

WECF

Assessment Agribusiness opportunities within the EWA project in Georgia



Wolthers Advice
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Abbreviations

ABCO	Association of Business Consulting Organizations in Georgia
BDS	Business Development Services
ENPARD	European Neighborhood Policy in Agriculture and Rural Development
ETW	Entrepreneurship Training Workshop
EWA	Empower Women benefit for All
FS	Financial Services
FSP	Financial Service Provider
NFTP	Non Forest Timber Products
RICC	Regional Information Community Centre's??
VCD	Value Chain Development
WBA	Women Business Administration
WECF	Women in Europe for a Common Future



Management Summary

This report gives insight in the possibilities of implementing an agribusiness program within the current EWA project implemented by WECF and its partners.

Due to history and lack of government attention the agricultural sector is underdeveloped in Georgia. The constraints in the sector cover the following areas:

- Underutilized production due to :
 - absence of labor force (migration),
 - nonprofessional farming methods,
 - absence of agricultural extension services
 - unavailability of irrigation systems,
 - weak input supply structure,
 - weak postharvest handling methods.

Next to that during the survey one of the findings is that there is generally in Georgia a clear dependency mindset waiting for the government and instructions coming from the top. This can lead to a pitfall that the target group also sees the implementing partners in the WECF as stakeholders who will direct the process instead of facilitating the process;

- Ineffective market mechanisms due to weak infrastructure and absence of collective marketing systems;
- Poor accessibility to finance service providers for farmers due to , ineffective procedures and high interest rates;
- Weak farmer business mindset development caused by lack of knowledge and by weak accessibility of these services for farmers;
- Absence of effective networks in agribusiness leading to underutilized synergy possibilities by different specialized organizations.

The EWA project has sustainable livelihood objectives as well as agribusiness objectives. In the current EWA project the attention has been mainly on the sustainable livelihood and the lobby and advocacy part. There is not enough scale and knowledge for an agribusiness program, and also the time left to implement an agribusiness program is too short. Nevertheless WECF could implement several activities mainly in preparing a solid ground for a future agribusiness program. Our advice is to implement the following activities when WECF decides to develop an agribusiness proposal:

- Start with training the partners in the concept of agribusiness;
- Form an agribusiness alliance including agribusiness experts for future fundraising;
- Choose a specific area to concentrate its activities for agribusiness based on high economic potential;
- Form a local agribusiness multi stakeholders development platform in the selected area;
- Conduct participative market analysis, value chain analysis and crop selection in the region of implementation with the local stakeholders;

Implementing an agribusiness development program is quite different from a sustainable livelihood program. An agribusiness program needs a business mindset of own staff and staff of partners and the willingness to work with other stakeholders whom will not always align with the



principles of WECF (e.g. organic farming). We advise WECF to develop a policy document of its position towards agribusiness development in regards to the mentioned aspects.

Within the current EWA program our advice is to follow the beneath presented steps to maximize the sustainable livelihood outcomes:

- 1) Involve a business development service provider and design a condensed program addressing the following steps:
 - a. Business development training (including partners) (e.g. farming as a business modules);
 - b. Start with saving, mindset change, group dynamics training
 - c. Collectively do a market analysis and crop selection to identify crops or agri practices that generate profit;
 - d. Connect with input and financial service providers
 - e. Make sure that substantial production is realized
 - f. Develop collective marketing system connect with stable market players organic and nonorganic (you can still deliver organic products to existing (non)organic markets)
- 2) To make an impact in the remaining time it is necessary that the group meets every week, it is advisable to identify an agent of change within each group. This is a person that has shown the willingness and ability to improve quickly (the group can even choose one). This person could be exposed to intensive training and becomes an internal resource person;
- 3) Organize exchange visits with successful projects in agribusiness (ABCO is possible or organize this) so that the target group gets a better understanding what is possible for them.



1. Introduction

This report gives an overview of the findings of the assessment of agribusiness opportunities within the current EWA project implementation in Georgia. This assessment has been carried out by Jan Wolthers (Wolthers Advies) and Hilde de Groot (WECF), together with country coordinator Anna Samwel (WECF). The assessment is guided by the terms of reference as agreed upon.

In Chapter 2 we will discuss the objectives and the methodology used to analyze the current situation in Georgia. In Chapter 3 a context analysis will be given of the current situation of the Agri sector in Georgia. The findings of the analysis will be discussed in Chapter 4. Chapter 5 will give overall conclusions and recommendations. Chapter 6 will give a roadmap of the way forward.

A number of appendices is attached to this report. Appendix 1 gives the Itinerary of the assignment. Appendix 2 a possible theory of change that could guide further project proposals when WECF decides to focus more on agribusiness development. Appendix 3 gives an overview of stakeholders identified, some of whom were visited. Appendix 4 gives an overview of interesting websites for training modules and/or organizations involved in agri-business.

2. Objectives and methodology

The following objectives and results were distinguished/formulated for this assessment:

Objective

The objective of the assignment is to assess the possibility of setting-up a qualitative and effective economic program in Georgia as described in the TOC. The current EWA program has identified results on economic development. This business assessment is meant to identify whether these expected results are feasible and to identify what needs to be done to create the best output at the end of the EWA program in December 2015.

Results

The following results can be distinguished:

- Clear overview of stakeholders (such as NGOs, (M)FI, Private Sector) that could play a relevant role in the project. Overview of their key interest and capabilities;
- Selection of economic development partners that could work together with RCDA/SEMA in the economic development project;
- Clear road map with RCDA/SEMA and possible economic development partner
- A report of maximum 10 pages that describes the findings and results of the process described above, as well as key conclusions and recommendations.

Methodology

The following methodology was used during this assignment.

Internet research



Through internet research an overview was generated of possible stakeholders that are currently active in agribusiness. Next to that a brief literature research was conducted. Both the partners and the consultant came up with a list of possible stakeholders. The combined list was discussed within WECF and with the partners.

Awareness raising group discussion with partners

During the first day of the visit to Georgia the concept of Agribusiness was explained. In a group discussion the different aspects of agribusiness programs were highlighted.

Field visit

A group of women was visited and in a group discussion more insight on their current situation and income generating activities was gained.

Stakeholder visits and interviews

Quite a number of stakeholders were visited; government offices, financial institutes, bio markets, market outlets, business development service providers, and other NGOs.

Partners feedback on findings

The last day we discussed the findings with the partners and asked for their feedback on the issues found during the research. This feedback was taken into account within this report.



3. Context analysis

Brief overview¹

Georgia is located between Asia and Europe and exists of a land of 69,700 sq km. It neighbors Turkey to the southwest, Azerbaijan to the East, Russia to the North and Armenia to the South. Georgia declared independence on 9 April 1991 following the dissolution of the Soviet Union. Since the collapse, efforts to rebuild the country and the economy have been hindered by civil conflict between the government of Georgia and separatist movements in the regions of Adjara, South Ossetia and Abkhazia.

In early August 2008, Georgian military actions in South Ossetia led to a military response from Russia. As Russian troops occupied South Ossetia and Abkhazia, hostilities between Georgia and Russia escalated. Though a ceasefire was signed mid-August, the violence and fighting caused nearly 160,000 people to flee their homes. Residences, schools and infrastructure have been destroyed, leaving many Georgians without access to food, clean water, and electricity. This new round of displacement brings the total estimated number of internally displaced persons in Georgia to around 300,000.

The above mentioned facts result in the fact that many NGOs and funds focused on problems related to IDP's. Structural development of rural areas was not prioritized.

Government

The Head of State is the President. He is elected by popular vote for a five year term. Legislative power is exercised by a single chamber parliament, which consists of 150 members. The executive powers consists of the president and the Cabinet of Georgia. The cabinet is composed of ministers, headed by the prime Minister, and appointed by the president.

Population

The population of Georgia is estimated to be 4.4 million. Georgian is the official language. Most Georgian speak Russian. A growing number of people speak English as well.

Religion

Approximately 84% of Georgians are Orthodox Christian. Other religious groups include Muslims (9,9%) Armenian Apostolicism (3,9%) and Catholics (0,8%).

Living standards

Despite ongoing improvement, living standards in Georgia remain poor. The average monthly salary of 2010 was GEL 670 and it is estimated that more than 30% of the population lived below the poverty line.

Economy

¹ Based on PWC report doing business in Georgia 2011 edition, Eleni Akhavediani



Like other former Soviet countries, Georgia's economy initially suffered from the legacy of a centrally-planned economy and the breakdown of the former Soviet trading patterns. Following the Rose Revolution of 2003, Georgia has undertaken a series of progressive reforms including anti-corruption efforts, reforms of labor and tax codes and improvements of the general infrastructure of the country.

Georgia's main economic activities include agricultural cultivation of citrus fruits, tea, grapes and hazelnuts. Georgia also has a manganese and copper mining industry.

Georgia has vast natural resources. Among these are forest and hydropower as well as copper, gold and manganese. There are minor deposits of coal and oil. The coastal climate and soils enable the growth of citrus and grapes.

Georgia's tourism sector is growing rapidly. In 2009 more than 1.5 million people visited Georgia, representing an increase of 16% compared with 2008.

Georgia's main export partners are Turkey, United States, Azerbaijan, Ukraine and Armenia. Exports include wine, mineral water, ores, fruits and nuts. Georgia main import partners are Turkey, Russia, Ukraine, Germany and Azerbaijan. Imports include consumption goods, machinery and equipment, fuels, chemicals, metals and foodstuffs.

The law on entrepreneurs recognizes:

Limited liability companies

Joint stock companies

General partnerships, which are limited to participation by individuals

Limited partnerships, where some partners have limited liability and other partners have unlimited liability

Cooperatives, which aims to serve the common interest of their members rather than receiving profits

The latter seems a good way to execute collective marketing and sales in an agribusiness way.

Agricultural sector of Georgia

In an assessment carried out by USAID in 2011 the following summary of the agricultural sector of Georgia was given:² *Georgian agriculture is characterized by low productivity and weak competitiveness across most major sub-sectors. Old infrastructure, production and marketing systems were calibrated for an outdated Soviet model, with heavy subsidies un-calibrated to market demand. This has created both public and private disinvestment, coupled with the deterioration of essential equipment and infrastructure. By way of example, Georgia was irrigating 386,000 ha in 1988, declining tri-fold to approximately 115,000 ha by 2007*

Necessary services, in some cases as basic as vaccinations by state veterinary services, are no longer provided. Initial waves of privatization after independence further contributed to the situation, doling-out small plots of an average of .42 ha in size to 521,240 families, effectively relegating the rural majority to agricultural subsistence and poverty.

² Analytical Foundations Assessment Agriculture November 2011 Patrick Sommerville US AID



All this has left the Georgian farmer and rural population more generally, to fend for themselves over the past decade. While the rural population has been relatively stable, poverty rates are high in nonproductive rural (especially mountainous) areas. 74% of the rural population work plots smaller than one hectare. With wage laborers earning at least twice as much as farmers on average, the agricultural sector has become synonymous with poverty, effectively serving as “employer of last resort”. These problematic arrangements are unsustainable for both the agricultural sector, and those masses of producers currently on the land.

Georgia has a great variety of ecological and climatic zones that allow for the production of most types of temperate and even subtropical food and agricultural products. This permits extension of the growing seasons to serve markets both early and late in northern countries such as those of the EU and Russia (irrespective of the current embargo). These include early and late vegetables, potatoes, essential oils, flowers, medicinal herbs, grapes, and a wide variety of fruits and nuts. Additionally, grains, oilseeds, animal fodder, and other crops like tea, tobacco, and citrus are grown. With approximately 1.8 million hectares of pastureland and meadows, grazed livestock (cattle, sheep, and goats) is quite common. Finally, swine and poultry production is carried out near cities and villages to serve the local markets.

In the studies mentioned the production rate of the farmers in Georgia was compared with the production rate of farmers in neighboring countries. The comparison was made for the following crops: vegetables, potatoes and beans, fruits, nuts, citrus berries, and grain and oil seeds. The production rate in Georgia is the lowest for all these crops, apart from hazelnuts. The main cause is lack of inputs, irrigation and good farming practices as well as postharvest handling technologies.

Looking at labor the US-AID report concludes the following:

Some key present day characteristics of Georgia’s agrarian labor force include:

- *63% of agricultural jobs are self-employment, the vast majority of which falls into the subsistence farming category;*
- *Preference on the part of youth to engage in nonfarm wage employment, most often in urban areas;*
- *Smallholders lacking specialization / in-depth knowledge on modern technologies and practices;*
- *Conservative approach to risk and entrepreneurship.*

Factors exacerbating this situation include:

- *Fragmentation of land limits productive potential of farming households;*
- *Underinvestment in the sector reduces rural employment potential, whether in primary production, processing or trade;*
- *Subsistence farming limiting potential for investment / expansion of small farming operations.*

Lack of entrepreneurial skills

Another mentioned constraint in the agricultural sector in Georgia is the lack of entrepreneurial attitude and skills. There are hardly extension services available in Georgia.

The report mentions three categories of farmers: subsistence farmers, semi commercial farmers and commercial farmers. The table below gives an overview of the situation in Georgia at the end of 2011.



Subsistence farmers	Semi-commercial farmers	Commercial farms/agri business
521.240 households	164.589 households	17303 households
219451 hectares	280.604 hectares	590887 hectares
0.41 hectares a household	1.7 hectares a household	34.1 hectares a households

Enabling environment

Looking at the enabling environment, we can look at four crucial services; financial services, business development services, extension services, and market/trade mechanisms.

a) Financial services

One of the key factors in agribusiness is the financial sector. The US AID report mentions the following constraints:

“At present there are a number of actionable constraints confronting agricultural sector finance:

- *High cost of GEL capital, meaning that larger preferred lending clients can best expect to achieve rates of approximately 15%, with MFIs offering rates are much higher (18- 24%);*
- *Weak rural sector presence on the part of the banks due to risk, high operational costs, and Knowledge related factors;*
- *Weak incentives to invest in the rural sector;*
- *Unclear government policies and commitment to the sector constraining long term capital investment;*
- *Poor state of irrigation, drainage, on- farm road infrastructure and other credit security mechanisms.*
- *Lack of established alternative credit products, such as supplier credits and warehouse receipts.”*

During the interviews the same picture appeared and the constraints mentioned are still found. There is a limited financial system in place that makes access to loans difficult for farmers. The lack of knowledge and applying businesswise farming is another huge constraint that goes hand in hand with a lack of financial services.

b) Business development services (BDS)

Business development services are not wide spread and well known in the country. In the different regions BDS development services can be found but are scarce. Several are connected to ABCO.

c) Agricultural Extension services

Throughout the country FSC (farmer service centers) and MSC (machinery service centers) have been changed into RICC's.

The RICC has three programs:

- Tractor service for ploughing;
- State credit program for cattle;
- Cooperation information services.

Tractor service for ploughing. Each farmer receives a credit for ploughing services and connected labor. A system using a credit card is implemented. If the farmer does not use the



ploughing service he can use this credit for other purposes. For example he can buy inputs/goods for his farm in a shop in town.

Credit program is a program for farmers to receive subsidy for the credits. This means that farmers pay 8% interest rate and the government pays the other 8% interest.

Cooperation information services. This is actually a program to inform the community about a new law on the formation of cooperatives. In this program the staff also gather a lot of information about the number of farmers in the region and what they do produce.

The RICCs is not an extension service program of the local government. The purpose is that the RICCs serve as information centers rather than active services for the farmers.

d) Market and Trade mechanisms.

The US AID report mentions the following constraints in market and trade mechanisms

- *A major shortage of postharvest handling facilities (storage, packing, grading, sorting, etc.);*
- *Lack of wholesale market consolidation centers;*
- *Rural farm roads in disrepair;*
- *Lack of functioning market information system (technical, market development, market pricing);*
- *Weak strategic targeting, intelligence gathering and longterm investment in new markets;*
- *High distribution costs, associated with poor infrastructure and limited transport sector completion*

Implementing partners of WECF

WECF partners with a number of partners that form a consortium:

- a) RCDA, an organization specialized in community development,(including wash , organic farming , sustainable management of natural resources, energy low processing equipment) manages two well-established demonstration centers where all proposed technologies on renewable energy, water and sanitation are exposed and tested, and where (practical) trainings can be organized, and from which up-scaling can be implemented. RCDA is an organization with around 10 employees.
- b) SEMA ecologic farmers association of Georgia is specialized in building community structures and ecologic farming. Sema is an organization with 2 employees.
- c) Greens movement of Georgia is specialized in lobby and advocacy to establish a social and ecological sustainable society in Georgia
- d) Paros is a womens' NGO based in the region of Samtse-Javakheti, Ninotsminda, concentrating on community development, agriculture and women empowerment. During the research Paros was not able to attend the meetings. The size of Paros is small.
- e) SDCA (Society Development Centre of Akhaltsikhe) is an NGO based in the region of Samckhe-Javakheti, Akhaltsikhe, concentrating on community development and alternative energy mainly focusing on business training to build the capacity of individuals. SDCA has 2 employees



4. Findings and analysis

In this chapter we will discuss the findings of the assessment. In the table below one will find for each of the crucial aspects the current finding (a), consequence or implication (b) and a direction or solution (c).

The different aspects are categorized in the following paragraphs:

- Current set-up of the program;
- Culture and historical background;
- Enabling environment;
- Production capacity of the farmers;
- Access to markets.

Important Note; the findings and analysis are made from the perspective of an agribusiness program. That means that if the remarks would have been given from the perspective of a sustainable livelihood program they could have been quite different.

Current set-up of the project

4.1 EWA project

- a) The EWA project is a sustainable livelihood program rather than an agribusiness program. In a sustainable livelihood program, the focus is on building the capacity of individuals in all sorts of aspects. With regards to agricultural training in sustainable livelihood programs, we often see that the training is focusing on improving the agricultural practices so that yields will increase. The objective is to produce for the purpose of sustainable food security at household level. The surplus is often sold at the nearby market.

In an agribusiness program, the focus is on collectively building an agri-sector and connecting the target group to specific value chains that can generate income for the target group. The target group will become part of an inclusive value chain. An agribusiness approach requires the following principles (not exhaustive):

- Market and value chain analysis for crops that could be produced in high quantity and quality in the local area;
 - Business mindset and approach in business development of the target group;
 - Multi stakeholder involvement in the program design and set-up.
- b) The implication of the above mentioned finding, is that in the current program content, partners, time frame and attached budget, it is not realistic to speak of an agribusiness program but rather of a sustainable livelihood program. In the current framework it is also not possible to set up an agribusiness program, due to lack of time, organization, production, scale, partner capacities, etc.



- c) Nevertheless, the program gives an opportunity to do some activities (mainly research) that could prepare WECF and its partners for designing a possible agribusiness program and start fundraising for that program. If desired, agribusiness is possible for the future. At the moment, the only option is to improve income generation activities within the sustainable livelihood program that EWA is.

4.2 Scope of the program

- a) The scope of the program is too small for an agribusiness program. As mentioned above an agri-business program is focusing on developing an agri-sector and connecting farmers in a specific geographic area (number of villages) in producer groups to this sector. In the current set-up there are small groups of women that are not yet properly organized or connected to each other. Besides, the groups are scattered throughout different regions in Georgia. The current set up and practice is focusing on individual/small group production and marketing. For agribusiness larger quantity and quality of organization is needed.
- b) The implication is that it will be hard for the current groups to produce enough volume to become attractive for the market. Income generation can be done on a small scale.
- c) Within the program more should be done to involve a bigger number of beneficiaries and connect them to each other. In agribusiness programs we often see that farmers are grouped in farmer production groups for collective training and bulking their produce. The farmer production groups together form a cooperative to become an attractive player and stakeholder in the sector. Of course other organization schemes are possible as well. In the current situation, the focus should be on improvement of subsistence farming by focusing on crops that can generate a fair income.

4.3 Multi stakeholder approach

- a) In the current set-up of the program no multi stakeholder approach is implemented. Partners do not complement each other but work with their own target group. A multi stakeholder approach incorporates for example the following type of stakeholders: business development service providers, financial service providers, agricultural extension services, local government, knowledge institutions, representatives of the target group and the private sector.
- b) The implication is that in the current project not all needed expertise is incorporated and there is a limited coalition.
- c) Try to set-up a network or an alliance based on complementarity. We understood from RCDA there is already a network with all sorts of stakeholders (for the ENPARD program). The advice would be to try to form an alliance that could collectively apply for new funding opportunities that will become available in the near future. This alliance can work on agribusiness. For the current EWA program, we advise to hire external capacity for training of partner organizations and implementation of certain aspects of the EWA program, including VCD (Value Chain Development).

4.4 Project implementation



- a) The current implemented activities are more focusing on a sustainable livelihood approach than an agribusiness approach, nevertheless the logframe of the EWA project clearly mentions objectives, outputs and activities (under outcome 2) that are in line with an agri-business program. The fact is that these activities are not implemented on a structured way through an agri business approach (focus on sector development) but if implemented from a sustainable livelihood approach (focus on individual income improvement) This is also due to the fact that partners have no experience in agribusiness development programs
- b) The implication is that outcome 2 of the EWA logframe will only be partly achieved during the remaining implementation time. The remaining implementation time can however be used to implement some activities that will set the ground for a fruitful Agribusiness program,
- c) For the remaining time the advice is to implement activities that will contribute to develop an agribusiness program. Our advice is to implement the following line of activities:
 - Form a wider consortium for an agribusiness program with the following consortium partners: ABCO/WBA, WECF (RCDA/SEMA as leading partners), FSP (financial service provider, to be determined together with ABCO/WBA) and possible donors (if possible)
 - Select an area of implementation. (possible criteria could be based on high potential region and nearby market)
 - Form a local agribusiness multi stakeholders development platform with consortium partners and local government, target group etc. Make sure that all stakeholders have the same understanding of the program and are on the same level of expectations;
 - Conduct a participative market analysis, value chain assessment and crop selection with all stakeholders in the area.
 - Establish a value chain discussion platform on how to develop the selected sector
 - Design together a concrete activity plan focusing on the three key aspects production improvement, finance and market access.

Culture and historical background

4.5 Dependency mindset

- a) Due to recent history we found a strong rooted dependency mindset during the interviews and a lack of entrepreneurial attitude. Entrepreneurial attitude can be categorized/defined as opportunity-seeking and initiative, persistence, fulfilment of commitments, demand for quality and efficiency, calculated risks, goal-setting, information-seeking, systematic planning and monitoring, persuasion and networking, independence and self-confidence.
During the interviews this mindset was generally lacking. The initiative to bring economic development was often expected from the government. Another aspect is that people tend to think in problems rather than solutions/opportunities.
- b) The implication is that work needs to be done with regards to a mindset change before an agribusiness program can start. Agribusiness programs come with many constraints. Hard thinking and working collectively is needed to overcome these constraints. In an In



In an area where there is a collective dependency syndrome, there is a high risk of people not taking the initiative to overcome the challenges themselves but wait for others to do so.

- c) To solve the issue of dependency it is more a psycho social deep rooted problem that people truly are convinced that they are dependent . In literature (Carol Dweck. Mindset) this is often called a fixed mindset instead of a growth mindset. It is advised to add a component in the program that addresses these aspects.

4.6 Top down approach

- a) Another aspect that appeared, and which is due to the dependency syndrome, is the pitfall to fall back to a top down approach in which the partners decide for the target group what it should focus on.
- b) The implication is that the target group will have little ownership of the implemented activities and will look at the implementing partner what to do.
- c) Participative techniques in all the steps of analysis, program design and implementation are key to create ownership and motivation in the target group to carry the project forward. We advise partner training in this subject. Setting up village development committees is a good instrument to work towards organizational sustainability of the program. The implementing partner should focus on bringing innovative ideas and *facilitating* the decision making process.

4.7 Business mindset

- a) Farmers are not used to thinking businesswise. They often do not make simple profit loss calculations and, for example, have no idea about the difference between turnover and profit. Also partner organizations have limited knowledge and experience in business, as they have other core qualities. Partners cannot be expected to be experts in all fields.
- b) The implication is that farmers do not have insight in the way their activities are generating profit or production is taking place with loss. There is no insight in financial sustainability of the farming practices. Finally they have no idea how to market their products and/or how to behave with other parties. Also partners lack expertise in this area.
- c) Business training should be an integral part of the program. Also current partners need further training to grasp the idea of economic development. Connection with ABCO and/or the Women Business Association (WBA) is advised. To create awareness for both partners and target groups, exchange visits could be organized with groups ABCO and WBA are working with. Another aspect that should be focused on are entrepreneurial skills Empretec is a United Nations program established by the United Nations Conference on Trade and Development (UNCTAD) to promote the creation of sustainable, innovative, and internationally competitive small- and medium-sized enterprises (SMEs). EMPRETEC's core product, the Entrepreneurship Training Workshop (ETW), is based on a unique Harvard originated methodology focused on a behavioral approach to entrepreneurship skills development. WECF could explore if the Empretec consultants are available in Georgia and can be aligned in the leadership training part of the EWA program. If not, other consultants in this field should be found.



4.8 Cooperative Concept

- a) Due to history (kolchoz/sovchoz) the people in Georgia are either hesitant to join the cooperative model or they are very eager, yet with the wrong motives. When people are hesitant, this is caused by the connection they make with the failing system of the past. If the people are eager to join the model, it is often due to laziness. In the Kolchoz concept there was a strong top down approach and people were secure of their income regardless of the performance of the Kolchoz.
- b) The implication is that people are not fully aware of the cooperative concept and actually do not know what they choose for.
- c) Capacity building on the concept is needed for the partners and target group. Besides, exposure visits are often a great help to get a better understanding.

Enabling environment

4.9 Access to finance

- a) In general one can say that the financial sector seems to have limited possibilities to make credit available for small farmers, although one must also note that opposite answers were given during the interviews. In general procedures are too difficult for the farmers to access funds or they contain restrictions towards the legal status of the beneficiaries e.g. they should be registered legal companies. Partners and target group also claim the interest rate is too high.
- b) The implication of this is that by the time the target group would seriously go into business, it might be hard for them to access credit to finance their investment in and running cost of the farm.
- c) An important way to overcome this issue is setting up saving groups. Research shows that saving possibilities are more important and successful than credit. An important aspect in accessing credit is the ability of the target group to have a track record in saving. We would also advise to incorporate financial institutes in the coalition. It seems that good connections are a crucial element in accessing credit for the target group. Another way credit can be easier obtained is for the target group to be connected to grant providers to finance a part of the investment. We do not approve the concept of grants for businesses, but WECF and her partners might want to follow this path. Ethic Capital could be a good partner to work with, although the volume for credit provision is currently too small. Oxfam works with Lazika finance. The role of Ethic Capital could be in building the linkages with financial service providers. The women business association gave some examples where they were able to access capital for small cooperatives. This issue clearly needs further concrete follow up and research.

4.10 Access to business development services

- a) Quite a number of business development service providers are available in the country that could be part of an agribusiness development alliance. They are also available to assist in the implementation of the current EWA program. Currently there are no connections with the WECF partners.



- b) The implication is that it is very well possible to build alliances with partners who are specialized in business development services.
- c) Involve available business development services such as ABCO in a complementary agribusiness alliance and implement farming as a business through these agencies. For the coming 1,5 years they can assist in the implementation of EWA and train partners and target group. The comment that BDS services are not fully focused on organic farming makes sense from a WECF perspective, but practically it will be nearly impossible to find a quality BDS provider that only focuses on organic production. Our advice is to focus on the result of organic farming and work from an organic perspective in the consultancy/consortium.

4.11 Access to agricultural extension services is limited

- a) Agricultural extension services are weak and their availability is limited in Georgia. Agriculture is not a subject youth is interested in. Even in the Agricultural University the interest of the youth seems to be mainly in subjects like economics, international trade etc. Current available agronomists often are not exposed to up to date technologies and experiences.
- b) The implication is that knowledge of good agricultural practices is weak and that service providers in this area are not widely available. The RICCs are not functioning as proactive field workers but as governmental office based information centers.
- c) Some partners of WECF are specialized in organic agricultural practices. That is an added value which is needed in agribusiness oriented programs. However, they cannot rely on government services such as RICCs. Hopefully these centers will improve in the future.

Production capacity

4.12 Collective farming and collective marketing

- a) The idea of collective farming and marketing has not been understood as such within the program implementation. People do have a misunderstanding about collective production and marketing. Collective production means that all farmers produce individually but discuss and agree within the group about the kind of crop and the variety to focus on. After producing they bulk the produce and register each farmer's contribution. Collectively, the products are sold. So the trader or processor buys the whole harvest of all the farmers. After selling each farmer is paid according to the part contributed during harvest time.
- b) Implication is that people do not see the benefit of collective production and marketing.
- c) Capacity building for the partners on these principles is needed to come to broader understanding. When the partners and the target group have been trained in the principles of collective production and marketing, this could be incorporated in future programs so that beneficiary farmers are getting familiar with this approach.

4.13 Migration



- a) There is an ongoing migration of youngsters and families to urban areas;
- b) The implication is that the target group is relatively old which will lead to spending more time (or making an effort) to change the mindset. Another challenge is the production capacity that will be available in the near future: one needs a lot of investment for a limited amount of subsequent productive years per person.
- c) The involvement of youngsters in the program (age group 20-30-40) is needed to make sure that investment is not lost over time and future production capacity is geared to agribusiness principles.

4.14 Production vision within target groups

- a) There is a limited vision in the target group about profitable production ideas. This is due to the lack of participation in market analysis, the lack of a business approach and limited participation in program design.
- b) The implication is that none of the value chains has been selected based on facts.
- c) Participative market analysis and value chain analysis are key in building cohesion within the target group. Involvement of the village leadership and government officials is crucial as well to build common ownership of the program. All this is key for the quality of the program.

4.15 Relative small organized and certified organic farmer groups

- a) Within the vision of WECF, supporting and developing organic farmers is key. In Georgia the knowledge and facilities for a professional organic sector are weak. Also the market for products with the organic brand is very small (see also organic market). Farmers are often organic by fate (they lack knowledge or have no access to fertilizers and chemicals) and not by choice.
- b) Awareness raising on the essence of organic farming at production side is needed on a larger scale.
- c) This is a good chance for the current partners to expose their knowledge and contribute to development of the organic sector. Agribusiness initiatives could focus on creating a stable supply for specific organic (or natural/Georgian) products. When making organic product more visible overtime a demand for organic products will be created. Linkages with certifying organizations are needed for this.

4.16 Lots of opportunities available

- a) A lot of farmland is available in Georgia. Due to inefficiency Georgia only supplies/produces approximately 30% of its own food demand. Import from neighboring countries is covering the other 70%. The two milk processors import milk powder and process milk from it. This practice is due to a lack of infrastructure to collect fresh milk from the farmers and unwillingness of the farmers to allow a reasonable price (lack of knowledge and an entrepreneurial mindset).
- b) The implication is that there is huge potential available, but not used, to develop a healthy agri-sector and create sustainable income at farmer level.



- c) There are enough possibilities to establish a good agribusiness program. Only expertise is needed to start this in a professional way. WECF might not aspire to dive into this topic, however potential and professional partners are available in Georgia.

Access to markets

4.17 Market for organic products

- a) The public of Georgia is not aware of the essence of organic products. The visited outlet centers for organic products often offer a mixture of organic and non-organic products. The combination of lack of awareness and lack of income are the key causes of the underdevelopment of the organic market. On the other hand one of the EWA partners is specialized in awareness raising and Lobby and Advocacy. This is a great opportunity for the alliance to have an added value in a possible organic agribusiness alliance.
- b) The implication is that a small market for organic products needs to be developed.
- c) Try to use the organic market properly: connect with key market players such as Goodwill and Carrefour and secure an organic (or natural or Georgian) brand starting with a few products. Market products through existing channels like the Bio-shop, Jean Jacques etc. Another solution could be to establish an organic outlet at the main market. For possible future agribusiness programs and current income generation, market demand can be created by visibility. These two options create this visibility.

4.18 Weak infrastructure

- a) The infrastructure in mountainous areas is weak and transport is not always available.
- b) The implication is that access to markets is not organized. People tend to go on individual basis to the market and sell their products. This is an inefficient way of working.
- c) The involvement of local and district government is needed to improve the quality of the roads. When government invests in infrastructure, mountainous areas are unclosed and this will automatically increase transport facilities. Villages could connect to the Rural Development Fund to acquire these funds for infrastructure improvements. On the other hand farmers could collectively connect to local traders or organize collective transport. As a result of the volume created, transporters will come to the villages as well.



5 Overall conclusions and recommendations

Main conclusions

- 1) The current EWA project could be characterized as a sustainable livelihood program, not an agribusiness program.
- 2) In the current EWA program there are activities and results that could contribute to the start up of a future agribusiness program (e.g. training and market analysis). The program is unbalanced as the results are sometimes based on agribusiness, but reality is a focus on sustainable livelihood.
- 3) Within the context of Georgia there are many constraints but also opportunities to design a quality future agribusiness program.
Constraints are there in all key areas of an agribusiness program such as:
 - Multi- stakeholder approach;
 - Mindset;
 - Business knowledge and experience;
 - Cooperative formation;
 - Collective production and sales;
 - Quality Control;
 - Finance;
 - Market access;
- 4) Enough local expertise is available to start an alliance to raise funds and implement an agribusiness program. WECF and her current partners have to attract other partners for this to be a feasible option.

Recommendations

- 5) WECF should make a strategic decision if it would like to start an agribusiness program herself or that its mandate is with livelihood development. Agribusiness programs do have a business focus (and drivers). These are often different from the background of NGOs that focus on social empowerment. If WECF decides to go into agribusiness WECF should realize that the challenge is to combine the two. We see that NGO's that decide to go into agribusiness often develop a complete separate business unit that focusses on agribusiness,
- 6) WECF can use the activities and results mentioned in the EWA project in the remaining implementation time to:
 - a. Form an agribusiness alliance for future fundraising;
 - b. Choose a specific area to concentrate its activities for agribusiness based on high economic potential;
 - c. Conduct participative market analysis and value chain analysis in the region of implementation with the local stakeholders;
 - d. Start with the training of the partners in agribusiness concept.



- 7) Within the current EWA program our advice is to follow the beneath presented steps to maximize the sustainable livelihood outcomes:
- a. Involve a business development service provider and design a condensed program addressing the following steps:
 - i. Business development training (including partners) (e.g. farming as a business modules);
 - ii. Start with saving, mindset change, group dynamics training
 - iii. Collectively do a market analysis and crop selection to identify crops or agri practices that generate profit;
 - iv. Connect with input and financial service providers
 - v. Make sure that substantial production is realized
 - vi. Develop collective marketing system connect with stable market players organic and nonorganic (you can still deliver organic products to existing (non)organic markets)
 - b. To make an impact in the remaining time it is necessary that the group meets every week, it is advisable to identify an agent of change within each group. This is a person that has shown the willingness and ability to improve quickly (the group can even choose one). This person could be exposed to intensive training and becomes an internal resource person;
 - c. Organize exchange visits with successful projects in agribusiness (ABCO is possible or organize this) so that the target group gets a better understanding what is possible for them.



6 List of possible crops/products

Two crucial selections are to be made when starting an agribusiness program. These are: 1. the areas of interventions and 2. the crops to concentrate on.

For the selection of the area the advice is to look for an area with high economic potential. Often this means an area nearby a local market and with an ecological system that provides an ideal climate for agricultural practiced. This if often in conflict with social oriented NGOs that often choose an area of intervention where the marginalized groups live, which is often hardly accessible and with little possibilities to survive. From a social background this is very understandable. But often these areas are not so suitable for an agribusiness project.

The selection of the crop to focus on should always be based on clear criteria like:

- Profitable;
- Market demand;
- Complexity of agri technics and postharvest handling
- Gender sensitiveness
- Climate and soil conditions
- Running costs and investments costs
- Needed storage facilities
- Added value options like packaging, drying processing

In the analysis of USAID several possibilities per region are mentioned. In the tables below one can see the potential for different crops country wide and the current production per region. This is put into a map of regional specialization and potential.



Commodity	2008-10 Mean Imports		Current Trade Position		Potential for		Yield Increase Potential
	Tons	'000 \$US	Net Importer	Net Exporter	Import Substitution	Export Expansion	
Tomato	8,201	4,012	X		X	X	Quintupled
Onion	26,700	6,505	X		X	X	Tripled
Garlic	1,282	928	X		X	X	Doubled
Cabbage	330	39		X	X	X	Tripled
Carrots	1,974	438	X		X	X	Quintupled
Cucumber	3,449	1,481	X		X	X	Tripled
Eggplant	4,404	2,284	X		X		Tripled
Pepper	421	910	X		X	X	At least doubled
Beans	341	223	X		X		Doubled
Potato	17,468	3,132	X		X	X	Tripled
Wheat	522,157	127,795	X		X		Tripled
Maize	19,971	4,705	X		X	X	Tripled
Sunflower	5,546	2,015	X		X		Quintupled
Melons	1,325	447	X		X		Doubled
Walnuts	251	493	X		X	X	Tripled
Hazelnuts	114	348		X	X	X	Doubled
Mandarin	35	9		X	X	X	Quadrupled
Table grapes	1,097	1,240	X		X	X	At least doubled
Kiwi	594	351	X		X		At least doubled
Persimmon	83	8		X	X	X	At least doubled
Pomegranate	389	320	X		X		At least doubled
Strawberry	40	50	X		X		At least doubled
Apples	1,095	755		X	X	X	Tripled
Pears	105	80		X	X	X	Doubled
Plums	11	5		X	X	X	Tripled
Quinces	113	42		X	X	X	Doubled
Cherries	13	4		X	X	X	Tripled
Apricot	700	182	X		X	X	Doubled
Peach	38	25		X	X	X	Tripled



Commodity	Ajara	Guria	Imereti	Kakheti	Kvemo Kartli	Mtskheta-Mtianeti	Racha-Lechkhumi Kvemo Svaneti	Samegrelo-Zemo Svaneti	Samtskhe-Javakheti	Shida Kartli	Total
Tomato			5%		65%					25%	95%
Onion				10%	70%					15%	95%
Garlic				30%					25%	25%	80%
Cabbage				15%						80%	95%
Carrots					20%				70%		90%
Cucumber			10%	40%	40%						90%
Eggplant				10%	80%						90%
Beans	5%		22%	20%	18%	5%		4%	7%	14%	95%
Potato	8%				16%				66%		90%
Wheat				41%	16%					35%	92%
Maize		10%	33%	11%	5%			32%			91%
Sunflower				98%	1%						99%
Melons			29%	52%	9%						90%
Walnuts	5%		26%	12%	4%	12%	10%	4%		13%	86%
Hazelnuts		13%	8%					72%			93%
Mandarin	85%	13%						1%			99%
Apples			3%		2%			2%	18%	65%	90%
Pears	8%	8%	13%					23%		19%	71%
Plums			5%	5%	6%	16%			19%	43%	94%
Quinces			25%		33%						58%
Cherries	5%		8%	8%	18%			3%		28%	70%
Apricot				14%	57%					14%	85%
Peach			2%	68%	1%			1%		27%	99%





During the discussions with the partners the possibility of wild fruits was often mentioned. In the report of USAID the collection of wild herbs and berries alone can account for earnings ranging between \$120 and \$2,100 per season.⁶ Incidentally, many of these wild herb and berry resources are located in Georgia's poorest, high-mountain regions. In addition, other NTFPs like honey could be considered.

As stated above wild fruits are a good option for additional income generation but should be further investigated as a possibility of agribusiness.

Other options that seem quite promising are the following:

- Dairy sector (milk, cheese, yoghurt)
- Nuts (hazelnuts and walnuts)
- Fruits (citrus, cherry, plums and peach)
- Vegetables (beans, potatoes, herbs)



Appendix 1: Itinerary

Sunday 4 th May	Travel to Georgia
Monday 5 th May	Presentation to the partners of WECF about agribusiness concept
Tuesday 6 th May	Womengroup nearby Ducheti RICC in Ducheti
Wednesday 7 th May	Main Market in Tbilisi Bio Shop Tbilisi Elkana, Irakli Javakhishvili Visit EthiCapital/Credit Union, David Niguriani and others
Thursday 8 th May	Visit Fao, Dragan Angelovski Oxfam Gouvernement Disheti, Tianet, Mtskheta and Kazbegi Municipalities, Koba Arabuli ABCO, Konstantin Zhgenti
Friday 9 th May	Briefing of the partners on findings Georgian Association of Women in Business, Nino Elizbarashvili
Saturday 10 th May	Travel back to Netherlands



Appendix 2: Theory of Change

Through the experience of developing several agribusiness programs a practical framework has been established to implement farmer business development programs through a model of groupfarming in specific value chains.

This paragraph explaining the concept through highlighting the following topics:

- Principles behind the concept
- The concept
- Program logical flow of activities

Principles behind the concept

Social development through economic development.

Organisational and financial sustainability is always a key aspect in development interventions. In the business world there is a basic principle that if a business does not make profit it will collapse. The company is the entity that binds the activities together. All these activities together will add value to a product or service.

The private sector is the main economic engine in a certain area. A healthy private sector will make sure that value is added in a certain area. A healthy private sector will make it possible to create a positive balance of household incomes through earning salaries and to create a positive balance for the local government and their services through taxes of companies, households and delivered services.

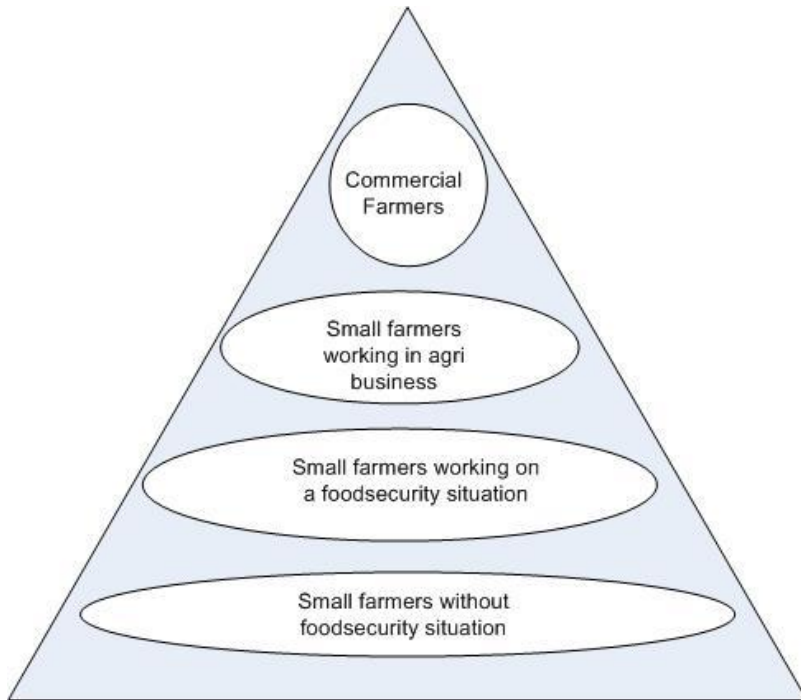
NGO's used to bring social services to areas to help people to build their well being. It has been underestimated for long that to make these service self sustainable a healthy private sector should be in place so that the local government is able to finance these services themselves. By establishing social services without establishing a healthy private sector a system of dependency is created where these social services can only be funded through external funding.

In the concept of social development through economic development the accent is on how to bring economic development first and let social development follow after the primary economic engines are running. So the economic perspective should be leading the intervention.

After mentioning the principle of social development through economic development we should also realize that income security comes after food security (There is also a part of income security in food security) To fight poverty we must realize that any intervention focussing on income security can only start after a food security situation has been established on household level. A wealth ranking list can show which households have secured a food security situation and are ready to take the next step to income security. The presented picture presented to shows the different clusters of households and their relation to food security and income security.



The households that have a food security situation are ready for agribusiness but households that have not reached that level yet need to secure their food situation first. Both interventions are not opposing each other but are a logical follow up of each other. In a combined approach, programs can be tailor made depending on the current social status of the different target groups. Through the interventions people can climb up in three-angel and enter programs that



fits their social status. For example farmers that have not established a food security situation yet should enter a food security program. This program has a side effect that the surplus of their produce is being sold on the local market. After reaching their food-security situation they are able to focus on agribusiness programs.

People centred

At individual level behavioural change of people only comes when people are convinced that changing their behaviour will really bring welfare to their households. When people experience that change of behaviour really does change

their status of welfare they are willing to change. By involving people in the process of determining what activities will be implemented and how that will bring change to their lives ownership is created. This is a crucial element in every intervention.

At organisational level the same counts. When different stakeholders that have a stake in an intervention are involved from the beginning ownership and through that responsibility is created. The stakeholders involved is mainly determined by the intervention that need to be carried out. The determination of stakeholders to be involved in the process is crucial not only to look at formal organisation but also informal organisations that have a stake in the process.

Facilitating organisations

To bring change in a certain area one of the key principles is to facilitate the process of development. In this process it is important to distinguish economic development intervention facilitators from social intervention facilitators. NGO's specialized in social interventions are different from organisations specialized in facilitating economic interventions. For example a businessman is another person then a social worker. A combination makes both stronger. Often NGOs think they can create business relatively easy, that's why many smallscale projects fail.

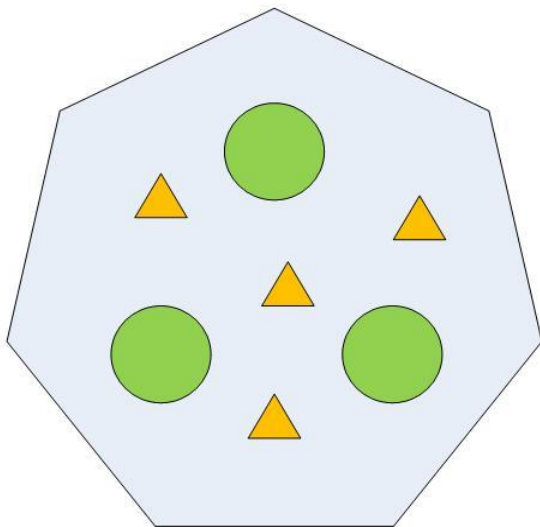
The concept



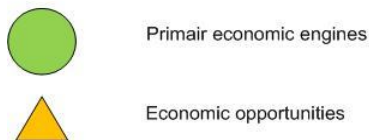
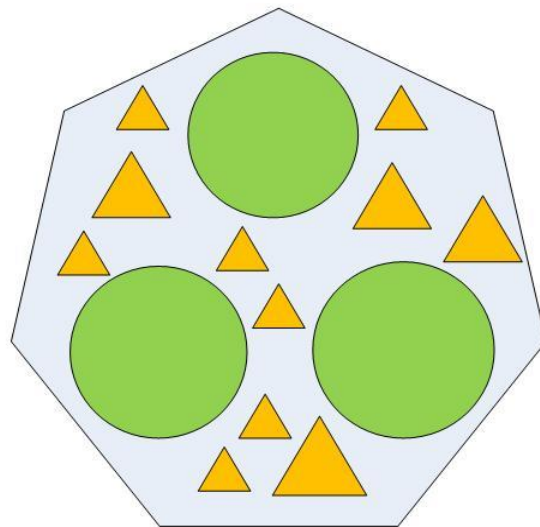
When developing the primary economic engines, income levels will grow and with that needs for other services, social as well as commercial. Through regular market analyses in the region it will become clear which market gaps are occurring. Youth can be trained to fill these gaps. This means that vocational training programs are following the economic development program. Youngsters are attached either to the primary economic engines in the region or are trained to establish their own small enterprises that deliver products and services that fill these gaps. TVET aspects can be added, however are not a necessity.

The picture below tries to make to make clear what is meant. Here an area is presented in two stages. Stage 1 High Poverty Stage 2 Development Stage In the first stage the primary economic value chains are still weak resulting in low income. In the second stage people in the area are attached to the primary value chains and through their raise in income the need for more services and products is established.

Weak economic system



Strong economic system



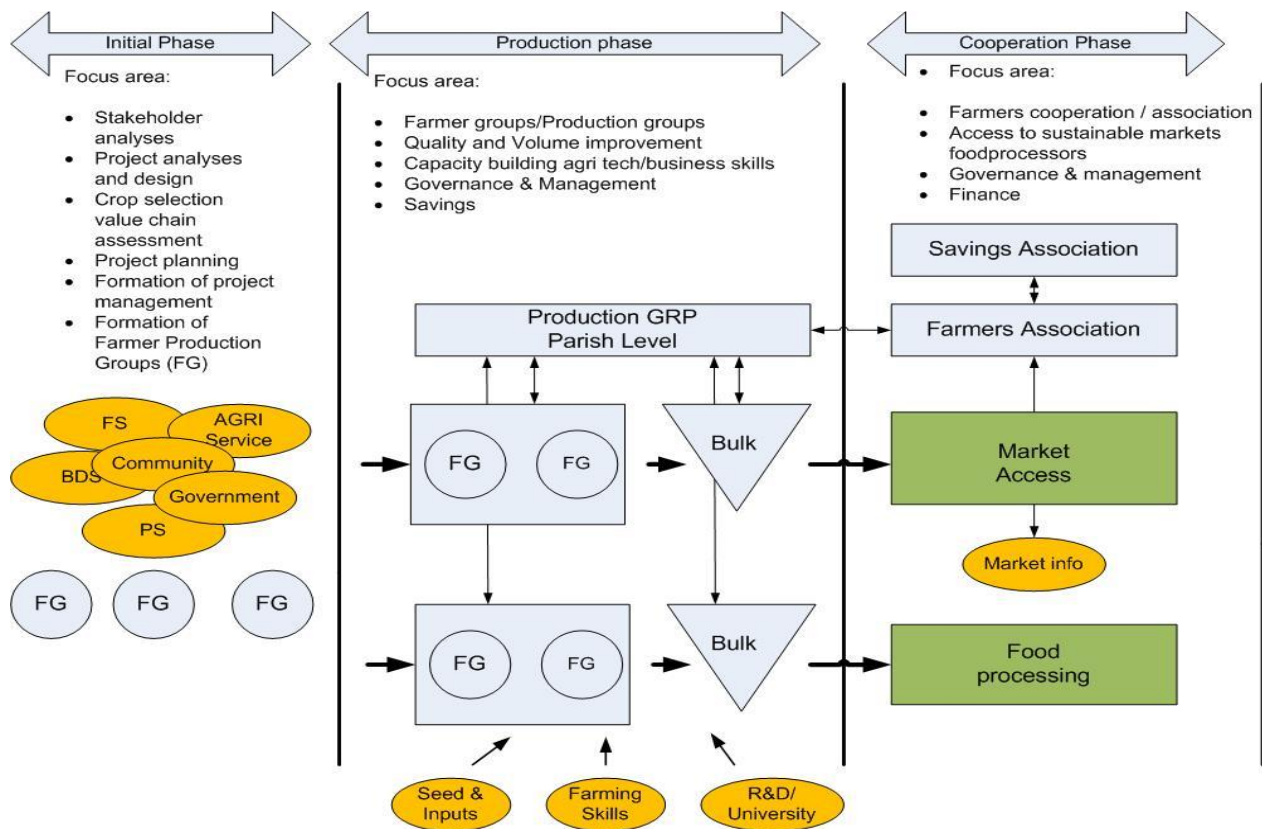
Program logical flow of activities



The concept works towards grouping the farmers and attaching them to specific value chains. In farmer business development there are always three major constraints:

- Market Access, How to establish sustainable market linkages that benefit the producers and buyers. What are the constraints the market buyers are facing and how can the producers contribute to overcome these constraints.
- Production, How can the production be optimized so that market needed quantity and quality can be reached.
- Finance of investment and operational costs, what are the financial implications of the above and how does the profit/loss result overview look like, with other words how financial sustainable can farmer groups operate to meet the market demands.

In setting up these kind of programs the following phases can distinguished.



Initial Phase

Two major objectives of the initial phase can be mentioned:

1. To set up a business case with the farmers and market players and financial service providers
2. To design the project plan for the next two phases.
3. Defining roles: who can do what



In the initial phase a multi actor approach is used so that all relevant stakeholders are involved such as:

- Community Farmer groups;
- Local Government
- MFI;
- Business service provider;
- Agritechnical service provider;
- Successful business men and wholesalers/retailers in the area

In the initial phase it should become clear on which high value crop an intervention is focussing. The following issues should be addressed.

- Identification of possible crops on farm level (cost benefit analyses) pre selection of 3 crops;
- Value Chain Assessment for the pre-selected crops containing functional analysis, flow analysis, technical analysis and financial analysis. Look for the constraints at different levels; such as farming, market access, finance, business development services;
- Detailed planning to overcome constraints of farmer level but also if needed for other market players;
- Set entry criteria for farmer groups and establish the farmer groups;
- Create linkages with other actors to strengthen the farming practices and access to finance and markets and other resources.

Production Phase

During this phase the actual training of the farmers in modern agritech and business skills starts. The set-up of farmers in farmer groups of 20 farmers is a model often used. In each group a model farmer is selected and will be trained in specific skills. This model farmer will train the other farmers in his or her group. Attention will be paid to modern farming and postharvest crop handling and business skills. Within the groups a saving program will be started. At Village level a producer organisation that contains different farmer groups can be established. In this phase, not only training is at stake. Financial services can already be added if necessary and feasible. Also training on cooperatives should be started in this phase. Ownership is again crucial.

Cooperation Phase

At this phase a cooperation on county or district level can be established. Through this cooperation access to markets or adding value to the products can be established. Linked to the Cooperative, a Financial Service provider can be attached. This FS provider can become a partner for financing of the operation and the saving of the members of the cooperation. Much attention should go to governance and good management of the cooperative.



Appendix 3: Overview of possible stakeholders

Sector	Name	Possible Agri Alliance partner	Remarks/contact info
Government			
	RICCs -Regional Information and Consultation Center under the Ministry of Agriculture	+/_	Very weak agencies
Other local and international NGOs/org	Elkana	+	Organic agricultural NGO and shop, 16 Gazapkhuli str Tbilisi, biofarm@elkana.org.ge
	Ethic Capital/ Credit Union	++	Dimitri Bakradze St.19 II Entrance II Floor 0179 Tblishi Georgia Ethic Finance is an NGO run by the same people and they have set up rather successfully an apple juice production with young people. Though they have marketing problems.
	Union Agroservice		Not visited
	Mercy corps	?	Sector development admin@mercycorps.ge , Tel: +995 32 225 24 71, 0186, Gegechkori Str. 6, Tbilisi
	Swiss Cooperation Office for the South Caucasus (Swiss govt)	?	Embassy of Switzerland Radiani Street 12 0179 Tbilisi - Georgia Phone +995 32 225 36 82/3 Phone +995 32 225 20 47 Fax +995 32 225 36 84 Email tbilisi@sdc.net www.swiss-cooperation.admin.ch/southerncaucasus/
	CNFA	?	American donor agency (lots of USAID) with an office in Tbilisi. inof@cnfa.org , works a lot with the FSC/MSCs. www.cnfa.org
	International association of agricultural	?	No website. Akhmashenebeli # 53 Tbilisi Georgia Tel/Fax.: (995322) 184 764 E-Mail: iaad@iaad.ge



	development		
	DWV	?	Membership Organization that stimulates trade between Georgia and Germany. Rustaveli Ave. 24, 0108, Tbilisi Tel : +995 32 2205767 Fax : +995 32 2205767 – 110 E-mail : info@dwvg.ge http://georgien.ahk.de/ueber-uns/dwv/ Mrs Uta Beyer
BDS			
	The Georgia Association of Women In Business	++	Nino Elizbarashvili 7. Kipshidze str. Tbilishi 0179 Georgia
	Union Agroservice		
	ABCO	++	Association of Business Consulting Organizations of Georgia Head office: 7, Kipshidze Str., Tbilisi 0162, Georgia Phone: +(995 32) 250085; 999077 Fax: +(995 32) 933539 E-mail: abco@caucasus.net Web-site: abco.caucasus.net
	Georgian Agriculture Corporation (GAC)		100% state owned. Tbilisi, 0159, 10a, Digomi Akhmeteli str., +995 (32) 605300
Institutions	FAO	-	6 Marshall Gelovani Avenue, MR MAMUKA MESKHI.: (+995 32) 235 9440
Retail	Carrefour	+	
	Bio Plus	+/-	
	Goodwill	+	
Financial Services	Constanta	?	117, Tsereteli Avenue, Tbilisi, 995 32 401 401, ho@constanta.ge , www.constanta.ge
(see also www.mixmarket.org)	Ethic Capital	+	A befriended small scale credit association
	Farmer information center (new extension service)	?	Is this different from the RICC?
	CREDO	?	9, M. Asatiani Street Tbilisi 995-32-247-00-87, info@credo.ge , www.credo.ge
	FINCA Georgia	?	Many branches, 5 in Tbilisi,



			http://www.finca.org/site/c.6fIGIXMFJnJ0H/b.6088571/k.BE6D/Georgia.htm#.U1j-k2CKAps
	Crystal	?	72 Tamar Mepe St. Kutaisi, info@crystal.ge , www.crystal.ge
	Lazika Capital	?	59 K. Gamasakhurdia Str., Zugdidi, tel 99599151004, sbdf@gol.ge
	FinAgro	?	1a Mshvidoba Avenue, Gori (relevance?), www.finagro.ge , info@finagro.ge
Value Chain Organisations		?	Gori Fruit Growers Association , Geolacte Dairy Plant, Herbia Ltd, Aromaco Ltd, Vegetable producer Kutaisi, Schuchmann Wines Georgia Ltd, Fruit and nursery producers, Institute of Horticulture, Viticulture and Oenology, Agronova Ltd, Mildiani Group, Blueberry Growers Association, AgroInvest Chees Plant.



Appendix 4: List of interesting websites

http://www.acdivoca.org/	Website contains a lot of information on agribusiness, including training modules
www. agricultureinformation.com	Platform with a lot of publications on agriculture
www.agriculture-my.coop	Platform of ILO training modules on cooperative
http://www.agri-profocus.nl/	Platforms of agri business development partners sometimes publications and free literature of agribusiness issues.
http://www.e-agriculture.org/	Platform for the use of ICT in sustainable agriculture
www.fao.org	Information platform on sustainable agriculture Also contains training modules for farmer field school
www.fituganda.org	Contains a Handbook Access to Markets for smallholder farmers
www.ilo.org/rural	Several Information about rural development from ILO
http://www.mixmarket.org/	Information website of financial service providers
http://www.saiplatform.org/	Sustainable Agriculture Initiative Platform
http://www.tporganics.eu/	Technology Research Platform for organic food and farming
http://www.tropagplatform.org/	Platform for tropical agricultural practices
http://www.ypard.net/	Platform for youth in agriculture

