

2nd ANNUAL REPORT (April 2020 – March 2021)

GRETA project Green Economy Sustainable Mountain Tourism and Organic Agriculture

Prepared by the GRETA team

31 May, 2021



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მწვანე ეკონომიკა: მდგრადი სამთო ტურიზმი და ორგანული სოფლის მეურნეობა
GREEN ECONOMY: SUSTAINABLE MOUNTAIN TOURISM AND ORGANIC AGRICULTURE



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LIST OF ABBREVIATIONS

A&B	Activities and Beneficiaries
AC	Advisory Committee
ACDA	Agricultural Cooperatives Development Agency
ADA	Austrian Development Agency
ADC	Austrian Development Cooperation
ADA CO	Austrian Development Agency Coordination Office
AFD	French Development Agency
APMA	Agricultural Projects Management Agency
ATDA	Adventure Tourism Development Association
ATS	Adventure Tourism School
CENN	Caucasus Environmental NGO Network
CSO	Civil Society Organisation
COVID	COVID-19 or Corona Virus (SARS-Cov-2)
C&V	Communication and Visibility
DCFTA	Deep and Comprehensive Free Trade Area
DMO	Destination Management Organization
DoA	Description of Action
EBRD	European Bank for Reconstruction and Development
EGSI	Environmental, Gender and Social Impact
EGSIM	Environmental, Gender and Social Impact Management
ELKANA	Biological Farming Association Elkana
ENI	European Neighbourhood Instrument
ENPARD	European Neighbourhood Programme for Agriculture and Rural Development
EU	European Union
EUR	Euro
FAO	Food and Agriculture Organization of the United Nations
FIBL	Research Institute of Organic Agriculture
GDP	Gross Domestic Product
GEA	Georgian Ecotourism Association
GFA	Georgian Farmers Association
GFP	Gender Focal Point
GITOA	Georgian Incoming Tour Operators Association
GIZ	Gesellschaft für Internationale Zusammenarbeit/ German International Cooperation
GMGA	Georgian Mountain Guide Association
GMRC	Georgia Mountains Regional Commission
GNTA	Georgian National Tourism Administration
GoG	Government of Georgia
GTA	Georgian Tourism Association
GUMA	Georgian Union of Mountain Activists
GWA	Georgian Wine Association
HACCP	Hazard Analysis and Critical Control Points
HoReCa	Hotels Restaurants & Cafes
ICCRD	Interagency Coordination Council for Rural Development
ICC	Information and Consultation Centers
ICT	Information and communications technology
ICS	Internal Control System
IOM	International Organization for Migration
IFC	International Finance Corporation (under the World Bank)

IFOAM	International Federation of Organic Agriculture Movements
ISO	International Organization for Standardization
ITB Berlin	International Tourism Bourse Berlin
JICA	Japan International Cooperation Agency
LAG	Local Action Group
LEADER	Liaison entre actions de développement de l'économie rurale (an EU programme for the development of rural economy)
MDF	Municipality Development Fund
MEPA	Ministry of Environment Protection and Agriculture of Georgia
MES	Ministry of Education and Science of Georgia
MIA	Ministry of Internal Affairs of Georgia
mill.	Million
MoESD	Ministry of Economy and Sustainable Development of Georgia
MoU	Memorandum of Understanding
MRDC	Mountain Resort Development Company
MRDI	Ministry of Regional Development and Infrastructure of Georgia
MSME	Micro, Small & Medium Enterprise(s)
MT	Mountain Tourism
MTC	Mountain Tourism Committee
NACHP	National Agency of Cultural Heritage Preservation of Georgia
NFA	National Food Agency
NGO	Non-Governmental Organization
OA	Organic agriculture
OE	Organics Europe
PA	Protected Area
RDA	Rural Development Agency
RDP	Regional Development Programme
RCH	Reach
REAP	Restoring Efficiency to Agriculture Production
RMIDP	Regional and Municipal Infrastructure Development Projects
SBDP	Small Business Development Project/ Programmes
SC	Steering Committee
SDC	Swiss Development Cooperation
SDG	Sustainable Development Goal, set by the United Nations
SEP	Stakeholders Engagement Plan
Sida	Swedish International Development Cooperation Agency
SME	Small and medium-sized enterprise
SMT	Sustainable Mountain Tourism
CNFA	Cultivating New Frontiers in Agriculture
SPPA	Support Programme for Protected Areas in the Caucasus
SRCA	Scientific-Research Centre of Agriculture
STC	Svaneti Tourism Centre
SZS	Samegrelo-Zemo Svaneti region
TA	Target Audience
TDDF	Tkibuli District Development Centre
TIC	Tourist Information Centre
TL	Team Leader
TO	Tourism Organization
ToT	Training of Trainers
TVET	Technical Vocational Education and Training
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization

UNWTO

USAID

VET

WB

WWF

United Nations World Tourism Organization

United States Agency for International Development

Vocational Education and Training

World Bank

World Wildlife Fund

PROJECT SYNOPSIS

GRETA | Green Economy: Sustainable Mountain Tourism and Organic Agriculture

ADA Contract Number	No: 2018/401-348
EU Identification Number	401-348
Implementer	Austrian Development Agency (ADA) Georgia / Upper Imereti (municipalities of Sachkhere, Tkibuli, Chiatura), in Racha-Lechkhumi-Lower Svaneti (municipalities of Ambrolauri, Oni, Tsageri, Lentekhi) and in Upper Svaneti (municipality of Mestia).
Target country(ies) and region(s)	
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	01.04.2020 - 31.03.2021
Total amount of EU contribution	€ 3 mill.
Total amount of Sweden contribution	€ 2.8 mill.
ADC/ADA co-financing contribution	€ 1.0 mill.
Reported to	The EU Delegation to Georgia GRETA Green Economy: Sustainable Mountain Tourism and Organic Agriculture No 19 Chavchavadze Avenue, Apt 2 0179 Tbilisi, Georgia greta@ada.gv.at +995 32 2 2 23 15 51
Reported from	



EXECUTIVE SUMMARY

Currently completing its 2nd year of implementation (27 out of 52 months), the GRETA project is progressing and adjusting its operations in line with the current circumstances. The two major components, Sustainable Mountain Tourism (SMT) and Organic Agriculture (OA), are progressing at various stages. The SMT component is behind schedule by approximately 9-12 months, while the OA is advancing quite well. The interrelated activities are on track, with slight delays of about 3 months.

During the reporting period, the GRETA project managed to announce two grant calls: Local Development Initiative 2020 (LDI) and Tourism Development Initiative 2020 (TDI). The calls drew much interest from applicants and a high number of Expressions of Interest (EoI) was submitted. Currently the process of evaluation and selection of applications is in the final stages.

Progress has been achieved under the SMT component despite COVID-19. The Svaneti Destination Branding Development is steadily progressing and the Destination Management Office (DMO) development support is ongoing. Various training activities were re-organized and implemented such as hiking, trail marking and guesthouse training.

The OA component has advanced remarkably and is on a good track achieving its outcomes. During the reporting period, one output has been completed, with the remaining ones consistently progressing. The main activities completed in OA were identification of project beneficiaries, provision of various trainings, procurement of relevant equipment and facilitation of project beneficiaries' participation in the Agro Expo Forum 2020. The GRETA project team is working closely with beneficiaries in OA to improve the marketing, branding, packaging and promotion of their products. Within the OA component awareness-raising training was provided for more than 200 producers and staff of the Ministry of Environment Protection and Agriculture of Georgia (MEPA) and the Interagency Coordination Council for Rural Development (ICCRD), as well as on certification practices and business-plan writing. Besides, training sessions for the local certification agencies/inspectors were carried out.

The interrelated activities are at different stages of implementation. One output was completed during the first year. Preparatory works for the remaining 3 outputs have been finalized during the 2nd reporting period. The main achievements under this component were implementation of preparation works for new pipeline ideas with the focus on marketing concepts and ideas that support environmentally friendly activities. The GRETA project has systematically incorporated marketing and branding expertise into the overall project outputs.

Further progress has been made in developing the Stakeholder's Engagement Plan (SEP). Considering the baseline studies concluded during the 1st reporting phase (Baseline and Market Feasibility Study for Sustainable Mountain Tourism and Baseline and Feasibility Study for Organic Agriculture), the first draft of the stakeholders' mapping was drawn up and an updated analysis was conducted as part of GRETA's annual planning workshop.

The external challenges that appeared in 2020 had an impact on all project components. As a result, the SMT and OA components are at different levels in terms of achievement of outcomes. During the reporting period, the GRETA project managed to be as flexible as possible and it had made significant adjustments for the planning and implementation. From the current perspective, the OA component will likely achieve its outcome indicators within the planned timeframe, while the SMT component has been affected by COVID-19 to an extent that will make the timely delivery of indicators unlikely.

Several of the SMT components' outputs such as trainings, planned consultation meetings, participation in fairs, expos and study tours were postponed due to COVID-19. All strategic planning has been on

hold due to the Georgian Government's pandemic management. Considering this, it is probable that the delays are likely to require Logframe adjustments, mainly in the following outputs:

Output “1.1. National Mountain Tourism Strategy” and “Destination Management Plan”, both require strategic input and clear priorities from the stakeholders.

Output “1.2 DMO establishment and strengthening”, require clarity on the establishment of DMO in Racha-Lechkhumi.

Output “1.3 National Quality Standards” for guesthouses require more analytical work on most suitable standards, this links to sequential outputs such as 3.2.2. and 3.2.3.

Output “3.1 National and International exchange and organizational learning has taken place”, requires reconsideration of online fairs as equivalent to face-to-face participation. The same can be said for output “2.4.2. Participation in Tourism Fairs and Product Presentation”.

For the OA component, a specific implementation challenge has been identified for output “1.2 - Internal Control System (ICS) has been established”. There is a risk that group certification may not be implemented within the indicated timeframe. Currently, the project works with experts to find an optimal solution. Otherwise, this might require a Logframe revision.

The results and recommendations of the upcoming Mid Term Evaluation will be used to develop scenarios and suggestions for possibly adapting the Logframe and impact indicators, which will be presented to GRETA's stakeholders for discussion later this year.

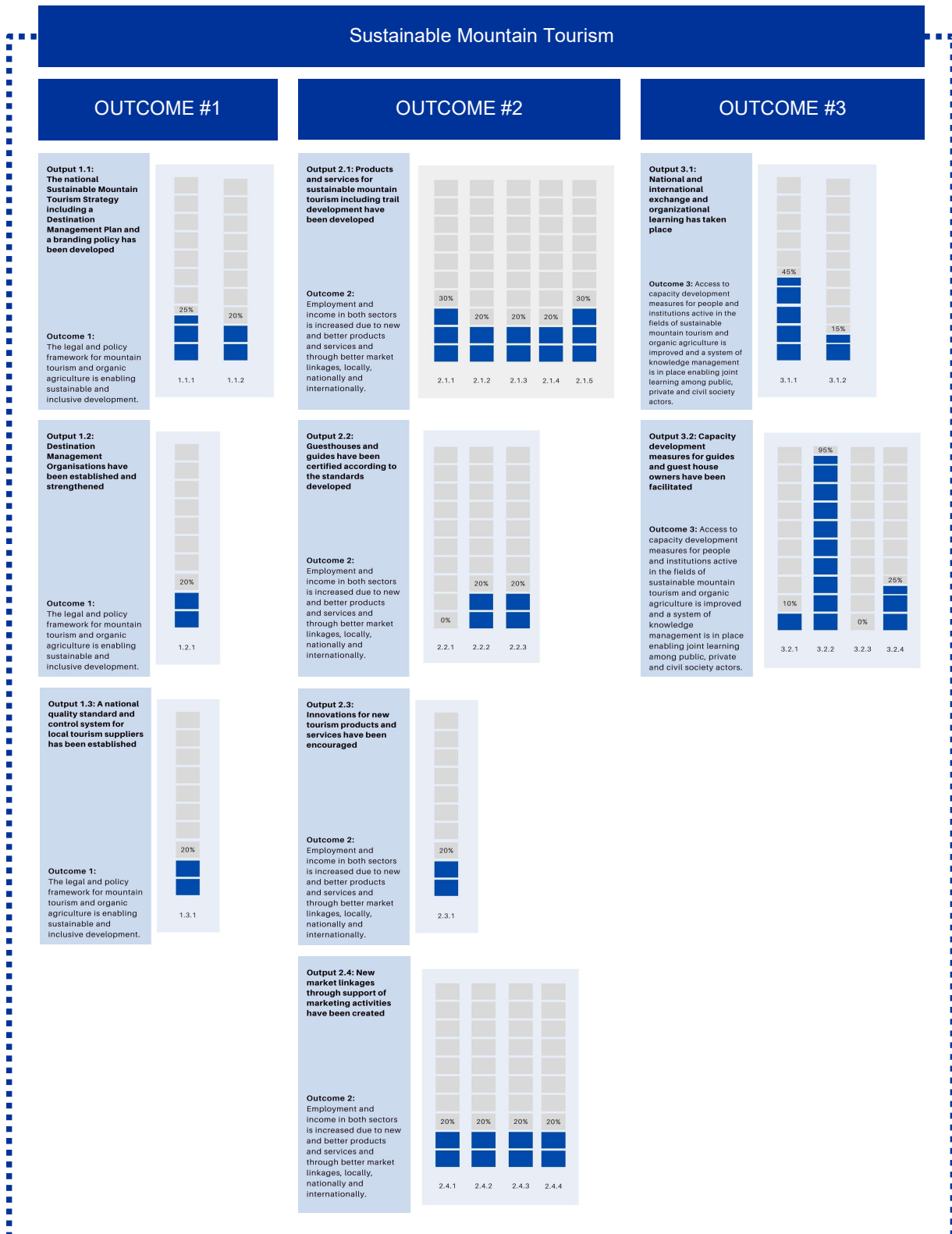
During the reporting period, adjustments had to be made to the working environment of GRETA personnel and technical advisors. Due to travel restrictions and cancellation of face-to-face events, meetings and trainings were held online. All these challenges had a major impact on the involvement, outreach and engagement with stakeholders. Moreover, the GRETA personnel had to adjust to the rotation of working space and onboarding of new staff. With the recent reopening of services in Georgia, the GRETA personnel will resume its frequent travels to the municipalities or alternatively utilize regular online meetings with stakeholders. The GRETA project has revised its Risk Matrix to reflect COVID-19 as a high risk to the project, its stakeholders and beneficiaries, and overall outcome achievement.

As a consequence of delayed implementation, the GRETA expenditure is behind schedule, mainly in SMT, but also in the OA component. With the changes in planned versus actual spending, it is not likely that the GRETA project will be able to spend its full budget within the project's planned timeframe. Therefore, a potential no-cost extension should be subject for discussion.

As foreseen within the Delegation Agreement with the EU, GRETA applies ADA rules for management and quality control as listed in the project operational manual (POM). The key control measures are external annual audits, and an audit report will be part of the submission of this report. No payment request to the EU will be part of this reporting, since the project's expenditure did not reach 70% of the EU contribution. The next payment request is tentatively planned for the second half of 2021. As for the measurements of implemented visibility and communication activities, GRETA uses EUDigitool for quality check and dissemination reports for checking the reach of visibility materials.

The GRETA project will aim at adapting its SMT component to be able to support the tourism sector and the economic challenges it faces in Georgia. Adjustments to the component might be needed to achieve that goal. Additionally, the project will consider how the two sectors can be further integrated to reach a higher impact on income levels and employment rate in the project area. To maximize the linkages between the two sectors, a strategic vision for the future development of tourism in Georgia is required, with a clear focus on natural resources, sustainability and cultural heritage. Increased support by the Georgian Government to encourage organic farming is of strategic importance as well. The

unique combination of mountain tourism and organic agriculture can greatly contribute to the appeal of Georgia as a tourist destination and improve the target area's economy.





Organic Agriculture

OUTCOME #1

Outputs 1.1
The harmonization of national organic legislation with EU regulations has been facilitated

80%

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

1.1.1

Outputs 1.2
Internal control system has been established

50%

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

1.2.1

OUTCOME #2

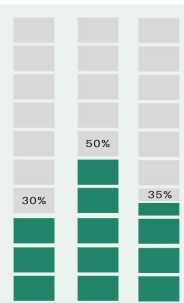
Output 2.1: A Market and Feasibility Study for identification of the most promising value chains has been conducted

100%

Outcome 2: Employment and income in both sectors is increased due to new and better products and services and through better market linkages, locally, nationally and internationally.

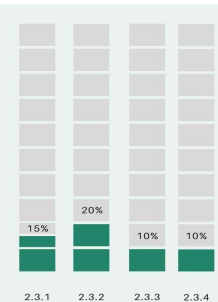
2.1.1

Output 2.2: Local farmers/producer groups in conversion to organic agriculture have been strengthened



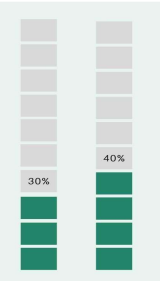
Outcome 2: Employment and income in both sectors is increased due to new and better products and services and through better market linkages, locally, nationally and internationally.

Output 2.3: New market linkages have been created through marketing activities



Outcome 2: Employment and income in both sectors is increased due to new and better products and services and through better market linkages, locally, nationally and internationally.

Output 2.4: Certified products have been integrated into the region's brand



Outcome 2: Employment and income in both sectors is increased due to new and better products and services and through better market linkages, locally, nationally and internationally.

OUTCOME #3

Output 3.1 Capacity development measures for certification body representatives/institutions have been facilitated

100%

Outcome 3: 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 knowledge management is in place enabling joint learning among public, private and civil society actors.

3.1.1

Output 3.2 Capacity development measures for extension service providers have been facilitated

55%

Outcome 3: 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 knowledge management is in place enabling joint learning among public, private and civil society actors.

3.2.1

Output 3.3: Advisory services for processors, suppliers and retailers in organic agriculture have been facilitated

50%

Outcome 3: 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 knowledge management is in place enabling joint learning among public, private and civil society actors.

3.3.1

Interrelated Activities

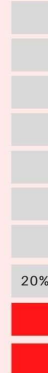
Output 1.1: The Environmental, Gender and Social Impact and Risk Analysis and Sustainability and Management Plan have been developed and implemented

Indicator 1.1.3: Logframe revision - No revision occurred so far



1.1.1 1.1.2

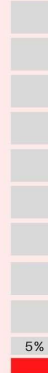
Output 1.2 A pipeline of project ideas for fundable follow-up projects has been developed by domestic stakeholders.



1.2.1

Output 1.3 Gender Training for beneficiaries, project staff and other local stakeholders

Output 1.4 One closing Conference organized, with all major project achievements (co-) presented by relevant domestic stakeholders - Planned for the final phase of the project.



1.3.1

