



Österreichische Bundesregierung



**GRETA** | შპს-ის მიზნობრივი: მდგრადი საბუნო მემკვიდრეობის მართვა და რაიონული სტრუქტურის განვითარება  
GREEN ECONOMY: SUSTAINABLE MOUNTAIN TOURISM AND ORGANIC AGRICULTURE

# GRETA | Green Economy: Sustainable Mountain Tourism and Organic Agriculture



3<sup>rd</sup> ANNUAL REPORT  
(APRIL 2021 – MARCH 2022)

Prepared by: The GRETA team

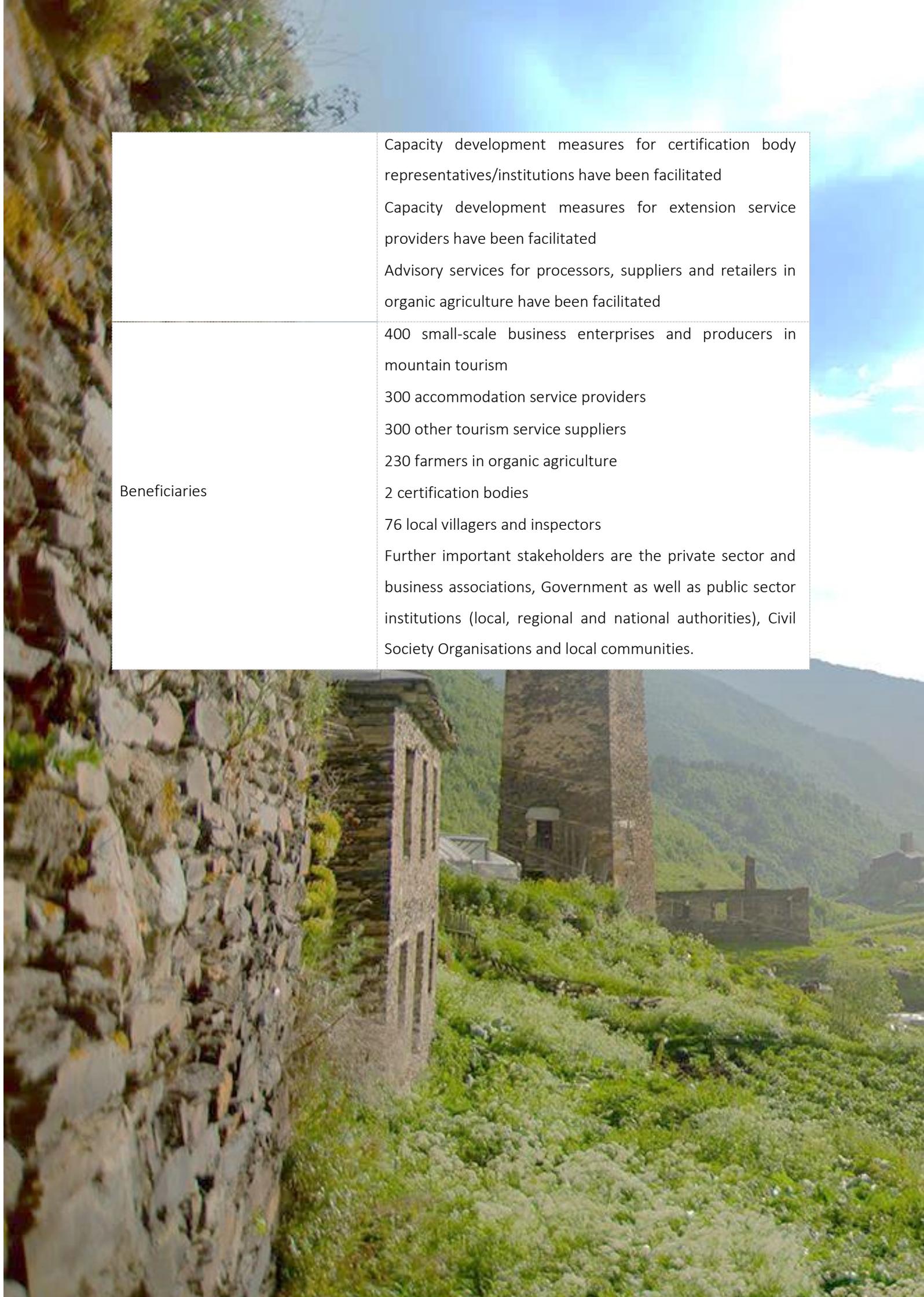


## PROJECT SYNOPSIS

GRETA | Green Economy: Sustainable Mountain Tourism and Organic Agriculture

ADA Contract Number	ADA ID No. 6542-00/2018
EU Identification Number	EU ID No. ENI/2018/401-348
Implementer	Austrian Development Agency (ADA)
Type of contract	Delegation agreement
Start of implementation period	12/2018
End of implementation period	04/2023
Implementation period in months	52 months
Reporting period	01.04.2021 - 31.03.2022
Total amount of EU contribution	EURO 3 mill.
Total amount of Sweden contribution	EURO 2.8 mill.
ADC/ADA co-financing contribution	EURO 1.0 mill
Target country(ies) and region(s)	Upper Imereti: municipalities of Sachkhere, Tkibuli, Chiatura / Lower Svaneti and Racha Lechkhumi regions: municipalities of Ambrolauri, Oni, Tsageri, Lentekhi / Upper Svaneti: municipality of Mestia
Project Objective	The objective of the action is to facilitate an improvement of the business environment and the creation of new income opportunities in sustainable mountain tourism and organic agriculture to reduce poverty and exclusion in the selected mountain areas of Georgia.
Expected Outcomes	<p>The legal and policy framework for mountain tourism and organic agriculture enables sustainable and inclusive development</p> <p>Employment and income in both sectors are increased due to new and better products and services and through better market linkages, locally, nationally and internationally</p> <p>Access to capacity development measures for people and institutions active in the fields of sustainable mountain tourism and organic agriculture is improved and a system of</p>

	<p>knowledge management is in place enabling joint learning among public, private and civil society actors</p>
<p>Outputs in Sustainable Mountain Tourism</p>	<p>The national Sustainable Mountain Tourism Strategy including a Destination Management Plan and a branding policy has been developed</p> <p>Destination Management Organisations have been established and strengthened</p> <p>A national quality standard and control system for local tourism suppliers has been established</p> <p>Products and services for sustainable mountain tourism including trail development have been developed</p> <p>Guesthouses and guides have been certified according to the standards developed</p> <p>Innovations for new tourism products and services have been encouraged</p> <p>New market linkages through support of marketing activities have been created</p> <p>National and international exchange and organizational learning has taken place</p> <p>Capacity development measures for guides and guesthouse owners have been facilitated</p>
<p>Outputs in Organic Agriculture</p>	<p>The harmonization of national organic legislation with EU regulations has been facilitated</p> <p>Internal control system has been established</p> <p>A Market and Feasibility Study for identification of the most promising value chains has been conducted</p> <p>Local farmers/producer groups in conversion to organic agriculture have been strengthened</p> <p>New market linkages have been created through marketing activities</p> <p>Certified products have been integrated into the region's brand</p>



	<p>Capacity development measures for certification body representatives/institutions have been facilitated</p> <p>Capacity development measures for extension service providers have been facilitated</p> <p>Advisory services for processors, suppliers and retailers in organic agriculture have been facilitated</p>
Beneficiaries	<p>400 small-scale business enterprises and producers in mountain tourism</p> <p>300 accommodation service providers</p> <p>300 other tourism service suppliers</p> <p>230 farmers in organic agriculture</p> <p>2 certification bodies</p> <p>76 local villagers and inspectors</p> <p>Further important stakeholders are the private sector and business associations, Government as well as public sector institutions (local, regional and national authorities), Civil Society Organisations and local communities.</p>

## EXECUTIVE SUMMARY

Currently completing its 3<sup>rd</sup> year of implementation, despite the COVID-19 pandemic, GRETA project is progressing. The two components, Sustainable Mountain Tourism (SMT) and Organic Agriculture (OA) succeeded in achieving many of the outcomes envisioned in the Description of the Action and in the related Logical Framework, despite constraints from external factors not under GRETA project's control (i.e.: pandemic, inadequate monitoring system due to understaffing, human resources turn-over, lack of political will and clearly set priorities from the Georgian government SMT sector).

The SMT component was able to compensate some delays accumulated during previous years. In addition, the OA component was advancing quite well due to overall positive developments in the agro-food sector even in the pandemic time. Interrelated activities (IA) show slight delays.

The delay in GRETA project implementation accrued in previous years can be smoothed out through an extension of project life for estimated 7 months.

During the reporting period, GRETA project was able to spend 50% of the forecasted budget for the 3<sup>rd</sup> year, mainly due to the underspending of the SMT component caused by postponement of payments under Tourism Development Initiatives (TDI) Grants scheme. The total remaining budget as of 31.03.2022 (about EURO 4,400,000) is enough for covering the expenses in case of an extension of the action.

### **Achievements of SMT component**

In the reporting period, the main outputs accomplished within the SMT component are as follows:

Outcome 1: The legal and policy framework for mountain tourism is enabling sustainable and inclusive development

- The support to the Svaneti DMO successfully continued. The preparation work to identify and draft a Destination Management Plan (DMP) was accomplished. The DMP will define a long-term strategy and action plan to ensure a smooth development of the tourism sector in Svaneti region.

Outcome 2: Employment and income in mountain tourism sector are increased due to new and better products and services

- 1 common brand for Svaneti region created;
- 32 SMEs contracts signed within Tourism Development Initiatives (TDI) Grants scheme.

Outcome 3: Access to capacity development measures for people and institutions active in the fields of sustainable mountain tourism is improved

- 20 beneficiaries trained in trail marking and maintenance in Mestia municipality.

## **Achievements of OA component**

The main outputs produced by the OA component for the achievement of GRETA project outcomes are as follows:

Outcome 1: The legal and policy framework for organic agriculture is enabling sustainable and inclusive development

- Translation of the new EU organic regulations finalized and shared among key stakeholders (MEPA, CAUCASCERT and ELKANA) to evaluate the pros and cons of the harmonization of Georgian legislation with the new EU organic regulations;
- 2 ICS (Internal Control System) mechanisms and 2 standards identified (organic and pesticide-free);
- 16 beneficiaries/SMEs involved in organic certification.

Outcome 2: Employment and income in organic agriculture sector are increased due to new and better products and services

- 1 Georgian Mountain Tea Association founded;
- 25 SMEs (grantee beneficiaries) contracted under the Local Development Initiatives Grant Scheme, out of which 7 are fully equipped;
- 8 SMEs participated to the Organic and Natural Dubai Expo 2021.

Outcome 3: Access to capacity development measures for people and institutions active in the fields of organic agriculture is improved

- About 8 staff members of MEPA, 14 agents of ICC and 14 leader farmers trained on organic Tea, Honey, Wine and Vegetable production and processing, organic certification practices, soil management and greenhouse production;
- 3 demonstration farms (greenhouses) in Mestia municipality were constructed, out of which 1 is fully operational and already produced 300 kg of strawberries using only organic methods (price of 1 kg: 7-9 EUROS).

## **Recommendations from MTE and ROM**

As defined in the DoA, a Mid-Term Evaluation (MTE) took place in the 2<sup>nd</sup> and 3<sup>rd</sup> quarter of 2021. In addition, a Results Oriented Monitoring Mission (ROM) was conducted by the EUD in the 3<sup>rd</sup> quarter of 2021. The reports supported the identification of challenges as well as of respective measures.

### **Main challenge and solution of SMT component with special focus on MTE and ROM recommendations**

Due to the fact that the Georgian government recalled the support for the National Sustainable Mountain Tourism Strategy, GRETA decided to continue focusing on the local policy level. Thus, the elaboration of a Tourism Development Strategy and Action Plan (Destination Management Plan) (DMP) for the Svaneti region (Upper and Lower Svanet) will be a practical, but strategic document supporting the DMO to establish sustainable tourism in the region in a long-term.

### **Main challenge and solution of OA component with special focus on MDE and ROM recommendations**

Since the organic certification is not affordable especially for small farming families (approximately 500 EUROS on annual basis), GRETA project decided to identify an alternative standard and verification system (pesticide-free certification). The system will be recognized and accepted by the market and will be affordable for small farming families whilst aiming to increase the embedded value of agricultural products for the domestic market. This will generate and increase the income for the farmers in a mid and long-term.

### **Stakeholder engagement**

The recommendation to improve and increase the coordination with the relevant Georgian Ministries and their line agencies (i.e., GNTA) has been followed at central and local level. GRETA project started to work closer with GNTA, sharing the draft of ToR related to the Destination Management Plan and receiving their endorsement.

### **GRETA project personnel**

During the reporting period there were important changes of key personnel (Team Leader and SMT Project Manager). As of March 2022, all positions within the project are filled. Lack of human resources in the office and target regions will be filled in by recruiting a M&E Manager and mobile monitor data collectors at Municipality level.

### **Monitoring and Evaluation**

Both the MTE and ROM state that the internal monitoring system needs to be enhanced. A M&E Manager (with support of an international and local M&E experts on demand) and mobile monitor data collectors are foreseen to be hired to guarantee an adequate monitoring and evaluation system.

