	ACDI VOCA	2013	5	All regions of Georgia	Technical assistance to farmers, farm groups, and agribusinesses, food security and agricultural processing, production, and marketing
Georgia Hazelnut Improvement Project (G-HIP)	3,300,000 USD	Grant	USAID	Cultivating New Frontiers in Agriculture (CNFA)	2015	5	Samegrelo, Guria	Hazelnut production
Higher Income in the South Caucasus Thanks to Competitive Agricultural Products	5,100,000 CHF	Grant	Swiss Agency for Development and Cooperation	Mercy Corps Georgia	2017	4	Kvemo Kartli and Adjara	Smallholder farms, access to markets, Women's Room, livestock, livelihoods
Technical Assistance to Support the Establishment of a National Animal Identification and Traceability System (NAITS) in Georgia	5,935,000 CHF	Grant	Swiss Agency for Development and Cooperation and Austrian Development Agency (ADA)	FAO, National Food Agency of Georgia's Ministry of Agriculture	2016	4	All regions of Georgia	Agriculture value-chain development; MULTISECTOR or CROSS-CUTTING Rural development, animal health with a focus on epidemic diseases, disease prevention, zoonosis and food safety
Alliances Lesser Caucasus	9,181,000	Grant	Swiss	Mercy Corps	2014	3	Samtskhe-Javakheti,	Increasing productivity of

Project Name	Amount	Grant/Credit	Donor(s)	Govern Authority	Start date	Duration (years)	Geographic Coverage	Main Thematic Areas (Value chains, Irrigation, Water Management, etc.)
Programme in Georgia	CHF		Agency for Development and Cooperation	Europe			Kvemo Kartli and Adjara	livestock, Increasing income of small-scale producers, Agriculture value-chain development
Modernising vocational education and training related to agriculture in Georgia	6,547,000 CHF	Grant	Swiss Agency for Development and Cooperation	UNDP and Ministry of Education and Science of Georgia (MoES)	2013	5	All regions of Georgia	Vocational education and training (VET) system in agriculture, in farm productivity and rural incomes
Alliances Lesser Caucasus Programme in Georgia	2,750,000 CHF	Grant	Swiss Agency for Development and Cooperation	Mercy Corps Europe	2011	3	Kvemo Kartli	Increasing productivity of livestock, Increasing income of small-scale producers, Agriculture value-chain development
Market Opportunities for Livelihood Improvement in Kakheti, Georgia	5,000,000 CHF	Grant	Swiss Agency for Development and Cooperation	HEKS EPER	2011	5	Kakheti	Livestock farming, poverty reduction, small farmers
On-Demand Services for the Governments of Georgia, Armenia and Azerbaijan in the Areas of Agricultural and Regional Development	900,000 CHF	Grant	Swiss Agency for Development and Cooperation	Ministries of Agriculture, Regional Development and Economic Development	2013	4	All regions of Georgia	Agriculture and Food Security, agricultural policy and regulatory frameworks (incl. trade)
Capacity Building of Agricultural Cooperatives	818,590 EUR	Grant	Austrian Development Cooperation	Georgian Farmers' Association	2015	3	Samtskhe-Javakheti, Kvemo Kartli, Kakheti	Capacity Building of Agricultural Cooperatives in the following value chains: Potato, Overwintering Onion, Carrot, Apicultural products
Food and Agricultural SME Support Initiative	596,848 EUR	Grant	European Union	Georgian Farmers'	2017	26 mon	Georgia	Capacity Building of Business Support

Project Name	Amount	Grant/Credit	Donor(s)	Govern Authority	Start date	Duration (years)	Geographic Coverage	Main Thematic Areas (Value chains, Irrigation, Water Management, etc.)
				Association		ths		Organizations in the agriculture sector
Zrda Activity in Georgia	15,000,000 USD	Grant	USAID	Chemonics	2016	6	Border villages of Georgia, Kvemo Kartli, Samtskhe Javakheti and Akhmeta	Micro, Small, and Medium Enterprises (MSMEs) Development and Growth, Increase productivity of rural households, Facilitate Market Linkages, Establish networks, Cross-cutting focus
Zrda Activity in Georgia	1,256,504,20 GEL	Grant	USAID	Georgian Farmers' Association	2016	4	Georgia	To strengthen the skills, productivity, and networks of local actors – from vulnerable households to Micro, Small, and Medium Enterprises (MSMEs) – so that they can contribute to broad-based economic growth and strengthened resilience in target communities.
Work-Based Learning	149,787 USD	Grant	UNDP	Georgian Farmers' Association	2016	2	Samtske-Javakheti, Kakheti, Mtskheta-Mtianeti, Racha-Lechkhumi, Kvemo Svaneti, Samegrelo	Fruit-Growing, Animal Husbandry, Beekeeping
ENPARD-Small Farmers Co-operation component	59,000 EUR	Grant	European Union	Georgian Farmers' Association	2014	2	All regions of Georgia	Technical and Financial Support to agricultural cooperatives
ENPARD	4,095,315,14 EUR	Grant	European Union	Care Österreich Verein Für Entwicklungszusammenarbeit und	2014	3	All regions of Georgia	Business-oriented smallholder farmer groups, online marketplace, market access to inputs/sales, provision of services or machinery, improved

Project Name	Amount	Grant/Credit	Donor(s)	Govern Authority	Start date	Duration (years)	Geographic Coverage	Main Thematic Areas (Value chains, Irrigation, Water Management, etc.)
				Humanitare Hilfe				production or processing
ENPARDII - Technical Assistance to the Ministry of Agriculture of Georgia	1,500,000 EUR	Grant	European Union	FAO	2017	2	All regions of Georgia	Competitiveness of the agricultural sector, policy making, reduction of rural poverty
Capacity Development of Agriculture of Georgia. Improved Policy Making and Effective Implementation of the Strategy for Agricultural Development (ENPARD Support)	1,200,000 EUR	Grant	Austrian Development Cooperation	FAO	2013	4	All regions of Georgia	Strengthening small farmers and small farmers' organizations, Strategy of Agriculture Development 2015-2020
Gender sensitive socio-economic empowerment of vulnerable IDPs through co-funding of their livelihoods opportunities and promotion of their social mobilization	1,530,221 EUR	Grant	European Union	FAO / UNWomen	2016	1	All regions of Georgia	Agricultural economic capacity of vulnerable IDPs, Food Security
Capacity Building for Sustainable Wildlife Management	485,000 USD	Grant	FAO	FAO	2017	1	All regions of Georgia (Pilot regions Racha and Kakheti)	Up-to-date wildlife resources management system
Nationwide Phytosanitary Capacity Evaluation (PCE) in Georgia	89,400 USD	Grant	FAO	FAO	2016	1	All regions of Georgia	Gaps of the phytosanitary system, phytosanitary legislation, phytosanitary capacity development strategy
Strengthening capacity of NPPO to control newly introduced Erwinia amylovora	26,000 USD	Grant	FAO	FAO	2016	1	All regions of Georgia	Erwinia amylovora.
Improving food safety in Georgia's dairy sector	5,000,000 USD	Grant	European bank of Reconstruction and Development	FAO	2016	1	All regions of Georgia	Dairy sector, trainings

Project Name	Amount	Grant/Credit	Donor(s)	Govern Authority	Start date	Duration (years)	Geographic Coverage	Main Thematic Areas (Value chains, Water Irrigation, Water Management, etc.)
			nt - EBRD					
SME DEVELOPMENT AND DCFTA-GEORGIA	5,033,940 EUR	Grant	EU	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	2015	4	Tbilisi, Shida Kartli, Samegrelo, Imereti, Kakheti	Small and medium-sized enterprises (SMEs), Georgia's economic integration into the EU market,
Rural Economic Development in southern Caucasus” (RED)	11,000,000 CHF	Grant	Danish International Development Agency - DANIDA and Swiss Agency for Development and Cooperation	Niras, Mercy Corps and CNFA	2012	5	Kvemo Kartli and Samtskhe Javakheti	Potato and Dairy Value chains
National Animal Health Program	1,400,000 USD	Grant	United States Department of Agriculture - USDA	USDA and the Colorado State University	2008	9	All regions of Georgia	Technical Capability of the National Animal Health and Food Safety Services System
Improving dairy quality and productivity in Georgia	200,000 EUR	Grant	French Ministry of Foreign Affairs	FERT/GBDC	2011	5	One village in Samtskhe-Javakheti	Dairy quality and productivity
Market Alliances against Poverty (Alliances)	9,200,000 CHF	Grant	Swiss Agency for Development	Mercy Corps Europe	2008	8	Samtskhe-Javakheti, Kvemo Kartli and Adjara	Reduction of rural poverty by using Making Market for Poor – M4P - approach in

Project Name	Amount	Grant/Credit	Donor(s)	Govern Authority	Start date	Duration (years)	Geographic Coverage	Main Thematic Areas (Value chains, Irrigation, Water Management, etc.)
			nt and Cooperation					livestock, milk and meat sectors.
Rural Development in the Region of Racha-Lechkhumi (RDRL)	6,000,000 CHF	Grant	Swiss Agency for Development and Cooperation	Mercy Corps Europe	2008	7	Racha-Lechkhumi	Reduction of rural poverty by using Making Markets for Poor – M4P - approach in livestock, milk and meat sectors.
New Economic Opportunities (NEO)	7,500,000 USD	Grant	USAID	Chemonics	2011	4	All regions of Georgia	Rural incomes, food security, small-scale households, agricultural water, internally displaced persons (IDP) communities, communities distressed by natural or other disasters, livestock sector.
Economic Prosperity Initiative (EPI)	8,500,000 USD	Grant	USAID	Deloitte and CNFA	2010	4	All regions of Georgia	Agriculture sector productivity, non-agricultural value chains, high-potential value chains: Wine, Hazelnuts, Berries, Fresh Fruit, Processed Fruit, Root Crops, Fresh Vegetables, Processed Vegetables
Integrated Socio-Economic Development in the Pankisi Valley	460,000 CHF	Grant	Swiss Agency for Development and Cooperation	UNDP	2010	2	Kakheti	Small-scale cattle and sheep farmers, veterinary, extension and laboratory services, animal housing and feeding
Animal Health Management in Cross Border areas of Armenia and Georgia	590,000 EUR	Grant	ADA	CARD	2011	3	Kvemo Kartli and Samtskhe-Javakheti	Animal health and animal disease prevention, capacity building/ training for veterinary personnel, veterinary authorities and the cross-border co-operation of

Project Name	Amount	Grant/Credit	Donor(s)	Govern Authority	Start date	Duration (years)	Geographic Coverage	Main Thematic Areas (Value chains, Irrigation, Water Management, etc.)
								experts in the field of animal health
Strengthening Foot-and-Mouth Disease surveillance and control in the Trans-Caucasian countries to assist progression on the West Eurasia FMD Progressive Control Pathway (Phase II)	1,500,000 EUR	Grant	EUCommis sion Delegation to Georgia - EUD	FAO	2010	2	Armenia-Georgia- Azerbaijan border areas	Livestock farmers, enhanced laboratory capacity
Economic development for IDPs in Georgia	800,000 EUR	Grant	EUCommis sion Delegation to Georgia - EUD	World Vision	2010	2	Shida Kartli	demonstration plots, soil farming, animal husbandry, beekeeping, food processing facilities
Support to the improvement of the quality of Food Safety, Veterinary and Plant Protection system in Georgia	200,000 EUR	Grant	EUCommis sion Delegation to Georgia - EUD	ScanAgri	2009	2	All regions of Georgia	National Agency for food safety Veterinary and Plant protection, legislative and institutional network.
Development of high value agriculture sector in Georgia	23,000,000 USD	Grant	Millennium Challenge Georgia - MCG	CNFA	2009	2	All regions of Georgia	Matching grants for farmers, innovative agricultural production technology
Swedish Support to Milk and Dairy Sector” (SMDSP)	9,200,000 USD	Grant	Swedish Internationa l Developme nt Cooperation Agency - Sida	OPTO International(l ater GRM International)	2005	6	Kakheti, KvemoKartli and ShidaKartli regions	Farmers, processors and entrepreneurs, increasing both quantity and quality of milk.
From Cow to Consumer – an Integrated Dairy Project in Georgia	10,000,000 SEK	Grant	Swedish Internationa l	ScanAgri	2002	3	Tbilisi, Kakheti and southern Georgia	Increased quality and quantity of milk sold for dairies.

Project Name	
Amount	
Grant/Credit	
Donor(s)	Development Cooperation Agency - Sida
Govern Authority	
Start date	
Duration (years)	
Geographic Coverage	
Main Thematic Areas (Value chains, Irrigation, Water Management, etc.)	

Key file 4: Target group identification, priority issues and potential response

Typology	Poverty Levels and Causes ^x	Coping Actions	Priority Needs	RB-COSOP Response
Subsistence based farming HHs Vulnerable groups: ✓ Retired and people with disabilities. Old age, disability and survivor pensions are received by 20% of population (2016); ✓ Social allowances recipients make 12.3% of population (2016); ✓ Internally Displaced People (IDPs) make 6.2% of population (2016); ✓ Socially excluded groups (minorities) <u>Characteristics:</u> <ul style="list-style-type: none"> - Many just persistently poor (about 16% of population); - Have 6 or more members of the HH with only one or two economically active; - Head of HH have often no upper school education, no higher education; - engaged in non-farm employment and activities (not IFAD direct target group) - engaged in informal employment mostly for subsistence level activities and for own consumption; - Income is at the level or lower than established living standards' minimum; - No livestock, no or very small land plot, mostly rely household plot; - Very vulnerable to changing weather patterns; 	Moderate to Severe •Lack of farm or off-farm jobs; •Have limited assets: no arable land or very small plot; very small household plots, have poultry, no or very few if any livestock (1-3 cattle), no machinery; •Skills mismatch with demand on a market; •Low productivity of production with no investment; •Difficulty to sell any agricultural products' surplus due to low quality and quantity	•Rely on state transfers (pensions, disability, social allowances); •Land if owned, leased out for in kind payment; •Ag production is very basic; •Rely only on HH labour; •Income usually as low paid seasonal labour; •Reduction in consumption, especially of meat, fruits;	•Improve access to social infrastructure and services; •Improved nutrition; •Minimize risks to ag production; •Employment opportunities; •Higher incomes; •Improved access to natural resources/pastures for grazing, collection of fuelwood, plants	•Generate employment in ag production, processing and services; •Support VCs with considerations of nutritional value of products; •Support capacities for diversification of livelihoods; •Ensure fair access to pastures; •Ensure inclusion and consider interests of poor in capacity building activities and other projects' benefits; •Improved productive and social infrastructure •Improved ecological environment

<p>- Very vulnerable to external shocks</p>				
<p>Semi subsistence farming HH (at least 40 per cent of ag production is for commercial purposes)*</p> <p>Can be fully engaged in agriculture, or have agriculture as a second important source of income. This is a target group of IFAD programme</p> <p>✓ Smallholder HHs, ✓ Women headed HHs, ✓ Young people led HHs;</p> <p><u>Characteristics:</u></p> <ul style="list-style-type: none"> - Have upper school education, sometime higher education - Mostly self-employed in own farms for own consumption and surplus sales; - Income is at the level and slightly higher than established living standards' minimum; - No livestock, or 1-2 cattle, fragmented small land plots in average 1.2ha and not larger than 2 ha, small household plot; - Rely significantly on natural resources; - Very vulnerable to changing weather patterns; <p>Very vulnerable to external shocks</p>	<p>Moderate and Vulnerable to Poverty</p> <ul style="list-style-type: none"> •Limited technical knowledge, no access tom extension; •Lack of off-farm jobs; •Limited access to markets due to lack of awareness and inability to meet requirements in quantity and quality, sell to middlemen or at local open markets; •Can not aggregate production to reduce transactions cost, negotiate effective prices; •Moderate to high levels of land degradation; •Limited access to irrigation; •Limited access to finances (affordability); •Access to good quality inputs; •Insufficient capacity to introduce innovations 	<ul style="list-style-type: none"> •Part of the income comes from the employment in public sector, state payments/benefits (pensions, disability); •Ag production is with limited investments and thus low productivity, small quantities, low profitability; •Seeks new knowledge; •Seeks to improve productivity and yields; •Rely on family labour; •Avoid or limit taking risks. 	<ul style="list-style-type: none"> •Improved nutrition; •Improved health; •Ensure access to natural resources; •Improved rural infrastructure (access roads, irrigation); •Access to improved inputs, knowledge, technology and finance; •Expand production scale, and quality; •Seek access to technical knowledge; •Ability to consolidate production with other farmers for higher profit margin and lower cost; •Improve access to markets; •Enhance resilience to climate change. 	<p><u>In addition to RB-COSOP responses above:</u></p> <ul style="list-style-type: none"> •Employment generation; •Diversification of income streams; •Improve production with access to natural resources, knowledge and new technologies; •Improve access to inputs and services; •Facilitate formation of groups, unions; •Improve opportunities for postharvest storage, processing and marketing; •Improve product quantity, quality to meet market requirements; •Access to technical and business development skills.
<p>Commercial farmers and enterprises (Agriculture is a lifeline and a major source of income and livelihood)</p> <p>IFAD target groups</p> <p><u>Characteristics:</u></p>	<ul style="list-style-type: none"> •Access to finances is limited (affordability); •Access to irrigation is limited; •Issues with access to markets (seeks selling production to established links to middlemen or to the processors); 	<ul style="list-style-type: none"> •Takes loans for ag production from formal financial sources •Has some other supplemental sources of income; •Seeks new knowledge 	<ul style="list-style-type: none"> •Improved nutrition and health; •Improve access to natural resources; •Improved rural infrastructure (access roads, irrigation); 	<ul style="list-style-type: none"> •Support securing rights to pasture land •Support VCs with considerations of nutritional value of products for own consumption as well; •Support animal health

<ul style="list-style-type: none"> - Have higher and often technical education; - Have arable land plot and rent additional land to grow cereals, fruits and vegetables, have household plot, livestock (from 5 and more cows), some types of machinery (truck, mini tractor); - Hires permanent and seasonal labour; - engaged also in other employment/business - Income is higher than established living standards' minimum; - Has from 3 to 20 heads of cattle - Has 5-7 ha of land (leased) - Vulnerable to changing weather patterns; - Vulnerable to external shocks 	<ul style="list-style-type: none"> •Moderate to high levels of land degradation; •Rely somewhat on pastures for summer grazing 	<ul style="list-style-type: none"> and technologies; •Access to resources to expand production and profit from value chain; •Increase product quantity or consolidate with other farmers; •Improve product quality to meet market requirements and to increase premium; •Improve food safety requirements to meet EU requirements; •Improve production facilities; •Searches for various credit/grant resources 	<ul style="list-style-type: none"> •Access to improved inputs, knowledge, technology and finance; •Ability to consolidate production with other farmers for higher profit margin and lower cost; •Improved knowledge on CSA; •Access to better inputs; •Access to markets with better links with processors, further integration in VCs; •Access to marketing infrastructure; •Predictability and stability of markets; •Expand production scale and upgrade facilities; •Enhance resilience to climate change. 	<ul style="list-style-type: none"> programme (awareness, capacity building, vaccination); •Ensure access to natural resources, knowledge and new technologies; •Improve access to inputs and services; •Facilitate formation of groups, cooperatives; •Improve opportunities for postharvest storage, processing and marketing; •Assist in establishing links with the private sector; •Improve product quantity, quality to meet market requirements; •Access to technical and business development skills •Adopt climate resilient production practices •Support diversification of farming systems.
<p>Women-headed farming households^{xx}</p> <p>About 30% of HH are led by women in 2015 (mostly single women, divorced or widowed). This is IFAD target group</p> <p><u>Characteristics:</u></p> <ul style="list-style-type: none"> - Women led HH are more vulnerable to poverty - Engaged in own farm for subsistence or for small scale commercial farming - No or few livestock (usually not more than 3 cows), very small land plot, mostly rely household plot; 	<ul style="list-style-type: none"> •Rarely have technical education; •Access to arable land is limited (almost never by inheritance or after divorce, only either through primary land allocation or from the secondary markets); •Strongly rely on natural resources; •Lower wages in the labour market; •Limited access to finances, extension, inputs, irrigation, machinery due to patriarchal traditional norms; •Limited access to finances; •Limited access to information on opportunities; •Lack of confidence in dealing 	<ul style="list-style-type: none"> •Support from the paternal family; •Sell possessions; •Sell dowry; •Cultivating household plot to grow produces for market; •Small-scale home based processing; •Taking loan from informal sources or expensive non-collateralized loans for short terms; •Reduction in consumption. 	<ul style="list-style-type: none"> •Improved nutrition; •Improved health; •Access to pasture and other natural resources; •Improved social and physical rural infrastructure; •Access to finances; •Access to improved inputs, technology and extension; •Access to business development skills and information; 	<ul style="list-style-type: none"> •Develop, implement and monitor implementation of the Gender Strategy for each project with specific approaches to women beneficiaries and women headed HHs to improve inclusiveness and benefits sharing; •Support gender sensitive and gender positive policies and legislation; •Tailored support to women in agriculture to address their specific needs and interests; •Include sub sectors and activities priority for women;

<ul style="list-style-type: none"> - Very vulnerable to changing weather patterns; - Vulnerable to external shocks 	<ul style="list-style-type: none"> with banks and state institutions; •Limited participation in decision making processes and bodies. 			<ul style="list-style-type: none"> •Provide support with access to finances; •Target women with specially tailored capacity building and empowering activities •Access to services, information and opportunities •Assistance to form groups; •Postharvest storage and processing techniques; •Diversification of farming systems.
<p>Women which inhibit women' economic participation relate to to working women</p> <p><u>Characteristics:</u></p> <ul style="list-style-type: none"> - Engaged in own farm - No or few livestock (usually not more than 3 cows), very small land plot, mostly rely household plot; - Very vulnerable to changing weather patterns; - Vulnerable to external shocks 	<ul style="list-style-type: none"> •High domestic workload, lack of childcare support services, especially in rural areas, •unequal access to assets and resources, •low participation in decision making due to prevailing traditional patriarchal attitude especially in rural areas •On average, women engage in agricultural work 80 days more than men but mostly as unpaid labour •female's remuneration about 44 per cent lower than men's; •Limited access to finances due to lack of collateral; •Limited access to inputs, irrigation, machinery; •Limited access to finances; •Limited access to information on opportunities; •Lack of confidence in dealing with banks and state institutions. 	<ul style="list-style-type: none"> •Cultivating household plot to grow produces for market; •Small-scale home based processing; •Taking loan from informal sources or expensive non-collateralized loans for short terms; •Reduction in consumption. 	<ul style="list-style-type: none"> •Improved nutrition; •Improved health; •Improved social and physical rural infrastructure; •Access to finances; •Access to improved inputs, technology and extension; •Access to business development skills and information; 	<p><i>The same as above</i></p>