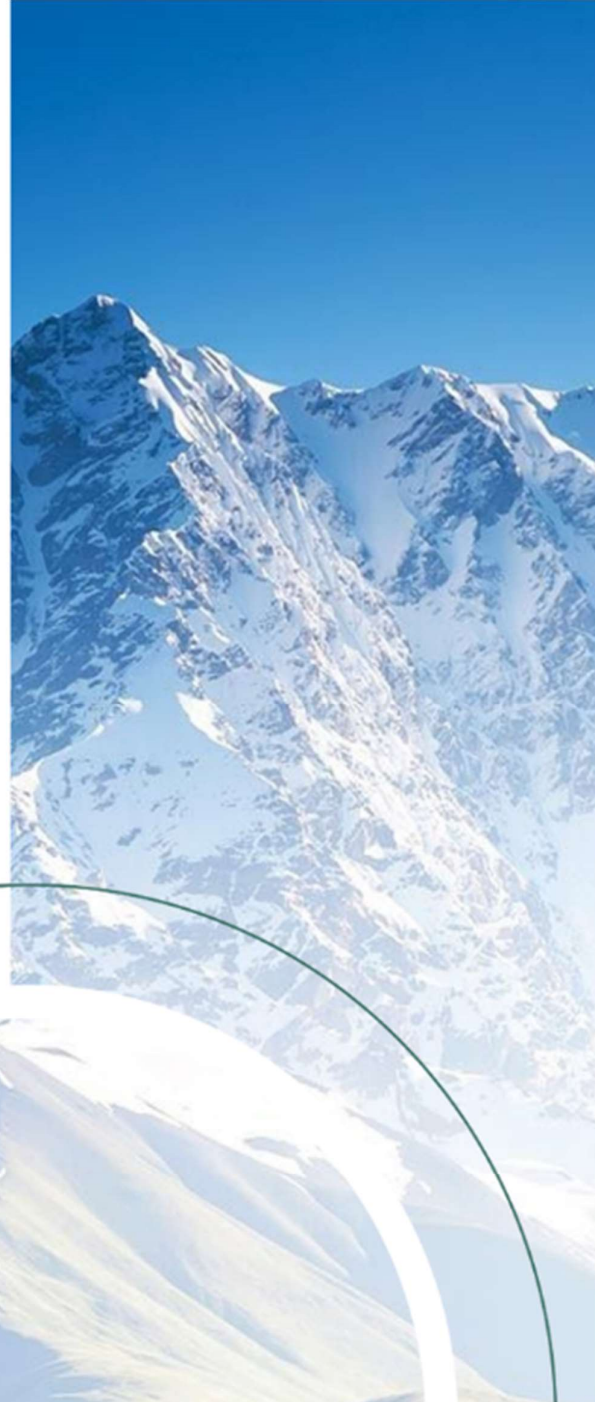


INCEPTION REPORT

Reporting period 18 December 2018 to 12 August 2019
(8 months)



III. PROJECT SYNOPSIS

PROJECT NAME:	Green Economy: Sustainable Mountain Tourism and Organic Agriculture (GRETA)
DELEGATION AGREEMENT:	No: 2018/401-348
IMPLEMENTING AGENCY:	Austrian Development Agency (ADA)
COUNTRY:	Georgia
PROJECT DURATION:	12/2018 - 04/2023
BUDGET:	EU €3 mio., Sida €2.8 mio, ADC €1.0 mio. Total €6.8 mio.
DESCRIPTION:	The project supports the creation of new opportunities and increase in the beneficiaries' income in the two growth sectors of mountain tourism and organic agriculture, with actions to support the Government of Georgia's legal and policy framework and to help Georgian SMEs to professionalise and scale up.
OBJECTIVE:	To facilitate an improvement of the business environment and the creation of new income opportunities in sustainable mountain tourism and organic agriculture in order to reduce poverty and exclusion in the selected mountain areas of Georgia.
OUTCOMES:	<ul style="list-style-type: none"> • The legal and policy framework for mountain tourism and organic agriculture enables sustainable and inclusive development • 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 • 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
ACTIVITIES:	<p>For mountain tourism, activities include:</p> <ul style="list-style-type: none"> • to facilitate the development of a national Mountain Tourism Development Strategy

	<ul style="list-style-type: none"> • to establish and strengthen Destination Management Organisations in the target areas • to facilitate the development of new products and services in mountain tourism, including trail development • to establish a national quality standard and control system for local tourism service providers including certification of accommodation and travel / mountain guides based on developed standards, • to enable national and international exchange, • to implement capacity development for travel / mountain guides and accommodation providers <p>For organic farming, activities include:</p> <ul style="list-style-type: none"> • to harmonise Georgian organic legislation with EU organic legislation, • to establish a country internal certification system, • capacity development for certification agencies, agro-advisory services, training centres, and farmers • to strengthen farmer cooperatives, processors, suppliers, traders and service providers along the value chains that intend to switch to organic production.
BENEFICIARIES:	<p>400 small-scale business enterprises and producers in mountain tourism, 300 accommodation service providers, 300 other tourism service suppliers, 230 farmers in organic agriculture, 2 certification bodies as well as 76 local villagers and inspectors. 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>
PROJECT ADDRESS:	GRETA Project, No 19 Chavchavadze Avenue, Apt 2 0179 Tbilisi, Georgia
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IV. EXECUTIVE SUMMARY

The project “**Green Economy: Sustainable Mountain Tourism and Organic Agriculture**” (in further text **GRETA**) has started in December 2018 and successfully finished its inception phase in August 2019. In this Inception Report – as defined per the Description of Action (DoA) – main results and findings for the specified period as well as updated project documents are presented.

The **reporting period** covers the inception phase of the project – from 18 December 2018 to 12 August, 2019 – with the project team being completed and fully operational since 1 April 2019. During the reporting period, all activities and deliverables planned for the inception phase were implemented and finalized.

The main **achievements** during the inception period include:

Project Set-Up / Personnel, administrative and infrastructural measures to set-up GRETA’s project management structure

- **Selection and establishment of project offices:** Office spaces for GRETA were chosen – based on thorough search and strategic considerations – in three locations, with the main office in Tbilisi and of two sub-offices in Mestia and Ambrolauri. Both sub-offices are embedded within the municipality and were provided by the authorities for free.
- **Recruitment of key staff:** The entire project team was successfully recruited, consisting of an international Team Leader (Karl Göppert), experienced Project Managers (Lasha Tchanturia for Organic Agriculture and Tamar Chelidze for Sustainable Mountain Tourism), Communication Managers (Ana Kabsinadze), Marketing Manager (Nodar Iremashvili) and Finance, Administration Officer and Driver (Irine Mushkudiani, Gvarliana Shorena, Giorgi Mtchedlishvili, Davit Merabishvili). The core project team commenced its work in March 2019, and recruitment was completed in August 2019.
- **Training of staff:** In order to increase commitment to and efficiency in the project, the entire team received a 5-days training on GRETA-specific project management (ADA onboarding, rules and regulations, project administration and planning) during the first week of April. Field staff also participated in a gender training course, offered by FAO and tailored for project work in agriculture.
- **Purchase of equipment:** All necessary office furniture and supplies were purchased, and two project vehicles – a Renault Duster for Mestia and a Hyundai Santa Fe for commuting between Tbilisi and the region – acquired.

Project Governance / Measures to allow sound management and coordination

- **Advisory Committee:** As vital managing body, the GRETA Advisory Committee (AC) was established and respective TORs developed. The AC is composed of donors, regional, ministerial and business representatives (tbc in the next board) and currently chaired by EUD's Task Manager Mr. Papenheim. Its constitutive meeting took place on July 23rd in Sachkhere. The TORs of the AC are attached in [Annex 1](#) and the minutes of the 1st AC Meeting are attached in [Annex 2](#).
- **Project Operational Manual:** Taking into account all rules and regulations of GRETA's donors and the implementing agency ADA, a Project Operational Manual (POM) has been developed. The 650-pages POM is supporting the GRETA team in its daily project management since April 2019.
- **Knowledge Management:** An internal website (cloud) – easily accessible for all staff in the field, in Tbilisi and Vienna – was created, and is allowing for coordination, learning and peer exchange between GRETA-staff in Georgia and Austria.
- **Local Development Initiative (LDI):** The modus operandi for the LDI was developed after many consultations with the potential beneficiaries. The consultations provided details for which type of small projects and activities farmers and tourist operators can apply for and at what financial level (2.000 to 50.000 Euro). This enabled the project team to plan along realistic lines.

Studies / Publication, selection and contracting of research to determine the market and socio-ecological framework conditions of GRETA

- **EGSIA-RMSP:** In order to promote socio-ecological standards and safeguards in GRETA, an "Environmental, Gender and Social Impact Analysis" (EGSIA) has been carried out at the beginning of the project. The assignment tender – published internationally and won by the Georgian consortium "ACT & CENN". The study was conducted between June and September 2019, and resulted in a thorough "Risk Management and Sustainability Plan"(RMSP). The initial findings are in [Annex 3](#) to this report.
- **Organic Agriculture Marketing Study:** A systematic analysis of crops and livestock in the target area – conducted by Georgian organization "Agrarian Movement of Georgia" – has determined the socio-economic potential of various value chains. The research was conducted between July and September 2019 and provides GRETA with the recommendation to focus its support on **(a) wild medicinal herbs and berries, (b) organic tea, (c) relish production and (d) organic certified honey (d) organic certified wine**. For details see [Annex 4](#).

- **Tourism Baseline and Market Feasibility Assessment:** Similar to the agricultural research, a tourism study – conducted by the “Georgian Ecotourism Association” – analyses the strengths, weaknesses and opportunities of the tourism industry in GRETA’s target regions. The assignment has started with some delay in July 2019; its results are expected by September 2019 and will inform all tourism interventions.

Communication / Measures to ensure GRETA’s visibility

- **Opening Ceremony:** The opening ceremony took place on the 22nd June 2019 in Mestia and was attended by the three donors, around 40 VIPs and 150 beneficiaries from the surrounding area. The event was a joint-opening ceremony with a 2nd EU and ADC financed project on rural development in Svaneti.
- **Project Identity:** Visibility guidelines and a corporate identity for the GRETA project in line with EU, Swedish and Austrian visibility guidelines were developed.
- **Data Bases:** A media contact database and a project contact data base for permanent communication with all stakeholders were established.

Project Activities / Initial interventions and field work “Organic Agriculture” and “Sustainable Mountain Tourism Development”

- **Consultations:** The GRETA-team has undertaken extensive field visits in the early stages of the project, visiting some 150+ stakeholders in the project area and on national level. By talking to a wide range of potential beneficiaries and partners, the project design was crosschecked with the “project reality”, and future action aligned to the actual needs on the ground.
- **Organic actors’ workshop:** The first National workshop on developing organic agribusiness in Georgia was supported by GRETA. It was organized by the “Association of Organic Agricultural Producers of Georgia”, brought together all major actors on organic agribusiness, and will be further supported by GRETA as a long-term consultation forum for major actors in organic agriculture in the country.
- **Tourism Fare Participation:** GRETA supported the participation of a Georgian delegation – consisting of MRDC, GNTA and GRETA-representatives – at the international mountain resort exhibition trade fare “Interalpin” in Innsbruck, Austria.
- **Eco-Villages:** The GRETA team consulted with municipalities, government agencies and the local population on the identification of “Eco-Villages”, where mountain tourism and organic agriculture can be developed jointly. A plan – on how this can be implemented and certified in Georgia – is being elaborated presently.