



USAID/GEORGIA'S AGRICULTURE PROGRAM

MID-TERM EVALUATION

June 2022

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MID-TERM EVALUATION

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ACRONYMS

BEE	-	Business Enabling Environment
BSO	-	Business Service Organization
CNFA	-	Cultivating New Frontiers in Agriculture
EBRD	-	European Bank for Reconstruction and Development
EDA	-	Export Development Association
ENPARD	-	European Neighbourhood Programme for Agriculture and Rural Development
EQ	-	Evaluation Question
ET	-	Evaluation Team
FAO	-	Food and Agriculture Organization
GDP	-	Gross Domestic Product
GOG	-	Government of Georgia
HACCP	-	Hazard Analysis Critical Control Point
IP	-	Implementing Partner
ISO	-	International Organization for Standardization
KII	-	Key Informant Interview
LEAP III	-	Learning, Evaluation, and Analysis Project III
LOP	-	Life of Project
M&E	-	Monitoring and Evaluation
MEL	-	Monitoring, Evaluation, and Learning
MEPA	-	Ministry of Environmental Protection and Agriculture
MSD	-	Market Systems Development
MSME	-	Micro, Small, and Medium Enterprises
NGO	-	Non-governmental Organization
PPD	-	Public-Private Dialogue
PSE	-	Private Sector Engagement
PY	-	Project Year
R&D	-	Research and Development
RDA	-	Rural Development Agency
TA	-	Technical Assistance

USAID- United States Agency for International Development
USG - United States Government
VC - Value Chain

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EXECUTIVE SUMMARY

INTRODUCTION

The United States Agency for International Development (USAID)/Georgia requested the Learning, Evaluation, and Analysis Project III (LEAP III) team to conduct a performance evaluation of the USAID Agriculture Program (the Program) implemented by Cultivating New Frontiers in Agriculture (CNFA). The evaluation looks at the performance and effectiveness of USAID's Agriculture Program in accelerating the growth of agricultural sub-sectors that demonstrate strong potential to create jobs and increase incomes and revenues of micro, small, and medium enterprises (MSMEs) in line with USAID's updated development objectives which include diversifying export markets away from malign countries (e.g., Russia).

Ultimately, based on findings and conclusions, the evaluation team (ET) has outlined actionable recommendations to USAID/Georgia regarding any necessary adjustments to the implementation of the selected activities and future programming needs and approaches. These recommendations are drawn from the key findings of the four evaluation questions (EQs) that look at opportunities for change and possible adjustments that could enhance current Program activities and inform planning for future activities in the USAID/Georgia agriculture portfolio. These recommendations are presented as potential areas of intervention based on the current needs in the post-COVID-19 recovery and country situation.

METHODOLOGY

For this mid-term evaluation, the ET used a mixed-methods approach, pairing qualitative, in-depth remote interviews with key stakeholders, Program partners, and informants with online surveys and group interviews. Questionnaires created to answer the EQs focused on whether Program interventions have been necessary and sufficient to diversify agricultural exports beyond Russia; how the Program's support to sector associations, cooperatives, and government institutions catalyzed priority value chain (VC) development; and how the grant component strengthened each priority VC. Lastly, the ET looked into how the Program can adapt its approaches in the context of COVID-19 economic contractions to achieve its targets. All proposed semi-structured interviews and group discussions, as well as the surveys, were organized around the EQs and supported with detailed questionnaires. Each questionnaire (in Annex II) was developed for each key stakeholder group (see Annex IV) and included both common questions and questions unique to the group to obtain a full range of opinions regarding specific intervention areas but also to ensure that data is comparable across all respondent groups. USAID/Georgia's development objectives (DOs) were updated in its 2020-2025 Country Development Cooperation Strategy (CDCS). Though the Agriculture Program Scope of Work (SOW) and design did not include the need to diversify exports away from Russian markets and other malign countries as stated in its new CDCS, this issue was embedded in the Evaluation Questions prepared by USAID/Georgia in order to better understand how current and future programming can support achievement of the Mission's updated development objectives.

PROGRAM FINDINGS AND RECOMMENDATIONS

Overall, based on the evaluation findings, the Program has been successful in generating impact in line with expected results—overcoming lagging LOP results from PY1 and PY2, with considerably increased results

in PY3—a good sign for PY4 and PY5. The Program was particularly effective in leveraging deep connections, experience, and expertise of its staff to identify and address specific enterprise-level development challenges across the target VCs using a combination of grants and TA. The Program largely achieved its stated objectives as demonstrated in the findings and supported by its MEL framework. Since the original SOW and Agriculture Program design were approved, the USAID/Georgia Mission is now emphasizing the need to diversify exports away from Russian markets and other malign countries as stated in its new CDCS. The Agriculture Program may need to conduct assessments and further analysis to determine what steps may be taken to address this new criteria in its programmatic approaches. The conclusions and recommendations outlined below have been developed in alignment with USAID/Georgia’s current and future Development Objectives.

EQ1: To what extent has the USAID Agriculture Program’s export capacity building interventions with firms, and export promotion interventions with the government, been necessary and sufficient to diversify agricultural exports of target products to United States Government (USG) preferred markets (i.e., outside of Russia)?

The ET found that, although these interventions were necessary for and effective at increasing exports to USG preferred markets, more efforts are needed to diversify exports away from Russia, which remained a top destination market with increasing sales for Program beneficiaries. The Agriculture Program facilitated a fourfold increase in exports to the EU and US and established new linkages in Gulf markets. Beneficiaries view export promotion activities supported by the Program as particularly useful, including for gaining needed certifications and implementing branding and marketing strategies. Although they view these activities as useful, the attribution of impact is unclear, as most beneficiaries receive support from multiple stakeholders. There is also doubt that linkages to high-value markets can be sustained without continued TA and Grant support from future programming while also shifting toward more systems-level interventions. And, although interventions are well aligned with the main challenges that agricultural firms face, they do not sufficiently address the systemic challenges (e.g. BEE and access to finance) that are out of scope for the current project, but impede sustained export diversification. Other systemic challenges include a need for increased support from more capable associations and government institutions in export promotion activities. These are all challenges that can be further addressed through future programming. By concentrating remaining TA on expanding and sustaining already established market linkages with US preferred markets, the Agriculture Program will have opened these markets for an increasing number of enterprises that can be supported by associations and government institutions that are strengthened through future programming.

Recommendations:

Recommendations for the next 1.5 years:

- Program TA for export capacity development and export promotion should focus on expanding and sustaining market linkages for individual enterprises and associations that have proven successful, including by:
 - Increasing collaboration with Enterprise Georgia and BSOs;
 - Concentrating on proven markets such as Gulf countries and Germany; and

- Focusing on solidifying the prerequisites for sustaining market access, such as maintaining certifications and standards, conducting market analysis and improving branding and marketing strategies.
- The Program can focus on tangible examples of opportunities for rapid agriculture sector growth, such as voluntary seed and seedling registration, to help associations push for accelerated policy implementation and investment related to export promotion.

Recommendations for future programming:

- *Continue support for export promotion activities, including new strategies that phase out project dependency and add higher levels of cost-sharing based on the success of current programming.*
- In addition to new opportunities in local and export markets, the Program should explore and support alternative income-generating opportunities, such as agrotourism, in response to shifting consumer and domestic market dynamics. This support could start with an analysis of the opportunities and targeted TA by the Program and then can continue with TA and co-investment facilitated through future programming.

EQ2: To what extent has the activity's support to sector associations, cooperatives, and government institutions catalyzed priority VC development?

The ET found that, although sector-level support to these organizations and institutions has shown results, at the time of the mid-term evaluation this impact had yet to catalyze into self-sustaining VC development. However, there are some positive signs of VC development, including improved relationships among VC actors in target sub-sectors and proactive compliance by Program beneficiaries with the high standards set by USG preferred markets, indicating a willingness to invest in sustaining market access. By concentrating remaining Program support on building the capacity of associations and other private sector partners that have shown the highest potential for growth, the Agriculture Program can provide a powerful demonstration effect that can catalyze self-sustaining VC development that can be supported by more systems-level interventions provided through future programming. Increased government support for export promotion activities via Enterprise Georgia is also a positive sign of VC development, with the number of firms registered in its Trade with Georgia catalog more than doubling. But there is also a need for more coordination with other programs to develop more dialogue mechanisms with the government to support an improved business enabling Environment (BEE). And though such an intervention would be outside of the scope of the current Program, initial action could be taken in collaboration with the Economic Governance Program. Increased access to finance is another positive sign of VC development. Grants provided by the Agriculture Program have facilitated an increase in investment in the agricultural sector, with financing options provided through bank partners for covering grantee cost-share obligations. Although facilitating access to finance to cover cost-share agreements can increase access to finance for agribusinesses, doing so for grantees that may already be viable candidates for loans would provide unclear additionality. This will be an important consideration as future programming builds on Agriculture Program results. And, although the Program facilitated new market linkages, value chain actors, including buyers and associations, are uncertain that producers can continue to comply with standards once Program support ends. Another positive sign of VC development is digitalization, and beneficiaries saw the Program's support in utilizing digital tools that facilitate access to information, services, and markets as useful.

Recommendations:

Recommendations for the next 1.5 years:

- Expand capacity development activities with well-established organizations, such as the nut and berry associations, to increase access to technical services for their members, with any subsidies phased out over the next few years.
 - Expand foundational support to build the basic capacity and functionality of associations (e.g. management capacity and governing structure) with support for more business and support model development toward sustaining their growth, including targeting associations that show the highest potential for growth with additional international expertise and facilitated access to private capital;
- Support local buyers in developing and transitioning to private sector-driven support models and accompanied investments through TA, expanded use of the Program Partnership Fund, and facilitated connections to other buyers and stakeholders that may be willing to co-invest., including by expanding investment in digitization and localizing supply chains.
- Increase efforts to connect networks of smaller producers to anchor associations, buyers, and services providers.
- In cooperation with the Economic Governance Program and/or through future programming, support increased development of coordination and dialogue mechanisms to assist the GOG in planning, prioritizing, and accelerating the implementation of key policy reforms and investments.
- Support more innovation by digital service providers and online selling platforms (e.g. customization of digital services) to better respond to the needs of the agriculture sector.

Recommendations for future programming:

- Develop strategies for digitization via consultations to support private sector partners in identifying and prioritizing their own technology needs (e.g. traceability systems).
- Continue to facilitate access to finance via customized approaches and direct connections between associations and larger enterprises and bank partners, including;
 - Improving the VC finance capacity of banks and non-bank financial institutions;
 - Introducing more technology (e.g. digital financial services) and risk-sharing schemes that allow access to finance for otherwise unbankable beneficiaries; and
 - Proactively facilitating competition in the financial sector via a range of alternative sources of private capital (e.g. financing from non-bank financial institutions, investor capital, financing from other value chain actors and service providers).
- Support the development of buyer-led strategies to transition away from development program support for value chain development activities.
- Focus future programming on priority business processes (e.g. value addition, technologies, services, management capacities and innovation) instead of VCs when targeting Program support, especially if this focus can be accompanied by an improved impact monitoring system, analytical

tools, and partner/activity selection criteria, thereby enabling future programs to identify more systems-level interventions that can benefit a number of VCs.

EQ3: To what extent has the grant component strengthened each priority value chain and to what extent did grants address gaps or market failures in target value chains?

The ET found that the grant program is well aligned in addressing the challenges that the agriculture sector faces and shows positive results in terms of increased investment, incomes, and jobs at the firm-level, but the extent to which grants are sufficiently addressing key gaps and market failures at a systems-level in order to sustain these results, is not clear. Beneficiaries view grants that address enterprise-level development challenges as particularly useful, bringing in needed technology, including technical capacity, by combining grants with technical assistance (TA). And the investment facilitated by grants contributed to the creation of over 1,000 jobs and a tripling of Project Year (PY) 3 export revenues in comparison to PY2, although this impact risks backsliding if not complemented with more systems-level interventions from future programming that address key gaps and market failures, such as those related to access to private capital, capacity related to innovation, or sector- and policy-level binding constraints. In line with the recommendations under EQ1 and EQ2, concentrating remaining grant support on strengthening already established linkages to high-value markets and building the capacity of associations and other private sector partners that have shown high potential for growth may prevent backsliding of Agriculture Program impact ahead of more systems-level support from future programming.

Recommendations:

Recommendations for the next 1.5 years:

- Concentrate grant support on strengthening established linkages to high-value markets and building the capacity of sector-level organizations, BSOs, and other important actors and stakeholders in line with other recommendations related to TA.
- Award innovation grants for more technology, as well as business and service model, innovations.
- Provide more TA to women and youth during the grants application stage and lower cost-share requirements for these applicants.

Recommendations for future programming:

- Increase flexibility in the use of grants and partnership funds as co-investment mechanisms via a more flexible Activity Fund that can adjust budget line items among grants, partnership funds, and sub-contracts. Doing so will assist future programs in aligning with changing market opportunities, including the need to co-invest in more digital and early-stage innovations (e.g. advances in communications and traceability technologies) and to support a wider range of beneficiaries and private sector partners.
- Incorporate selection criteria for grant themes and projects that support alignment with objectives related to systemic change and adopt more nuanced approaches to the monitoring and attribution of impact (e.g. additional custom indicators, qualitative methods for data collection, etc.) that will help future programs make the case to USAID for use of funds for any given opportunity.

EQ4: In the context of COVID-19 economic contractions, how can the activity adapt its approaches?

The ET found that the Program was successful in adapting its implementation tactics to mitigate activity delays but that it will need to adapt more elements of its overall approach to take advantage of emerging opportunities. Small-scale farming can be disadvantageous, primarily for competitiveness reasons related to low worker productivity and the high cost of and lack of capacity to comply with the standards of high-value export markets. Further, the absence of government policies to address land fragmentation, incentivize diversification of export markets, and accelerate privatization processes were restricting growth in the agricultural sector even before the onset of COVID-19. Based on its analysis of the economic impact of COVID-19 and qualitative data, the ET concluded that Program support for the diversification of export markets could include more support for new opportunities in domestic markets. The Program should support associations and cooperatives in helping their members analyze these and other new market opportunities in response to the pandemic. In doing so, it should collaborate with current partners to forecast changes in market opportunities and coordinate with other USAID and donor partners to assess the potential revenue and job creation associated with these new opportunities. In response, the current emphasis on high-value export markets may also need to be rebalanced.

Recommendations:

Recommendations for the next 1.5 years:

- Take stock of and widely share best practices in adapting implementation tactics amid the pandemic.
- Continue support to current VCs while exploring new opportunities in response to increased domestic demand for a range of food products.
- Work with other USAID-funded programs and donors to identify opportunities related to increased domestic tourism and related agrotourism services and products.

Recommendations for future programming:

- Explore and support alternative income-generating opportunities such as through agrotourism in response to shifting consumer and domestic market dynamics.
- Use the momentum generated by high growth during the COVID-19 pandemic to facilitate more access to finance, market linkages, and investment in sector-level services; and focus future programming on facilitating access to private capital from a range of sources to fuel further growth.
- Consider providing grants and TA to companies that specialize in e-commerce to develop new marketing platforms for agricultural production.
- Ramp up training related to e-commerce and work with educational institutions or innovation centers to attract more highly skilled youth to agricultural export promotion and technology-related services.
- Launch a series of PPDs in coordination with associations and cooperatives to prioritize needed GOG reforms and investments that can accelerate the modernization of farming practices and food processing.

Cross-Cutting:

Recommendations for next 1.5 years

- Expand grant support for innovation and increased inclusion of women and youth.
- Lower cost-share requirements for grants and consider further customizing TA to increase the participation of women and youth.
- Analyze opportunities and make the business case to current private sector partners as a first step in developing a strategy for increasing inclusion and agency for women and youth.
- Expand successful internship, training, and curriculum development activities over the remaining years of the Program.
- Perform additional analysis as needed, including more private sector landscaping and organizational network and systems mapping, accompanied by convening of more market actors and stakeholders to better target PSE and support the utilization of selection criteria and impact metrics that can guide program interventions toward supporting more transformational impact from partnerships, including the interrelated elements of scale, sustainability, and systemic change.

Recommendations for future programming

- Better target gaps and market failures, drawing on improved analytical tools, selection criteria of private sector partners (e.g. supports increased sustainability, inclusion, innovation, collaboration, etc.), as well as grant themes, TA objectives, and other Program initiatives to ensure alignment with USAID/Georgia's development objectives and priority policies and strategies.
- Propose an incremental solution for improving impact monitoring in line with systems-level interventions; develop a new set of custom indicators that better account for systems-level and the longer-term potential impact of Program interventions.
- Continue to facilitate access to finance via customized approaches and direct connections between associations and larger enterprises and bank partners; and use success cases to build momentum for and inform the ability of future programming to expand access to private capital in the agricultural sector as a whole.
- Support the implementation of more global PSE models and best practices via expanded use of PSE opportunities analysis and co-investment funds.

I. INTRODUCTION AND BACKGROUND

I.1 PROGRAM BACKGROUND

Agriculture is one of the targeted sectors—along with tourism, creative industries, shared intellectual services, solid waste management, and light manufacturing—identified as a key driver for Georgia’s economic growth and employment. While agriculture is not a large contributor to Georgia’s gross domestic product (GDP), it provides a safety net to 50 percent of Georgia’s population. Georgia’s Euro-Atlantic aspirations include becoming a major trade partner with the West. However, the country still depends on Russia as a market for its agricultural products.

USAID/Georgia’s robust agriculture portfolio includes a range of activities that facilitate firm-level investments in entrepreneurial and market-driven enterprises and associations by supporting the private sector to meet the agriculture sector’s needs and enhancing the capacity of relevant government stakeholders to catalyze agricultural development. This programming focuses on improving the competitiveness, diversity, value of production, and market access for identified VCs—increasing incomes and generating high-value employment through VC development. USAID’s Agriculture Program aims to accelerate growth of agricultural sub-sectors that show strong potential to create jobs, increase incomes, and increase MSME revenues in line with USAID development objectives which now includes diversifying export markets away from malign countries (e.g., Russia).

Horticulture sub-sectors include berries, culinary herbs, stone fruits, perishable vegetables, pome fruits, table grapes, mandarins, and nut crops. The development hypothesis for the Program is that the increased competitiveness of these key sub-sectors and VCs will advance inclusive high-value employment opportunities for Georgians. Increased competitiveness can also support increased access to high-value, US preferred export markets and the diversification of exports away from Russia. The Program is implemented through two integrated, mutually reinforcing components. Under Component One, the Program provides cost-share grants to target beneficiaries, including MSMEs, cooperatives, and associations as well as service, information, and extension providers. Component Two focuses on demand-driven TA, including technical and business training and a wide spectrum of customized consultancies aimed at building the capacity of targeted VC actors.

Key LOP targets include building up 120 beneficiaries through cost-share grants totaling \$7.4 million, which will leverage \$9.04 million in additional investment from grant recipients. An additional 600 agribusinesses will benefit from the TA. Through its support, the Program anticipates creating 3,680 jobs and increasing agricultural sales by \$70 million, including \$23 million in new exports.

As of its third year of implementation (when this evaluation was conducted), the Program continued to address major gaps within the priority VCs. The Program also expanded its focus on broad, sector-level activities that can have a systemic impact on Georgia’s agriculture sector. These activities included:

- Guided by an updated VC analysis, solicited for applications and committed additional in-kind, innovation, and capacity building grants to MSMEs, agricultural cooperatives, and associations, and service, information, and extension providers.

- In collaboration with Georgia’s Rural Development Agency (RDA), provided continuous assistance to grantee and non-grantee enterprises in obtaining necessary certifications, such as GlobalGAP, Organic Production, Hazard Analysis Critical Control Point (HACCP), and International Organization for Standardization (ISO) 22000 certifications to help them become more competitive in both local and international markets.
- Provided branding support and supported participation in trade fairs, technical trainings and consultancies for grantee and non-grantee enterprises, in cooperation with the RDA.
- In close cooperation with the Scientific-Research Center of Agriculture, implemented a voluntary nursery certification project and engaged beneficiary nurseries in the certification scheme.
- Deepened supply chain activities and engaged with consolidators, producers, and retail supermarket chains to facilitate market linkages and agree on product grades and standards.
- Worked with local banks to develop tailored financial products to address agricultural lending gaps.
- Invested in export promotion with Enterprise Georgia and supported Georgian agribusinesses to participate in trade shows (e.g., Import Goods Fair in South Korea 2019, Biofach 2020, Gulfood 2020 and 2021, and Anuga 2021) with a new visual style, branding guidelines, and display structures, developed together with the Enterprise Georgia, RDA and National Wine Agency for Anuga 2021.
- Worked with sectoral associations to build their capacity to deliver improved services to members in the targeted value chains.

I.2 EVALUATION PURPOSE

The purpose of this performance evaluation is to 1) determine the effectiveness of specific programmatic approaches in achieving intended LOP results; 2) provide recommendations on corrective actions and new directions for the remaining years of Program implementation; and 3) inform the design of future programs.

To achieve the purpose of the performance evaluation, the team:

- Assessed the relevance, effectiveness, and efficiency of the Agriculture Program;
- Analyzed the status of activities in relation to set objectives and the successes and weaknesses of activities;
- Assessed the implementing organization’s performance in achieving Program objectives, including a special focus on uptake of principles and approaches in line with USAID’s private sector engagement (PSE) policy and digital strategy, utilization of partnerships and market systems development (MSD) approaches, as well as its processes, implementation team performance, relations with stakeholders, performance feedback loops, reporting, timely management decisions, etc.;
- Identified any external factors that might have impacted activity performance or created new opportunities, such as political, economic, or sector dynamics, as well as COVID-19;

- Provided recommendations on adjustments, corrective actions, and new directions for the remaining years of Program implementation; and
- Developed recommendations to inform USAID/Georgia on future programming needs and approaches—in particular, the design of future follow-on projects.

I.3 EVALUATION QUESTIONS

The evaluation addressed the following EQs:

EQ1. Diversification of export markets: To what extent have the export capacity building interventions with firms, and export promotion interventions with the government, been necessary and sufficient to diversify agricultural exports of target products to USG preferred markets (i.e., outside of Russia)? What have been the most pressing challenges in each priority value chain hindering the diversification of export markets? How sustainable are the USG-supported market linkages?

- What are the main challenges to expanding export diversification for MSMEs away from Russia in targeted value chains? (Probe: Capacity building, export promotion, technologies, finding skilled labor, BEE, market information, quality and safety standards, etc.)
- What are the top business opportunities from the perspective of target MSMEs? (Probe: Do they involve export diversification?)
- What are the most important factors that influence decisions to diversify export markets?
- How important are prevailing cultures, attitudes, and/or perceptions in driving export decisions? How successful has the USAID Agricultural Program been in shifting these factors? (Probe: What are the perceived strengths and weaknesses of the Russian market?)
- What support has the USAID Agricultural Program provided to MSMEs in entering international markets, particularly in Western Europe? How effective has this support been? (Probe: Have target MSMEs entered Western markets, what are the determining factors for this, and what challenges or opportunities are faced?)
- What additional support is needed to facilitate expanded access to non-Russian export markets?
- How effective are similar activities funded by other donors or the Government of Georgia (GOG) in capacity building and export promotion?
- Is USAID Agriculture Program support to the GOG to develop a "Georgian brand" for international markets and promote agriculture exports through trade shows, digital platforms linking MSMEs to potential export markets, etc., yielding positive results?
- Are linkages to non-Russian export markets sustainable? (Probe: Explore sustainability factors.)
- Can services that support sustained exports to non-Russian export markets be cost-shared or offered as paid services? (Probe: Any currently available services from the private sector.)

EQ2. Value-chain approach: To what extent has the activity's support to sector associations, cooperatives, and government institutions catalyzed priority value chain development? How

**important a role have these stakeholders played in increasing value chain competitiveness?
To what extent have these stakeholders received sufficient and relevant support?**

- Who are the most important stakeholders that need to be involved in VC development and increasing competitiveness of MSMEs in priority VCs?
- What services do these stakeholders provide to MSMEs and other sector stakeholders (e.g., individuals, GOG institutions, non-governmental organizations [NGOs], educational institutions, etc.)? (Probe: Are these services of acceptable quality? Are there gaps? How can these services be improved or expanded?)
- Which associations, cooperatives, and/or other stakeholders have been most effective in catalyzing VC development and increasing VC competitiveness, and why? (Probe: How have USAID programs and partnerships supported them in these efforts, and was the support received sufficient and relevant?)
- How can associations, cooperatives, other private sector organizations inform and support the GOG as it improves the BEE and encourages market systems strengthening?
- Does USAID support to GOG agencies help address value chain gaps? (Probe: Certifications, such as nursery, phytosanitary, HAACP, ISO, etc.)
- Which USAID activities, if any, encouraged greater female and youth participation in these targeted sectors?
- To what extent did USAID programs support businesses in utilizing digital tools, including those that facilitate access to information, services, and markets, either administered by state or regional authorities or by private sector organizations? (Probe: Access to finance, certification, customs, public procurements, etc.)
- What PSE opportunities have the Agricultural Program facilitated, and how have these partnerships supported priority VC development? (Probe: The role of PSE in value chain development across different Program activities, the types and number of engagements that have taken place, and the outcomes associated with engagements.)

EQ3. Grant component: To what extent has the grant component strengthened each priority value chain? To what extent did the grants address gaps or market failures in target value chains?

- What were the key market gaps in each target VC at the inception of the Agricultural Program? (Probe: Consolidation facilities, quality inputs, cold storage, distribution infrastructure, certification, packing and labeling, logistics, etc.)
- To what degree did grants transform the priority VC by addressing these gaps? (Probe: Access to finance, increased sales, hiring talent, product differentiation, research and development [R&D], knowledge of customer demand, equipment, new varieties, expansion of production facilities, supply chain infrastructure.)
- From the perspective of target MSMEs and market actors/stakeholders they work with, what types of grants, and in which areas of business operations, would grant support be most impactful?

EQ4. COVID-19: In the context of COVID-19 economic contractions, how can the activity adapt its approaches (e.g., selection of grant solicitation themes, division of USAID investments across sub-sectors, sequencing of interventions, etc.) to improve its ability to achieve its targets: creation of 3,680 jobs and increase agricultural sales by \$70 million, including \$23 million in new exports?

- What have been the biggest challenges and opportunities in the agriculture sector due to COVID-19?
- How has the Agricultural Program responded to these challenges and opportunities? (Probe: Using distance communication tools, introducing post-COVID recovery measures or programs, organizing capacity building in COVID-19-related topics, supporting hygiene tools and stocks, etc.)
- What are best practices in how MSMEs and the market actors/stakeholders they work with have successfully adapted amid the COVID-19 pandemic? (Probe: Issues related to labor, new regulations, shifting to online sales.)
- What further opportunities are there for the Agricultural Program to target?

I.4 EVALUATION AUDIENCE

The primary audience of this evaluation is USAID/Georgia's Economic Growth team and the prime implementing partner (IP), CNFA. USAID/Georgia may also share the results of this evaluation with local stakeholders such as the Ministry of Economy and Sustainable Development, RDA, partner NGOs, and other donors working in this area. Additionally, the results of the Agriculture Program evaluation may be shared with the Ministry of Environmental Protection and Agriculture (MEPA).

I.5 EVALUATION OUTLINE

This evaluation report is organized into these sections:

- Executive Summary
- Introduction and Background
- Methodology
- Findings for EQ1– EQ4
- Cross-Cutting Findings
- Conclusions
- Recommendations
- Annexes

2. METHODOLOGY

2.1 EVALUATION METHODS

Under LEAP III, two simultaneous mid-term performance evaluations were conducted in Georgia; the other assessed the Economic Security Program. Each ET used a similar team structure with an international Team Lead and a Georgian Senior Evaluation Specialist and Technical Expert. A Georgian Economist conducted research on the economic impact of the COVID-19 pandemic for both evaluations. All team members were briefed on

Agriculture Program Evaluation Team

Team Lead: Nikolaus Eichman

Senior Evaluation Specialist: Mikheil Pakatsoshvili

Agriculture Expert: Grigol Modebadze

Sector/Value Chain Advisor: Lasha Kavtaradze

Facilitator: Ani Chokhnelidze

USAID's Human Subject Protection Policy and Evaluation Policy. The ET was trained on survey methodology, USAID survey regulations, other relevant regulations, and the data collection plan. During the evaluation process, the two ETs worked closely to ensure strong collaboration and knowledge sharing across both evaluations. This collaboration included conducting joint key informant interviews (KIIs) with selected stakeholders from the GOG, USAID, and other donor partners to collect data efficiently.

USAID/Georgia's development objectives (DOs) were updated in its 2020-2025 Country Development Cooperation Strategy (CDCS). The Agriculture Program Scope of Work (SOW) and design were complete under the old CDCS and therefore did not include the explicit focus on diversifying exports away from Russian markets and other malign countries as stated in Georgia's new CDCS but at the same time, this issue was embedded in the Evaluation Questions prepared by USAID/Georgia. Therefore, the data collection instruments designed by the ET addressed this issue and USAID/Georgia approved the methodology. There is limited data available regarding this issue but going forward, the Agricultural Program can coordinate with USAID/Georgia as it adjusts its programmatic approaches. The SOW for the Agriculture Program can be reviewed in Annex I.

For this mid-term evaluation the ET utilized a mixed methods approach that combined qualitative KIIs and quantitative surveys to assess programmatic approaches, opportunities, challenges, and the sustainability of Program results. This reflects USAID's combination approaches that use two different methods to collect and analyze information, and then synthesize the findings to answer the EQs.

The ET conducted desk research prior to fieldwork to identify and analyze secondary information that it could triangulate with data collected in-country. The ET also held consultative meetings with the IP and USAID staff to gain inputs and solicit feedback during the design phase of the evaluation.

SECONDARY DATA

The ET conducted an extensive desk review of key Program and external documents, including secondary data and background documents (USAID policy papers, the MEL plan, quarterly and annual reports, and other documents produced by the IP, such as assessments, grant manuals, requests for applications, etc.). The ET reviewed a total of 34 documents to understand the context and identify constraints faced by the agriculture sector in Georgia in general, as well as by the Program. The list of reviewed documents can be found in Annex III.

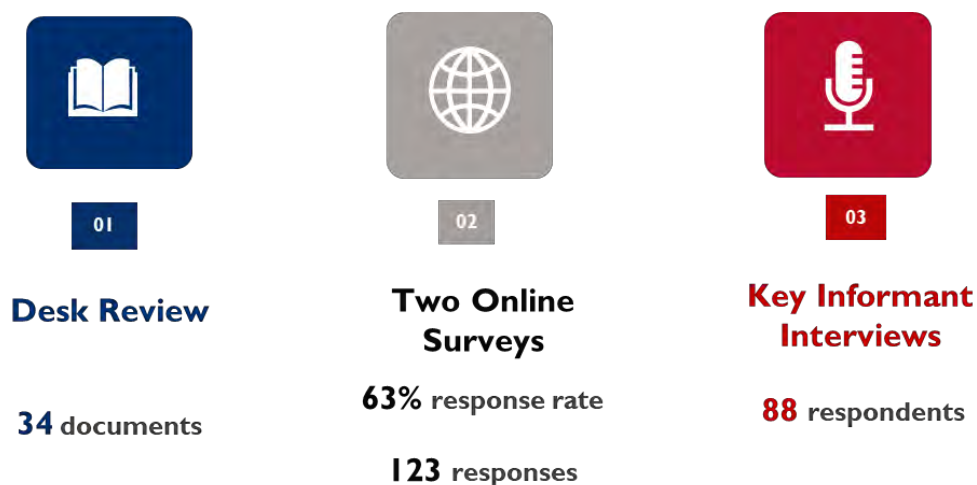
QUALITATIVE DATA COLLECTION

In order to better understand the benefits of different stakeholder groups, the ET designed two online surveys in the Georgian language—one for grantees and the other for TA) recipients. The ET utilized the database supplied by the IP to establish a sampling frame. In total, online survey invitations were sent to 195 beneficiaries, with a response rate of 86 percent for grantees and 49 percent for TA recipients. The high response rate was due to extensive support from the IP, which informed beneficiaries of the importance of the survey in advance.

The ET conducted fieldwork remotely from August 12 to October 20, 2021. This extended data collection period reflects the difficulties of scheduling KIIs during lockdowns. The ET did not conduct in-person or site observations due to safety and security protocols in place at the height of the pandemic. The ET used telephone and internet-based options to carry out all interviews in both Georgian and English. Most interviews were conducted through online platforms, such as Zoom and Google Meet. The survey instruments are presented in English in Annex II but were translated into Georgian prior to dissemination.

A total of 75 individual and group KIIs were carried out with 88 respondents. The list of KII respondents can be found in Annex IV. Figure I below shows key informant categories. The number of female and male respondents was equal.

FIGURE I: SUMMARY OF MIXED METHODS—DESK REVIEW, SURVEYS, KIIS



DATA ANALYSIS

The mid-term evaluation includes a comprehensive Getting to Answers matrix in the Evaluation Work Plan (Annex II) that maps the EQs to data sources and data analysis methods. The ET used a manual review process to extract key data such as keywords, quotations, or substantive information about activities from the transcripts and notes. The team sought to visualize results whenever possible. The ET used descriptive statistics to produce a quantitative overview of Agriculture Program activities, including characteristics such as the number of participants, regions, and VCs, based on survey responses. The team examined qualitative data from KIIs and online surveys to identify patterns, themes, and trends relevant to each EQ to better understand context and meaning. When the ET found a divergence in responses through this thematic and content analysis, it explored possible reasons, using other respondent group interviews and, in some cases, conducting follow-up interviews with IP staff. The ET coded its notes according to key

themes of interest across the interviews and summarized the distribution, number, and average responses by theme and respondents. The ET made use of the various data sources through triangulation to enhance the credibility of the analysis. Triangulation synthesizes multiple perspectives and leads to a fuller understanding of the issues being studied. Data from various lines of inquiry, including interviews, written documents, analytical procedures, and other sources (e.g., the online surveys), were considered separately and together to develop findings and conclusions.

2.2 LIMITATIONS

Evaluation methodology related to COVID-19. The Asian Development Bank assessed the economic impact of the COVID-19 pandemic, and the ET engaged an economist who conducted this research. Data collection and analysis related to EQ4 relied upon economic data provided solely by Geostat¹ and other USAID programs.

Selection bias. The ET relied upon USAID/Georgia's IP to identify specific key stakeholders. There was some risk of selection bias due to the potential for selecting a large proportion of interviewees with only positive opinions of the Program. The ET mitigated this possible bias by reviewing all project documents and conducting strategic consultations with the IP to understand the full range of stakeholders, and then made decisions on others to contact at its own discretion. It is also possible that beneficiaries selected as KILs were more likely to fill out online surveys, presenting an overlap between the two groups of respondents. This may reduce the value of the online surveys as an additional data source.

Response bias. Most respondents interviewed by the ET have a vested interest in maintaining positive relationships with the Program and want to continue to benefit from grant funding or TA. The ET mitigated this bias by assuring informants at the start of each interview that their responses would be anonymous, that any comments would not be attributed to them unless they agreed, and that there would be no retaliation or direct consequences against them for their responses.

Recall bias. The ET tried to overcome respondents' bias in attributing impacts to their individual experiences by incorporating best practices for qualitative data collection, such as framing questions that rely less on recall of specific activities and more on the currently perceived implications of those activities. Data was also triangulated with other respondent categories (rejected grant applicants), helping to verify where responses may have been biased.

¹ Geostat is the National Statistics Office of Georgia.

3. FINDINGS

3.1 EVALUATION QUESTION I

EQI. To what extent have the export capacity building interventions with firms, and export promotion interventions with the government, been necessary and sufficient to diversify agricultural exports of target products to USG preferred markets (i.e., outside of Russia)? What have been the most pressing challenges in each priority VC hindering the diversification of export markets? How sustainable are the USG-supported market linkages?

The ET found that, although export capacity building and promotion interventions have proven necessary and were successful in increasing exports to USG preferred markets, more efforts are needed to diversify the majority of agricultural exports away from Russia.

There are considerable barriers to diversifying exports away from Russia. These include strong cultural ties, high demand for Georgian products, and the ease of transportation and transactions that make Russian markets attractive and in many cases profitable for Georgian producers.² Russian markets are especially attractive for small Georgian producers given its familiarity (e.g., language, demand for products, ways of transacting). The opposite is the case for USG-preferred markets, where these small producers struggle to market their products and comply with higher quality and quantity standards. Although desirable, Russian markets are also widely viewed as risky and unstable in terms of price and access, making export diversification to higher-value markets an attractive proposition.

A combined 65 percent of survey respondents said they planned to export to Russia and other former Soviet countries. Nearly four-fifths (77 percent) of exports from in-kind grantees actually went to those countries.

Export capacity building interventions with firms and export promotion interventions with the government that the Agriculture Program supports can accelerate export diversification to USG-preferred markets such as those in the EU, US, and Gulf States. Although the Agriculture Program design was completed under Georgia's old CDCS and therefore did not include explicit focus on diversifying exports away from Russian markets and other malign countries as stated in Georgia's new CDCS, the Agriculture Program implemented a number of important export diversification interventions. Although the Agriculture Program design was completed under Georgia's old CDCS and therefore did not include explicit focus on diversifying exports away from Russian markets as stated in Georgia's new CDCS, the Agriculture Program implemented a number of important export diversification interventions. These interventions include export promotion activities implemented in cooperation with Enterprise Georgia and other key government institutions; support in obtaining GlobalGAP, HACCP, and ISO certifications; and other firm and systems-level interventions to improve access to the technical expertise, technologies, and services needed to sustain access to these high-value markets. The majority of respondents found these activities useful and shared their costs with the Program. Respondents also noted the need for continued support in order to maintain linkages to these markets. The Export Development Association (EDA) said that Georgian companies are reluctant to pay for export and other trade related services, such as market research and support in facilitating market linkages to new markets, noting that international

² See Annex V, Figure V-6: Advantages of selling to Russia and/or CIS countries.

donors usually subsidize these costs. During KIIIs, the ET found that the majority of grantees and TA recipients shared EDA’s point of view, saying that they would not be willing to cover these costs without Project support.

Although a majority of beneficiaries planned on export diversification to high-value EU markets even before receiving Program support, as noted above and as of the time when this evaluation was conducted, actual exports had not yet shifted away from Russian markets, which is still a major destination of actual exports by Program grantees.³⁴ That said, Program interventions are showing signs of sustainable impact with export markets in the EU and US as evidenced by a fourfold increase in the number of beneficiaries exporting to the EU and US. New markets in the EU, US, and Gulf are now seen as the most attractive to respondents—not only in terms of market price but also stability. Especially in sub-sectors where there were already established linkages to high-value markets (e.g. hazelnuts). This is a good indication of Program beneficiaries’ interest in investing in sustaining access to high-value markets over the longer term.

FINDING: THERE WAS A FOURFOLD INCREASE IN EXPORTS TO THE EU AND US AND NEW LINKAGES ESTABLISHED IN GULF MARKETS

As a result of Program interventions, nearly half of respondents now sell to new markets (and most frequently export to more than one). And, as seen in Figure 2, there was a fourfold increase in the number of beneficiaries exporting to the EU and US. New linkages were also established in Gulf markets, with 18 percent of beneficiaries that sell to new markets now also selling to these countries. Respondents largely credit this success to Program-supported export capacity development (e.g., certifications) and promotion activities (e.g., branding and marketing), including support in developing the “Georgian Brand” in collaboration with Enterprise Georgia, RDA, and the National Wine Agency. The Georgian market also has significant growth potential, with most respondents reporting domestic sales. This is not only a good market opportunity; it is good for food security and in line with the localization trends of major buyers such as grocery and restaurant chains. Therefore, the Agriculture Program has had significant success in supporting new market linkages and facilitating exports to high-value, USG-preferred markets.

“The Russian market is not a priority for us. We want to export to the EU as soon as we obtain the certificate.”

- Representative of a Program Beneficiary

“Prices in Russia are lower and they do not pay attention to the quality of products. The EU market is more attractive, but we need to obtain a certificate to export our products there.”

- Representative of a Program Beneficiary

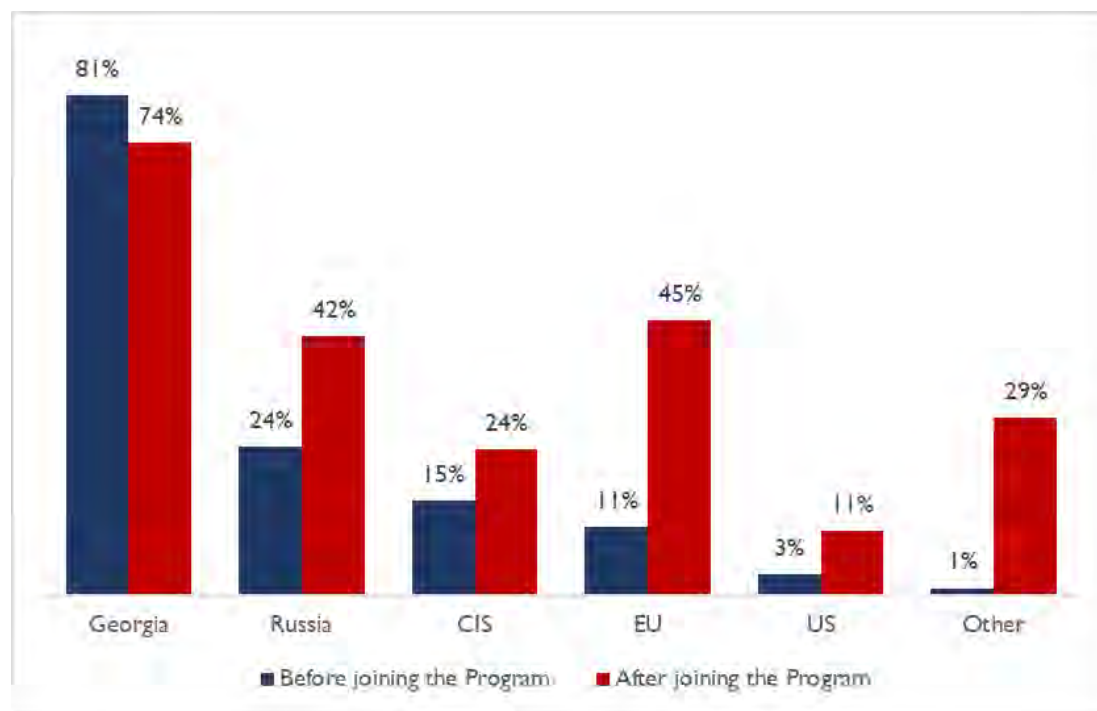
“Gulf countries are very interesting new markets, while the Free Trade Agreement with China means that they can fully substitute the Russian market.”

- Representative of Enterprise Georgia

³ Reference Annex V, Figure V-3: Plans of grantees and TA recipients to diversify exports before joining the Program.

⁴ Reference Annex V, Figure V-4: Markets to which the survey respondents planned to sell before joining the Program.

FIGURE 2: SALES BY GRANTEES AND TAA RECIPIENTS BEFORE AND AFTER JOINING THE PROGRAM



Source: Surveys of grantees and TA recipients (91 responses)

FINDING: BENEFICIARIES AND STAKEHOLDERS DOUBT THAT LINKAGES TO HIGH-VALUE MARKETS CAN BE SUSTAINED WITHOUT CONTINUED SUPPORT

Due to the considerable challenges that hinder competitiveness, beneficiaries and stakeholders doubt that linkages to high-value markets can be sustained without continued capacity building in export processes and promotion support from the Program. These challenges include the low visibility of Georgian products in high-value markets, the high level of investment needed to customize marketing strategies across target markets, and a more general and persistent lack of access to the knowledge, technologies, and financing needed to comply with the increasing standards of high-value markets.⁵ Although beneficiaries viewed the Program’s export support activities as effective in overcoming these challenges, 84 percent of KII respondents expressed doubt in their ability to compete in these markets without continued subsidies or through GOG support alone. The majority of respondents from GOG institutions, including the RDA, the National Food Agency, and Enterprise Georgia, as well as KII respondents from the private sector (buyers,

“Marketing across different countries is difficult as costs are high and our company would not be able to do it without program support.”

- Representative of a Program Beneficiary

“I participated in the Anuga Fair in Germany and it was very useful. People liked my product and I received new orders. However, without Program support I would not have been able to cover the costs. I also would not be able to pay for branding and marketing. A good branding company charges large sums and I require continued financial support to cover these.”

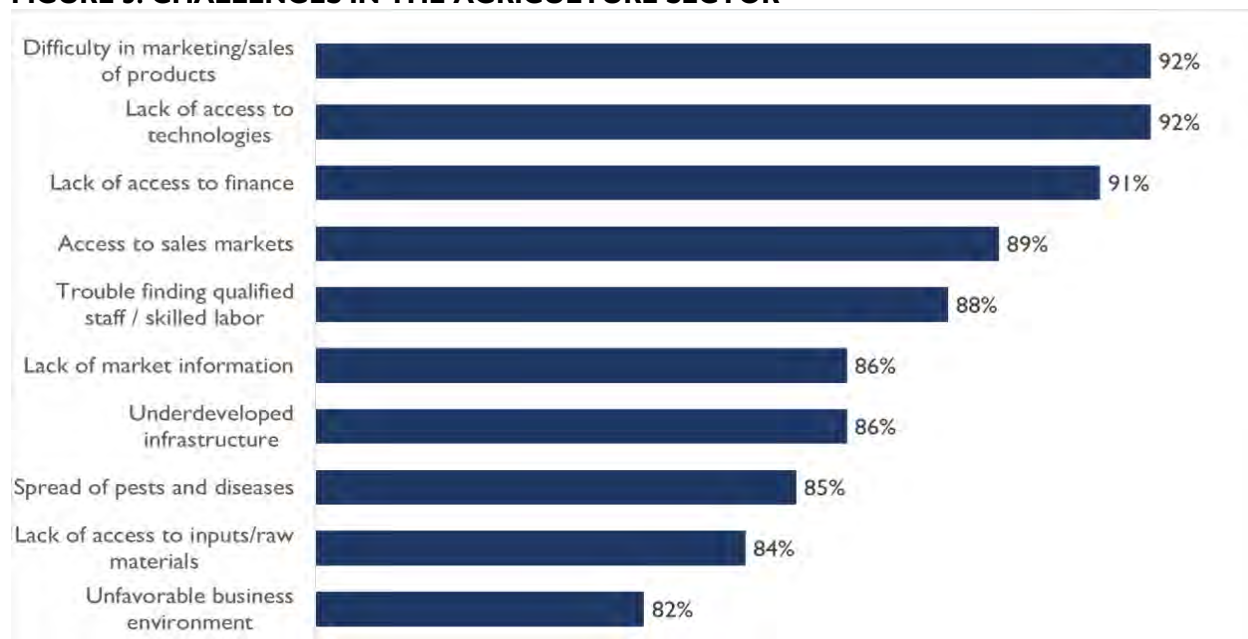
- Representative of a Program Beneficiary

⁵ Reference Annex V, Figure V-7: Challenges when exporting to high-end markets

associations, and banks), also doubted the sustainability of these market linkages, noting similar concerns related to competitiveness. And while respondents frequently cited restrictions related to COVID-19 as reasons for not maintaining these linkages (explored more under EQ 4), in several instances buyers or sellers did not renew contracts based on a range of other issues, including low income from sales, that should be further explored.⁶

To further explore the question of sustaining linkages to high-value export markets, the ET looked at the alignment of Program interventions with the main challenges faced by the agriculture sector and the Program’s effectiveness in alleviating these challenges via its interventions with firms and government institutions. As shown in Figure 3 and Figure 4 the ET found that all challenges that respondents face are persistent across the priority VCs (i.e., berries, culinary herbs, stone fruits, perishable vegetables, pome fruits, table grapes, mandarins, and nut crops), especially in areas critical to export diversification, such as difficulty in marketing products and lack of access to technologies and finance.⁷

FIGURE 3: CHALLENGES IN THE AGRICULTURE SECTOR

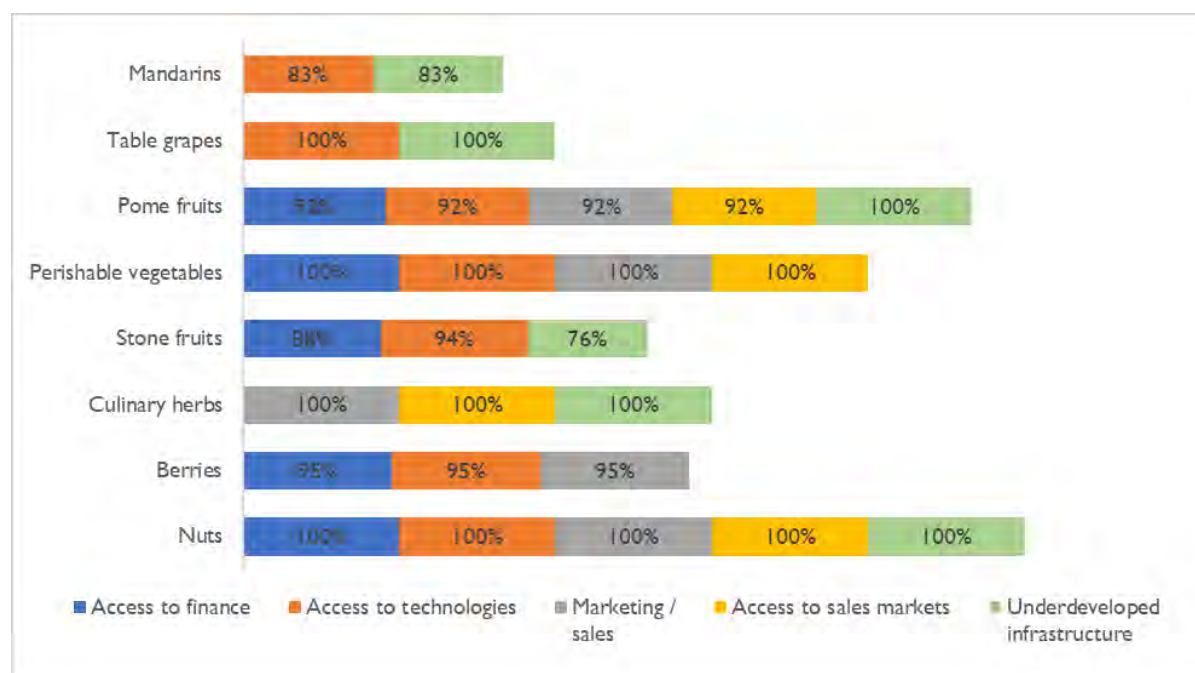


Source: Surveys of grantees and TA recipients (102 respondents)

⁶ Reference Annex V, Figure V-1 I: Reasons why Grantees and TA Recipients Could / Did Not Maintain Market Linkages to High-End Export Markets

⁷ Reference Annex V, Table V-1: Challenges in VCs identified in the Sector Selection and Value Chain Analysis Report.

FIGURE 4: THE MOST FREQUENTLY MENTIONED CHALLENGES IN EACH VALUE CHAIN



Source: Survey of grantees (73 respondents)

FINDING: INTERVENTIONS ARE WELL ALIGNED WITH THE MAIN CHALLENGES THAT AGRICULTURAL FIRMS FACE BUT DO NOT ADDRESS MORE SYSTEMIC CHALLENGES

By design, Program interventions aligned well with the main challenges that the agriculture sector faces; the most important areas of support from the perspective of respondents were those related to export promotion and access to finance and technology. The latter two were related, given financing options for cost-share requirements facilitated by the Program. Respondents also mentioned the importance of support in developing productive infrastructure, as well as gaining certifications and access to high-value inputs, such as new plant varieties. The ET reviewed Program reports, noting activities that aligned with each challenge area. The ET also noted this alignment based on findings from the Program’s VC assessments, which guided its support.

The fact that these challenges persist after several iterations of similar programming points to systemic issues, including those related to the BEE and lack of access to finance, local knowledge, and capacity. Therefore, by focusing on firm-level operational challenges in the absence of coordination with other programs that can address these systemic issues, the Agriculture Program is responding to the immediate needs of beneficiaries but is not alleviating the sources of the challenges they face. In response, the Program is shifting its approach to support more systems-level change, but its TA and grants appear to be better set up to alleviate more specific, firm-level challenges by facilitating access to expertise and technologies that are of immediate operational importance to the target beneficiaries.

“Since 2012 many reforms were done quickly and there was a hectic moment of approving different legislation with very little capacity or intention to implement them.”

- Representative of an International Donor

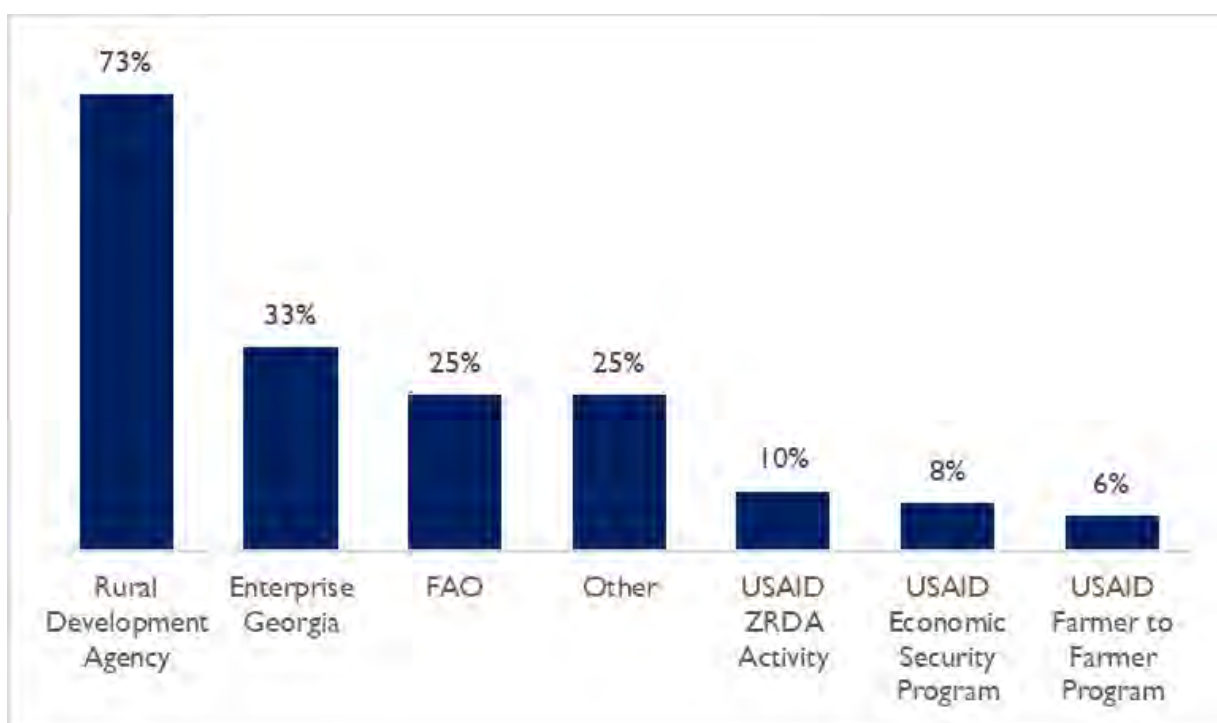
“There is a lack of formal public private dialogue led by strong sector associations in the agriculture sector of Georgia.”

- Representative of an International Donor

FINDING: BENEFICIARIES RECEIVE SUPPORT FROM MULTIPLE DONORS AND GOG INSTITUTIONS

As shown in Figure 5, and due to costly systemic and persistent challenges in the agricultural sector, respondents including representatives from the berry, walnut, almond, and dried fruits associations said they sought and received support from multiple donors and GOG institutions, and the EDA reported receiving concurrent support from USAID and other donors such as the European Bank for Reconstruction and Development (EBRD) and World Bank. Although support from multiple donors and GOG institutions may be necessary, it is difficult for any one Program to attribute impact and target activities accurately.

FIGURE 5: NUMBER OF GRANTEES AND TA RECIPIENTS RECEIVING SUPPORT FROM SOURCES OTHER THAN GOG INSTITUTIONS



Source: Surveys of grantees and TA recipients (52 respondents)

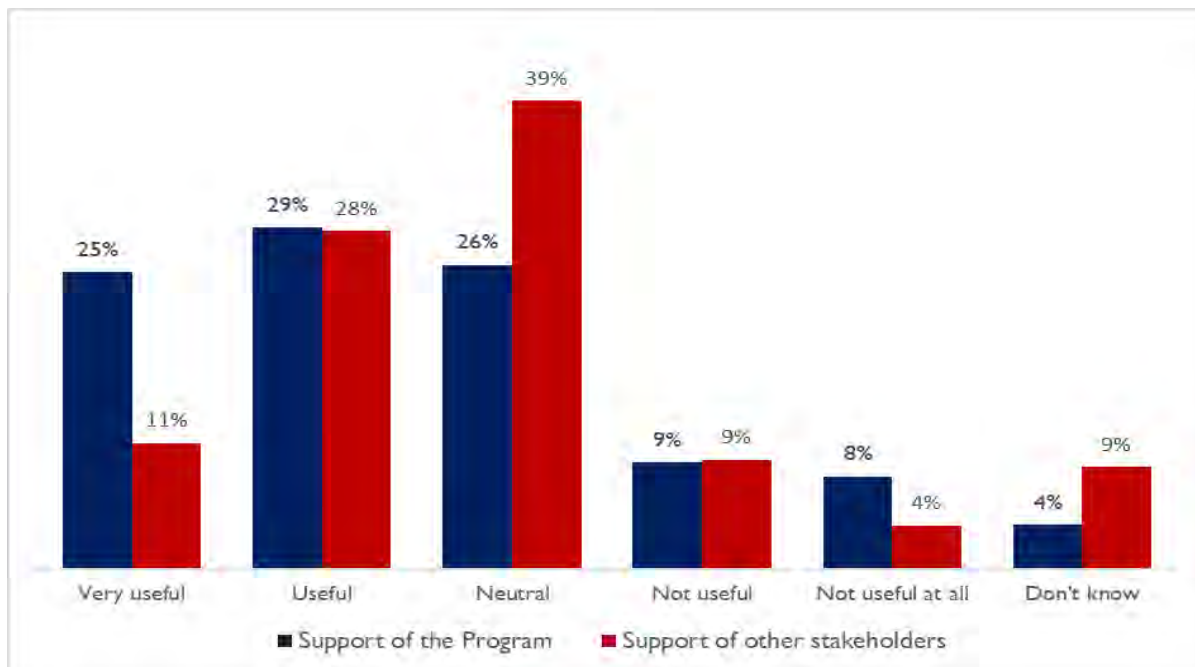
The Program and other donor partners appeared diligent in avoiding overlapping support to specific enterprises and associations by, for example, participating in donor coordination mechanisms such as the EBRD-sponsored Investment Council. The Program also coordinated activities with the Food and Agriculture Organization (FAO)'s matching grant component under the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD). The ET also found that the Program held regular consultations and shared grant information with its donor partners, although there was limited evidence that the Program had fully explored opportunities for implementing joint programs through pooled funding arrangements, parallel funding, or other mechanisms. GOG subsidy support to farmers in the agricultural sector was significant, according to respondents, but did not address significant gaps or market failures. The ET found a need for Georgian enterprises, associations, and cooperatives to bridge

this support gap by building partnership platforms, which could reduce the potential for overlaps in funding from multiple donors and the GOG that makes it difficult to attribute causality to different interventions.

FINDING: EXPORT PROMOTION INTERVENTIONS ARE VIEWED AS PARTICULARLY USEFUL

As shown in Figure 6, survey respondents viewed interventions supported by the Program as particularly useful, while their satisfaction with similar services from other stakeholders, such as the GOG, is relatively low. In KIIs, beneficiaries also identified export promotion activities supported by the Program as very beneficial in facilitating linkages to new markets. This important finding is an indication of the effectiveness of Program export promotion activities from the perspective of beneficiaries, at least compared to support received by other stakeholders.

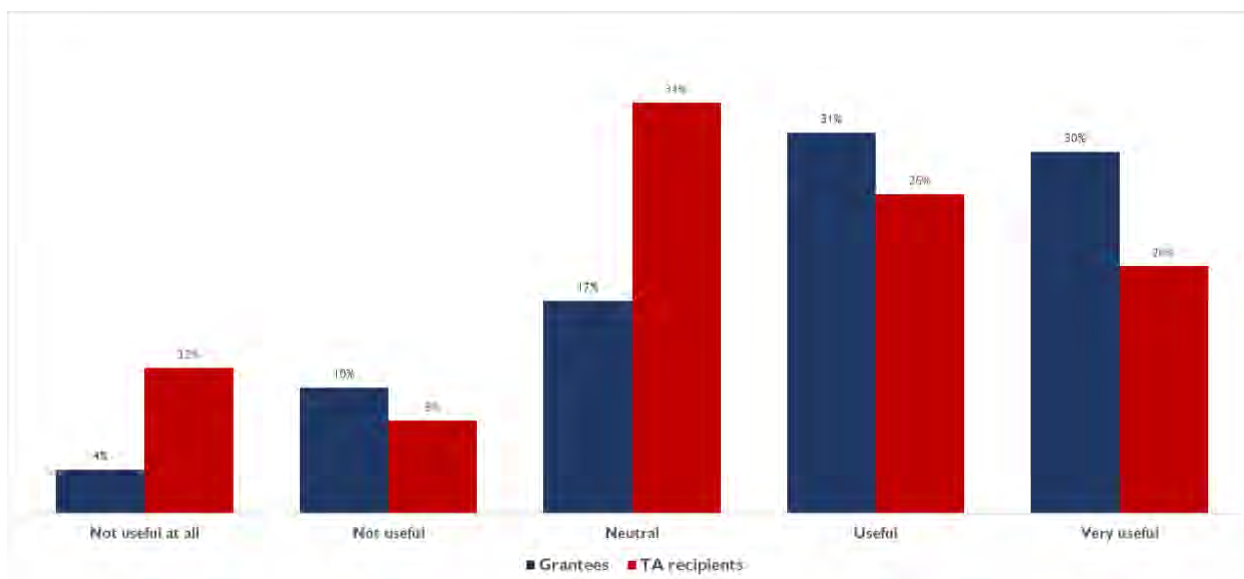
FIGURE 6: SATISFACTION OF GRANTEES AND TA RECIPIENTS WITH TECHNICAL SERVICES RECEIVED FROM THE PROGRAM AND OTHER STAKEHOLDERS



Source: Surveys of grantees and TA recipients (52 respondents)

Although Program support is seen as useful, as shown in Figure 7, TA recipients were not as satisfied as grantees with the quality of services they received. Grantees' satisfaction could be explained by the fact that they received both grants and TA, but KII respondents also suggested that their dissatisfaction reflects the challenges and frustrations that beneficiaries experienced, including the Program's inability to address challenges that were out of scope of the Program (e.g. BEE, access to finance and development of skilled labor) and the beneficiaries' own lack of knowledge and capacity to maintain quality production without continuous TA.

FIGURE 7: USEFULNESS OF PROGRAM SUPPORT



Source: Surveys of grantees and TA recipients (102 respondents)

Despite considerable challenges, Georgian producers see value in sustaining linkages with high-value markets now that they recognize their value and have greater interest in diversifying exports to these markets. To be sustainable, continued support is needed and will need to include new strategies that phase out project dependency and add higher levels of cost-sharing for export promotion activities based on the success of current programming. Support should also include increased interventions that target systems-level impact, such as building the capacity of associations and business service organizations (BSOs) to collaborate more directly with government institutions to provide export promotion services, including improved access to reliable market information from sources such as Fresh Plaza and Euro Fruit to support market linkages and decision-making. Recommendations for support strategies related to EQ 1 are presented in Section 5.

“The lack of agronomists is the biggest challenge. Even though the Program brought in experts from other countries, local capacity remains low.”

- Association Beneficiary of the Agriculture Program

3.2 EVALUATION QUESTION 2

EQ2. To what extent has the activity’s support to sector associations, cooperatives, and government institutions catalyzed priority value chain development? How important a role have these stakeholders played in increasing value chain competitiveness? To what extent have these stakeholders received sufficient and relevant support?

The ET found that, although sector-level support to these organizations and institutions has shown results, there is little evidence that this impact has catalyzed self-sustaining VC development.

In line with PSE and MSD best practices, the Agriculture Program’s updated Sector and VC Analysis revealed that enterprise-level activities are more impactful when supported by sector-level interventions. In response, the Program increased its support to sector-level organizations and institutions (e.g., by building the capacity of associations and GOG institutions) while shifting interventions toward post-

harvest, cold chain, and market access activities and away from inventions related to primary production.

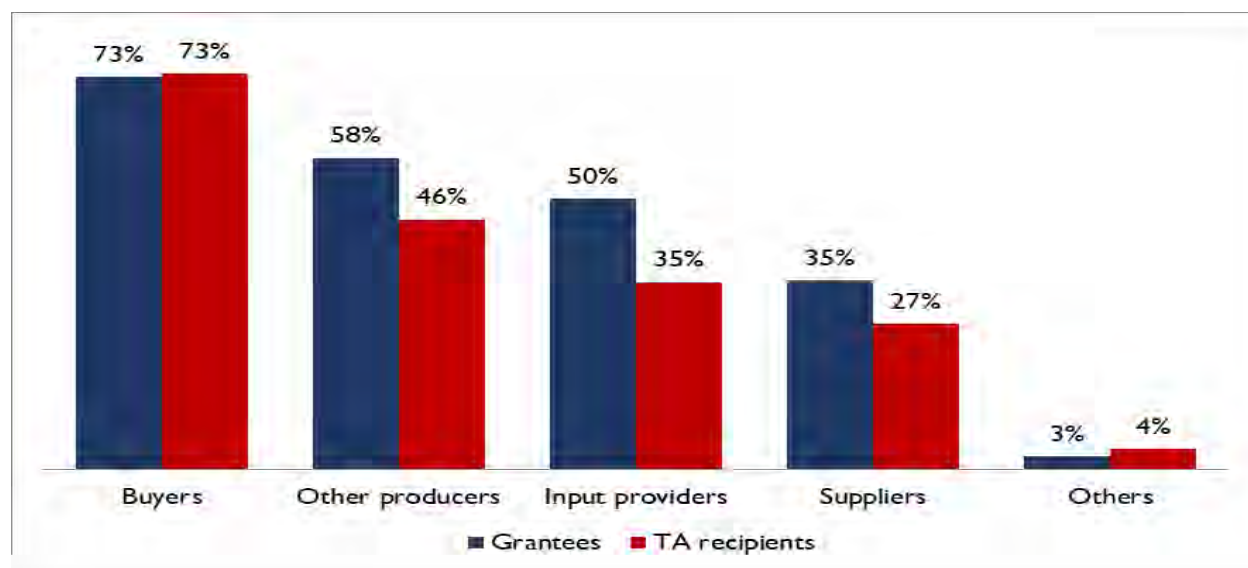
The challenges pointed out in the updated Sector and VC Analysis⁸ did not change materially from the original analysis conducted at the inception of the Program, which points to the persistent nature of these challenges. To help address these firm- and sector-level challenges, the Program has facilitated a number of additional PSE opportunities, including partnerships with buyers (e.g., McDonald’s, GRA), financial institutions (e.g., TBC Bank), and service and technology providers (e.g., Trece, UGT). These partnerships have yielded significant results in line with Program outcome indicators (e.g., increased incomes and jobs) and include new contracts with buyers, access to finance to cover cost-share requirements for grantees, and increased use of important production and digital technologies. These partnerships have also helped to improve VC relationships. Increased emphasis on developing PSE opportunities that can be pursued by the Agriculture Program and future programming, including applying more global PSE models and best practices could amplify this impact over the remaining years of this current program.

FINDING: RELATIONSHIPS BETWEEN VALUE CHAIN ACTORS HAVE IMPROVED

One area that the ET studied in order to determine whether Program inventions have catalyzed priority VC development was how the relationships between VC actors in target sub-sectors have changed. As shown in Figure 8, relationships have improved both vertically—with suppliers, input providers, and buyers—and horizontally—with other producers. Although there is little additional evidence of systems-level impact, this result is a very important indicator for and a potential legacy of the Agriculture Program for catalyzing value chain development.

Improved horizontal value chain relationships increased collaboration and information sharing between associations and among association members. Improved vertical relationships included cooperation between the GRA and multiple supermarket chains to increase producer access to shelf space and promote Georgian production.

FIGURE 8: VALUE CHAIN ACTORS WITH WHICH GRANTEES AND TA RECIPIENTS IMPROVED RELATIONSHIPS



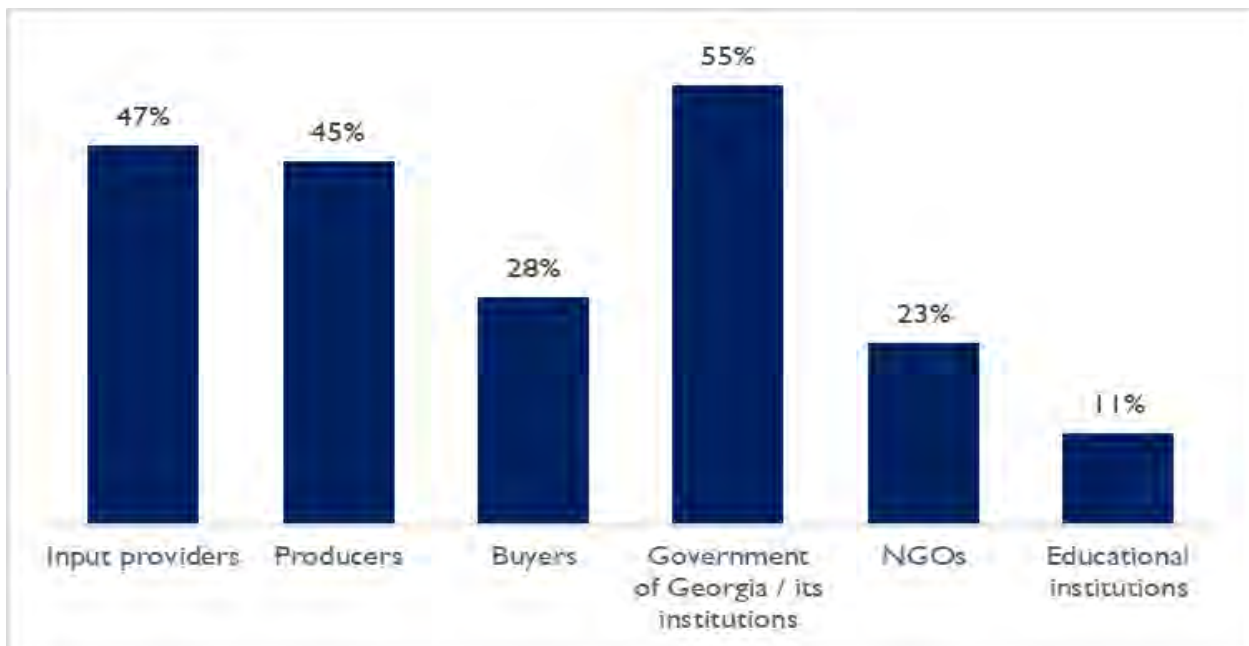
Source: Surveys of grantees and TA recipients (66 respondents)

⁸ Reference Annex V, Table V-1: Challenges in VCs identified in the Sector Selection and Value Chain Analysis Report.

In addition to improved VC relationships, the majority of respondents received services from different VC actors and stakeholders,⁹ including export promotion support from the GOG; TA from associations, and BSOs; and services from other VC actors, NGOs, and educational institutions.¹⁰ Respondents mentioned support from government institutions and associations as especially important for VC development. Although viewed as important, satisfaction with the support received from these other VC actors and stakeholders was notably low, especially support in accessing market information, developing infrastructure, and accessing markets.^{11,12} Therefore, increased investment in building the capacity of these actors and stakeholders to support the agricultural sector may be necessary.

KIIs also suggested that the lack of knowledge and capacity that constrains growth in the agriculture sector cannot be addressed through TA and training alone (direct or supported through grants). Therefore, linkages (e.g., information sharing, collaboration, and services) with educational institutions and BSOs are especially important for increasing local knowledge and capacity in the agriculture sector. However, as shown in Figure 9, respondents were least likely to cite linkages with these institutions.¹³ The Agriculture Program is supporting successful internship, training, and curriculum development programs and should seek more linkages with educational institutions and BSOs to build technical and management capacity.

FIGURE 9: STAKEHOLDERS FROM WHICH GRANTEES AND TA RECIPIENTS RECEIVE SERVICES



Source: Surveys of grantees and TA recipients (53 respondents)

⁹ Reference Annex V, Figure V-12: Share of grantees and TA recipients receiving services from different stakeholders.

¹⁰ Reference Figure 9: Stakeholders from which grantees and TA recipients receive support.

¹¹ Reference Annex V, Figure V-14: Overall satisfaction of grantees and TA recipients with the support received from other stakeholders.

¹² Reference Annex V, Figure V-15: Services received from other stakeholders with which the survey respondents were the least satisfied

¹³ Reference Figure 9: Stakeholders from which grantees and TA recipients receive support.

FINDING: PROACTIVE COMPLIANCE WITH MARKET STANDARDS INDICATES A WILLINGNESS TO INVEST IN SUSTAINING MARKET ACCESS

Another sign of VC development is the Program's success in supporting proactive registration of seeds and seedlings in compliance with the standards set by high-value markets, indicating a willingness to invest in market access over the long term and a development of the capacity of these firms. Support for compliance with these standards included establishing relationships with quality breeders and initiating the seed and seedling registration process. If this momentum can be used to further influence policy reform and prioritize government investment in supporting compliance with standards in other areas, such as traceability, it will be another example of a Program activity catalyzing VC development.

"The program was a great help to the farmers as they covered costs of training across every region in Georgia to support compliance with seed and seedling registration standards set in high-value markets. Record keeping is mandatory and the program has helped to develop three types of logs to track the work, movement of planting materials in the nursery, and the phytosanitary log. Around 40 nurseries received the logs and were able to systematize the information."

-SRCA Representative

FINDING: FINANCING COST-SHARE AGREEMENTS DEMONSTRATES UNCLEAR ADDITIONALITY FOR INCREASING ACCESS TO FINANCE

Increased access to finance is also a sign of VC development. The Program has facilitated linkages to multiple potential sources of financing, including Gazelle Finance, SEAF, TBC Bank and Bank of Georgia, and was highly successful in leveraging grant funding from other sources and facilitating finance from TBC Bank to cover beneficiary cost-share obligations for grants. Financing cost-share obligations is a great model for blended finance when grant recipients would not otherwise be viable candidates for loans. However, interviews with TBC Bank and the Bank of Georgia indicated that most grant beneficiaries that received this financing were already viable loan candidates. Therefore, financing cost-share agreements for grantees that may already be viable candidates for loans would provide unclear additionality for expanding access to finance. This will be an important consideration as future programming builds on Agriculture Program results, and additional interventions may be needed for otherwise unbankable beneficiaries, such as start-ups.

"Financing cost-share obligations for grants is more useful as a risk-sharing mechanism when funding start-ups. Already viable candidates for a loan will get the credit they need from the bank with or without the grant."

- Bank Representative

FINDING: VALUE CHAIN ACTORS ARE UNCERTAIN THAT PRODUCERS CAN COMPLY WITH STANDARDS ONCE SUPPORT ENDS

Yet another sign of VC development is improved linkages with local buyers. However, at the time of this evaluation, partners such as McDonald's were uncertain that producers can continue to comply with their standards after support from the Agriculture Program ends. The ET also found little evidence of buyer-led strategies in place to transition away from Program support, although buyers were open to developing these strategies and indicated interest in doing so in cooperation with the Program.

Strong associations are critical to VC development, and most of those that the Program supports are still at early stages of growth. This means that foundational support from the Program to build basic capacity and functionality is critical, but needs to be accompanied with more comprehensive plans for sustaining growth. For example, some associations use Program support to hire staff to provide member services, but membership fees are not sufficient to keep this staff on after Program support ends.

“We can become a proactive association and provide technical assistance across the value chain. However, at this stage we need more holistic support and knowledge is crucial for us.”

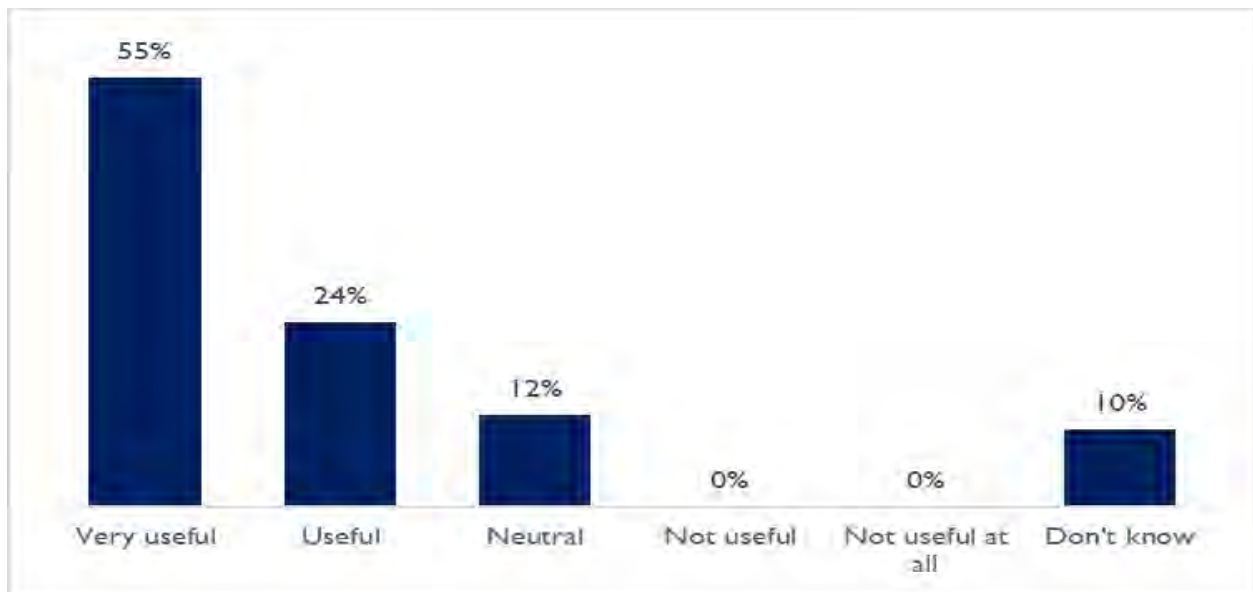
- Representative of an Association Beneficiary

FINDING: SUPPORT IN UTILIZING DIGITAL TOOLS IS SEEN AS USEFUL

Increased inclusion and digitization as part of inclusive growth strategies are also important signs of VC development. As shown in Figure 10, grantees saw Program support in utilizing digital tools, including those that facilitate access to information, services, and markets as useful. Although Program impact data was unclear on the level of uptake of digital tools that the Program has facilitated, it is a positive sign that beneficiaries saw these interventions as useful.

In partnership with UGT, the Program developed a mobile harvest application that reduces workloads and generates statistical data related to payments, yields, and quality control.

FIGURE 10: USEFULNESS OF PROGRAM SUPPORT FOR UTILIZING DIGITAL TOOLS



Source: Survey of grantees (51 respondents)

FINDING: THERE IS A LACK OF COORDINATION AND DIALOGUE MECHANISMS BETWEEN MARKET ACTORS AND THE GOVERNMENT

According to respondents, the GOG is the most important stakeholder for supporting VC development and increased competitiveness in the agriculture sector. However, an unfavorable BEE was identified as a significant challenge, pointing in part to a lack of coordination and dialogue mechanisms. For example, KII respondents noted that the RDA—a funding agency under the MEPA with the mandate to promote rural

development in Georgia— is mainly focused on engaging with larger firms (from the perspective of the respondents) and that there are few mechanisms for MSMEs to advocate for the support they need. Meanwhile, the RDA expressed its awareness of challenges in the agriculture sector and stated that it has no need for additional communication channels with MSMEs, indicating a lack of awareness of the importance of engaging MSMEs. Other than the government, beneficiaries consider well-established associations (such as the berry and nut associations) and other sector-level organizations as important stakeholders for supporting VC development and competitiveness. In addition to facilitating access to markets and filling service gaps, these sector-level associations can play an important role in improving the BEE, starting with effective public-private dialogue (PPD) campaigns, which are discussed in the Recommendations section.

FINDING: THE NUMBER OF ENTERPRISES REGISTERED IN THE TRADE WITH GEORGIA CATALOG MORE THAN DOUBLED

A good example of improving support from the GOG is manifesting through Program support to Enterprise Georgia. The impact of this collaboration on income and employment is difficult to quantify at this stage, as Enterprise Georgia was still developing monitoring tools during this evaluation. However, the number of enterprises registered in the Trade with Georgia catalog has more than doubled, from 200 to over 500. It will be important for the Program to follow up and investigate the actual impact of this platform over the next several years, as this information will be vital to making the case for further government investment and can inform future programming needs. Recommendations for support strategies related to EQ 2 are included in Section 5.

3.3 EVALUATION QUESTION 3

EQ3. To what extent has the grant component strengthened each priority VC? To what extent did the grants address gaps or market failures in target value chains?

The ET found that the grant Program is well aligned in addressing challenges that the agriculture sector faces and shows positive results in terms of increased investment, incomes, and jobs. However, it is not clear to what extent grants are addressing key gaps and market failures at a systems-level in order to sustain these results.

Respondents view the persistent lack of access to finance, technologies, knowledge, and capacity as the most pressing challenges to the development of Georgia’s agriculture sector. Although all target VCs faced similar, persistent challenges, as described under EQ 1, there were also key gaps in each VC (outlined in detail in the Sector and VC analyses conducted by the Program). Examples include the need for¹⁴:

- Increased access to modern varieties in the berry VC;
- Technical advice on crop selection and practices for organic production in the culinary herbs VC;
- Improvement and expansion of processing facilities, in the

“The Program helped us to obtain GlobalGAP certification. Now they are supporting us to establish a post-harvest cooling and sorting facility. This will enable us to help small farmers to sell their products.”

- Program Grant beneficiary

“Through the grant from the Program we bought a forklift and its accessories for our cold storage.”

- Program Grant beneficiary

¹⁴ Reference Annex V, Table V-1: Challenges in VCs identified in the Sector Selection and Value Chain Analysis Report.

perishable vegetables VC;

- Improved production technologies and post-harvest handling in the stone fruits VC;
- Improved access to high-quality inputs in the apple VC; and
- Improved storage facilities in the mandarin VC.

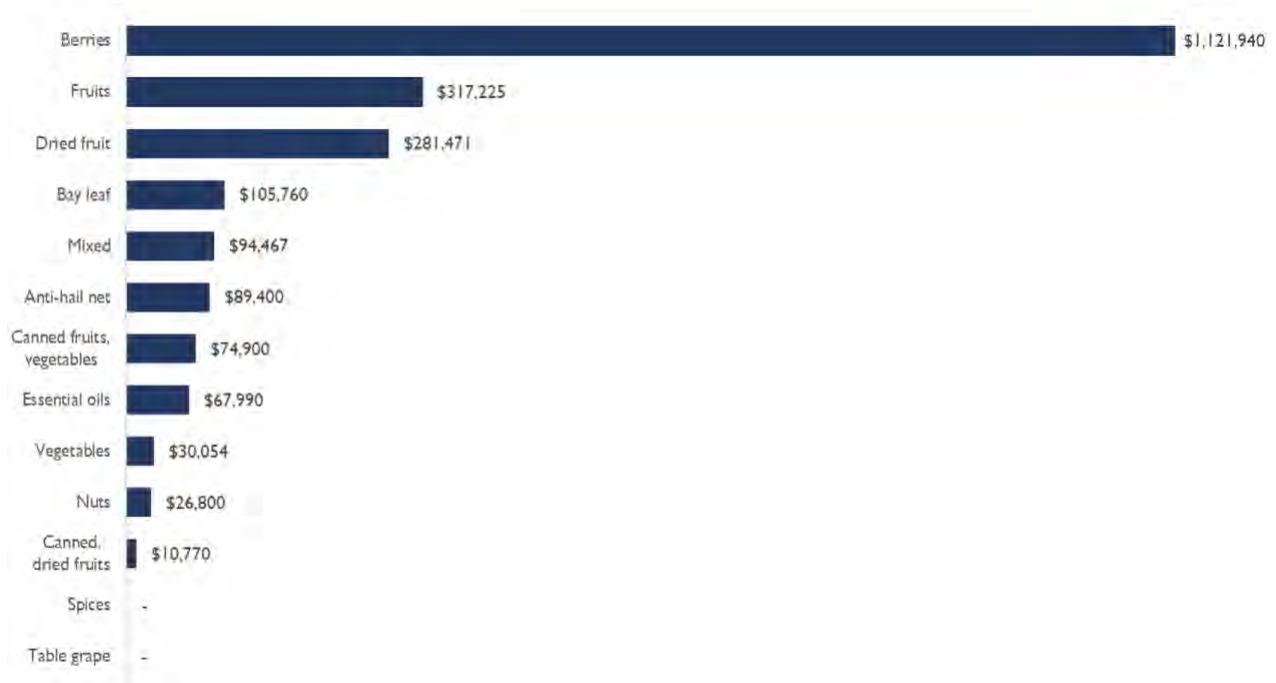
These VC studies were comprehensive and, by design, the Agriculture Program and several iterations of previous programming were well-positioned to apply a combination of grants and TA to alleviate these challenges at the enterprise level. This is done by facilitating access to technical expertise (e.g., in gaining certifications) and technologies (e.g., equipment) via grant funding and access to finance to cover cost share obligations. The Program can also fund innovation grants (e.g., for new technologies) and partnerships (e.g., to co-fund beneficiary support initiatives) to fill gaps.

“The grant helped us to build the internal capacity of the Association, including hiring more staff members and increasing outreach. It also gave us access to international expertise and allowed us to work closely with universities, including in the US to receive the technical support we needed.”

- Representative of a Beneficiary Association

According to the Program Grants Manual, grants are used to support achievement of Program objectives by facilitating investments in expanded business operations and sub-sector growth that would not otherwise occur. Grants target enterprises and organizations that support and strengthen selected VCs, including MSMEs, cooperatives, associations, and service providers, to buy down risk of launching or expanding their operations. Figure 11 summarizes the level of grant support across target value chains. This support was especially high in high-potential VCs, such as berries.

FIGURE 11: PROGRAM IN-KIND GRANT DISBURSEMENT BY VALUE CHAIN



Source: Program monitoring data

The majority of respondents saw in-kind grants as the most useful, as they allow beneficiaries to purchase

equipment and gain access to technical expertise.¹⁵ Although successful in alleviating specific challenges, as mentioned above, the persistent nature of those challenges points to a need to target root causes and effect more systems-level impact, which the current Program was not designed to do. For example, challenges are similar across the target VCs; in some, such as the nuts sub-sector, 100 percent of respondents identified all challenges as equal. In others, the challenges were more specific. And although the Sector and VC Analyses did a good job of providing a rationale for targeting certain VCs, they did not provide sufficient perspective on the root causes of key development challenges or clarify how the Program can help address them. Therefore, additional analysis may be needed and will be beneficial for future programming.

“Support in ISO certification was very important for us. There are many companies that have high standards, including international ones, and the certificate enabled us to sell to these higher-value clients.”

- Representative of a Beneficiary Distribution Company

FINDING: GRANTS THAT ADDRESS ENTERPRISE-LEVEL DEVELOPMENT CHALLENGES ARE SEEN AS USEFUL TO BENEFICIARIES

The Program appears to address enterprise-level challenges in a way that beneficiaries see as useful in terms of increasing income and supporting growth that creates employment. As shown in Figures 12, 13, and 14, respondents reported significant increases in jobs created and incomes from exports—two important Program impact indicators. Reporting from respondents also shows that grant beneficiaries largely attribute this impact to Program support. These figures are in line with Agriculture Program impact monitoring data, according to which progress in PY3 is most significant.

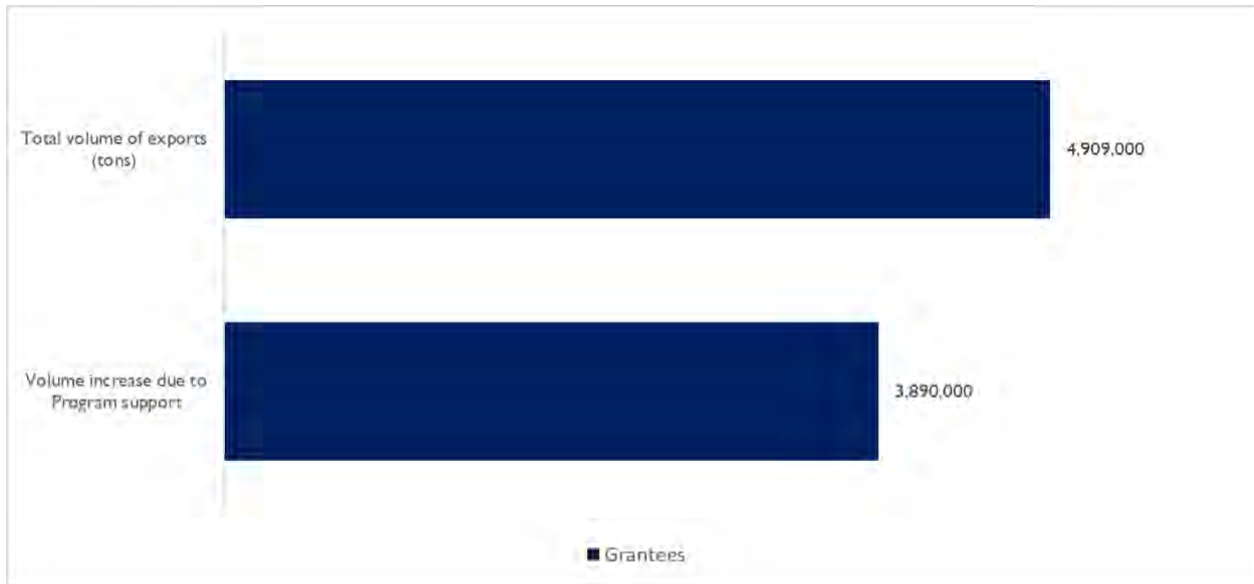
FIGURE 12: VALUE OF EXPORTS AND THEIR ATTRIBUTION TO THE PROGRAM



Source: Survey of grantees (24 respondents)

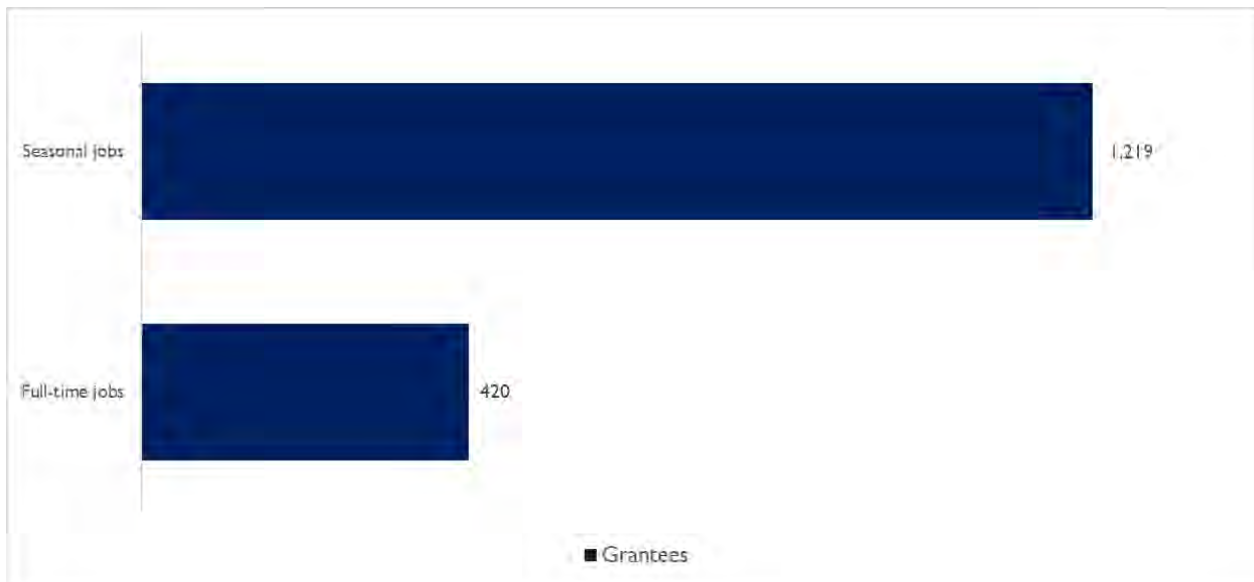
¹⁵ Reference Annex V, Figure V-24: Usefulness of grants by their types

FIGURE 13: VOLUME OF EXPORTS AND THEIR ATTRIBUTION TO THE PROGRAM



Source: Survey of grantees (22 respondents)

FIGURE 14: NUMBER OF FULL-TIME AND SEASONAL JOBS CREATED BY PROGRAM BENEFICIARIES



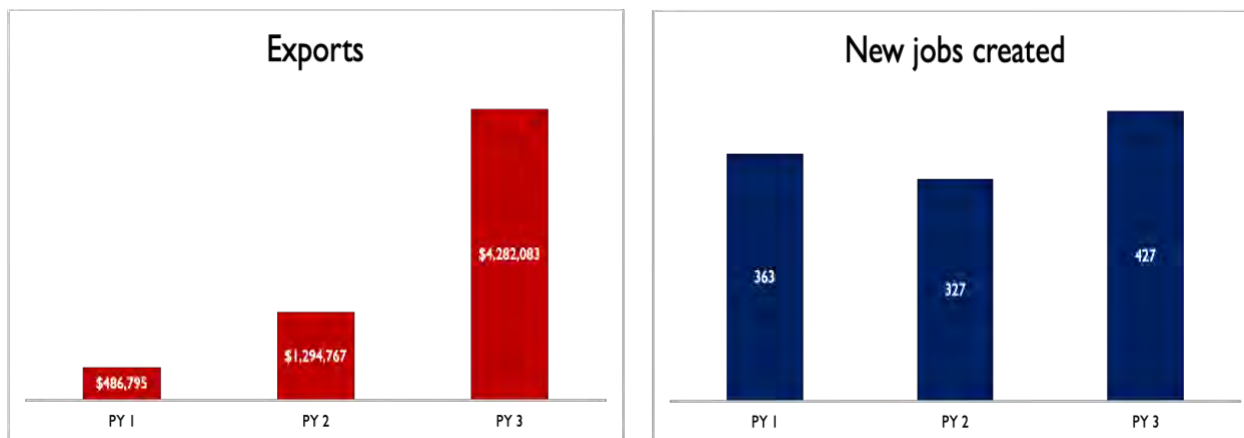
Source: Survey of grantees (44 respondents)

FINDING: INVESTMENT FACILITATED BY GRANTS CONTRIBUTED TO A TRIPLING OF EXPORT REVENUE IN PY3

In fact, and as shown in Figure 15, increased investment by the Program and its beneficiaries contributed to the creation of over 1,000 jobs and a tripling of export revenues in comparison to PY2. This level of impact was in line with the survey findings of the evaluation outlined in Figures 12 and 14. And the ET believes there is a high likelihood of a continued increase in impact over the remaining years of the

Program.

FIGURE 15: PROGRAM DATA ON YEAR-OVER-YEAR EXPORTS AND JOBS



Source: Program monitoring data

However, the Program attributes 100 percent of results to its grants and uses a subjective questionnaire to attribute results from TA, making it difficult to understand impact amid the support of other Programs and target specific gaps and market failures.

Access to finance was identified as a major challenge in all VCs although the grants Program assists in addressing this challenge by providing grants and facilitating bank financing to comply with cost-share obligations. As mentioned above, however, financing cost-share obligations for otherwise bankable MSMEs does not sustainably address the gap in access to finance. Future programming could continue to facilitate access to finance via customized lending approaches and VC finance strategies with associations and larger enterprises, including support for the improved VC finance capacity of banks and non-bank financial institutions; increased utilization of technology and risk-sharing schemes that allow access to finance for otherwise unbankable beneficiaries; and proactive facilitation of competition in the financial sector via a range of alternative sources of private capital

“The impact data we collect is incomplete and may be inaccurate. And we did not agree to give the Program the level of detail they are asking for. This requirement came as a surprise after the grant was received.

- Representative of a Grant Beneficiary

FINDING: SUSTAINABILITY OF ENTERPRISE-LEVEL IMPACT FROM GRANTS IS UNCERTAIN AND RISKS BACKSLIDING IF NOT CONTINUED

The grants Program has strengthened priority VCs by bringing in needed technology and building technical capacity by combining grants with TA. However, the sustainability of this impact is uncertain and risks backsliding if not continued while also shifting toward more systems-level interventions, including an increased focus on building the capacity of systems-level organizations and institutions to support the agriculture sector. This said, and based on experiences and best practices shared by the IP during KIIs, the combination of TA with grants appears to be more effective at increasing and sustaining enterprise-level impact than grants alone. This makes sense, given that TA strengthens grant beneficiaries’ capacity to utilize the technology and expertise to which the grants provide access. It is important to build on this experience as USAID programming continues to shift toward more systems-level interventions.

FINDING: GRANTS DO NOT SUFFICIENTLY ADDRESS GAPS AND MARKET FAILURES

Although grants effectively address enterprise-level challenges, in general and by design for the current program, they do not directly or sufficiently address systemic challenges, such as those related to access to private capital, capacity for innovation, or sector- and policy-level binding constraints. Though these systemic challenges may be out of scope for the Agriculture Program, there could be a higher level of coordination with other programs to address them. Recommendations for support strategies related to EQ 3 are provided in Section 5.

3.4 EVALUATION QUESTION 4

EQ4. In the context of COVID-19 economic contractions, how can the activity adapt its approaches (e.g., selection of grant solicitation themes, division of USAID investments across sub-sectors, sequencing of interventions, etc.) to improve its ability to achieve its targets: creation of 3,680 jobs and increase agricultural sales by \$70 million, including \$23 million in new exports?

The ET found that the Program adjusted its operational and programmatic approach well to mitigate activity delays amid the COVID-19 pandemic, but it is unclear whether any major adjustments took advantage of emerging opportunities.

The past two years have been very challenging for Georgia—and the world. The COVID-19 crisis has led to a major economic recession in Georgia, resulting in loss of jobs and devaluation of local currency. It is estimated that the economy of Georgia contracted by 6.2 percent in 2020. The height of the crisis occurred from April to May 2020, when about 9 percent of formally employed workers lost their jobs and about 370,000 self-employed workers registered for unemployment assistance. In response, the GOG swiftly mobilized about \$2.3 billion from the International Monetary Fund and other international financial institutions to bolster vulnerable sectors including tourism, agriculture, and real estate. The economy was also supported by remittances, along with fiscal stimulus measures.

About 41 percent of Georgia's population lives in rural areas, and 247,000 people were employed in the agricultural sector in 2019. The share of the agriculture sector to GDP fell from 8.8 percent in 2015 to 7.4 percent in 2019. However, several supply chains experienced significant growth during the same period. Georgian exports of wine, spirits, and mineral water increased 38 percent from 2015 to 2019. During the height of the COVID-19 pandemic, food insecurity rose quickly because Georgia and neighboring countries closed their borders and restricted the export of essential agricultural products. In response to the pandemic, the GOG developed a crisis management plan that provided unprecedented financial and technical support to farmers in key VCs. Overall, about 200,000 farmers benefitted from a one-time subsidy, which created a fiscal stimulus for farmers to harvest crops in 2020 and 2021. Many donors provided grants to Georgian partners, which helped to reduce food insecurity and stabilize prices and highlighted the need for Georgian agricultural and processing firms to update equipment and modernize agricultural production.

Amid this crisis, GOG and private sector respondents noted that the Program remained operational, pivoted rapidly to adjust its activities, and delivered interventions effectively through online platforms while supporting partners and grantees.

FINDING: GOVERNMENT SUPPORT RESOLVED SHORT-TERM PROBLEMS DURING THE PANDEMIC

In response to the COVID-19 pandemic, the GOG developed a farmer support program that provided financial and technical support for key agricultural value chains. Due to low self-sufficiency ratios for essential food products and weak productivity in the agriculture sector, the GOG worked closely with donor partners to develop a comprehensive plan for recovery and transition. The overall stimulus package was diversified and supported small and medium-sized agricultural businesses. These support measures and increased demand for agricultural products caused sector exports to grow in 2020 as seen in Figure 16. Data was only available for the first nine months of 2021 but there was an evident decrease in exports.

FIGURE 16: EXPORTS IN THE AGRICULTURE SECTOR 2016 – SEPTEMBER 2021 (FIRST 9 MONTHS OF 2021)

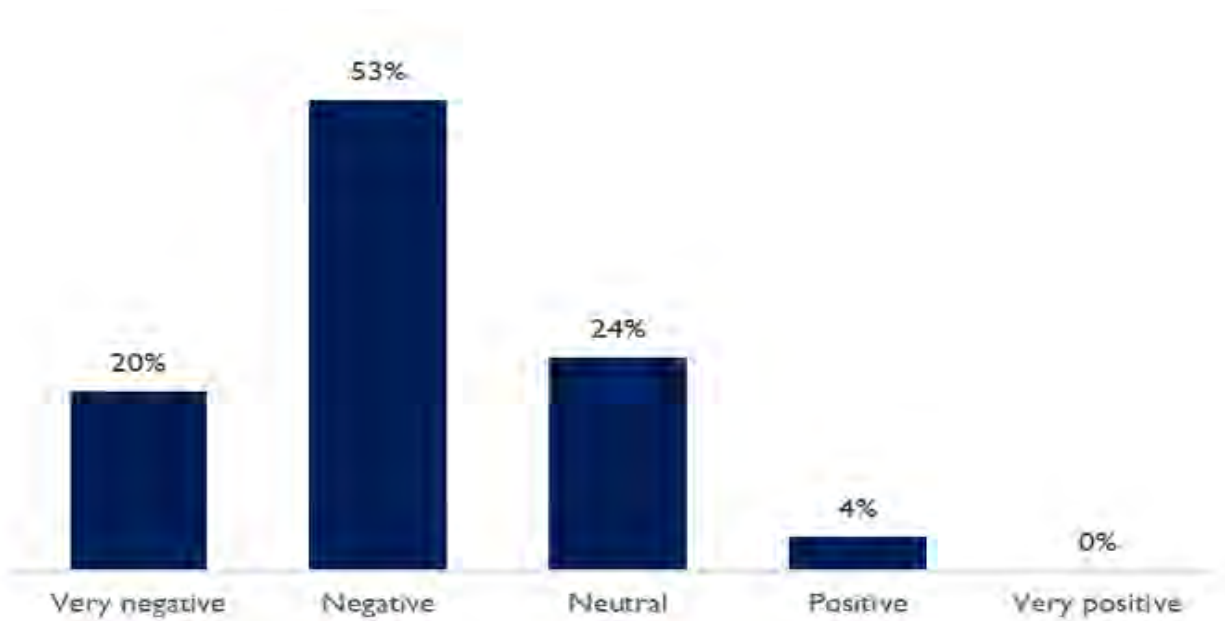


Source: Geostat

FINDING: A HIGH NUMBER OF PROGRAM BENEFICIARIES WERE NEGATIVELY IMPACTED BY COVID-19

About three-fourths (73 percent) of the 88 KII respondents stated that COVID-19 had a very negative or negative impact on their operations, as seen in Figure 17 below. Respondents cited major disruptions in access to input supplies, challenges related to transportation during lockdowns in 2019 and 2020, and infections among their staff that negatively affected production. A large number of respondents also identified COVID-19 as the main reason for not selling to new markets. Although exports increased, related restrictions contributed greatly to lower than anticipated export diversification for Program beneficiaries. Other challenges included increased costs that negatively affected competitiveness and further underscored the need to connect networks of smaller producers to anchor associations, buyers, and service providers with a focus on high-value, low-volume production.

FIGURE 17: ECONOMIC IMPACT OF COVID-19 AFFECTING PROGRAM BENEFICIARIES



Source: Surveys of grantees and TA recipients (80 responses)

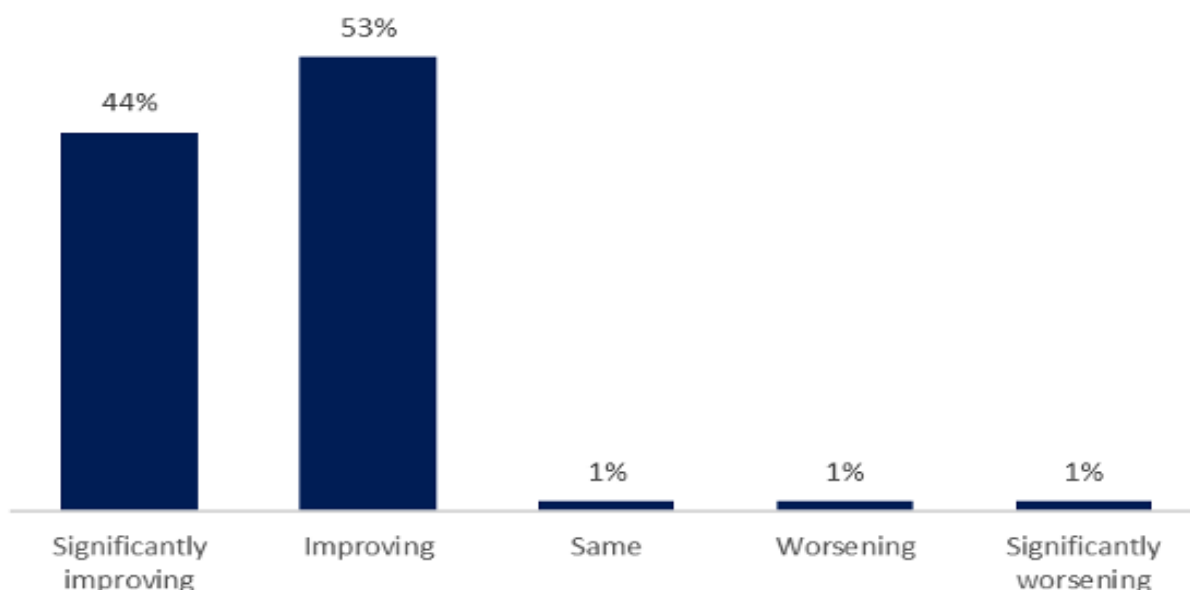
FINDING: AGRICULTURE JOBS WERE DECREASING PRIOR TO COVID-19

According to Geostat, 1,170 people lost jobs in this sector in 2020. Georgia’s agricultural workforce is characterized by unskilled labor and lack of experience operating advanced farming and processing technologies. Before the pandemic, agriculture had one of the country’s lowest levels of productivity for workers, as evidenced by the fact that 20 percent of total workers in the Georgian economy contributed only 7 percent to 8 percent of goods and services to GDP from 2015 to 2019. The Program’s current approach to job creation, which is aligned with best practices in this sector, may encounter new challenges for creating employment opportunities to offset job losses due to the COVID-19 pandemic.

FINDING: THERE ARE NEW OPPORTUNITIES FOR INCREASING AGRICULTURE REVENUE

Despite the negative economic impact of the pandemic, nearly all respondents (97 percent) believed the worst effects of COVID-19 had already occurred and they expressed optimism that the agricultural sector would see increased revenues in the next five years as shown in Figure 18.

FIGURE 18: BUSINESS PERFORMANCE PERCEPTIONS FOR THE NEXT FIVE YEARS



Source: Surveys of grantees and TA recipients (80 responses)

Respondents suggested several reasons for this positive outlook. Prior to the onset of the COVID-19 pandemic, Georgia imported \$1.1 billion worth of food and agriculture products in 2019—an increase of 12.6 percent since 2015. The closed borders and supply chain disruptions due to the pandemic created higher domestic demand for Georgian agricultural products. The increased demand for locally produced and processed food was offset by a reduction in food imports, indicating that Georgia has the potential to replace imported food products with locally produced meat, dairy, cereals, fruits, and vegetables. According to statistics provided by Geostat, international tourists spent an average of 24-27 percent (2015-2019) of their expenditures on food and drink. The decline in tourism has had an overall impact on the consumption of some Georgian agricultural products from 2019 to 2020 but the value of this loss in revenue was not available at the time of this evaluation. The statistics provided by Geostat did not specify whether tourists consumed local or imported food and drink products.

At the time of this evaluation, the Program’s ongoing partnerships with McDonald’s and GRA may provide opportunities to take advantage of this trend in the localization of supply chains. This localization trend may be an opportunity for the Program to adapt its programmatic approach in response to greater domestic consumption of local production and changes in consumer preferences and behaviors. Prior to the pandemic, the highest profits in the sector were in plant propagation, fishing, and animal production.¹⁶ There was no evidence available at the time of the evaluation to measure the extent to which potential changes in domestic consumption preferences and behavior may have changed during the pandemic.

Domestic tourism increased slightly during the third quarter of 2020, which may have created opportunities for income generated through agrotourism and related alternative income-generating

¹⁶ Services for Accounting, Reporting, Auditing and Supervision (SARAS), 2018-2019.

opportunities.¹⁷ By design, the Program did not have a specific focus on supply chains related to domestic tourism. However, some interventions with companies such as HORECA have addressed this issue in coordination with the Economic Security Program, and further collaboration could provide relevant market forecasts and help identify other tourism-related opportunities. Foreign direct investment in agriculture was low before COVID-19, but new domestic investments may spur demand for Georgian food products.

Amid COVID related constraints in regional supply chains, the potential for export diversification in high-value export markets increased. And increased GOG and donor commitment to modernizing agricultural practices and providing new technology and equipment may ease exports to high-value markets. These subsidies, however, may lead to dependency on GOG and donor support and delay needed structural changes in supply chains, according to several respondents.

FINDING: NEED FOR URGENT POLICY REFORMS HIGHLIGHTED DURING COVID-19

According to beneficiary respondents, COVID-19 increased awareness of urgently needed policy reforms. By design, the Program does not have many activities that facilitate PPD regarding policy reform. Though it could do more, in coordination with the Economic Governance Program, to encourage and support associations and cooperatives in launching PPDs to prioritize needed reforms that would address the main challenges of access to finance and support model innovation that could increase revenues and stimulate job creation, as outlined in EQ1. Potentially, the grants mechanism could be used to build the capacity of selected associations and cooperatives to launch a series of PPDs around lessons learned during COVID-19 in collaboration with other USAID and donor-funded programs. Respondents cited evidence of good momentum to work with the GOG and other donors to incentivize investments to upgrade equipment and modernize production in targeted value chains.

FINDING: THE PROGRAM ADJUSTED ITS OPERATIONAL AND PROGRAMMATIC APPROACH TO PROVIDE SUPPORT DURING COVID-19

The Agriculture Program experienced considerable challenges amid the COVID-19 pandemic, including delayed implementation of grants and TA for activities that require in-person inspections for certification. Many grantees experienced limited access to finance, which affected their abilities to meet cost-share obligations during the pandemic. In addition, fewer applications were submitted for innovation grants due to increased risk aversion for related investments in the agriculture sector. In response, the Program delivered information and consultations regarding investment funds or other sources of financing more suitable for those businesses. In addition, the Program facilitated linkages between the Small Enterprise Assistance Funds (SEAF) and its beneficiaries.

The Program adjusted its operational approach by introducing online mechanisms for delivering training and TA. For example, the Program expanded utilization of its *AgriTalk Live* Facebook page, which saw a large increase in visits by beneficiaries. At the programmatic level, the Program also engaged e-commerce companies to increase access to online services and improve selling platforms for producers. Program documents indicated an accelerated shift to more of these sector-level activities as the Program continues.

Recommendations for support strategies related to EQ 4 are provided in Section 5.

¹⁷ GNTA tracks international and “domestic tourist trips.” There was a reported increase in domestic tourist trips in the third quarter of 2020.

3.5 CROSS-CUTTING FINDINGS

The gender gap in agriculture is significant, with women suffering from limited access to information, knowledge, land, inputs, and markets.¹⁸ The ET assessed gender equity and strengthening youth as a cross-cutting theme and investigated how the Program encouraged greater female and youth participation and contributed to their empowerment.

FINDING: THE PROGRAM PRIORITIZED ENGAGEMENT OF WOMEN AND YOUTH

The ET's review of Program documents and interviews with its Gender Specialist revealed prioritized engagement of women and youth. This included the allocation of additional points to grant applications from agribusinesses owned by women and youth, or those that employ women or youth as managers and technical specialists. In addition, the Program launched a capacity building grant to facilitate engagement of women and youth in agribusiness.

In total, the Program awarded three capacity building grants to the Georgian Association of Women in Business, Georgian Young Artists Association, and Georgian Business Development Center Caucasia. These organizations supported the Program's goal of greater inclusivity by organizing outreach activities and provided TA to a large number of women and youth (e.g., training sessions in business skills, food safety, and drying technologies) as well as training on agricultural technologies, social media, marketing, branding, and entrepreneurship for over 100 students.

The Program collects sex-disaggregated data for all activities and reports on gender and youth indicators. These efforts increased the engagement of women and youth, with Program monitoring and evaluation (M&E) reporting an increase in female participants from 2,288 (37 percent) in 2020 to 29,074 (58 percent) in 2021 and in youth participants from 928 (5 percent) in 2020 to 11,116 (22 percent in 2021)- exceeding Program targets.

FINDING: PRIVATE SECTOR ENGAGEMENT SELECTION CRITERIA NEED ADJUSTMENT

PSE and MSD approaches are both key to advancing sustainable, scaled, and inclusive outcomes. The Agriculture Program has facilitated a range of PSE opportunities, including successful partnerships with buyers (e.g., McDonald's), financial institutions (e.g., TBC Bank) and technology companies (e.g., UGT). However, the ET's findings indicated the need for improved cross-cutting analytical frameworks and assessment tools to support selection criteria for private sector partners and Program activities in order to scale and sustain impact. The Program's approach to PSE is practical—seeking buyers, service providers, and other partners to leverage resources toward achieving expected Program outcomes (jobs, incomes, etc.). Therefore, the impact of partnerships is mainly being measured in terms of dollars leveraged through partnerships and grants, which does not predict the transformational impact of USAID investment.

“Grants can help women take advantage of opportunities, but the TA is especially important for helping them build and sustain their capacities. For having a greater impact, the Program works with local groups that support women and youth economic empowerment.”

- CNFA Gender Specialist

“Access to finance remains a challenge and co-financing requirements of development initiatives often excludes vulnerable groups and women. Previous experience of Enterprise Georgia shows that lower co-financing triggers higher engagement of women in grant components.”

- Representative of UNDP

¹⁸ FAO. 2018. Gender, agriculture, and rural development in Georgia—Country Gender Assessment Series.

Without more evidence-based data regarding how these partnerships advance MSD approaches and generate enduring changes in incentives, rules, norms, or support functioning of the system, the ET could not assess the extent to which these partnerships are transformational or merely one-off transactions. According to USAID PSE and MSD guidance, transformational impact is measured by how MSD can leverage the strengths of PSE in corporate relationship management in diverse investment and partnership strategies. The qualities of transformation include the interrelated elements of scale, sustainability, and systemic change. The ET did not discount the possibility that some partnerships were indeed transformational but did not see sufficient evidence to support this finding.

4. CONCLUSIONS

Overall, based on the evaluation findings, the Program has been successful in generating impact in line with expected results—overcoming lagging LOP results from PY1 and PY2, with considerably increased results in PY3—a good sign for PY4 and PY5. The Program was particularly effective in leveraging deep connections, experience, and expertise of its staff to identify and address specific enterprise-level development challenges across the target VCs using a combination of grants and TA. The Agricultural Program largely achieved its stated objectives as demonstrated in the findings and supported by its MEL framework. Since the original SOW and Agriculture Program design were approved, the USAID/Georgia Mission is now emphasizing the need to diversify exports away from Russian markets and other malign countries as stated in its new CDCS. The Agriculture Program may need to conduct assessments and further analysis to determine what steps may be taken to address this new criteria in its programmatic approaches. The conclusions and recommendations outlined below have been developed in alignment with USAID/Georgia’s current and future Development Objectives.

EQ1. The ET found that, although its export capacity development and promotion interventions were necessary for and effective at increasing exports to USG preferred markets, more efforts are needed to diversify exports away from Russia, which remained a top destination market with increasing sales for Program beneficiaries. The Program facilitated a fourfold increase in exports to the EU and US and established new linkages in Gulf markets. Beneficiaries view export promotion activities supported by the Program as particularly useful, including for gaining needed certifications and implementing branding and marketing strategies. Although they view these activities as useful, the attribution of impact is unclear, as most beneficiaries receive support from multiple stakeholders. There is also doubt that linkages to high-value markets can be sustained without continued TA and Grant support from future programming while also shifting toward more systems-level interventions. And, although interventions are well aligned with the main challenges that agricultural firms face, they do not sufficiently address the systemic challenges (e.g. BEE and access to finance) that are out of scope for the current project, but impede sustained export diversification. Other systemic challenges include a need for increased support from more capable associations and government institutions in export promotion activities, which are all challenges that can be further addressed through future programming.

EQ2: The ET found that, although sector-level support to associations, cooperatives, and government institutions has shown results, at the time of the mid-term evaluation, this impact had yet to catalyze into self-sustaining VC development. However, there are some positive signs of VC development, including improved relationships among VC actors in target sub-sectors and proactive compliance by Program beneficiaries with the high standards set by USG preferred markets, indicating a willingness to invest in sustaining market access. Increased government support for export promotion activities via Enterprise Georgia is also a positive sign of VC development, with the number of firms registered in its trade with Georgia catalog more than doubling. But there is also a need for more coordination with other programs to develop more dialogue mechanisms with the government to support an improved business enabling Environment (BEE). Increased access to finance is another positive sign of VC development. Grants provided by the Agriculture Program have facilitated an increase in investment in the agricultural sector, with financing options provided through bank partners for covering grantee cost-share obligations. Although facilitating access finance to cover cost-share agreements can increase access to finance for

agribusinesses and catalyze additional resources and investments into agriculture, doing so for grantees that may already be viable candidates for loans would provide unclear additionality. This will be an important consideration as future programming builds on Agriculture Program results. Although the Program facilitated new market linkages, value chain actors, including buyers and associations, it is uncertain that producers can continue to comply with standards once Program support ends. Another positive sign of VC development is digitalization, and beneficiaries saw the Program's support in utilizing digital tools that facilitate access to information, services, and markets as useful.

EQ3: The ET found that the grant program is well aligned in addressing the challenges that the agriculture sector faces and shows positive results in terms of increased investment, incomes, and jobs at the firm-level, but the extent to which grants are sufficiently addressing key gaps and market failures at a systems-level in order to sustain these results, is not clear. Beneficiaries view grants that address enterprise-level development challenges as particularly useful, bringing in needed technology, including technical capacity, by combining grants with TA. And the investment facilitated by grants contributed to a tripling of export revenue in PY 3, although this impact risks backsliding if not complemented with more systems-level interventions from future programming that address key gaps and market failures, such as those related to access to private capital, capacity related to innovation, or sector- and policy-level binding constraints.

EQ4: The ET found that the Program was successful in adapting its implementation tactics to mitigate activity delays but that it will need to adapt more elements of its overall approach to take advantage of emerging opportunities. Small-scale farming can be disadvantageous, primarily for competitiveness reasons related to low worker productivity and the high cost of and lack of capacity to comply with the standards of high-value export markets. Further, the absence of government policies to address land fragmentation, incentivize diversification of export markets, and accelerate privatization processes were restricting growth in the agricultural sector even before the onset of COVID-19. Based on analysis of the economic impact of COVID-19 and qualitative data, the ET concluded that Program support for diversification of export markets could include more support for new opportunities in domestic markets. The Program should support associations and cooperatives in helping their members analyze these and other new market opportunities in response to the pandemic. In doing so, it should collaborate with current partners to forecast changes in market opportunities and coordinate with other USAID and donor partners to assess potential revenue and job creation associated with these new opportunities. In response, the current emphasis on high-value export markets may also need to be rebalanced.

5. RECOMMENDATIONS

As requested by the Mission, the ET concentrated on actionable recommendations for the Agriculture Program over its remaining years while also considering future programming. As discussed with the Mission, the Team engaged with the CNFA team through strategic consultations to draw on its experience and perspective. Recommendations are organized under each EQ, with additional cross-cutting recommendations and others related to analysis and impact monitoring.

RECOMMENDATIONS: FOR FUTURE PROGRAMMING

TABLE 1: RECOMMENDATIONS FOR FUTURE PROGRAMMING
<p>EQ1. TO WHAT EXTENT HAVE THE EXPORT CAPACITY BUILDING INTERVENTIONS WITH FIRMS, AND EXPORT PROMOTION INTERVENTIONS WITH THE GOVERNMENT, BEEN NECESSARY AND SUFFICIENT TO DIVERSIFY AGRICULTURAL EXPORTS OF TARGET PRODUCTS TO USG PREFERRED MARKETS (I.E., OUTSIDE OF RUSSIA)? WHAT HAVE BEEN THE MOST PRESSING CHALLENGES IN EACH PRIORITY VALUE CHAIN HINDERING THE DIVERSIFICATION OF EXPORT MARKETS? HOW SUSTAINABLE ARE THE USG-SUPPORTED MARKET LINKAGES?</p>
<p>RECOMMENDATION FOR NEXT 1.5 YEARS</p> <ul style="list-style-type: none"> ● Program TA for export capacity development and export promotion should focus on expanding and sustaining market linkages for individual enterprises and associations that have proven successful, including by: <ul style="list-style-type: none"> ○ Increasing collaboration with Enterprise Georgia and BSOs; ○ Concentrating on proven markets such as Gulf countries and Germany; and ○ Focusing on solidifying the prerequisites for sustaining market access, such as maintaining certifications and standards, conducting market analysis and improving branding and marketing strategies. ● The Program can focus on tangible examples of opportunities for rapid agriculture sector growth, such as voluntary seed and seedling registration, to help associations push for accelerated policy implementation and investment related to export promotion. <p>RECOMMENDATION FOR FUTURE PROGRAMMING</p> <ul style="list-style-type: none"> ● Continue support for export promotion activities, including new strategies that phase out project dependency and add higher levels of cost-sharing based on the success of current programming. ● In addition to new opportunities in local and export markets, the Program should explore and support alternative income-generating opportunities, such as agrotourism, in response to shifting consumer and domestic market dynamics. This support could start with an analysis of the opportunities and targeted TA by the Program and then can continue with TA and co-investment facilitated through future programming.

EQ2. TO WHAT EXTENT HAS THE ACTIVITY'S SUPPORT TO SECTOR ASSOCIATIONS, COOPERATIVES AND GOVERNMENT INSTITUTIONS CATALYZED PRIORITY VALUE CHAIN DEVELOPMENT? HOW IMPORTANT A ROLE HAVE THESE STAKEHOLDERS PLAYED IN INCREASING VALUE CHAIN COMPETITIVENESS? TO WHAT EXTENT HAVE THESE STAKEHOLDERS RECEIVED SUFFICIENT AND RELEVANT SUPPORT?

RECOMMENDATION FOR NEXT 1.5 YEARS

- Expand capacity development activities with well-established organizations, such as the nut and berry associations, to increase access to technical services for their members, with any subsidies phased out over the next few years.
 - Expand foundational support to build the basic capacity and functionality of sector-level associations (e.g. management capacity and governing structure), accompanied with support for more business and support model development toward sustaining their growth, including targeting associations that show the highest potential for growth with additional international expertise and facilitated access to private capital;
- Support local buyers in developing and transitioning to private sector-driven support models and accompanied investments through TA, expanded use of the Program Partnership Fund, and facilitated connections to other buyers and stakeholders that may be willing to co-invest., including by expanding investment in digitization and localizing supply chains
- Increase efforts to connect networks of smaller producers to anchor associations, buyers, and services providers.
- In cooperation with the Economic Governance Program and/or through future programming, support increased development of coordination and dialogue mechanisms to assist the GOG in planning, prioritizing, and accelerating the implementation of key policy reforms and investments.
- Support more innovation by digital service providers and online selling platforms (e.g customization of digital services) to better respond to the needs of the agriculture sector.

RECOMMENDATION FOR FUTURE PROGRAMMING

- Develop strategies for digitization via consultations to support private sector partners in identifying and prioritizing their own technology needs (e.g. traceability systems).
- Continue to facilitate access to finance via customized approaches and direct connections between associations and larger enterprises and bank partners, including:
 - Improving the VC finance capacity of banks and non-bank financial institutions;
 - Introducing more technology(e.g. digital financial services) and risk-sharing schemes that allow access to finance for otherwise unbankable beneficiaries; and
 - Proactively facilitating competition in the financial sector via a range of alternative sources of private capital (e.g. financing from non-bank financial institutions, investor capital, financing from other value chain actors and service providers).
- Support the development of buyer-led strategies to transition away from development program support for value chain development activities.
- Focus future programming on priority business processes (e.g. value addition, technologies, services, management capacities and innovation) instead of VCs when targeting Program support, especially if this focus can be accompanied by an improved impact monitoring system, analytical tools, and partner/activity

selection criteria, thereby enabling future programs to identify more systems-level interventions that can benefit a number of VCs.

EQ3. TO WHAT EXTENT HAS THE GRANT COMPONENT STRENGTHENED EACH PRIORITY VALUE CHAIN? TO WHAT EXTENT DID THE GRANTS ADDRESS GAPS OR MARKET FAILURES IN TARGET VALUE CHAINS?

RECOMMENDATION FOR NEXT 1.5 YEARS

- Concentrate grant support on strengthening established linkages to high-value markets and building the capacity of sector-level organizations, BSOs, and other important actors and stakeholders in line with other recommendations related to TA.
- Award innovation grants for more technology, as well as business and service model, innovations.
- Provide more TA to women and youth during the grants application stage and lower cost-share requirements for these applicants.

RECOMMENDATION FOR FUTURE PROGRAMMING

- Increase flexibility in the use of grants and partnership funds as co-investment mechanisms via a more flexible Activity Fund that can adjust budget line items among grants, partnership funds, and sub-contracts. Doing so will assist future programs in aligning with changing market opportunities, including the need to co-invest in more digital and early-stage innovations (e.g. advances in communications and traceability technologies) and to support a wider range of beneficiaries and private sector partners.
- Incorporate selection criteria for grant themes and projects that support alignment with objectives related to systemic change and adopt more nuanced approaches to the monitoring and attribution of impact (e.g. additional custom indicators, qualitative methods for data collection, etc.) that will help future programs make the case to USAID for use of funds for any given opportunity.

EQ4. IN THE CONTEXT OF COVID-19 ECONOMIC CONTRACTIONS, HOW CAN THE ACTIVITY ADAPT ITS APPROACHES (E.G., SELECTION OF GRANT SOLICITATION THEMES, DIVISION OF USAID INVESTMENTS ACROSS SUB-SECTORS, SEQUENCING OF INTERVENTIONS, ETC.) TO IMPROVE ITS ABILITY TO ACHIEVE ITS TARGETS: CREATION OF 3,680 JOBS AND INCREASE AGRICULTURAL SALES BY \$70 MILLION, INCLUDING \$23 MILLION IN NEW EXPORTS?

RECOMMENDATION FOR NEXT 1.5 YEARS

- Take stock of and widely share best practices in adapting implementation tactics amid the pandemic.
- Continue support to current VCs while exploring new opportunities in response to increased domestic demand for a range of food products.
- Work with other USAID-funded programs and donors to identify opportunities related to increased domestic tourism and related agrotourism services and products.

RECOMMENDATION FOR FUTURE PROGRAMMING

- Explore and support alternative income-generating opportunities such as through agrotourism in response to shifting consumer and domestic market dynamics.

- Use the momentum generated by high growth during the COVID-19 pandemic to facilitate more access to finance, market linkages, and investment in sector-level services; and focus future programming on facilitating access to private capital from a range of sources to fuel further growth.
- Consider providing grants and TA to companies that specialize in e-commerce to develop new marketing platforms for agricultural production.
- Ramp up training related to e-commerce and work with educational institutions or innovation centers to attract more highly skilled youth to agricultural export promotion and technology-related services.
- Launch a series of PPDs in coordination with associations and cooperatives to prioritize needed GOG reforms and investments that can accelerate the modernization of farming practices and food processing.

CROSS-CUTTING RECOMMENDATIONS

RECOMMENDATION FOR NEXT 1.5 YEARS

- Expand grant support for innovation and increased inclusion of women and youth.
- Lower cost-share requirements for grants and consider further customizing TA to increase the participation of women and youth.
- Analyze opportunities and make the business case to current private sector partners as a first step in developing a strategy for increasing inclusion and agency for women and youth.
- Expand successful internship, training, and curriculum development activities over the remaining years of the Program.
- Perform additional analysis as needed, including more private sector landscaping and organizational network and systems mapping, accompanied by convening of more market actors and stakeholders to better target PSE and support the utilization of selection criteria and impact metrics that can guide program interventions toward supporting more transformational impact from partnerships, including the interrelated elements of scale, sustainability, and systemic change.

RECOMMENDATION FOR FUTURE PROGRAMMING

- Better target gaps and market failures, drawing on improved analytical tools, selection criteria of private sector partners, grant themes, TA objectives, and other Program initiatives to ensure alignment with USAID/Georgia's development objectives and priority policies and strategies.
- Propose an incremental solution for improving impact monitoring in line with systems-level interventions; develop a new set of custom indicators that better account for systems-level and the longer-term potential impact of Program interventions.
- Continue to facilitate access to finance via customized approaches and direct connections between associations and larger enterprises and bank partners; and use success cases to build momentum for and inform the ability of future programming to expand access to private capital in the agricultural sector as a whole.
- Support the implementation of more global PSE models and best practices via expanded use of PSE opportunities analysis and co-investment funds.

ANNEX I: STATEMENT OF WORK

STATEMENT OF WORK

MID-TERM EVALUATION OF USAID'S AGRICULTURE PROGRAM

I. EVALUATION PURPOSE

The purpose of this mid-term performance evaluation is to determine the effectiveness of specific programmatic approaches, which are referenced in the evaluation questions below, in achieving intended life-of-program results and to provide recommendations on corrective actions and new directions for the remaining years of program implementation.

The primary audience of the evaluation will be USAID/Georgia's Economic Growth (EG) office and USAID's Agriculture Program implementing partner (CNFA). The results of the study may be shared with local stakeholders (Ministry of Environmental Protection and Agriculture, Ministry of Economy and Sustainable Development, Rural Development Agency, partner NGOs, etc.,) and other donors working in this area.

2. SUMMARY INFORMATION

Name:	USAID's Agriculture Program
Award Number:	Contract No. 72011418C00001
Award Dates:	24-Sept-2018 - 23-Sep-2023
Total Estimated Cost:	\$23,160,395
Implementing organization	CNFA
Contracting Officer's Representative (COR):	David Tsiklauri
Alternate COR:	Sophiko Skhirtladze

3. BACKGROUND

A. Description of the Problem, Context, and Theory of Change

Agriculture is one of three sectors, along with tourism and light manufacturing, identified as a key driver for Georgia's economic growth and employment. While agriculture is not a large contributor to Georgia's Gross Domestic Product (GDP), it provides a safety net to 50 percent of Georgia's population. Georgia's Euro-Atlantic aspirations include becoming a major trade partner with the West, however Georgia still depends on Russia as the destination market for their agricultural products.

USAID/Georgia has a robust agricultural portfolio that facilitates firm-level investments in entrepreneurial and market-driven enterprises and associations, by supporting the private sector to meet the sector's needs, and by enhancing the capacity of relevant government stakeholders to catalyze agricultural development. The programming focuses on improving the competitiveness, diversity, value, and market access for identified value chains, and using those value chains as providers of high-value employment.

In September 2018, USAID/Georgia awarded a five-year, \$23,160,395 contract to CNFA to implement USAID's Agriculture Program. Since then, USAID processed 6 contract modifications.

B. Description of the Intervention to be Evaluated

USAID's Agriculture Program aims to accelerate the growth of agricultural sub-sectors that demonstrate strong potential to create jobs, increase incomes and revenues of micro, small, and medium enterprises (MSMEs), and diversify export markets away from malign countries. These sub-sectors include: berries (including kiwi fruit), culinary herbs, stone fruits, perishable vegetables, pome fruits (apples), table grapes, mandarins, and nut crops (pistachios, almonds, walnuts). The development hypothesis for the program is that increased competitiveness of these key sub-sectors and value chains will advance inclusive high-value employment opportunities for Georgians and help diversify export markets away from Russia.

The program is implemented through two integrated, mutually reinforcing components. Under Component One, the program provides cost-share grants to MSMEs, cooperatives, service/information/extension providers, and associations, while Component Two focuses on demand-driven technical assistance, including technical and/or business trainings, and a wide spectrum of customized consultancies aimed at building the capacity of targeted value chain actors.

Key Life of Program (LOP) targets include building up 120 beneficiaries through cost-share grants of \$7.4 million, which will leverage \$9.04 million from grant recipients. An additional 600 agribusinesses will benefit from the technical assistance. Through its support, the program anticipates creating 3,680 jobs and increasing agricultural sales by \$70 million, including \$23 million in new exports.

C. FY 2021 Planned Intervention

During the current year work plan, the program will continue addressing major gaps within the priority value chains. It will also focus more extensively on broad, sectoral-level activities that can have a systemic impact on Georgia's agriculture sector. In particular, the program will:

- implement the voluntary nursery certification project and engage beneficiary nurseries in the certification scheme.
- in cooperation with Trécé Inc., assist the NFA to develop integrated pest management protocols and measures.
- finalize and launch short certificate courses for berry and herb growers.
- continue assisting grantee and non-grantee enterprises in obtaining the necessary certifications, such as GlobalGAP, Organic Production, HACCP, and ISO 22000, to help them become more competitive both locally and internationally. The activity is co-funded with Georgia's Rural Development Agency (RDA).
- solicit applications and commit additional in-kind, innovations, and capacity building grants to MSMEs, agricultural cooperatives, service/information/extension providers, and associations.
- launch the first anti-hail net production factory in Georgia.

- continue working with McDonald’s Georgia to support the development of a sustainable local food supply chain for the company, while also replicating the model with other potential private sector partners, such as Wendy’s Georgia.
- deepen supply chain activities and engage with consolidators, producers, and retail supermarket chains to facilitate market linkages and agree on product grades and standards.
- work with local banks to develop tailored financial products to address agricultural lending gaps.
- promote AgriTalk live show and deliver episodes with engagement of relevant partners.
- continue investing in export promotion together with Enterprise Georgia and support Georgian agribusinesses to participate in upcoming trade shows (e.g. Gulfood 2021, Birmingham Food and Drink Expo 2021, Anuga 2021) with new visual style, branding guidelines, and display structures.
- continue providing branding support to grantee and non-grantee enterprises, in cooperation with the RDA.
- commission a study regarding the post-COVID situation and update the sector and value chain analysis report.
- support improvements in the legislative framework for association development and work with sectoral associations to build their capacity and deliver improved services to members in the targeted value chains.

4. EVALUATION QUESTIONS

The evaluation should address the following specific questions:

1. Diversification of export markets: To what extent have the export capacity building interventions with firms, and export promotion interventions with the government, been necessary and sufficient to diversify agricultural exports of target products to USG preferred markets (i.e. outside of Russia)? What have been the most pressing challenges in each priority value chain hindering the diversification of export markets? How sustainable are the USG-supported market linkages?
2. Value-chain approach: To what extent has the activity’s support to sector associations, cooperatives and government institutions catalyzed priority value chain development? How important a role have these stakeholders played in increasing value chain competitiveness? To what extent have these stakeholders received sufficient and relevant support?
3. Grant component: To what extent has the grant component strengthened each priority value chain? To what extent did the grants address gaps or market failures in target value chains?
4. COVID-19: In the context of COVID-19 economic contractions, how can the activity adapt its approaches (e.g. selection of grant solicitation themes, division of USAID investments across sub-sectors, sequencing of interventions, etc.) to improve its ability to achieve its targets: creation of 3,680 jobs and increase agricultural sales by \$70 million, including \$23 million in new exports?

5. EVALUATION DESIGN AND METHODOLOGY

This evaluation will utilize a non-experimental, mixed-methods evaluation design. The Contractor is expected to suggest the use of appropriate data collection and analysis methods, both quantitative and qualitative, including document review, key informant interviews, focus group discussions, direct observation, survey instruments (if applicable), etc., with program stakeholders, beneficiaries, the GOG, the private sector, and other players. The methodology for any evaluation process that involves the selection of participants (e.g. surveys, focus groups, interviews) must be clearly explained and justified. For example, for a survey or mini-survey (if proposed), the number of respondents and their selection process should be explained and justified. The same is true for key informants, focus group discussions, and other methods as well. Selected respondents should be representative of women, youth, and vulnerable groups, where appropriate. The Contractor must conduct a desk review of USAID's Agriculture Program related documents, which will help identify areas that merit closer attention once the team begins its fieldwork. Reading materials will be available to the team shortly after signing the Contract.

The Contractor must develop a detailed evaluation design and a workplan, including data collection plan and drafts of data collection tools. A draft of the work plan and evaluation design must be shared with USAID/Georgia for review prior to the fieldwork. The plan will then be presented to the Mission during the in brief in more detail. The evaluation design must include the evaluation matrix (an illustrative evaluation matrix for this study is given below). The evaluation design must explain how the evaluation Contractor intends to conduct the study in detail, including a detailed description of one or more proposed methodologies as well as limitations of proposed methodologies. It must explain in detail what methods will be used to obtain answers for each evaluation question. The design must also explain how the proposed methodology (mix of methods) to conduct the study generates evidence to ensure rigor and reliability of results; and how and why the proposed methodology will minimize bias. The evaluation design must also include the data analysis plan for each question, draft questionnaires (to be included as an attachment), and other data collection instruments or their main features, criteria for assessing responses to evaluation questions, known limitations, and a dissemination plan. The evaluation design might also include specific sub-questions for each evaluation question, where needed.

Again, the methods described herein are only illustrative and USAID expects that the Contractor will suggest the best methods that would generate most reliable and evidence-based answers to the key evaluation questions.

TABLE 2: ILLUSTRATIVE EVALUATION MATRIX

Research Question	Data Source	Methodology
<p>I. Diversification of export markets: To what extent have the export capacity building interventions with firms, and export promotion interventions with government, been necessary and sufficient to diversify agricultural exports of target products to USG preferred markets (i.e. outside of Russia and China)? What have been the most pressing challenges in each priority value chain hindering the diversification of export markets? How sustainable are the new USG-supported market linkages?</p>	<p>Activity documentation: program description, quarterly and annual reports, M&E plan, results framework, work plans, sub-awards documentation, value chain assessments, and other documentation.</p> <ul style="list-style-type: none"> ● Project staff ● Representatives of sub-contractors ● Government of Georgia entities (MEPA, MOESD, RDA, SRCS, Enterprise Georgia, NFA, others) ● Beneficiary agribusinesses (e.g. those receiving support to obtain international certification, participate in trade fairs, etc) ● Private sector partners ● Academic institutions (GIPA, Agriculture University, etc.) ● Other donors ● Agricultural associations, farmers groups, cooperatives, others 	<p>Document reviews (e.g. to compare achieved results and set benchmarks.)</p> <p>Direct Observation/ Key Informant Interviews / Focus Group Discussions and/or Mini-Survey with identified data sources.</p>

<p>2. Value-chain approach: To what extent has the activity's support to sector associations, cooperatives and government institutions catalyzed priority value chain development? How important a role have they played in increasing value chain competitiveness? To what extent have these enabling institutions received the optimal type and level of support?</p>	<p>Activity documentation: program description, quarterly and annual reports, M&E plan, results framework, work plans, sub-awards documentation, value chain assessments, and other documentation.</p> <ul style="list-style-type: none"> ● Project staff ● Representatives of sub-contractors ● Government of Georgia entities (MEPA, MOESD, RDA, SRCS, Enterprise Georgia, NFA, others) ● Beneficiary agribusinesses (grantees and non grantees) ● Private sector partners ● Academic institutions (GIPA, Agriculture University, etc.) ● Other donors ● Agricultural associations, farmers groups, cooperatives, others 	<p>Document reviews (e.g. to compare achieved results and set benchmarks.)</p> <p>Direct Observation/ Key Informant Interviews / Focus Group Discussions and/or Mini-Survey with identified data sources.</p>
<p>Research Question</p>	<p>Data Source</p>	<p>Methodology</p>
<p>3. Grant component: To what extent has the grant component strengthened each priority value chain? To what extent did the grants address the most important gaps or market failures in each value chain.</p>	<p>Activity documentation: program description, quarterly and annual reports, M&E plan, results framework, work plans, sub-awards documentation, value chain assessments, and other documentation.</p> <ul style="list-style-type: none"> ● Project staff ● Representatives of sub-contractors ● Government of Georgia entities (MEPA, MOESD, RDA, SRCS, Enterprise Georgia, NFA, others) ● Grant recipient agribusinesses and other entities ● TA and training beneficiaries ● Private sector partners ● Academic institutions (GIPA, Agriculture University, etc.) ● Other donors ● Agricultural associations, farmers groups, cooperatives, others 	<p>Document reviews (e.g. to compare achieved results and set benchmarks.)</p> <p>Direct Observation/ Key Informant Interviews / Focus Group Discussions and/or Mini-Survey with identified data sources.</p>

<p>4. COVID-19: In the context of COVID-19 economic contractions, how can the activity adapt its approaches (e.g. selection of grant solicitation themes, division of USAID investments across sub-sectors, sequencing of interventions, etc.) to improve its ability to achieve its targets: creation of 3,680 jobs and increase agricultural sales by \$70 million, including \$23 million in new exports?</p>	<p>Activity documentation: program description, quarterly and annual reports, M&E plan, results framework, work plans, sub-awards documentation, value chain assessments, and other documentation.</p> <ul style="list-style-type: none"> ● Project staff ● Representatives of sub-contractors ● Government of Georgia entities (MEPA, MOESD, RDA, SRCS, Enterprise Georgia, NFA, others) ● Beneficiaries, both grant and TA/training recipient agribusinesses and others ● Private sector partners ● Academic institutions (GIPA, Agriculture University, etc.) ● Other donors ● Agricultural associations, farmers groups, cooperatives, others 	<p>Document reviews (e.g. to compare achieved results and set benchmarks.)</p> <p>Direct Observation/ Key Informant Interviews / Focus Group Discussions and/or Mini-Survey with identified data sources.</p>
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6. DELIVERABLES

The contractor will be required to provide USAID with the following deliverables:

- a. Final Work Plan and Evaluation Design: Final Work Plan and Evaluation Design document for the evaluation shall be completed by Contractor and presented to the COR prior to the commencement of fieldwork. The evaluation design will include a detailed evaluation design matrix (including the key questions, methods and data sources used to address each question and the data analysis plan for each question), draft questionnaires and other data collection instruments or their main features, known limitations to the evaluation design, and a dissemination plan. The final design requires USAID/Georgia approval. The work plan will include the anticipated schedule and logistical arrangements and delineate the roles and responsibilities of members of the evaluation team.
- b. In-brief with the mission: will be held prior to starting the fieldwork. This will be a maximum 30-minute PowerPoint presentation of the plan, namely, how the questions asked in SOW will be answered. Prior to the in brief, the evaluation team may have working meeting/s with USAID/Georgia Evaluation Contract activity manager and USAID's Agriculture Program COR to discuss the details of the design.
- c. Conduct fieldwork: The in-country evaluation must expand upon the analysis in the desk review and in the facilitated discussion through methods proposed by the evaluation team that might include interviews with focus groups of sub-contractors, beneficiaries or end-users, Georgian government, private sector entities, field visits, and mini-survey, if proposed.
- d. Recommendations workshop: After finishing the fieldwork, the evaluation team must participate in a co-creation session with USAID Mission, including the Evaluation Contract activity manager at USAID/Georgia and USAID's Agriculture Program COR, to produce a set of recommendations. Prior to the recommendations workshop, the evaluation team must summarize and submit to USAID a matrix of preliminary evaluation findings/conclusion/recommendations. The co-creation meeting/session will serve to review the matrix and jointly formulate/refine evaluation recommendations. However, the evaluation team maintains complete editorial authority with regard to the evaluation recommendations section of the Final Evaluation Report (see deliverable (g) below).
- e. Mission out-brief: The evaluation team must present an outline (in bullets, possibly in PowerPoint or as a handout) of the evaluation report with general findings, conclusions, and anticipated recommendations to USAID Mission Management and other interested USAID staff at the end of their fieldwork.
- f. Draft reports: The Contractor must submit to USAID/Georgia a draft report within 20 working days of completing the out-briefing with USAID. This document must explicitly respond to the requirements of the SOW, answer the evaluation questions, be logically structured, and adhere to the standards of the USAID Evaluation Policy.
- g. Final Evaluation Report: The Contractor must incorporate USAID/Georgia's comments and submit the final report to USAID/Georgia within five (5) working days following receipt of the final batch of USAID's comments on the draft report. The report must comply with USAID Evaluation report guidelines in Annex 2. The Contractor will make the final evaluation reports

publicly available through the Development Experience Clearinghouse at <http://dec.usaid.gov> within 30 calendar days of final approval of the formatted report with USAID/Georgia consent. In case it is determined that the full report includes sensitive information, the Contractor must produce a public version for submission to DEC; the latter also requires USAID/Georgia's clearance.

- h. All records from the evaluation (e.g. interview transcripts and summaries, focus group transcripts, code books, etc.) must be provided to USAID/Georgia as requested. All quantitative data collected by the evaluation team must be provided in an electronic file in a machine-readable format. The data should be organized and fully documented for use by those not fully familiar with the program or the evaluation. USAID will retain ownership of the survey and all datasets developed. In addition, the dataset must be submitted to the Development Data Library (DDL) as part of USAID's Open Data Policy.

7. EVALUATION TEAM

Proposed evaluation team: The evaluation must be conducted by a team composed of experts. The contractor has to demonstrate that proposed team members have sufficient expertise to carry out the task at a high standard. The Contractor must justify and explain proposed team configuration and distribution of roles among team members.

Team leader (international) must have extensive, demonstrated experience leading development assistance programs and/or similar evaluations or assessments focused on the agriculture sector and value chain development. Experience in private sector development in Georgia and/or in the Europe and Eurasia region will be an advantage but is not required. The team leader will be responsible for the day-to-day management of the team, data collection and synthesis, presentations, and drafting of the interim/final reports. Fluency in English language is required. Excellent writing skills are required and the demonstrated ability to produce well written and sound evaluation deliverables is required.

Evaluation expert must have a justifiable experience in planning and conducting evaluations using various data collection and analysis methodologies. Prior work experience evaluating economic growth activities is also required. The evaluation expert will lead the team in evaluation design, data collection and synthesis, and also assist in report writing. The evaluation expert's role will also include document review and instrument development. Fluency in English is required. Excellent writing skills and the demonstrated ability to produce well written and sound evaluation deliverables are required.

Locally-hired private sector/agricultural expert must have extensive, justifiable experience working in the agriculture and agribusiness sector development assistance programs. Experience of participating as a team member in conducting evaluations is preferable but not required. English language knowledge and good writing skills are required. Fluency in Georgian – both speaking and reading is required.

The Contractor may be asked to provide 1-2 examples of their proposed team leader's past work. The Contractor must provide information about the selected evaluation team members including their CVs and explain how they meet the requirements set forth in the evaluation SOW. All evaluation team members must be familiar with USAID's Evaluation Policy. USAID may request an interview with any of the proposed evaluation team member/s via conference call/google hangouts/Zoom or any other means available.

8. EVALUATION SCHEDULE

The following levels of effort are illustrative and should serve only as an example of the staff which may be mobilized under this Contract. These levels may not reflect the actual level of effort contracted, and the Contractor will be expected to submit its own estimate of the level of effort needed to fulfill the objectives.

Team Member	Estimated # of Days
International Technical Expert – Team Leader	50
Evaluation Expert	48
Local Private Sector Expert	48

Timing (Anticipated Month or Duration)	Proposed Activities
O/A May 2021	Initial teleconference with USAID/Georgia
TBD	Document review, preparation work and finalization of the evaluation design and work plan
TBD	Submission of the draft work plan and evaluation design to USAID
TBD	In-brief with USAID Mission to collect feedback
TBD	Submission of the final work plan/evaluation design to USAID
TBD	Fieldwork begins
TBD	Weekly check-ins with USAID
TBD	Recommendations workshop with the USAID Mission
TBD	Out-brief with Mission, end of fieldwork
TBD	Data analysis and report writing
TBD	Submission of the draft evaluation report to USAID

TBD	Submission of the final evaluation report to USAID Note: As needed, there may be several rounds of review of the draft evaluation report by USAID prior to finalizing/approving the report
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9. WORK LOCATION

Tbilisi, Georgia’s regions.

In order to conduct meetings and interviews, the Contractor may need to travel to Tbilisi and to some of program-targeted communities located in all key agriculture regions, such as Kakheti, Shida and Kvemo Kartli, Samegrelo, Imereti, Guria, and Adjara Regions. Due to COVID-related travel and other restrictions, virtual meetings, remote data collection, and remote supervision by the Evaluation Team Lead may be authorized.

10. LOGISTICAL SUPPORT

USAID/Georgia and USAID’s Agriculture Program will provide the list of in-country contacts prior to the commencement of fieldwork but will not assist in the logistics of appointing meetings. Hence, the Mission will not be responsible for arranging logistics for the evaluation team. The Contractor must suggest how they plan to arrange translation, transportation, and logistical support to the evaluation team. USAID/Georgia will put the Contractor in contact with USAID’s Agriculture Program implementing partner. The Contractor will conduct meetings in Tbilisi. Some meetings will require travel to regions outside Tbilisi to meet with grant recipients and other beneficiaries, and NGO, private sector and government stakeholders. USAID’s Agriculture Program implementing partner may assist with setting those meetings. However, due to COVID-19 considerations, remote data collection and online KIs may be authorized in lieu of in-person meetings.

11. OTHER REQUIREMENTS

The evaluation team must be familiar with USAID’s Human Subject Protection Policy and USAID’s Evaluation Policy (<http://www.usaid.gov/evaluation>). The evaluation team must provide adequate training for its survey staff on survey methodology, USAID’s survey regulations, other relevant regulations, and the data collection plan.

The contractor has the responsibility to safeguard the rights and welfare of human subjects involved in the survey research supported by USAID. USAID has adopted the Common Federal Policy for the Protection of Human Subjects, Part 225 of Title 22 of the Code of Federal Regulations (<http://www.usaid.gov/policy/ads/200/200mbe.pdf>). Recipient organizations must familiarize themselves with the USAID policy and provide “assurance” that they will follow and abide by the procedures of the Policy.

All modifications to the scope of work, whether in technical requirements, evaluation questions, evaluation team composition, methodology or timeline, need to be agreed upon in writing by the USAID/Georgia.

12. SUMMARY OF SPECIFIC TECHNICAL REQUIREMENTS

The Contractor must ensure that the evaluation team completes the following tasks and provides the following deliverables within the terms defined by the contract:

- Conduct initial teleconference with USAID/Georgia to discuss the upcoming work.
- Provide a draft evaluation design and work plan (including meeting schedules and data collection instruments) to USAID for review and comment.
- Incoming briefing with USAID management to present the detailed evaluation design.
- Conduct the evaluation in accordance with the USAID-approved evaluation design and work plan. This includes weekly check-in calls with USAID/Georgia to ensure all work is proceeding smoothly and address any outreach challenges the evaluation team may be experiencing.
- Recommendations co-creation session with USAID Mission to formulate/refine evaluation recommendations.
- Outgoing briefing with USAID management to present the matrix of preliminary findings/conclusions/recommendations of the evaluation.
- Provide a final evaluation report to USAID in accordance with Reporting Guidelines under Section 9 - Deliverables. The evaluation report should follow the “Criteria to Ensure the Quality of the Evaluation Report” of the USAID Evaluation Policy.
- Submit USAID-approved evaluation report to Development Experience Clearinghouse (DEC) within 30 calendar days following the acceptance of the report by the USAID Contracting Officer’s Representative (COR.)
- Submit quantitative dataset, if collected, in a machine-readable format to the Development Data Library (DDL) as per USAID’s Open Data Policy at least five work days prior to the end date of the evaluation contract.

13. ANNEXES

ANNEX I. ACTIVITY DOCUMENTS FOR REVIEW

Relevant reports and other project documentation will be provided by the Mission to the Contractor prior to the commencement of fieldwork. The evaluation contractor shall initiate Washington-based work by reading reports and familiarizing him/herself with the Program. These documents are:

- SOW for USAID’S Agriculture Program
- Work plans
- Quarterly and annual reports
- Grants Manual
- Grant solicitations, grant applications, and grant selection documentation
- M&E plans and performance data tables
- Initial list of in-country contacts
- Value chain analysis and assessments

- Other reports and papers, as applicable.

ANNEX 2. REPORTING GUIDELINE

The illustrative format for the final evaluation report is as follows:

1. Executive Summary—summarizes key points, concisely states the purpose, background of the project, main evaluation questions, methods, findings, conclusions, recommendations and any lessons learned; should be sufficiently detailed, yet brief, to serve as a stand-alone product (3-5 pp)
2. Introduction—state the purpose, audience, and outline of the evaluation (1 pp)
3. Background—provide a brief overview of the project and the study implemented (1-2 pp)
4. Methodology—the evaluation methodology shall be explained in the report in detail. Limitations to the evaluation shall be disclosed in the report, with particular attention to the limitations associated with the evaluation methodology. Greater detail can be included in the appendices (2-3 pp);
5. Findings/Conclusions/Recommendations—explicitly answer each evaluation question; the report should distinguish between findings (the facts), conclusions (interpretation of the facts), and recommendations (judgments related to possible future programming) (10-15 pp); however it should be clear what is the link between them;
6. Lessons Learned (if not covered in findings, conclusions and recommendations) (2–3 pp);
7. Annexes—annexes must include this statement of work and its modifications (if any); any “statements of differences” regarding significant unresolved difference in opinion by funders, implementers, and/or members of the evaluation team; a glossary of terms; sources of information, properly identified and listed; clear documentation of schedules, meetings, interviews and focus group discussions, and any tools used in conducting the evaluation, such as focus group scripts or questionnaires, checklists and discussion guides used; and signed disclosures of conflict of interest. The evaluation design should also be attached to the report.

The report format should be presented in Microsoft Word and use 12-point type font throughout the body of the report, using page margins 1” top/bottom and left/right. The body of the report should ideally be within 20-25 pages, excluding the executive summary, table of contents, references and annexes. The final report must follow USAID branding and marking requirements.

Per the USAID evaluation policy, draft and final evaluation reports will be evaluated against the following criteria to ensure the quality of the evaluation report.

- The evaluation report should represent a thoughtful, well-researched and well-organized effort to objectively evaluate what worked in the projects, what did not and why.
- Evaluation reports shall address all evaluation questions included in the statement of work.
- The evaluation report should include the statement of work as an annex.
- Evaluation methodology shall be explained in detail, and all tools used in conducting the evaluation such as questionnaires, checklists and discussion guides will be included in an Annex in the final report.
- Evaluation findings will assess outcomes and impact on males and females.

- Limitations to the evaluation shall be disclosed in the report, with attention to the limitations associated with the evaluation methodology (selection bias, recall bias, unobservable differences between comparator groups, etc.).
- Evaluation findings should be presented as analyzed facts, evidence and data and not based on anecdotes, hearsay or the compilation of people's opinions. Findings should be specific, concise and supported by strong quantitative or qualitative evidence.
- Sources of information shall be properly identified and listed in an annex.
- Recommendations shall be supported by a specific set of findings.
- Recommendations shall be action-oriented, practical and specific, with defined responsibility for the action.

ANNEX 3. REPORTED RESULTS TO DATE

To date, the program facilitated \$3,412,372 in new sales, created 690 jobs, trained 6,184 agricultural professionals and farmers, and provided technical assistance to 134 MSMEs to help them comply with international food safety/quality standards, improve branding/labeling practices, adopt modern agricultural technologies, increase productivity and access new export markets through participation in trade fairs. The program actively cooperated with multiple Government of Georgia (GOG) agencies in the areas of nursery certification, creating Georgia's brand on the international market, electronic trading platforms, export promotion activities, pest monitoring, COVID-19 related support, and legislative framework for input supply.

Grants program: To date, the program awarded 63 in-kind and capacity building grants to Georgia's MSMEs with the cumulative value of \$3.6 million to establish processing enterprises, production farms, consolidation centers, and nurseries, and strengthen agricultural cooperatives and service provider organizations that offer consultancy and audit services in international food safety, organic products, and social responsibility standards. These cost-shared grants have leveraged \$3.4 million in private sector funding from grantee agribusinesses to expand agricultural production and processing. An innovation grants initiative supported entrepreneurs to implement new solutions that can transform the agricultural sector. For example, it provided funding to establish the first anti-hail net production factory in Georgia, which helps local producers secure their orchards from unforeseen weather conditions, protecting 100 hectares of fruit orchards and vineyards annually. Capacity building grants for women-owned MSMEs and women-led cooperatives in the berry, greens, mandarin, and nut value chains helped facilitate exports and improved access to agricultural inputs.

Certification and quality standards: Demand for higher quality agricultural products is increasing domestically at a notable rate, reflecting a growing level of sophistication of both Georgian producers and consumers. Continued growth in Georgia's agricultural exports to high-value export markets, away from Russia, further necessitates improvements in product quality. Certification is, therefore, becoming an important area for USAID support, even for goods for the domestic markets. The program supported 41 agribusinesses to implement international certifications and food safety standards, such as Hazard Analysis and Critical Control Point (HACCP), International Standards Organization (ISO) 22000, GlobalGAP, organic production, and United States Department of Agriculture (USDA) National Organic Program (NOP) certification. Five agribusinesses received HACCP/ISO 22000 certification and 11 are in-

process; two agribusinesses received GlobalGAP certification, and eight are in process; and six agribusinesses were certified Organic. These certifications ease their access into higher-tiered markets and enable them to sell products for a premium price. The program partnered with both the Georgian Institute of Public Affairs (GIPA) to develop and institutionalize a certificate program in greenhouse production of culinary herbs and specialty vegetables, and with the Agricultural University of Georgia to develop a short certificate program in berry production (strawberries, blackberries, raspberries, and blueberries.) These courses will fuel the development of high-value, niche sub-sectors, creating jobs and increasing incomes. The program worked with the Scientific-Research Center of Agriculture (SRCA) of the Ministry of Environment Protection and Agriculture (MEPA) to implement a voluntary nursery certification project by designing the certification scheme and outreach materials. The intervention helps Georgian nurseries align their operations with international best-practices to produce and distribute high-quality, healthy, and pest-free planting materials.

Market Diversification: In partnership with Enterprise Georgia, the program supported local agribusinesses to participate in international trade fairs, such as Biofach 2020 (Germany) and Gulfood 2020 (UAE). As a result of such fairs, beneficiaries establish linkages with international buyers and receive orders. In partnership with GOG agencies, the program launched a new branding project to help effectively position Georgia as a point of origin at different trade fairs and events. New brand visuals help agribusinesses penetrate high-value export markets. The program also upgraded the online platform www.tradewithgeorgia.com, which is an online catalog that allows Georgian entrepreneurs to upload and display information regarding their companies and products. The upgraded platform allows agribusinesses to apply for GOG funding to participate in international trade fairs. The program supported the development of www.crop2shop.ge portal that provides agricultural exporters with comprehensive information on 21 agriculture products for 19 export markets. Each product is linked with at least five markets using specific criteria such as proximity to a market and trade benefits enjoyed by Georgia in a specific market. The program supported GOG agencies to develop a new e-Portal, www.programs.gov.ge, that unites all GOG-subsidized services and business support programs under one, user-friendly interface. Interested entities are now able to electronically complete forms and apply for GOG funding for their business expansion.

Public Private Partnerships: The program cooperates with Trécé Inc. (U.S. private sector firm that manufactures pest control systems), and the National Food Agency (NFA) of MEPA through research and field trials that serve to address threats posed to crop production by agricultural pests (*Drosophila suzukii*, *Popillia japonica*, and *Tuta absoluta*). The program partnered with McDonald's Georgia, linking the company to three local lettuce growers. Simultaneously, the program supported lettuce growers to obtain international certification to meet McDonald's food safety and quality standards. The effort to integrate local producers into McDonald's supply chain will promote import substitution and ensure consistent customer base for local producers. The program partnered with the Georgian Retailers Association (GRA) to increase the access of local producers and processors to new high-end local markets through improved storage, distribution, and marketing facilities and techniques. At the initial stage of implementation, the partnership allows selected producers to supply their products to 25 retail stores identified and selected by the GRA. The effort generates additional revenues for both retailers and local producers while also changing consumer perceptions in favor of local production. In partnership with the local leading ICT firm, the program developed and launched a mobile application that allows primary producers to conduct crop accounting and inventorying during the harvest and

storage periods. The mobile application is expected to make the harvest more efficient, reduce the workload of keeping track of pickers and harvested fresh produce, and easily generate statistical data related to payments, yields of various varieties, and quality control.

COVID Impact: The global pandemic had a dramatic and lasting impact on agricultural trade and supply chains. The economic recession impacted the program implementation as well. The program received a much lower than anticipated number of in-kind grant applications in response to its solicitations released after the outbreak of COVID-19. This problem is expected to continue as farmers and agricultural entrepreneurs are likely to experience severe effects of economic recession in the upcoming year. In the pandemic environment, meeting cost-share requirements, which is a prerequisite to receiving a USAID grant, may represent a daunting challenge for grantee agribusinesses. The program might need to review the terms of grant financing to adjust to the new operating environment.

COVID-19 programming: In response to the pandemic, the program switched to online consultancies, using Zoom platform, and launched its AgriTalk Facebook live show. In FY 2020, 36 episodes of the AgriTalk Facebook live show pioneered by the program reached 170,000 people. The effort played an important role in disseminating information about modern technologies, certification, new varieties, and market analysis, to a wide audience, particularly during COVID-19 pandemic lockdowns. As a direct response to COVID-19, the program launched online training sessions in occupational safety during emergency situations, focusing on the requirements and basics of occupational safety during the pandemic. A total of 118 people, representing 84 companies, participated in these sessions. These trainings helped beneficiaries to continue operations in full compliance with GOG's new health and safety regulations.

ANNEX II: EVALUATION WORK PLAN

I. INTRODUCTION

Upon successful completion of the mid-term performance evaluation of the Youth Entrepreneurial Skills for Advancing Employability and Income Generation Program in Georgia, or YES-Georgia, USAID/Georgia requested the LEAP III team to conduct mid-term evaluations of two additional Programs, USAID's Agriculture Program implemented by Cultivating New Frontiers in Agriculture (CNFA) and USAID's Economic Security Program implemented by DAI. The purpose of the performance evaluations is to: 1) determine the effectiveness of specific Programmatic approaches in achieving intended life-of-Program results; 2) to provide recommendations on corrective actions and new directions for the remaining years of Program implementation; and 3) inform the design of future programs.

This Evaluation Work Plan describes the approach that the LEAP III team will take to this evaluation, along with protocols for electronic surveys and semi-structured interviews (Annexes A-E), proposed timeline (Section 6), Getting to Answers Matrix (Section 4), and List of Resource Documents (Annex G), to implement the mid-term performance evaluation.

The Evaluation Team (ET) is closely monitoring the COVID-19 situation and related risks and will adjust its data collection protocols according to prevailing circumstances. The ET exit briefings and workshops may be done in person, depending upon the situation in consultation with USAID/Georgia regarding country and local safety protocols.

2. BACKGROUND

2.1 AGRICULTURE PROGRAM

Agriculture is one of three sectors, along with tourism and light manufacturing, identified as a key driver for Georgia's economic growth and employment. While agriculture is not a large contributor to Georgia's Gross Domestic Product (GDP), it provides a safety net to 50 percent of Georgia's population. Georgia's Euro-Atlantic aspirations include becoming a major trade partner with the West; however, Georgia still depends on Russia as a destination market for their agricultural products.

USAID/Georgia has a robust agricultural portfolio that facilitates firm-level investments in entrepreneurial and market-driven enterprises and associations, by supporting the private sector to meet the sector's needs, and by enhancing the capacity of relevant government stakeholders to catalyze agricultural development. The Programming focuses on improving the competitiveness, diversity, value, and market access for identified value chains, and using those value chains as providers of high-value employment. USAID's Agriculture Program aims to accelerate the growth of agricultural sub-sectors that demonstrate strong potential to create jobs, increase incomes and revenues of micro, small, and medium enterprises (MSMEs), and diversify export markets away from malign countries.

These horticulture sub-sectors include berries (including kiwi fruit), culinary herbs, stone fruits, perishable vegetables, pome fruits (apples), table grapes, mandarins, and nut crops (pistachios, almonds, walnuts). The development hypothesis for the Program is that increased competitiveness of these key sub-sectors

and value chains will advance inclusive high-value employment opportunities for Georgians and help diversify export markets away from Russia. The Program is implemented through two integrated, mutually reinforcing components. Under Component One, the Program provides cost-share grants to MSMEs, cooperatives, service/information/extension providers, and associations, while Component Two focuses on demand-driven technical assistance, including technical and/or business trainings, and a wide spectrum of customized consultancies aimed at building the capacity of targeted value chain actors.

2.2 ECONOMIC SECURITY PROGRAM

Despite Georgia being a global leader in trade and business environment reforms, economic growth has not resulted in employment opportunities or higher wages. An aggressive reform agenda and healthy growth rate have not translated into economic dynamism or opportunities for Georgian citizens. There are multiple causes why Georgia's economic growth has not created high-value employment opportunities for its citizens, limiting the benefits of Georgia's Western orientation. One such cause is that Georgian firms still lack access to resources necessary to increase competitiveness and create greater employment opportunities in key sectors, including access to high-value, diverse markets; investment resources; and a workforce that has the skills demanded by the private sector. The recent COVID-19 crisis triggered a major economic recession in Georgia, resulting in the loss of jobs, local currency devaluation and has thrown into stark relief the need for an economy that delivers real gains to its citizens.

The purpose of USAID's Economic Security Program is to accelerate broad-based growth of sectors outside of agriculture that show strong potential to create jobs, increase MSME revenues, and support diversification to more productive economic activities in tourism, creative industries, light manufacturing (including furniture, packaging, personal protective equipment, and construction materials), information and communications technology (ICT), solid waste management, recycled materials, and shared intellectual services sectors. The underlying development hypothesis of the Program is that IF Georgia's firms have access to the resources they need (capital, access to high-value markets, skilled workforce, modern technologies, etc.) to improve productivity, sales, and product and service quality, and IF cooperation is strengthened in targeted sectors and value chains, THEN targeted sectors/value chains will become more competitive and will provide greater high-value employment opportunities to its citizens and drive closer integration with the West.

The contract is organized by four components designed to achieve the stated results:

Component 1: Strengthen cooperation in targeted sectors: The Program provides technical assistance and cost-share grants to strengthen linkages and cooperation throughout value chains in targeted sectors and improve support services intended to enhance growth and productivity across targeted value chains in target sectors. In doing so, the Program takes a collaborative approach to development, working with a plethora of stakeholders including firms, associations, Government of Georgia (GOG) agencies, development partners, regional government and municipalities, and other stakeholders,

Component 2: Support Enterprises to improve productivity, sales, quality, and develop new products and services: Through identification and exploration of value chains that provide the best opportunity for Georgia to initiate investment that leads to high-value jobs, the Program facilitates entrance into new markets. It also increases and expands product offerings, promotes stronger linkages between enterprises and the organizations that support them, and enhances the overall value chain ecosystem to ensure

sustainability. This is accomplished through a series of interventions that include technical assistance, cost-share grants, and export enhancement, among others.

Component 3: Industry-led workforce development: Alignment of Georgia’s workforce with the needs of industry is critical to the country’s movement toward the development of a prosperous society. As such, the Program works with the Ministry of Education, Science, Culture and Sport (MoESCS), educational institutions, training providers, and the private sector to prepare Georgians for new and expanded employment opportunities through identified sectors and value chains. The Program’s approach is led by industry, meaning that it focuses on improving knowledge and skills that align with emerging investment and job opportunities. This requires significant re-thinking of educational and vocational models, as well as specific interventions that will link skills development directly with employment.

Component 4: Building public-private partnerships: Through its Partnership Development Fund (PDF) with the total value of \$3 million, the Program co-creates and co-funds Public Private Partnerships (PPPs), Global Development Alliance (GDA) mechanisms, and other investment opportunities that support the growth of identified sectors/value chains and that provide high-value employment for Georgians. Approaches under PDF are collaborative, innovative, and flexible to identify and take advantage of emerging opportunities.

3. EVALUATION PURPOSE, AUDIENCE, AND QUESTIONS

3.1 PURPOSE

The purpose of the performance evaluations is to: 1) determine the effectiveness of specific Programmatic approaches in achieving intended life-of-Program results; 2) to provide recommendations on corrective actions and new directions for the remaining years of Program implementation; and 3) inform the design of future programs.

The performance evaluation will:

- Assess the relevance, effectiveness, and efficiency of the Programs;
- Analyze the status of the activities in relation to the set objectives, activities’ successes and weaknesses;
- Assess the implementing organization’s performance in achieving Program objectives, including a special focus on uptake of principles and approaches in line with USAID’s Private Sector Engagement (PSE) policy and Digital Strategy, utilization of partnerships and market systems development (MSD) approaches, as well as it’s processes, implementation team performance, relations with stakeholders, performance feedback loops, reporting, timely management decisions, etc.;
- Identify any external factors which might have impacted activity performance and/or created new opportunities, such as political, economic, sector dynamics, as well as COVID-19;
- Provide recommendations on adjustments and/or corrective actions and new directions for the remaining years of Program implementation;
- Inform USAID/Georgia on future Programming needs and approaches, in particular the design of future follow-on projects.

3.2 AUDIENCE

The primary audience of both evaluations will be USAID/Georgia's Economic Growth team and the prime implementing partners (IPs) – CNFA for the Agriculture Program and DAI for the Economic Security Program. USAID/Georgia may also share the results of this evaluation with local stakeholders such as the Ministry of Economy and Sustainable Development, Rural Development Agency, partner non-governmental organizations (NGOs), and other donors working in this area. Additionally, the results of the Agriculture Program evaluation may be shared with the Ministry of Environmental Protection and Agriculture.

3.3 EVALUATION QUESTIONS

AGRICULTURE PROGRAM

The evaluation will address the following evaluation questions (EQs):

EQ1. Diversification of export markets: To what extent have the export capacity building interventions with firms, and export promotion interventions with the government, been necessary and sufficient to diversify agricultural exports of target products to United States Government (USG) preferred markets (i.e. outside of Russia)? What have been the most pressing challenges in each priority value chain hindering the diversification of export markets? How sustainable are the USG-supported market linkages?

- What are the main challenges to expanding export diversification for MSMEs away from Russia in targeted value chains? (Probe: capacity building, export promotion, technologies, finding skilled labor, business enabling environment [BEE], market information, quality and safety standards, etc).
- What are the top business opportunities from the perspective of target MSMEs? (Probe: does it involve export diversification).
- What are the most important factors that influence decisions to diversify export markets?
- How important are prevailing cultures, attitudes, and/or perceptions in driving export decisions? How successful has the USAID Agricultural Program been in shifting these factors (probe: what are the perceived strengths and weaknesses of the Russian market)?
- What support has been provided by the USAID Agricultural Program to MSMEs in entering international markets, particularly in Western Europe? How effective has this support been? (Probe: have target MSMEs entered Western Markets, what are the determining factors for this, what challenges or opportunities are faced).
- What additional support is needed to facilitate expanded access to non-Russian export Markets?
- How effective are similar activities funded by other donors or the GOG in capacity building and export promotion?
- Is USAID's Agriculture Program's support to GOG to develop a "Georgian brand" for international markets and promote agriculture exports through trade shows, digital platforms linking MSMEs to potential export markets, etc., yielding positive results?
- Are linkages to non-Russian export markets sustainable? (probe: explore sustainability factors)

- Can services supporting sustained exports to non-Russian export markets be cost-shared or offered as paid services? (Probe: any currently available services from the private sector)

EQ2. Value-chain approach: To what extent has the activity’s support to sector associations, cooperatives and government institutions catalyzed priority value chain development? How important a role have these stakeholders played in increasing value chain competitiveness? To what extent have these stakeholders received sufficient and relevant support?

- Who are the most important stakeholders that need to be involved in value chain development and increasing competitiveness of MSMEs in priority value chains?
- What services do these stakeholders provide to MSMEs and other sector stakeholders (e.g. individuals, GoG institutions, NGOs, education institutions, etc.)? (Probe: Are these services of acceptable quality? Are there gaps? How can these services be improved or expanded?)
- Which associations, cooperatives and/or other stakeholders have been most effective in catalyzing value chain development and increasing value chain competitiveness and why? (Probe: How have USAID Programs and partnerships supported them in these efforts and was the support received sufficient and relevant?).
- How can associations, cooperatives, other private sector organizations inform and support the GOG as it improves the business enabling environment and encourages market systems strengthening?
- Does USAID support to GOG agencies help address value chain gaps? (Probe: certifications (i.e. nursery, phytosanitary, HAACP, ISO, etc.)
- Which activities by USAID, if any, encouraged greater female participation and youth in these targeted sectors?
- To what extent did USAID Programs support businesses in utilizing digital tools, including those that facilitate access to information, services and markets, either administered by the state or regional authorities, or by private sector organizations? (Probe: access to finance, certification, customs, public procurements, etc.).
- How does the Agriculture Program encourage grant applications from new partners under USAID’s New Partnerships Initiative (NPI)? What types of additional technical, managerial and operational support does DAI provide to new partners receiving grants?
- What PSE opportunities have been facilitated by the Agricultural Program and how have these partnerships supported priority value chain development (Probe: the role of PSE in value chain development across different Program activities, the types and number of engagements that have taken place, and the outcomes associated with engagements)?

EQ3. Grant component: To what extent has the grant component strengthened each priority value chain? To what extent did the grants address gaps or market failures in target value chains?

- What were the key market gaps in each target value chain at the inception of the Agricultural Program? (Probe: consolidation facilities, quality inputs, cold storage, distribution infrastructure, certification, packing and labeling, logistics, etc.)

- To what degree did grants transform the priority value chain by addressing these gaps? (Probe: access to finance, increased sales, hiring talent, product differentiation, research and development (R&D), knowing customer demand, equipment, new varieties, expansion of production facilities, supply chain infrastructure).
- From the perspective of target MSMEs and market actors/stakeholders they work with, what types of grants and in which areas of business operations would grant support be most impactful?

EQ4. COVID-19: In the context of COVID-19 economic contractions, how can the activity adapt its approaches (e.g. selection of grant solicitation themes, division of USAID investments across sub-sectors, sequencing of interventions, etc.) to improve its ability to achieve its targets: creation of 3,680 jobs and increase agricultural sales by \$70 million, including \$23 million in new exports?

- What have been the biggest challenges and opportunities in the agriculture sector due to COVID-19?
- How has the Agricultural Program responded to these challenges and opportunities? (Probe: using distance communication tools, introducing post-COVID recovery measures or Programs, organizing capacity building in COVID related topics, supporting with hygiene tools and stocks, etc.)_____
- What are best practices in how MSMEs and the market actors/stakeholders they work with have successfully adapted amid COVID-19 (Probe: issues related to labor, new regulations, shifting to online sales)
- What further opportunities are there for the Agricultural Program to target?

ECONOMIC SECURITY PROGRAM

The evaluation will address the following specific questions:

EQ1. Private sector engagement: To what extent has the PDF targeted and established high-impact (defined as wide-reaching and/or replicable) partnerships with the private sector that have strengthened and catalyzed the development of priority value chains? To what extent are these partnerships sustainable (defined as the establishment of market linkages that will not depend on USAID assistance after the activity ends)?

- Does the PDF engage with high-impact private sector partners to achieve its goal of supporting the growth of identified sectors/value chains and provide high-value employment for Georgians (Probe: what are the challenges and approaches used by the project to attract the right mix of partners to achieve Program objectives and what indicators is the project using to track current impact and the potential for sustained impact beyond the life of partnerships?)
- Are the types of PDF partnerships sufficient to achieve its goal of supporting the growth of identified sectors/value chains and provide high-value employment for Georgians (Probe: size, scalability, innovation)
- What factors are influencing the decisions of the private sector to co-fund with the PDF? (Probe: is the Economic Security Program's value proposition to the private sector working, do private sector firms contribute enough resources)

- What results has the PDF had to date (Probe: How does this differ from expectations?)
- What other PSE approaches (in line with the PSE policy) and private sector collaboration mechanisms are active in the priority value chains (Probe: how do stakeholders perceive the PDF versus these mechanisms and the value proposition of USAID beyond a source of funding).

EQ2. Value chain approach: To what extent has support to sector associations and government institutions catalyzed priority value chain development? How important a role have these stakeholders played in increasing value chain competitiveness? To what extent have these stakeholders received sufficient and relevant support?

- Who are the most important stakeholders that need to be involved in increasing competitiveness of MSMEs in priority value chains?
- Which associations and/or other stakeholders have been most effective in catalyzing value chain development and increasing value chain competitiveness and why? (Probe: How have USAID Programs supported them in these efforts and was the support received sufficient and relevant?).
- What services do these stakeholders provide to MSMEs and other sector stakeholders (e.g. individuals, GoG institutions, NGOs, education institutions, etc.)? (Probe: Are these services of acceptable quality? Are there gaps? How does the fee structure look like? How can these services be improved or expanded?)
- Has USAID's support to GOG entities, including Enterprise Georgia, Georgia's Innovation and Technology Agency (GITA), and the Georgian National Tourism Administration (GNTA), been effective?
- Which associations have been most effective in increasing value chain competitiveness and why? (Probe: access to finance, support services, export enhancement, etc.).
- To what degree are gender and youth considerations integrated into USAID Economic Security Program activities (Probe: which activities, if any, encouraged greater female and youth participation in these targeted value chains?)

EQ3. Grant component: To what extent has the grant component strengthened each priority value chain? To what extent did the grants address gaps or market failures in each value chain?

- What are the main gaps in the targeted value chains? (Probe: capacity building, export promotion, lack of technologies, unskilled workforce, lack of distribution channels).
- To what degree did grants transform the priority value chain by addressing these gaps? (Probe: access to finance, increased sales, hiring talent, product differentiation, R&D, knowing customer demand, equipment, expansion of production facilities, supply chain infrastructure).
- From the perspective of target MSMEs and market actors/stakeholders they work with, what types of grants and in what operational areas would grant support be most impactful?
- What PSE opportunities have been facilitated by the Economic Security grants (Probe: types of engagement, number of engagements, outcome of engagements)

- How does the Economic Security Program encourage grant applications from new partners under USAID’s New Partnerships Initiative (NPI)? What types of additional technical, managerial and operational support does DAI provide to new partners receiving grants?

EQ4. Coordination on policy: To what extent has the Economic Security Program coordinated effectively with other USAID activities (managed by both the USAID Economic Growth and Democracy, Rights and Governance Offices) to address the policy barriers facing its priority sectors and value chains? To what extent has the absence of a large policy component within USAID’s Economic Security Program helped or hindered its ability to address policy gaps.

- What public-private dialogue activities do the Economic Security Program either host, or participate in collaboration with other USAID activities facilitate to ensure that the private sector’s voice is heard during the formulation of key regulations/policies (Probe: does the private sector believe their contribution is meaningful)
- Despite not having a large policy component, is the Economic Security Program able to address policy issues raised through this public-private dialogue? (Probe: how many policy issues has the Program addressed and/or initiated)
- To what degree has the Economic Security Program been successful in referring policy issues to other USAID Programs, including the Economic Governance Program? (Probe: how many policy issues have been referred)
- Has the absence of this policy component constrained the effectiveness of the Program to address policy issues central to achieving its objectives?

EQ5. COVID-19: In the context of COVID-19 economic contractions, how can the activity adapt its approaches (e.g. selection of grant solicitation themes, division of USAID investments across sub-sectors, sequencing of interventions, etc.) to improve its ability to achieve its targets: creation of 4,800 jobs and achieving \$60 million in new sales?

- What are the biggest challenges and opportunities, if any, that MSMEs face amid the current COVID-19 pandemic? (Probe: issues related to labor, new regulations, shifting to online sales)
- What have been the biggest challenges and opportunities in the tourism sector due to COVID-19? (Probe: how has the Economic Security Program responded to these challenges and opportunities)
- What have been the biggest challenges and opportunities in the ICT due to COVID-19? (Probe: how has the Economic Security Program responded to these challenges and opportunities)
- What further opportunities are there for the Economic Security Program to target?

4. EVALUATION DESIGN AND METHODOLOGY

For these evaluations, primary and secondary data collection will be conducted using a mixed-methods approach. Whenever possible, existing quantitative data will be utilized. Survey-based instruments will be developed to collect quantitative data to fill existing knowledge gaps. Qualitative data will be collected primarily through remotely conducted key informant interviews (KIIs) with USAID staff, including the

Contracting Officer’s Representative (COR), Activity Managers, mission staff points of contact, the IP, project partners and beneficiaries, and other actors and stakeholders relevant to the Program and to informing evaluation findings, insights, and recommendations.

LEAP III has formed two ETs that will ensure strong collaboration and knowledge sharing across both evaluations. Both ETs will follow the same team structure with an international evaluation lead, a local senior evaluation specialist and a local subject matter expert. Further details on the team members can be found below. A central activity management team which includes the LEAP III core staff will be responsible for client management, quality control, operations, and coordination across teams. Activity Manager, David Quinn will be responsible for quality assurance. Ms. Pin Thanesnant will serve as the Operations Lead and will support the management of the activity. She will also support the development of the Evaluation Work Plan, assist in data collection as needed, ensure all work is streamlined, and provide inputs for the draft and final reports. LEAP III Associate, Ms. Liesl Kim, will provide administrative, logistical, and operations support.

Economic Security Evaluation Team

Team Lead: Brenda Pearson

Senior Evaluation Specialist: Maia Giorbelidze

Private Sector Expert: Rati Gabrichidze

Sector/Value Chain Advisor: Lasha Kavtaradze

Facilitator: Rusudan Gogibedashvili

Agriculture Evaluation Team

Team Lead: Nikolaus Eichman

Senior Evaluation Specialist: Mikheil Pakatsoshvili

Agriculture Expert: Grigol Modebadze

Facilitator: Ani Chokhanelidze

4.1 USE OF BEST PRACTICES

The evaluation will use methods that generate quality data and credible evidence that correspond to the questions being asked, taking into consideration time, budget, and other practical considerations. The evaluation will use sound social science methods and include the following basic features:

1. Establish a team with the appropriate methodological and subject matter expertise to conduct an excellent mid-term performance evaluation;
2. Ensure transparency and dissemination of the evaluation design and final report, including briefings and presentations to the Missions and the posting of the final report through USAID-funded information dissemination websites;
3. Use data collection and analytic methods that ensure, to the maximum extent possible, that if a different, well-qualified evaluator were to undertake the same evaluation, he or she would arrive at the same or similar findings and conclusions;
4. Communicate and present separately the credible findings, conclusions and recommendations so the progression is clear and easy to follow in relation to each of the evaluation questions included in the Evaluation scope of work; and

5. Remain vigilant and flexible to the changing environment caused by the COVID-19 pandemic that impacts travel to and within Georgia. The ET will consult with USAID as it determines how to safeguard the health and safety of its team members.

4.2 EVALUATION DESIGN

These two mid-term performance evaluations will be cross-sectional, descriptive, and analytical evaluations employing mixed methods of data collection, combining qualitative information collected from interviews, quantitative results of electronic surveys, and the collection of quantitative data from project monitoring and the verification of reported results to assess the success, challenges, and sustainability of both the Agriculture and Economic Security Programs. The data collection methodology includes the following: a) document review; b) performance indicator assessments¹⁹; c) electronic surveys; d) KIs and group interviews; and e) strategic consultations with IPs and the private sector to inform recommendations related to Program uptake of PSE and MSD principles and approaches.

The data collection and analysis efforts are framed to assess activity implementation and how it affects activity outputs and results to date (September 2018 - September 2021 for CNFA and April 2019-September 2021 for DAI). The EQs are intended to highlight best practices and to identify challenges to the implementation of activities' objectives.

Based on consultations with USAID and the ET's desk review, the ET will select appropriate key informants for interviews and determine the optimal use of group interviews if feasible. The ET will develop interview protocols for KIs with USAID/Georgia staff and IP staff as well as in-country group and individual interviews with local partners and beneficiaries involved in the activities.

The data collection plan includes a comprehensive *Getting to Answers Matrix* in Tables 1 and 2 (see below) that map the EQs and sub-questions to data sources and data methods. Data sources include the USAID/Georgia database, original documents such as activity reports, monitoring, evaluation, and learning (MEL) plans, and activity-generated resources. Data analysis methods will include refining the descriptive statistics and content analysis.

In addition to the evaluation questions and proposed sub questions, the ET will probe cross-cutting issues that are important to USAID/Georgia, such as the impact of COVID-19 on job creation and sales/exports, PSE, business enabling environment, and inclusive economic growth interventions supporting women, youth, and vulnerable populations. A summary of how the agriculture and economic security Programs address cross-cutting issues will be included in the narratives of both final evaluation reports.

IMPACT OF COVID-19 ON JOB CREATION AND SALES/EXPORTS IN SELECTED SECTORS

Both performance evaluations contain a similar EQ related to the impact of COVID-19 on achieving targets in job creation and revenue in new sales and/or exports. The ET will analyze the impact of the COVID-19 pandemic on targeted sectors including agriculture, e-commerce, tourism, light manufacturing, ICT, waste management and recycling. The ET will conduct a benchmark assessment to examine the

¹⁹ The ET will review performance indicators found in project documentation (e.g., contract agreement, work plans, annual reports) and incorporate as appropriate to address the evaluation questions.

dynamics of each sector and their contributions to GDP and employment for the period of 2015-2019. This assessment will measure the losses and gains of the targeted sectors at the beginning of the pandemic (second quarter of 2020) and measure the effects on employment.²⁰

Next, the ET will identify whether any of these sectors have received one-off government support and estimate how this support may have helped the sector to minimize economic losses or maximize gains and maintain or increase employment. The ET's senior macroeconomic advisor will use the *Leontief Input-Output Model* and estimated multipliers for each sector to evaluate the development of the sectors in the medium to long-term. Our research approach will utilize the economic modeling, findings and forecasts recently presented in a similar study by the Asia Development Bank.

PRIVATE SECTOR ENGAGEMENT AND MARKET, SYSTEMS AND PARTNERSHIPS

The ET will engage the USAID PSE Hub and USAID's Market, Systems and Partnerships Program for PSE and MSD best practices that can guide and inform strategic consultations and resulting recommendations. The ET will also probe during KILs to identify practical approaches to shift PSE from transactional to transformational engagement with the private sector and explore MSD approaches that can facilitate efficient and effective PSE in the targeted sectors.

BUSINESS ENABLING ENVIRONMENT

During desk review and qualitative data collection, the ET will consider broadly the norms, customs, laws, regulations, policies, international trade agreements and public infrastructure that facilitate or hinder specific products and services along the targeted value chains included in the two evaluations. The focus will be on the constraints and opportunities facing MSMEs.

GENDER, YOUTH AND VULNERABLE GROUPS

During the desk review stage, project documents and early communications with USAID/Georgia revealed that both projects' activities should be implemented with consideration of gender equality, youth, and vulnerable groups. Inclusive development is important for USAID/Georgia as a cross-cutting issue for all projects and recognizes the importance of reflecting and understanding how socially vulnerable groups are engaged in entrepreneurship and private business development activities. The ET will probe during KILs to identify both positive and negative unintended consequences of Program activities for women and youth within the local contexts and norms concerning employment and income generation in which they operate. This will be done in combination with other criteria such as age, income, urban/rural divide, etc. The ET will also consider to what extent inclusive development approaches are part of technical assistance provided by the Agriculture and Economic Security Programs.

²⁰ GDP and employment data by sector is available on the Geostat website and additional employment data can be obtained from the GOG Revenue Service.

TABLE 3: GETTING TO ANSWERS MATRIX – AGRICULTURE PROGRAM EVALUATION

EVALUATION QUESTIONS	TYPE OF ANSWER/ EVIDENCE NEEDED (CHECK ONE OR MORE, AS APPROPRIATE)		METHODS FOR DATA COLLECTION, E.G., RECORDS, KIIS, SURVEYS ²¹		SAMPLING OR SELECTION APPROACH	DATA ANALYSIS METHODS: FREQUENCY DISTRIBUTION TREND, CONTENT ANALYSIS
		YES/NO	SOURCES	SPECIFIC METHODS		
EQ1. To what extent have the export capacity building interventions with firms, and export promotion interventions with the government, been necessary and sufficient to diversify agricultural exports of target products to USG preferred markets	Yes	Description	Key Performance Indicators Interviews KIIs Survey	Quantitative: Performance Indicators Qualitative: Interviews Quantitative: Online Survey	Survey of grantees and participants of capacity building interventions KIIs with IPs, COR, Activity Manager KIIs with the Ministry of Economy and Sustainable Development (MoESD), Enterprise Georgia, Ministry of Environmental	Trend analysis Content analysis Data disaggregated by sex and age Comparative analysis with baseline data
	Yes	Comparison ²²				
	Yes	Explanation ²³				

²¹ Data from evaluations are a deliverable and methods should indicate how data would be captured, i.e., for focus groups USAID requires a transcript.

²² Comparison – to baselines, plans/targets, or to other standards or norms

²³ Explanation – for questions that ask “why” or about the attribution of an effect to a specific intervention (causality)

<p>(i.e. outside of Russia)? What have been the most pressing challenges in each priority value chain hindering the diversification of export markets? How sustainable are the USG-supported market linkages?</p>					<p>Protection and Agriculture of Georgia (MEPA), Regional Development Association (RDA), National Food Agency (NFA), laboratories, SRCA Kills with private sector actors, including sector associations and cooperatives Kills with other USAID projects Kills with other donors</p>	
<p>EQ2. To what extent has the activity's support to sector associations, cooperatives and government institutions</p>	<p>Yes</p>	<p>Description</p>	<p>Data collection Interviews with key stakeholders Survey</p>	<p>Quantitative: Data collection Qualitative: Interviews Quantitative: Phone survey</p>	<p>Kills with MoESD, Enterprise Georgia, MEPA, RDA Kills with IPs, COR, Activity Manager Kills with private sector actors,</p>	<p>Trend analysis Content analysis</p>
<p>Yes</p>	<p>Comparison</p>					
<p>Yes</p>	<p>Explanation</p>					

<p>catalyzed priority value chain development? How important a role have these stakeholders played in increasing value chain competitiveness? To what extent have these stakeholders received sufficient and relevant support?</p>					<p>including sector associations and cooperatives</p> <p>Kills with the MoESD, Enterprise Georgia, MEPA, RDA, NFA, laboratories, SRCA</p> <p>Phone survey of farmers in priority value chains</p> <p>Kills with grantees</p> <p>Kills with other USAID projects</p> <p>Kills with other donors</p>	
<p>EQ3. To what extent has the grant component strengthened each priority value chain? To what extent did the grants address gaps or market failures in target value chains?</p>	<p>Yes</p>	<p>Description</p>	<p>Performance indicators</p>	<p>Quantitative: Performance Indicators</p>	<p>Kills with IPs, COR, Activity Manager</p>	<p>Trend analysis</p> <p>Content analysis</p>
	<p>Yes</p>	<p>Comparison</p>	<p>Data collection</p> <p>Interviews</p> <p>Survey</p>	<p>Data collection</p> <p>Qualitative: Interviews</p>	<p>Kills with private sector actors, including sector associations and cooperatives</p>	
	<p>Yes</p>	<p>Explanation</p>	<p>Market survey</p>	<p>Quantitative: Survey</p>	<p>Kills with the MoESD, Enterprise Georgia, MEPA, RDA, NFA</p> <p>Kills with grant applicants and grantees</p>	<p>Data disaggregated by sex and age</p>

EQ4. COVID-19: In the context of COVID-19 economic contractions, how can the activity adapt its approaches (e.g. selection of grant solicitation themes, division of USAID investments across sub-sectors, sequencing of interventions, etc.) to improve its ability to achieve its targets: creation of 3,680 jobs and increase agricultural sales by \$70 million, including \$23 million in new exports?	Yes	Description	Performance indicators KIs Interviews	Quantitative: Performance Indicators, Online-Survey, Official statistics from GeoStat / Revenue Service Qualitative: Interviews	KIs with IPs, COR, Activity Manager KIs with private sector actors, including sector associations and cooperatives KIs, with GOG and other relevant stakeholders KIs with the MoESD, Enterprise Georgia, MEPA, RDA, NFA KIs with grantees	Content Analysis Trend Analysis
	Yes	Comparison				Comparative analysis with pre-COVID-19 baseline data
	Yes	Explanation				

TABLE 4: GETTING TO ANSWERS MATRIX – ECONOMIC SECURITY PROGRAM EVALUATION

EVALUATION QUESTIONS	TYPE OF ANSWER/ EVIDENCE NEEDED (CHECK ONE OR MORE, AS APPROPRIATE)		METHODS FOR DATA COLLECTION, E.G., RECORDS, KIIS, SURVEYS		SAMPLING OR SELECTION APPROACH	DATA ANALYSIS METHODS: FREQUENCY DISTRIBUTION TREND, CONTENT ANALYSIS
		YES/NO	SOURCES	SPECIFIC METHODS		
EQ 1: <u>Private sector engagement</u> : To what extent has the PDF targeted and established high-impact (defined as wide-reaching and/or replicable) partnerships with the private sector that have strengthened and catalyzed the development of priority value chains? To what extent are these partnerships sustainable (defined	Yes	Description	Key Performance Indicators Interviews KIIs Survey	Quantitative: Performance Indicators Qualitative: Interviews	KIIs with USAID, DAI, Solimar International, PMCG KIIs with Ministry of Economy and Sustainable Development KIIs with Ministry of Finance Interviews with all partnerships KIIs with Enterprise Georgia KIIs with GITA KIIs with GNTA	Trend analysis Direct attribute/linkages Content analysis Comparative analysis with baseline data
	Yes	Comparison				
	Yes	Explanation				

<p>as the establishment of market linkages that will not depend on USAID assistance after the activity ends)?</p>					<p>Online survey of business associations Online survey of MSMEs (including Biz-link beneficiaries) Administrative data from National Statistics Office of Georgia Revenue Service</p>	
<p>EQ 2: <u>Value chain approach</u>: To what extent has support to sector associations and government institutions catalyzed priority value chain development? How important a role have these stakeholders played in increasing value chain competitiveness? To what extent have these stakeholders received sufficient</p>	<p>Yes</p>	<p>Description</p>	<p>Data collection Interviews with key stakeholders Survey</p>	<p>Quantitative: Data collection Survey Qualitative: Interviews</p>	<p>KIIs with USAID, DAI, Solimar International, PMCG KIIs with Ministry of Economy and Sustainable Development KIIs with Ministry of Finance Interviews with all partnerships KIIs with Enterprise Georgia KIIs with GITA KIIs with GNTA</p>	<p>Cross tabulations Trend analysis Content analysis Descriptive statistical analysis Direct attribution/linkages Data disaggregated by gender, age</p>
	<p>No</p>	<p>Comparison</p>				
	<p>Yes</p>	<p>Explanation</p>				

and relevant support?					KIs with sampled business associations KIs with beneficiaries of business associations Online survey of business associations Online survey of MSMEs (including Biz-link beneficiaries) Online survey of #Go4It Interns	
EQ 3: <u>Grant component</u> : To what extent has the grant component strengthened each priority value chain? To what extent did the grants address gaps or market failures in each value chain?	Yes	Description	Data collection Interviews with key stakeholders Online survey	Quantitative: Data collection Survey Qualitative: Interviews	KIs with USAID KIs with DAI staff (Chief of Party (COP), Deputy Chief of Party (DCOP), Grants Director, Monitoring and Evaluation Manager) Online survey of Grantees Interviews with sampled grantees Online survey of MSMEs (including	Cross tabulations Descriptive statistical analysis Trend analysis Content analysis Direct attribute/linkages Gap analysis Data disaggregated by sex
	Yes	Comparison				
	Yes	Explanation				

					Biz-link beneficiaries)	
EQ4. <u>Coordination on policy</u> : To what extent has the Economic Security Program coordinated effectively with other USAID activities (managed by both the USAID Economic Growth and Democracy, Rights and Governance Offices) to address the policy barriers facing its priority sectors and value chains? To what extent has the absence of a large policy component within USAID's Economic Security Program helped or hindered its ability to address policy gaps?	Yes	Description	Data collection Interviews with key stakeholders Online survey	Qualitative: Interviews	Klls with USAID, DAI, PMCG Klls with other USAID funded Programs Klls with other international-aid provider agencies Klls with Parliament Online survey of business associations Online survey of grantees Klls with sampled grantees and business associations	Content analysis Gap analysis
	Yes	Comparison				Direct attribution/linkages
	Yes	Explanation				Gap analysis

<p>EQ5. <u>COVID-19</u>: In the context of COVID-19 economic contractions, how can the activity adapt its approaches (e.g. selection of grant solicitation themes, division of USAID investments across sub-sectors, sequencing of interventions, etc.) to improve its ability to achieve its targets: creation of 4,800 jobs and achieving \$60 million in new sales?</p>			<p>Data collection Interviews with key stakeholders Online survey</p>	<p>Quantitative: Data collection Qualitative: Interviews</p>	<p>KIIs with DAI COP, DCOP, Grants Director KIIs with Solimar International, PMCG KIIs with USAID COR/Agreement Officer's Representative (AOR) KIIs with GNTA KIIs with GITA Online survey of MSMEs (including Biz-link beneficiaries) Online survey of business association Online survey of #Go4It Interns</p>	<p>Content analysis Systematic Document Review Comparative analysis with pre-COVID-19 baseline data</p>
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4.3 DOCUMENT REVIEW

The ET will conduct a focused document review of relevant resources as well as activity documents. Key variables of the review will include the purpose, goals and objectives, interventions, results, and sustainability of each activity, as well as best practices in PSE and MSD approaches that could be applied by these and future programs in Georgia. The ET will enter this information into Excel files to serve as display tables for analysis. The ET will review USAID and IP documents in an iterative process of data analysis and writing, including the following resources.

4.4 PRIMARY DATA: SURVEYS AND INTERVIEWS

To accommodate the COVID-19 situation as well as harvest season, the team will first disseminate online surveys early in the data collection process. The analysis and initial findings from the surveys can be used to inform KIs and focus group discussions (FGDs). This two-step approach will allow for probing deeper for insights during the KIs and group interviews.

The primary data collection will be conducted in the Georgian language for all respondents (unless a respondent requests the interview to be conducted in English). The electronic survey and KIs with USAID staff and other donor partners will be conducted in English. The survey instruments are presented in English in Annexes A and B but will be translated into Georgian prior to dissemination.

ELECTRONIC SURVEYS

The ET will develop and conduct seven online surveys, which may be found in Annexes A and B, as a pre-screening and data collection instrument before conducting the KIs. Based upon the desk review, discussions with USAID staff and preliminary consultations with the two IPs, the electronic surveys will target the following stakeholders:

1. Agricultural Program grantees;
2. Agricultural Program recipients of technical assistance;
3. Agricultural Program and Economic Security grant applicants who did not receive grants;
4. Economic Security Program affiliated Business Associations;
5. Economic Security Program affiliated MSMEs;
6. Economic Security Program grantees; and
7. Economic Security Program interns.

These surveys will be structured and utilize a combination of dichotomous questions, i.e. Yes/No/Don't Know, Likert scale (using a 5-point rating scale), and open-ended responses. The online surveys will be hosted using the online platform, *Survey Monkey*. Respondents will be requested to complete the survey within one week of receipt, and reminder emails will be sent to those who do not complete the survey. After piloting the electronic surveys, adjustments may be necessary, and the team will determine whether incomplete surveys will be accepted. Based on previous experience, the ET anticipates an estimated 20-25 percent response rate.

The sample size for each of the seven surveys will be approximately 10 percent of key stakeholders, which is derived by power calculations using a power factor of 1.0 for determining the probability of significance, using the formula below:

$$n = \left(\frac{Z_{1-\alpha/2} + Z_{1-\beta}}{ES} \right)^2$$

Where α is the selected level of significance and $Z_{1-\alpha/2}$ is the value from the standard normal distribution holding $1 - \alpha/2$ below it. For example, if $\alpha=0.05$, then $1 - \alpha/2 = 0.975$ and $Z=1.960$. $1 - \beta$ is the selected power, and $Z_{1-\beta}$ is the value from the standard normal distribution holding $1 - \beta$ below it. ES - Effect Size.

KEY INFORMANT INTERVIEWS

The ET will use a purposive sampling for selecting key informants who will be chosen specifically for their relationship to the project. These will include IP staff, USAID staff, including the COR, Program staff and/or other USAID Economic Growth staff that have been involved in the projects and Program Office staff that have been involved in design and monitoring and evaluation. Other KIIs may include private sector partners and stakeholders, associations, other donor partners, NGOs, and GOG officials. The ET will conduct qualitative, in-depth individual interviews with key informants. In rare instances, in-person interviews may be possible. However, it is expected that most interviews will be conducted via video conferencing using the *Google Meet* platform (for all USAID staff), *Zoom*, *Skype*, and *WhatsApp* platforms.

Both ETs will follow the same structure during data collection, including streamlined stakeholder outreach to ensure no duplication in outreach and frequent technical dialogue between both ETs. All travel and interview schedules will be centralized and managed by the local coordinators to ensure all team members have access and can plan each day accordingly. Throughout data collection, the teams will have frequent check-in meetings to discuss preliminary findings and lessons learned from each day, as well as plan for the days ahead (i.e., addressing schedule changes, coordinating meetings, organizing updated stakeholder lists, etc.) The teams will conduct three weeks of KIIs and FGDs in Tbilisi and other parts of Georgia as needed to better understand Program impact at the level of the operating environments of target beneficiaries. If the ET believes it is feasible to conduct in-person interviews, USAID will have a chance to approve proposed travel itineraries of the teams before deployment.

SITE VISITS/DIRECT OBSERVATION

The ET will consult with DAI and CNFA staff to assess opportunities to conduct either virtual or in-person site visits and direct observations in accordance with prevailing circumstances to obtain additional insights in assessing the quality of services or training provided, way of event organization, beneficiaries' skills, and communications channels. If the ET elects to conduct direct observations, the ET will follow the USAID protocol guide for conducting site visits and develop a site summary report based on this guidance (Annex F: Site Visit Summary). For example, the ET will plan to observe a business clinic workshop for BizLink beneficiaries of the Economic Security Program and has coordinated with the DAI team for access to this event. Other direct observation opportunities will be explored during the data collection period for this evaluation.

All proposed KIs and FGDs, as well as the surveys and direct observations, are organized around key evaluation questions and supported with detailed questionnaires. Each questionnaire will be developed for each specific group of interviewees and includes both common questions as well as questions unique to each group (clearly marked), which will allow the team to obtain the full range of opinions regarding specific projects but also to ensure that data is comparable across all the respondent groups. The ET will take detailed field notes in support of any direct observations consistent with USAID’s ADS (Chapters 201, 320, and 578 as well as relevant mandatory references) and USAID’s Evaluation Policy (January 2016). (See Annex C-E for more information regarding the data collection protocols).

TABLE 5: STAKEHOLDER CATEGORIES				
STAKEHOLDER CATEGORY	JOINT AG + ECON SECURITY ETS	AG PROGRAM ET	ECONOMIC SECURITY PROGRAM ET	COMMENT
USAID	X			Both ETs will conduct joint interviews with senior leadership of USAID. ETs will facilitate a separate Program-specific discussions with AOR/COR of respective Program
Implementing Partners		X	X	ETs will conduct KIs with Implementing Partners of respective Programs.
Other USAID-supported Programs	X			Both ETs will conduct joint interviews with other USAID-supported Programs
Other donor-funded Programs	X	X (Food and Agriculture Organization (FAO), United Nations Development Programme)	X	Both ETs will conduct joint interviews with other donor-funded Programs with whom both Programs cooperated with. In addition, a separate Program-specific discussions will be facilitated by respective ET as needed

Government of Georgia	X (Enterprise Georgia, GITA, RDA, which oversees Information Consultation Centers)	X (MEPA,RDA, NFA, laboratories, SRCA)	X (MoESD, Ministry of Finance, Parliament of Georgia)	Both ETs will conduct joint interviews with the representatives of the Government of Georgia. In addition, a separate Program-specific discussions will be facilitated with by respective ET as needed
Beneficiaries (grantees, business associations, interns)		X	X	ETs will conduct KIIs and online surveys of beneficiaries of respective Programs.
PPP and GDAs			X	ETs will conduct KIIs with PPPs and GDAs established within Economic Security Program
Private Sector Actors		X	X	ETs will conduct KIIs and online surveys of private sector actors to collect the responses on Evaluation Questions for each Program.
Private Sector Partners (producers, buyers, service providers)		X	X	ETs will conduct KIIs with private sector partners of Agricultural Program
Financial Institutions		X	X	ETs will conduct KIIs with Financial Institutions to measure accessibility to finances within Economic Security Program

STRATEGIC CONSULTATIONS

The ET will conduct strategic consultations with IPs and the private sector to better understand constraints and opportunities related to Program objectives. Strategic consultations will also inform an assessment of Program uptake of principles and approaches in line with USAID’s PSE policy and Digital Strategy, utilization of partnerships and market systems development approaches and assist in identifying related and actionable recommendations for the remaining years of Program implementation and future USAID/Georgia Programming.

4.5 DATA ANALYSIS METHODS

The mid-term performance evaluations include comprehensive *Getting to Answers* matrices (see Table 1 and Table 2) that map the EQs to data sources and data analysis methods. Once the ET's data plan is developed fully, the ET will use a document review instrument to guide data collection along with interview guides and protocols for conducting the video conferencing interviews. The ET will then collect data from the document review and interviews, then analyze it using descriptive statistics or content analysis to develop the findings to answer the EQs.

The ET will also use descriptive statistics to produce a quantitative overview of both activities, including characteristics such as the number of participants, regions, and in-country partners. The ET will use standard qualitative analysis to review the data summaries and data display tables described above. Secondary priority will be given to less common themes and patterns that illustrate key characteristics relevant to the EQs. The ET will conduct semi-structured interviews with USAID staff, IPs, their partners and stakeholders and selected beneficiaries to gather their perspectives and additional information about the activities. The team proposes to use a manual review process to extract key data such as keywords, quotes, or substantive information about activities from the transcripts.

A core technical approach will be triangulation: the systematic, evidence-based, careful synthesis of disparate findings (from a broad variety of data sources) to discern consistent themes, trends, and patterns. Because the ET will be synthesizing data from multiple sources, it is imperative that the ET employs a broad variety of analytical technical techniques throughout the mid-term performance evaluation. These techniques will be customized to fit both the available data sources and address the EQs provided in this plan.

4.6 POTENTIAL LIMITATIONS

Selection bias: As some key informants may decline to be interviewed, there is a possibility of selection bias. Those respondents who chose to be interviewed might differ from those who did not in terms of their attitudes and perceptions, affiliation with government/non-government structures, and socio-demographic characteristics and experience. The ET will mitigate by developing a purposive sampling of key informants.

Limited Fieldwork: Due to the COVID-19 situation, both evaluations will be primarily conducted remotely. There is a disadvantage that ET members cannot be in-country to speak with stakeholders in-person and experience the activities on the ground. The ET will work to mitigate all data collection issues by planning in advance and working with local team members to help coordinate in-country. The ET will take into consideration lessons learned during recent evaluations using remote data collection methods.

Instrumental Bias: Guarding against instrumental bias is a consideration because many beneficiaries and in-country partners were exposed to or participated in more than one intervention and their responses may be influenced by participation in multiple interventions. The ET will note if key stakeholders participated in multiple activities.

Difficulty assessing progress in addressing gaps: The evaluation will be conducted while the reform implementation and capacity building interventions are ongoing, and the influences on the relevant value chain may take years to deliver intended results. The ET will assess progress to date and highlight potential gaps that should be addressed in end line evaluations.

Availability of respondents for key informant interviews: Due to complications related to COVID-19, some respondents may not be available due to precautions, government restrictions or limited internet connectivity. Scheduling interviews with farmers during harvesting season may pose challenges in sampling size and scheduling, therefore the ET will adjust sampling size as needed.

Complexity of questions during phone interviews: Due to challenges posed by COVID-19, the ET will rely more extensively on video and telephone interviews. This may cause the evaluators to simplify and shorten the duration of KIIs, thus resulting in somewhat limited data availability. The ET will adjust its interview techniques to accommodate respondents’ abilities to elaborate.

4.7 COLLABORATION, LEARNING AND ADAPTING

The ET will work closely with USAID/Georgia to present its preliminary findings and recommendations with USAID mission staff and IPs. The ET proposes that two exit briefings and one recommendations and validation workshop be held after the data analysis has been completed and prior to report writing.

Exit Briefings: Upon the conclusion of fieldwork, the teams will deliver exit briefings to report on initial findings and observations. The ET proposes conducting two separate exit briefings with relevant mission staff. The Exit Briefings will include general findings, conclusions, and anticipated recommendations on Programs, as well as high-level comparisons of cross-cutting lessons. These cross-cutting lessons will be derived from a comparative analysis of the findings from both evaluations.

Recommendations and Validation Workshop: The Chief of Party and two Team Leaders will facilitate a 90-minute validation workshop with selected staff from USAID/Georgia to include CORs, representatives from the economic growth and Program office and senior leadership. The purpose of this validation workshop is to improve the evaluation learning and utilization through group discussion and shared understanding of the findings, recommendations, and key learning points. The format of the workshop will be determined two weeks in advance of the date, which will allow preparations for either an in-person or virtual discussion. Any feedback will be taken into consideration for the evaluation report.

5. DELIVERABLES

Under these evaluations, the LEAP III team will submit the following deliverables:

TABLE 6: DELIVERABLES TIMELINE	
DELIVERABLE	DUE DATE
Evaluation Work Plan: This document outlines the methodology, limitations, timeline, and travel logistics for USAID/Georgia’s review and approval.	August 23, 2021
Mission in-brief: Discuss evaluation design and questions With USAID office directors and senior leadership.	September 15, 2021

<p>Remote Data Collection: The evaluation team will utilize electronic surveys and online meeting methods to conduct KIIs and FGDs.</p>	<p>Weeks of August 30 - September 27, 2021</p>
<p>Exit Briefings and Recommendations and Validation Workshop: The evaluation team will conduct separate presentations for USAID/Georgia on its preliminary findings on an agreed upon date in mid-October 2021. The team will also facilitate a validation workshop. These dates will depend on the schedules of USAID/Georgia and will be determined later.</p>	<p>Exact date TBD ~week of October 11-15, 2021</p>
<p>Draft Evaluation Report: The draft evaluation report will adhere to USAID Evaluation Policy guidelines. Within 21 working days after data collection, the LEAP III team will provide to USAID/Georgia a draft of the report.</p>	<p>November 1, 2021</p>
<p>Final Evaluation Report: Upon the receipt of the Mission's comments on the draft report, the LEAP III team will finalize the report for submission.</p>	<p>Within 10 days of receiving comments on the final report.</p>

6. TIMELINE

Task	J u n 2 8	J u l 5	J u l 1 2	J u l 1 9	J u l 2 6	A u g 2	A u g 9	A u g 1 6	A u g 2 3	S e p 6	S e p 1 3	S e p 2 0	S e p 2 7	O c t 4	O c t 1 1	O c t 1 8	O c t 2 5	N o v 1	N o v 8	N o v 1 5	N o v 2 2	N o v 2 9
1. Development of AAR																						
(USAID Approval)																						
2. Desk Review /Evaluation Design/ Work Plan																						
2.1. Initial Document And																						

Task	J u n 2 8	J u l 5	J u l 1 2	J u l 1 9	J u l 2 6	A u g 2	A u g 9	A u g 1 6	A u g 2 3	S e p 6	S e p 1 3	S e p 2 0	S e p 2 7	O c t 4	O c t 1 1	O c t 1 8	O c t 2 5	N o v 1	N o v 8	N o v 1 5	N o v 2 2	N o v 2 9
Desk Review																						
2.2. Evaluation Work Plan Development																						
(USAID Approval)																						
3. Mission In-Brief																						
4. Remote Data Collection																						

Task	J u n 2 8	J u l 5	J u l 1 2	J u l 1 9	J u l 2 6	A u g 2	A u g 9	A u g 1 6	A u g 2 3	S e p 6	S e p 1 3	S e p 2 0	S e p 2 7	O c t 4	O c t 1 1	O c t 1 8	O c t 2 5	N o v 1	N o v 8	N o v 1 5	N o v 2 2	N o v 2 9	
5.Exit Briefings and Recommendations and Validation Workshop																							
6. Draft Evaluation Report																							
(USAID approval)																							
7. Final Evaluation Report																							

Task	J u n 2 8	J u l 5	J u l 1 2	J u l 1 9	J u l 2 6	A u g 2	A u g 9	A u g 1 6	A u g 2 3	S e p 6	S e p 1 3	S e p 2 0	S e p 2 7	O c t 4	O c t 1 1	O c t 1 8	O c t 2 5	N o v 1	N o v 8	N o v 1 5	N o v 2 2	N o v 2 9
<i>(USAID approval)</i>																						

ANNEX II.A. ONLINE SURVEY QUESTIONNAIRES - AGRICULTURE PROGRAM

ANNEX II.A.I. ELECTRONIC SURVEY OF GRANTEES

Thank you for participating in the electronic survey. The survey questions are divided into sections. Please fill in the survey based on your own experiences and direct involvement engaging with the USAID Agriculture Program. All responses to the questions are confidential and will not be attributed to any individual or firm. The survey results will be used for research purposes only. The survey should take approximately 15 minutes to complete. Please answer as completely as you can. If you have any questions, please contact Mikheil Pakatsoshvili

1. Sex
 - a. Female
 - b. Male
 - c. Prefer not to state
2. Youth: Yes or No (18 - 29 years)
3. Region:
4. What is your primary production? (Note to ET: we will need to update this question pending completion of the new VC study)
 - a. nuts
 - b. berries,
 - c. culinary herbs,
 - d. stone fruits,
 - e. perishable vegetables,
 - f. pome fruits (apples),
 - g. table grapes,
 - h. mandarins
 - i. other (please specify)
5. What are some of the challenges in your sector (select all relevant responses)?
 - a. lack of access to inputs/raw materials
 - b. lack of access to technologies
 - c. lack of access to finance

- d. trouble finding qualified staff / skilled labor
 - e. underdeveloped infrastructure
 - f. access to sales markets
 - g. difficulty in marketing/sales of products in: checkbox: Georgia, abroad, both
 - h. lack of market information
 - i. complications related to the spread of pests and diseases
 - j. unfavorable business environment (regulations/political/legal/bureaucracy)
 - i. if checked: please specify what are the challenges that you face (open-ended question)
 - k. Russian embargo on agricultural products in 2006
 - l. Other, please specify
6. How useful was the grant from the USAID Agriculture Program to address the challenges?
- a. Very useful
 - b. Useful
 - c. Neutral
 - d. Not useful
 - e. Not at all useful
7. Where did you sell your products prior to engaging with the USAID Agriculture Program? Checkbox – Domestically, EU countries, Russia, other neighboring countries (Armenia, Azerbaijan, Turkey), US, other (please specify)
8. If Russia and/or neighboring countries – what are the advantages of selling there? Checkbox – easy to deal with customs, low quality requirements, demand for Georgian products, other (please specify)
9. If the EU and/or US – what are the challenges? Checkbox – access to relevant laboratory services to obtain SPS certificate, certification of products, complex transportation/storage requirements, low visibility of Georgian products and low sales, other (please specify)
- a. If certification of products is checked: Which certificate is required for exports?
 - i. Organic certificate
 - ii. Geographic Indication
 - iii. ISO 22 000
 - iv. GlobalGap
 - v. GRASP certification

- vi. HACCP
- vii. Other (please specify)

10. To what extent do you agree/disagree with the following statement? I had already planned to diversify my export markets prior to engaging with the USAID Agriculture Program.

- a. Strongly agree
- b. Agree
- c. Neutral
- d. Disagree
- e. Strongly disagree
- f. I don't know

11. Where did you plan to diversify your market? Checkbox – Domestically, EU countries, Russia, other neighboring countries (Armenia, Azerbaijan, Turkey), US, other (please specify)

If selected 10 d or e,

12. Why didn't you plan to diversify your markets? Checkbox – my production is small, it is hard to obtain necessary export documents, I do not have business contacts abroad, I do not know how to arrange transportation, other (please specify)

13. Do you currently sell your products to new markets that you have entered since 2019?

- a. If yes
 - i. Which countries? Checkbox – EU countries, Russia, other neighboring countries (Armenia, Azerbaijan, Turkey), US, other (please specify)
 - ii. What was the role of the USAID Agriculture Program?
Checkbox – financial support to buy new equipment/machinery, support in obtaining necessary export documents, in establishing business contacts abroad, in arranging transportation, in obtaining needed certification, in branding, in accessing finance other (please specify)

I. For each checked answer: How useful was the support provided by the Program?

- a. Very useful
- b. Useful
- c. Neutral
- d. Not useful
- e. Not at all useful
- f. I don't know

iii. What is the volume of your domestic sales / exports / How much has your domestic sales / exports increased after engaging with the USAID Agriculture Program?

1. Volume – dropdown (tons)
2. Monetary value – dropdown (thousand USD)

b. If they did not increase, why? Checkbox – Due to COVID-19 restrictions, the buyers did not renew contracts, my certificates were revoked, my net income from exports was low, other (please specify)

14. How would you assess the application process for support from the USAID Agriculture Program?

- a. Very easy
- b. Easy
- c. Neutral
- d. Complicated
- e. Very complicated
- f. I don't know

15. Did you receive bank financing for the cash contribution for the USAID Agriculture Program?

- a. Yes
- b. No

16. Do you buy products from farmers / other entrepreneurs?

- a. If yes
 - i. What products do you buy? Checkbox of priority VC products, inputs
 - ii. Approximately from how many? Dropdown.
 - iii. What is the estimated value of products you buy in USD?
- b. No

17. How have employment figures changed in your company after engaging with the USAID Agriculture Program?

- a. Increased – please provide figures for both permanent and part-time
 - i. Dropdown for permanent jobs
 - ii. Dropdown for part-time jobs
 - iii. Dropdown for seasonal job
- b. Decreased – please provide figures for both permanent and part-time

- i. Dropdown for permanent jobs
- ii. Dropdown for part-time jobs
- iii. Dropdown for seasonal jobs

c. Did not change

18. How has your income changed after engaging with the USAID Agriculture Program?

a. Increased (please provide estimates)

- i. Up to 20%. please provide the estimated value in USD
- ii. 20-50%. please provide the estimated value in USD
- iii. 50-100%. please provide the estimated value in USD
- iv. Over 100%. please provide the estimated value in USD

b. Decreased (please provide estimates)

- i. By around -20%. please provide the estimated value in USD
- ii. -20-50%. please provide the estimated value in USD
- iii. -50-100%. please provide the estimated value in USD

c. Did not change

19. How have your relations with other value chain actors changed since engaging in the USAID Program?

- a. Significantly improved
- b. Improved
- c. Has not changed
- d. Worsened
- e. Significantly worsened
- f. I don't know

20. If significantly improved or improved, with which actors?

- a. Other producers
- b. suppliers
- c. input providers
- d. buyers
- e. other (please specify)

21. Do you receive services from other VC actors and/or sector stakeholders? Yes, no

If yes, to which actors?

- a. Other producers

- b. suppliers
- c. input providers
- d. buyers
- e. Government of Georgia / its institutions
- f. Non-governmental organizations
- g. education institutions
- h. others (please specify)

22. What services do you receive from these stakeholders?

- a. accessing inputs/raw materials
- b. accessing technologies
- c. access to finance
- d. finding qualified staff / skilled labor
- e. developing infrastructure
- f. accessing sales markets
- g. marketing/sales of products
- h. receiving market information
- i. fighting pests and diseases
- j. advocating for favorable business environment

23. How satisfied are you with the quality of services?

- a. Very satisfied
- b. Satisfied
- c. Neutral
- d. Unsatisfied
- e. Very unsatisfied
- f. I don't know

24. What was the impact of COVID-19 on you/your company?

- a. Very negative
- b. Negative
- c. Neutral
- d. Positive
- e. Very positive

- f. Did not have any impact
- g. I don't know

25. Aside from support you received from the USAID Agriculture Program, did you receive support from any other organization / gov entity?

a. If yes – which organizations / entities? Checkbox – USAID Economic Security Program, USAID ZRDA Activity, USAID/Farmer to Farmer (F2F), FAO ENPARD Project, ADA GRETA Project, Enterprise Georgia, Rural Development Agency projects, other (please specify) what type of support? Checkbox – financial support to buy new equipment/machinery, in obtaining necessary export documents, in establishing business contacts abroad, in arranging transportation, in obtaining quality certificate, in branding, other (please specify)

b. No

26. How do you see the performance of your business during the next several years?

- a. Significantly improving
- b. Improving
- c. Same
- d. Worsening
- e. Significantly worsening

27. How would you describe the overall relations with the USAID Agriculture Program?

- a. Very positive
- b. Positive
- c. Neutral
- d. Negative
- e. Extremely negative
- f. I don't know
- g. Refuse to answer

ANNEX II.A.2. ELECTRONIC SURVEY OF TECHNICAL ASSISTANCE RECIPIENTS

Thank you for participating in the electronic survey. All responses to the questions are confidential and will not be attributed to any individual or firm. The survey results will be used for research purposes only. The survey questions are divided into sections. Please fill in the survey based on your own experiences and direct involvement in the project. The survey should take approximately 15 minutes to complete. Please answer as completely as you can. If you have any questions, please contact Mikheil Pakatsoshvili,

I. Sex

1. Female
 2. Male
 3. Prefer not to state
2. Youth: Yes or No (18 - 29 years)
 3. Region:
 4. What is your primary production? (Note to ET: we will need to update this question pending completion of the new VC study)
 1. nuts
 2. berries,
 3. culinary herbs,
 4. stone fruits,
 5. perishable vegetables,
 6. pome fruits (apples),
 7. table grapes,
 8. mandarins
 9. other (please specify)
 5. What are some of the challenges in your sector (select all relevant responses)
 1. lack of access to inputs/raw materials
 2. lack of access to technologies
 3. lack of access to finance
 4. trouble finding qualified staff / skilled labor
 5. underdeveloped infrastructure
 6. access to sales markets
 7. difficulty in marketing/sales of products in Georgia and abroad
 8. lack of market information
 9. complications related to the spread of pests and diseases
 10. unfavorable business environment: checkbox: regulatory/legal/bureaucracy
 1. if checked: please specify what are the challenges that you face (open-ended question)
 11. Russian embargo on agricultural products in 2006
 12. Other, please specify

6. Where did you sell your products prior to engaging with the USAID Agriculture Program? Checkbox – Domestically, EU countries, Russia, other CIS countries, US, neighboring countries (Armenia, Azerbaijan, Turkey), other (please specify)
7. If Russia and/or CIS – what are the advantages of selling there? Checkbox – easy to deal with customs, low quality requirements, demand for Georgian products, other (please specify)
8. If the EU and/or US – what are the challenges? Checkbox – access to relevant laboratory services to obtain SPS certificate, certification of products, complex transportation/storage requirements, low visibility of Georgian products and low sales, other (please specify)
 1. If certification of products is checked: Which certificate is required for exports?
 1. Organic certificate
 2. Geographic Indication
 3. ISO 22 000
 4. GlobalGap
 5. GRASP certification
 6. HACCP
 7. Other (please specify)
9. To what extent do you agree/disagree with the following statement? I planned to diversify my export markets prior to engaging with the USAID Agriculture Program.
 1. Strongly agree
 2. Agree
 3. Neutral
 4. Disagree
 5. Strongly disagree
 6. I don't know
10. Where did you plan to diversify your market? Checkbox – Domestically, EU countries, Russia, other neighboring countries (Armenia, Azerbaijan, Turkey), US, other (please specify)
If selected 10 d or e,
11. Why didn't you plan to diversify your markets? Checkbox – my production is small, it is hard to obtain necessary export documents, I do not have business contacts abroad, I do not know how to arrange transportation, other (please specify)
12. Do you currently sell your products to new markets that you have entered since 2019?
 1. If yes
 1. Which countries? Checkbox – EU countries, Russia, other neighboring countries (Armenia, Azerbaijan, Turkey), US, other (please specify)

2. What was the role of the USAID Agriculture Program? – financial support to buy new equipment/machinery, support in obtaining necessary export documents, in establishing business contacts abroad, in arranging transportation, in obtaining needed certification, in branding, in accessing finance other (please specify)
 1. For each checked answer: How useful was the support provided by the Program?
 1. Very useful
 2. Useful
 3. Neutral
 4. Not useful
 5. Not at all useful
 6. I don't know
 3. What is the volume of your domestic sales / exports / How much has your domestic sales / exports increased after engaging with the USAID Agriculture Program?
 1. Volume – dropdown (tons)
 2. Monetary value – dropdown (thousand USD)
 2. If they did not increase, why? – Due to COVID-19 restrictions, the buyers did not renew contracts, my certificates were revoked, my net income from exports was low, other (please specify)
13. Which technical assistance did you receive from the USAID Agriculture Program? (Note to ET: We will update this list with feedback from CNFA ahead of sending out the survey)
 1. Individual consultancies (please specify which consultancies)
 2. Group trainings (please specify which trainings)
 3. Cost-share ISO 22 000 certification consultancy
 4. Gap Analysis
 5. In obtaining GlobalGAP certification
 6. GRASP certification
 7. HACCP certification
 8. Organic certification
 9. Participated in study tour / fair abroad (please specify which study tour / fair)
 10. Support in branding

14. How would you rate your overall satisfaction with the support you received from the USAID Agriculture Program (each training / consultancy will be assessed separately)?

1. Very satisfied
2. Satisfied
3. Neutral
4. Unsatisfied
5. Very unsatisfied
6. I don't know

If selected 14 a, b, c, d, j

15. How would you assess the qualification of the consultants/trainers?

1. Very qualified
2. Qualified
3. Neutral
4. Unqualified
5. Very unqualified
6. I don't know

If selected 11 i

16. How satisfied are you with the study tour/ fair?

1. Very satisfied
2. Satisfied
3. Neutral
4. Unsatisfied
5. Very unsatisfied
6. I don't know

If selected 14 e, f, g, h

17. Have you already obtained the certificate?

1. Yes
2. No

18. How useful will the certificate be for boosting exports abroad?

1. Very useful
2. Useful
3. Neutral

4. Not useful
5. Not at all useful
6. I don't know

If selected 19 a, b

19. For exporting to which countries / blocs will the certification be useful?

1. EU
2. US
3. Russia
4. CIS countries
5. Neighboring countries (Armenia, Azerbaijan, Turkey)
6. Other (please specify)

20. Do you buy products from farmers / other entrepreneurs?

1. If yes
 1. What products do you buy? Checkbox of priority VC products, inputs
 2. Approximately from how many? Dropdown.
 3. What is the estimated value of products you buy in USD?
2. No

21. How has employment figures changed in your company after engaging with the USAID Agriculture Program?

1. Increased – please provide figures for both permanent and part-time
 1. Dropdown for permanent jobs
 2. Dropdown for part-time jobs
 3. Dropdown for seasonal job
2. Decreased – please provide figures for both permanent and part-time
 1. Dropdown for permanent jobs
 2. Dropdown for part-time jobs
 3. Dropdown for seasonal jobs
3. Did not change

22. How has your income changed after engaging with the USAID Agriculture Program?

1. Increased (please provide estimates)
 1. Up to 20%. please provide the estimated value in USD
 2. 20-50%. please provide the estimated value in USD

3. 50-100%. please provide the estimated value in USD
4. Over 100%. please provide the estimated value in USD
2. Decreased (please provide estimates)
 1. By around -20%. please provide the estimated value in USD
 2. -20-50%. please provide the estimated value in USD
 3. -50-100%. please provide the estimated value in USD
 4. Did not change
23. How have your relations with other value chain actors changed since engaging in the USAID Program?
 1. Significantly improved
 2. Improved
 3. Has not changed
 4. Worsened
 5. Significantly worsened
 6. I don't know
24. If significantly improved or improved, with which actors?
 1. Other producers
 2. suppliers
 3. input providers
 4. buyers
25. other (please specify)
26. Do you receive services from other VC actors and/or sector stakeholders? Yes, no
If yes, to which actors?
 1. Other producers
 2. suppliers
 3. input providers
 4. buyers
 5. Government of Georgia / its institutions
 6. Non-governmental organizations
 7. education institutions
 8. others (please specify)
27. What services do you receive from these stakeholders?

1. accessing inputs/raw materials
2. accessing technologies
3. access to finance
4. finding qualified staff / skilled labor
5. developing infrastructure
6. accessing sales markets
7. marketing/sales of products
8. receiving market information
9. fighting pests and diseases
10. advocating for favorable business environment

28. How satisfied are you with the quality of services?

1. Very satisfied
2. Satisfied
3. Neutral
4. Unsatisfied
5. Very unsatisfied
6. I don't know

29. What was the impact of COVID-19 on you/your company?

1. Very negative
2. Negative
3. Neutral
4. Positive
5. Very positive
6. Did not have any impact
7. I don't know

30. Aside from support you received from the USAID Agriculture Program, did you receive support from any other organization / gov entity?

1. If yes – which organizations / entities? Checkbox – USAID Economic Security Program, USAID ZRDA Activity, USAID/Farmer to Farmer (F2F), FAO ENPARD Project, ADA GRETA Project, Enterprise Georgia, Rural Development Agency projects, other (please specify) what type of support? Checkbox – financial support to buy new equipment/machinery, in obtaining necessary export documents, in establishing business

contacts abroad, in arranging transportation, in obtaining quality certificate, in branding, other (please specify)

2. No
31. How do you see the performance of your business during the next several years?
1. Significantly improving
 2. Improving
 3. Same
 4. Worsening
 5. Significantly worsening
32. How would you describe the overall relations with the USAID Agriculture Program?
1. Very positive
 2. Positive
 3. Neutral
 4. Negative
 5. Extremely negative
 6. I don't know
 7. Refuse to answer

ANNEX II.A.3. PHONE SURVEY OF REJECTED APPLICANTS

Hello, _____. My name is _____ and I am working with Integra to conduct evaluation of USAID's Agriculture and Economic Security Programs. All responses to the questions are confidential and will not be attributed to any individual or firm. The survey results will be used for research purposes only. The purpose of this evaluation is to help USAID/Georgia gain a better understanding of how the Activity has worked, what results have been achieved to date, and how it might be improved going forward.

Consent to the Interview

1. Where did you learn about the USAID Agriculture Program?
2. Why did you decide to apply to the USAID Agriculture Program?
3. How would you describe the grant/TA application process?
4. Have you ever participated in any training, capacity building or other support activity from the Agriculture Program that assisted you in developing your business idea and grant proposal?
5. How did the Program notify you about the rejection and how clear was the reasoning?
6. Did you reapply for a later round of Agriculture Program grants? If so, was your application successful?

7. Did you apply for support from other initiatives to address your challenges? If yes, was your application successful?

ANNEX II.B. KEY INFORMANT INTERVIEW PROTOCOLS FOR JOINT MEETINGS

INTERVIEW TRACKING DATA

This section will complete this section prior to conducting the KII.

Date of Interview	
Location of Interview	
Name of Data Collector	
Name of Respondent	
Role or Position/Title of Respondent	
Male/Female	
Respondent Affiliation	

SCRIPT FOR START OF THE INTERVIEW

Hello, _____. My name is _____ and I am working with Integra to conduct evaluation of USAID's Agriculture and Economic Security Programs. The purpose of this evaluation is to help USAID/Georgia gain a better understanding of how the Activity has worked, what results have been achieved to date, and how it might be improved going forward.

Consent to the Interview and Recording the Interview

Your participation is voluntary. No one will know your responses to the questions. Let me know if you want to pause or stop the interview at any time.

Would you be willing to allow the interview to be recorded? Y/N

Sex

- a. Female
- b. Male

c. Prefer not to state

Youth: Yes or No (18 - 29 years)

Region:

You have the right to participate in the interview without being recorded,

Do you have any questions?

Thank you.

ANNEX II.B.I. KEY INFORMANT INTERVIEWS FOR USAID SENIOR LEADERSHIP

TABLE 7: USAID DISCUSSION GUIDE
<p>1. What are some of the binding constraints hindering the private sector’s access to markets, resources, and their ability to engage with the GOG through public-private dialogue? Do the constraints differ based on value chains?</p> <p>Probe: How is the Economic Security Program addressing these constraints?</p>
<p>2. How did COVID-19 influence the market dynamics in this regard? How have challenges and opportunities related to economic growth shifted amid COVID?</p>
<p>3. What are some of the binding constraints hindering agriculture development in Georgia? Do the constraints differ based on value chains?</p> <p>Probe: How is the USAID funded Agriculture Program addressing these constraints?</p>
<p>4. How did COVID-19 influence the market dynamics in this regard? How have challenges and opportunities related to growth in the Ag Sector shifted amid COVID?</p>
<p>5. From your point of view, what prevents vulnerable groups (women, rural poor, youth) from having access to high-value employment and/or income generating opportunities?</p> <p>(Probe: education, time available, connectivity or transportation limitations, lack of networks)</p>
<p>6. Could you provide examples of best practices in how USAID is implementing the PSE Policy and Digital Strategy in Georgia? What types of programs are currently implemented by USAID targeting economic development and how do these programs work together synergistically? What are some best practices in PSE and MSD being implemented by USAID programs in Georgia and how does or could USAID support its programs in increasing utilization of PSE and MSD related approaches?</p>
<p>7. In what ways did the pandemic weaken/strengthen effective utilization of PSE approaches, including partnerships?</p>

8. What have been the most significant achievements related to the Economic Security Program?

Probe: Ask for achievements per component: strengthen cooperation in targeted sectors, support enterprises to improve productivity, sales, quality, and to develop new products and services, industry-led workforce development, building public-private partnerships

9. What have been the most significant achievements related to the Agriculture Program?

10. Are there other groups or people we should talk to about these projects?

ANNEX II.B.2. KEY INFORMANT INTERVIEWS FOR OTHER USAID AND DONOR-FUNDED PROGRAMS

TABLE 8: DONOR-FUNDED PROGRAMS DISCUSSION GUIDE

1. What are some of the challenges hindering the private sector's access to markets, resources, their ability to engage with the GOG through public-private dialogue and related development of targeted value chains? What are the general barriers related to the business enabling environment in this regard?

Probe: Are these challenges common for all vulnerable groups? Gender/youth. If not, what are the specificities per group? Do the challenges differ based on the value chain?

2. In your opinion, what sectors hold the most potential for economic growth and what are the main opportunities and challenges for each in accelerating economic growth in Georgia?

Probe: The agriculture sector in general and horticulture specifically, which are the main export markets of horticulture products and what are the challenges associated with exporting horticulture products?

3. How did COVID affect the Georgian economy? How do these effects differ based on sectors?

Probe: Ask specifically regarding the agriculture sector and possible effects such as limited access to finance, decreased sales, exchange rate fluctuations, decreased demand, etc.

4. From your point of view, what prevents vulnerable groups (women, rural poor, youth) from having access to high-value employment and/or income generating opportunities?

Probe: Differences based on sectors including agriculture, education, time available, connectivity or transportation limitations, lack of networks

5. Can you please tell us briefly about your program, target groups and interventions?

Probe: How they use PSE and MSD approaches and partnerships specifically to achieve their development objectives.

6. Have you partnered/cooperated with the Economic Security and Agriculture Programs? If yes, what were the areas of cooperation?

Probe: Ask separately about each program and the areas of cooperation respectively.

7. What worked well in this collaboration? Why? What factors influenced the success in cooperation? What did not work well? Why?

Probe: Ask separately about each program and the areas of cooperation respectively. Name specific examples when the synergy resulted in a better outcome.

8. What should the Agriculture and Economic Security Programs do differently to make this collaboration more impactful?

Probe: Ask separately about each program and the areas of cooperation respectively.

9. How would you assess the sustainability of results achieved by the Economic Security and Agriculture Programs? What needs to be done to ensure long-lasting impact on Georgia's economy?

Probe: Ask separately for each program. Does the sustainability level of USAID-funded programs differ from sustainability of other similar interventions? Why? What factors contribute to their sustainability? How do you measure it?

10. Is there any coordination mechanism in place to ensure cohesion and avoid duplications between USAID funded and other donor supported programs? From your point of view, what needs to be done to enhance cooperation in this regard?

Probe: with regards to PSE approaches including partnerships with the private sector, policy elaboration, market systems development, etc.

11. What needs to be done to empower the private sectors and enhance market systems in Georgia? Who are the stakeholders and who should be engaged in this process?

12. Are there other groups or people we should talk to about these projects?

ANNEX II.B.3. KEY INFORMANT INTERVIEWS FOR GOVERNMENT OF GEORGIA

TABLE 9: GOVERNMENT OF GEORGIA DISCUSSION GUIDE

1. What are some of the challenges hindering private sector's access to markets, resources, and ability to engage the GOG in public-private dialogue and related development of targeted value chains? What are the related barriers in the business enabling environment in this regard?

Probe: Are these challenges common for all vulnerable groups? Gender/youth. If not, what are the specificities per group? Do the challenges differ based on value chains?

2. In your opinion, what sectors hold the most potential for economic growth and what are the main opportunities and challenges for each in accelerating economic growth in Georgia?

Probe: The agriculture sector in general and horticulture specifically, which are the main export markets of horticulture products and what are the challenges associated with exporting horticulture products?

3. Which countries are considered as the main trade partners for Georgia's agricultural products? How has this changed over the last three years and which countries are considered as having significant potential for exporting Georgian agricultural products?

Probe: What are the perceived strengths and weaknesses of the Russian market? (e.g. Trade barriers, quotas, requirements to enter market, Certification, trade partners, branding and marketing, transportation and logistics). Possible reasons – absence of political embargoes, organized wholesale and retail, quality and safety standards, secured payments

4. How did COVID affect the Georgian economy? How do these effects differ based on sectors?

Probe: ask specifically regarding the agriculture sector and possible effects such as outcomes: limited access to finance, decreased sales, exchange rate fluctuations, decreased demand, etc.

5. What was the response of the government to these changes in the market?

6. From your point of view, what prevents vulnerable groups (women, rural poor, youth) from having access to high-value employment and/or income generating opportunities?

Probe: Differences based on sectors including agriculture, education, time available, connectivity or transportation limitations, lack of networks

7. What are the programs/mechanisms employed at your agency to support private sector and agriculture development?

8. To what extent has the support been utilized by the private sector and agriculture actors? What were the most significant factors that led to results?

9. How does the government do outreach and communication to make sure that all vulnerable groups are included in these programs? Please name specific examples

10. What are the coordination mechanisms between the GOG and private sector actors to discuss the business enabling environment and market systems strengthening?

Probe: What worked well in this collaboration? Why? What factors influenced the success in cooperation? What did not work well? Why? ask separately about each program and the areas of cooperation respectively

11. What mechanisms/models can be employed to enhance establishment of public-private partnerships? What are the opportunities and barriers in this regard? Which specific models of partnerships with the private sectors are you aware of? What type of public benefits can be expected from these types of partnerships?

12. Which partnerships with the private sectors has your agency been engaged in? What was the value addition of these partnerships? Are you aware of partnerships that were supported by the Economic Security Program? What are the advantages and disadvantages of these partnerships? How would you assess the effectiveness of this collaboration in specific sectors?

Probe: GNTA, Gita, Enterprise Georgia – more specifically

13. Did you have any interaction with USAID-supported Economic Security and Agriculture Programs? If yes, could you please elaborate on the effectiveness of this partnership? Could you please name specific results of this collaboration? What challenges did you have to tackle?

Probe: ask separately for each program

14. From your point of view, what needs to be done to enhance cooperation in this regard?

15. How would you assess the sustainability of results achieved by the Economic Security and Agriculture Programs? What needs to be done to ensure long-lasting impact on Georgia's economy?

Probe: ask separately for each program. Does the sustainability level of USAID-funded programs differ from sustainability of government-supported programs? Why? What factors contribute to their sustainability? How do you measure it?

16. What needs to be done to empower the private sectors and enhance market systems in Georgia? Who are the stakeholders and who should be engaged in this process?

17. Are there other groups or people we should talk to about these projects?

ANNEX II.C. KEY INFORMANT INTERVIEW PROTOCOLS - AGRICULTURAL PROGRAM

INTERVIEW TRACKING DATA

This section will complete this section prior to conducting the KII.

Date of Interview	
Location of Interview	
Name of Data Collector	
Name of Respondent	
Role or Position/Title of Respondent	
Male/Female	
Respondent Affiliation	

SCRIPT FOR START OF THE INTERVIEW

Hello, _____. My name is _____ and I am working with Integra to conduct an evaluation of USAID's Agriculture Program. The purpose of this evaluation is to help you and USAID/Georgia gain a better understanding of how the Activity has worked, what results have been achieved to date, and how it might be improved going forward.

Consent to the Interview and Recording the Interview

Your participation is voluntary. No one will know your responses to the questions. Let me know if you want to pause or stop the interview at any time.

Would you be willing to allow the interview to be recorded? Y/N

Sex

- a. Female
- b. Male

c. Prefer not to state

Youth: Yes or No (18 - 29 years)

Region:

You have the right to participate in the interview without being recorded,

Do you have any questions?

Thank you.

ANNEX II.C.I. KEY INFORMANT INTERVIEWS FOR USAID AGRICULTURAL PROGRAM AOR/COR

TABLE 10: USAID AGRICULTURAL PROGRAM AOR/COR DISCUSSION GUIDE
<p>1. What are some of the binding constraints hindering the agriculture sector in general and development of targeted value chains? What was the effect of COVID-19?</p> <p>Probe: Access to export markets, certification, knowledge and skills, increased prices for inputs.</p>
<p>2. How is the Program addressing these constraints?</p> <p>Probe: Use of PSE and MSD approaches.</p>
<p>3. How would you describe the cost-efficiency of this activity?</p> <p>Probe: Were some components more efficient than others?</p>
<p>4. To what extent have the activities achieved the contract's specified results? What were the most significant factors that led to results?</p> <p>Probe: Project design, management approach, relationship with stakeholders, human resources availability, and sub-national versus national stakeholder engagement.</p>
<p>5. What have been the most significant achievements related to this project?</p> <p>Probe: Ask for achievement per component: strengthen cooperation in targeted sectors, support enterprises to improve productivity, sales, quality, and to develop new products and services, industry-led workforce development, building public-private partnerships</p>
<p>6. How would you evaluate the effectiveness of the Agriculture Program with regards to catalyzing priority value chain developments?</p> <p>Probe: Grants, TA</p>
<p>7. How would you evaluate the effectiveness of the Program with regards to export diversification?</p>
<p>8. To what extent do you believe the program was able to adapt its operations during the pandemic? Could you name specific examples of adaptation/reprogramming?</p>

9. Did the MEL plan contribute to adaptive management in terms of adjusting the Program’s technical approaches and interventions?

ANNEX II.C.2. KEY INFORMANT INTERVIEWS FOR CNFA TEAM

TABLE II: CNFA TEAM DISCUSSION GUIDE

1. What is your role on the program?

2. Can you please tell us about the program’s activities and target beneficiaries?

3. In your opinion, what are the main challenges of the agriculture sector in general and horticulture specifically?

4. In your opinion, what are the main opportunities?

5. Can you walk us through how the program activities address each challenge and alleviate the constraints to realizing the opportunities?

Probe: Utilization of PSE and MSD approaches

6. What markets hold the most potential for realizing the program objective of supporting accelerated growth of the target ag sub-sectors?

Probe: Growth in terms of supporting increased sales and employment as well as the sustainability of employment and increased sales for either domestic or export markets or both.

7. In your opinion, which are the main export markets of horticulture products and what are the challenges associated with exporting?

Probe: How the project is addressing these challenges through its activities and partnerships.

8. What needs to be done to improve the Business Enabling Environment (BEE) for agriculture in Georgia?

Probe: How the project activities are improving the BEE and how they believe the same will improve the sustainability of enterprise level interventions.

9. Aside from support to enterprises and improving the BEE, what needs to be done to improve agriculture market systems in Georgia?

Probe: How the project activities are utilizing market systems approaches and how they believe the same will improve the sustainability of enterprise level interventions.

10. What needs to be done to increase inclusion and empowerment of women beneficiaries? And youth beneficiaries?

Probe: How the project activities are increasing inclusion and empowerment and how these increases will be sustained beyond the life of the project
11. What challenges/opportunities has COVID-19 created for the Georgian agriculture sector and its export potential?
12. Please explain the process of how the program targets beneficiaries and tracks results? Probe: How does the project engage women and youth, how are the women’s empowerment and youth engagement aligned with the relevant USAID policies, any other indicators of success they are either tracking or noticing aside from the given output indicators.
13. In your opinion, what type of challenges does your project face related to implementing its agriculture sector activities?
14. In your opinion, which activities have been the most successful in achieving program objectives and why?
15. How does your program collaborate with other USAID, GOG and/or donor programs to achieve mutual objectives?
16. If given the opportunity, what activities would you add to your program to better achieve results?

ANNEX II.C.3. KEY INFORMANT INTERVIEWS WITH DIRECT BENEFICIARIES

TABLE 12: DIRECT BENEFICIARIES DISCUSSION GUIDE
1. What are your activities in agriculture? Please tell us about your primary activities, as well as secondary. What are your main challenges? Probe: Consolidation facilities, quality inputs, cold storage, distribution infrastructure
2. Where did you sell your products prior to engaging with the USAID Agriculture program?
3. How has your sales in the domestic market changed over the last three years and what factors have contributed to the market dynamics in Georgia?
4. In your opinion, in which foreign markets are attractive to sell products and why? Probe: absence of political embargoes, organized wholesale and retail, quality and safety standards, secured payments

<p>5. What is the best opportunity for you to sell the products? How has this changed over the last 3 years? How has the COVID-19 changed the markets you target?</p> <p>Probe: Domestic and international markets</p>
<p>6. If you export your products abroad, when did you start exporting and how did it evolve over the years?</p> <p>Probe: Diversification of markets, increase in volumes and income.</p>
<p>7. What were your challenges related to exports before engaging with the Agriculture Project and what are they now?</p>
<p>8. How many people do you employ and how has this changed over the last 3 years?</p> <p>Probe: Effects of COVID-19</p>
<p>9. What effect did COVID-19 have on you / your sector?</p> <p>Probe: Increased prices for inputs/raw material, disruption in logistics</p>
<p>10. Where did you hear about the Agriculture Program? What was your incentive to be engaged in this program? Can you please describe the process of engagement in this program?</p> <p>Probe: How were you selected? Was it transparent? What were the selection criteria?</p>
<p>11. What support did you receive from the USAID Agriculture program and how useful was it? In your opinion, what operational areas had the largest impact?</p> <p>Probe: COVID-19 response - using distance communication tools, introducing post-COVID recovery measures or programs, organizing capacity building in COVID related topics, supporting hygiene tools and stocks. Usefulness in relation to increasing sales and if it includes establishing business contacts, will they be able to maintain them after the project? Are these services that they would be willing to pay for in the future (e.g. participation on the trade shows, marketing and branding of products, introduction of safety and quality standards)?</p>
<p>12. What changes have you seen in the value chain because of the USAID Agriculture Program interventions?</p> <p>Probe: access to finance, increased sales, hiring talent, product differentiation, R&D, knowing customer demand, equipment, new varieties, expansion of production facilities, supply chain infrastructure, relationships with other value chain actors, etc.</p>
<p>13. If you were to restart the engagement with the program, what would you do differently?</p> <p>Probe: What operational areas would grant/TA be most impactful?</p>
<p>14. Have you received support from other state agencies, donor projects, NGOs or any other organizations? If yes, from whom, what, and how useful was it?</p>
<p>15. What additional support will you require in the future?</p>
<p>16. Who can/should provide you with the necessary support?</p>

17. Did engagement in the USAID Agriculture Program change your position in the family / community? If yes, how did it change?

18. What is needed for other enterprises in your VC to increase their production, local sales and exports?

19. What are the coordination mechanisms between the GOG and private sector actors to discuss the business enabling environment and market systems strengthening?

ANNEX II.C.4. KEY INFORMANT INTERVIEWS WITH PRIVATE SECTOR PARTNERS

TABLE 13: PRIVATE SECTOR PARTNERS DISCUSSION GUIDE

1. What is your role in the organization / company?

2. What are the main challenges in the agriculture sector and horticulture specifically?

Probe: Women, youth and vulnerable groups, domestic and export markets,

3. What are the opportunities?

Probe: constraints in taking advantage of those opportunities.

4. What additional challenges / opportunities has COVID-19 created for the agriculture sector?

Probe: increased prices for inputs/raw material, disruption in logistics

5. Can you briefly tell us about your organization / company and under what capacity was it involved in the USAID Agriculture program?

6. What were the main achievements of cooperation between your organization and the USAID Agriculture program?

7. In your opinion, how did the USAID Agriculture program support your organization/company in addressing the challenges or capitalize on the opportunities?

Probe: PSE and MSD approaches

8. Are there other donor or GOG interventions that support value chain development, market systems development and export of agricultural products from Georgia?

9. How do they support enterprises, value chain development, market systems development and exports and how effective are they?

Probe: PSE and MSD approaches

<p>10. What changes have you seen in the value chain because of the USAID Agriculture Program interventions? Probe: access to finance, increased sales, hiring talent, product differentiation, R&D, knowing customer demand, equipment, new varieties, expansion of production facilities, supply chain infrastructure, relationships among VC actors, etc.</p>
<p>11. How can the USAID Agriculture program improve to better address challenges and overcome constraints to support VC actors in taking advantage of market opportunities in the ag sector? Probe: to overcome COVID-19-related challenges - using distance communication tools, introducing post-COVID recovery measures or programs, organizing capacity building in COVID related topics, supporting with hygiene tools and stocks., PSE and MSD approaches and the sustainability of impact</p>
<p>12. What are the coordination mechanisms between the GOG and private sector actors to discuss the business enabling environment and market systems strengthening?</p>
<p>13. Are there other groups or people we should talk to about these questions?</p>

ANNEX II.C.5. KEY INFORMANT INTERVIEWS WITH OTHER PRIVATE SECTOR STAKEHOLDERS

TABLE 14: PRIVATE SECTOR STAKEHOLDERS DISCUSSION GUIDE
<p>1. What is your role in the organization / company?</p>
<p>2. What are the main challenges in the agriculture sector and horticulture specifically? Probe: Women, youth and vulnerable groups, domestic and export markets,</p>
<p>3. What are the opportunities? Probe: Constraints in taking advantage of those opportunities.</p>
<p>4. What additional challenges / opportunities has COVID-19 created for the agriculture sector? Probe: Increased prices for inputs/raw material, disruption in logistics</p>
<p>5. In your opinion, how does the USAID Agriculture program support the agricultural sector in addressing the challenges or capitalize on the opportunities? Probe; PSE and MSD approaches</p>
<p>6. Are there other donor or GOG interventions that support value chain development, market systems development and export of agricultural products from Georgia?</p>

7. How do they support enterprises, value chain development, market systems development and exports and how effective are they?

Probe: PSE and MSD approaches

8. Can you briefly tell us about your organization / company and under what capacity was it involved in the USAID Agriculture program (if at all)?

9. What were the main achievements between your organization and/or other organizations that you know had cooperation with the USAID Agriculture program?

10. What changes have you seen in the value chain because of the USAID Agriculture Program interventions?

Probe: Access to finance, increased sales, hiring talent, product differentiation, R&D, knowing customer demand, equipment, new varieties, expansion of production facilities, supply chain infrastructure, improvements in relationships between VC actors, etc.

11. How can the USAID Agriculture program improve to better address challenges and overcome constraints to support VC actors in taking advantage of market opportunities in the ag sector?

Probe: To overcome COVID-19-related challenges - COVID-19 response - using distance communication tools, introducing post-COVID recovery measures or programs, organizing capacity building in COVID related topics, supporting with hygiene tools and stocks, PSE and MSD approaches and the sustainability of impact

12. What are the coordination mechanisms between the GOG and private sector actors to discuss the business enabling environment and market systems strengthening?

13. Are there other groups or people we should talk to about these questions?

ANNEX II.D. SITE VISIT SUMMARY REPORT

SITE VISIT SUMMARY REPORT

This template follows guidance from *USAID/IPPL Program Cycle How-to-Note: Planning and Conduct Site Visits*

TABLE 15: SITE VISIT SUMMARY REPORT	
Date of site visit	
Location of the event	
Name of Observer(s)	
Name of site, learning event, workshop, exposition, etc.	
Sponsor(s) of the event	
Format of the event: workshop, remote online, one-stop services, public sector institution, public or private sector firm	
Approximate number of participants	
Characteristics of participants: SMEs, government, women, youth, mixed, etc.	
Type of USAID affiliation: implementing partner, grantee, mixed, etc.	

BRIEF EXPLANATION OF FINDINGS:

Positive:

Negative:

Observations about USAID partner collaboration:

Did the event/material support meet the expectations of the USAID implementing partner:

Feedback observed or heard directly from participants/beneficiaries:

Evidence of USAID marketing and branding of promotional and learning materials:

Follow-up recommendations:

ANNEX III: DOCUMENTS REVIEWED

Biological Farming Association Elkana. The USAID Agriculture Program Horticultural Biomarket Actors, Challenges, and Opportunities. Tbilisi, Georgia: USAID, 2019.

CNFA. The USAID Agriculture Program Capacity Assessment of Agricultural Cooperatives. Tbilisi, Georgia: USAID, 2019.

CNFA. The USAID Agriculture Program Capacity Assessment Report for Four Selected Associations. Tbilisi, Georgia: USAID, 2021.

CNFA. The USAID Agriculture Program Findings and Recommendations for the Dried Fruit Sector: Georgia. Tbilisi, Georgia: USAID, 2020.

CNFA. The USAID Agriculture Program Monitoring, Evaluation, and Learning Plan. Tbilisi, Georgia: USAID, 2018.

CNFA. The USAID Agriculture Program Monitoring, Evaluation, and Learning Plan. Tbilisi, Georgia: USAID, 2021.

CNFA. The USAID Agriculture Program Organization Capacity Assessment of Agricultural and Cross-Cutting Business Associations. Tbilisi, Georgia: USAID, 2019.

CNFA. The USAID Agriculture Program Preliminary Work Plan. Tbilisi, Georgia: USAID, 2018.

CNFA. The USAID Agriculture Program Project Year One Annual Progress Report. Tbilisi, Georgia: USAID, 2019.

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CNFA. The USAID Agriculture Program Project Year One Second Quarterly Report. Tbilisi, Georgia: USAID, 2019.

CNFA. The USAID Agriculture Program Project Year One Third Quarterly Report. Tbilisi, Georgia: USAID, 2019.

CNFA. The USAID Agriculture Program Project Year One Work Plan. Tbilisi, Georgia: USAID, 2018.

CNFA. The USAID Agriculture Program Project Year Three First Quarterly Report. Tbilisi, Georgia: USAID, 2021.

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CNFA. The USAID Agriculture Program Project Year Two Annual Report. Tbilisi, Georgia: USAID, 2020.

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CNFA. The USAID Agriculture Program Sector Grants Manual. Tbilisi, Georgia: USAID, 2018.

CNFA. The USAID Agriculture Program Sector Selection and Value Chain Analysis. Tbilisi, Georgia: USAID, 2019.

CNFA. The USAID Agriculture Program Updated Sector Selection and Value Chain Analysis. Tbilisi, Georgia: USAID, 2021.

CNFA. The USAID Agriculture Program Technical Assistance to Georgian Herbs Growers Final Report. Tbilisi, Georgia: USAID, 2020.

CNFA. The USAID Agriculture Program Technical Specifications for Freezing Equipment. Tbilisi, Georgia: USAID, 2019.

USAID, Economic Growth Policy, Washington, DC, 2020

The USAID Youth in Development Policy, Realizing the Demographic Opportunity. Washington, DC, October, 2012.

The USAID Private Sector Engagement Policy, Washington, D.C.: USAID, 2019. https://www.usaid.gov/sites/default/files/documents/1865/usaids_psepolicy_final.pdf.

The USAID Gender Equality and Women's Empowerment Policy, Washington, DC, 2020

FAO. 2018. Gender, agriculture and rural development in Georgia – Country Gender Assessment Series. Rome, pp. 80.

ANNEX IV: KEY INFORMANTS, FOCUS GROUP, AND SURVEY RESPONDENTS

#	DATE	INTERVIEWEE FULL NAME	GENDER	POSITION NAME, ORGANIZATION	SECTOR	# OF RESPONDENTS
1	12.08.2021	Kristin Beyard	Female	Director of Economic Growth, Resonance	Other USAID supported Programs	1
2	18.08.2021	Bronwyn Irwin	Female	COP, DAI- MSP Project		2
		Daniella Maor	Female	Senior Private Sector Engagement Advisor, DAI- MSP Project	Other USAID supported Programs	3
		Anna Gorlach	Female	Market Systems Development Learning Advisor, DAI- MSP Project	Other USAID supported Programs	4
3	31.08.2021	Rati Shavgulidze	Male	MEL Manager, CNFA	Implementing Partner	5
4	02.09.2021	Ketevan Chogovadze	Female	Program Development Specialist, USAID Georgia	USAID	6
5	17.09.2021	Irine Salukvadze	Female	Organizational Capacity Development Manager, CNFA	Implementing Partner	7
6	21.09.2021	Ilia Kvitaishvili	Male	Grants Component Lead, CNFA	Implementing Partner	8

7	22.09.2021	David Shervashidze	Male	TA Component Lead, CNFA	Implementing Partner	9
8	23.09.2021	Shorena Dzotsenidze	Female	Gender Specialist, CNFA	Implementing Partner	10
9	27.09.2021	Tatia Samkharadze	Female	Head of VET Department, Ministry of Education	Government	11
10	27.09.2021	Shalva Pipia	Male	DCOP, CNFA	Implementing Partner	12
11	29.09.2021	David Bedoshvili	Male	Director, Caucascert LLC	Beneficiary	13
12	30.09.2021	Nino Veltauri	Female	Director, Employment Agency	Government	14
13	30.09.2021	Ani Kvaratskhelia	Female	Chairperson, Export Development Association	Beneficiary	15
14	30.09.2021	Shota Gongladze	Male	Business Segments Management Tribe, TBC Bank	Private Sector Partner	16
15	30.09.2021	Leri Tabatadze	Male	Co-owner, Almond and Walnut Growers Association	Beneficiary	17
16	01.10.2021	Nikoloz Meskhi	Male	Head of the Plant Protection Department, NFA	Government	18
17	01.10.2021	Eliso Gviniashvili	Female	Board of Director, Georgian Berry Growers Association	Beneficiary	19
18	01.10.2021	Khatuna Akhalaia	Female	Director, Eco-Life Consulting Ltd	Unsuccessful Grant Applicant	20

19	01.10.2021	Malvina Jibladze	Female	Director, Cooperative Okros Kooperativi	Unsuccessful Grant Applicant	21
20	01.10.2021	Aleksi Metreveli	Male	SP Aleksi Metreveli	Unsuccessful Grant Applicant	22
21	04.10.2021	Paata Tsulaia	Male	Director, Biomeurneoba Pona LTD	Unsuccessful Grant Applicant	23
22	04.10.2021	Magdana Kurashvili	Female	Director, Takveri LTD	Unsuccessful Grant Applicant	24
23	04.10.2021	Maya Eristavi	Female	Component Lead, USAID Economic Governance Program	Other USAID supported Programs	25
		Natalia Beruashvili	Female	Chief of Party, USAID Economic Governance Program	Other USAID supported Programs	26
		Tamar Buadze	Female	Component Lead, USAID Economic Governance Program	Other USAID supported Programs	27
		Giorgi Giorgobiani	Male	Component Lead, USAID Economic Governance Program	Other USAID supported Programs	28
24	04.10.2021	Maia Bregadze	Female	SP Maia Bregadze	Unsuccessful Grant Applicant	29
25	04.10.2021	Javier Sanz Alvarez	Male	Programme Coordinator, FAO	Other Donor	30
		Matthieu Rouviere	Male	Consultant in Agribusiness & Value Chains, FAO	Other Donor	31

		Jumber Maruashvili	Male	National Grant Management Expert and Policy Advisor, FAO	Other Donor	32
26	05.10.2021	Valerian Amiranashvili	Male	Director, Experimental Stations of Agricultural University of Georgia Ltd	Unsuccessful Grant Applicant	33
27	05.10.2021	Ana Barvenashvili	Female	Director, Agro Land LTD	Unsuccessful Grant Applicant	34
28	05.10.2021	Saba Sarishvili	Male	Deputy Chief of Party, IESC	Other USAID supported Programs	35
29	05.10.2021	Ani Khomeriki	Female	Business Development and Project Manager, McDonald's	Private Sector Partner	36
30	05.10.2021	William Baringer	Male	Strategy and Programming Development Associate, USAID Georgia	USAID	37
31	06.10.2021	Ani Kvaratskhelia	Female	Chairperson, Export Development Association	Beneficiary	38
32	06.10.2021	Konstantine Kobakhidze	Male	Agriculture Project Management Specialist, USAID Georgia	USAID	39
33	07.10.2021	Eliso Gviniashvili	Female	Board of Director, Georgian Berry Growers Association	Beneficiary	40

34	07.10.2021	Beverly Hoover	Female	Private Sector Engagement Coordinator, USAID Georgia	USAID	41
35	08.10.2021	Lela Akiashvili	Female	Team lead of gender and social inclusion, UNDP	Other Donor	42
36	08.10.2021	David Dzebisashvili	Male	Program Manager/Gender Focal Point, USAID Georgia	USAID	43
37	11.10.2021	Tornike Zirakishvili	Male	Deputy Head, Enterprise Georgia	Government	44
38	11.10.2021	Miranda Manjgaladze	Female	Chairperson, Georgian Retail Association	Private Sector Partner	45
39	12.10.2021	Gegi Pkhakadze	Male	Owner, Bioras	Beneficiary	46
40	13.10.2021	Siobhan Pangerl	Female	Foreign Service Officer, USAID Georgia	USAID	47
41	15.10.2021	David Tsiklauri	Male	Senior Private Sector Development Advisor, USAID Georgia	USAID	48
42	15.10.2021	Marika Olson	Female	Economic Growth Office Director, USAID Georgia	USAID	49
43	18.10.2021	Salome Mekvabishvili	Female	Head of the Strategic Development Department, Ministry of Economy and Sustainable Development of Georgia (MoESD)	Government	50

44	18.10.2021	Tamar Jinjikhadze	Female	Head of the Certification Department, SRCA	Government	51
45	19.10.2021	Ilia Tamarashvili	Male	Director, Rural Development Agency	Government	52
46	20.10.2021	Zurab Merebashvili	Male	SP Zurab Merebashvili	Beneficiary	53
47	20.10.2021	Lado Dzneladze	Male	Director, Okriba LTD	Beneficiary	54
48	20.10.2021	Jimsher Diasamidze	Male	Head of Agricultural Department, MoA of Adjara AR	Government	55
49	21.10.2021	Leila Devdariani	Female	SP Leila Devdariani	Beneficiary	56
50	21.10.2021	Baia Salukvadze	Female	Director, Georgian Products Renaissance	Beneficiary	57
51	21.10.2021	Davit Pertia	Male	Marketing and Business Development Consultant, Re-Fresh	Beneficiary	58
52	21.10.2021	Zaira Jibladze	Female	Head of Cooperative, Agrogroup	Beneficiary	59
53	22.10.2021	Nikoloz Getiashvili	Male	SP Nikoloz Getiashvili	Beneficiary	60
54	22.10.2021	Zaza Kharchilava	Male	Director, Agricultural Cooperative Jogho	Beneficiary	61
55	22.10.2021	Severian Ghvinepadze	Male	Principal Manager, Advice for Small Businesses Georgia & Azerbaijan, EBRD	Other Donor	62
		Irakli Toloraia	Male	Associate, EBRD	Other Donor	63
56	22.10.2021	Tea Kutateladze	Female	Director, Georgian Berry LTD	Beneficiary	64

57	25.10.2021	Ketevan Tomeishvili	Female	SP Ketevan Tomeishvili	Beneficiary	65
58	25.10.2021	Mindia Lomaia	Male	SP Zhuzhuna Lomaia	Beneficiary	66
59	25.10.2021	Jumber Lominadze	Male	Director, Shavra LTD	Beneficiary	67
60	26.10.2021	Ia Sikharulidze	Female	Director, EuroFarm	Beneficiary	68
61	26.10.2021	Gocha Gvinepadze	Male	Director, Achinebuli LTD	Beneficiary	69
62	26.10.2021	Bidzina Pkhovelishvili	Male	Director, Nugbari LTD	Beneficiary	70
63	27.10.2021	Iuri Kopadze	Male	Director, Agricultural Cooperative Dinastia	Beneficiary	71
64	27.10.2021	Ekaterine Tchkoidze	Female	Director, Memoberry LTD	Beneficiary	72
65	27.10.2021	Sopho Jikia	Female	Director, Georgian Dried Fruits Associations	Beneficiary	73
66	28.10.2021	Giorgi Melua	Male	SP Giorgi Melua	Beneficiary	74
67	28.10.2021	Guja Choniashvili	Male	Cooperative Member, Agricultural Cooperative Fruit Growers Association	Beneficiary	75
68	28.10.2021	Darejan Berdzenishvili	Female	Director/Owner, Skiji	Beneficiary	76
69	29.10.2021	Valeri Gorgisheli	Male	Founder, Georgian Nursery Association	Beneficiary	77
70	29.10.2021	Louisa Namicheishvili	Female	COP, CNFA	Implementing Partner	78

71	29.10.2021	Magda Davitashvili	Female	Dean, Iakob Gogebashvili Telavi State University	University	79
72	01.11.2021	Olga Nakashidze	Female	SME Value Added Services Manager, Bank of Georgia	Private Sector Partner	80
		Rusudan Baratashvili	Female	Head of SME Value Added Service Development Department, Bank of Georgia	Private Sector Partner	81
		Thea Khoshtaria	Female	Project Manager, Bank of Georgia	Private Sector Partner	82
		Beka Gonashvili	Male	Livestock Sector, Bank of Georgia	Private Sector Partner	83
		Aleksandre Melkadze	Male	Head of Agro Business Banking, Bank of Georgia	Private Sector Partner	84
73	02.11.2021	Lasha Shalamberidze	Male	Head of the Department, RDA/Regional Relationships Department	Government	85
74	04.11.2021	Katy Chumburidze	Female	Chief of Party, ZRDA	Other USAID supported Programs	86
75	10.11.2021	Dominik Papenheim	Male	Team Leader Economic Development and Market Opportunities, Budget Support Coordination, EU to Georgia	Other Donor	87

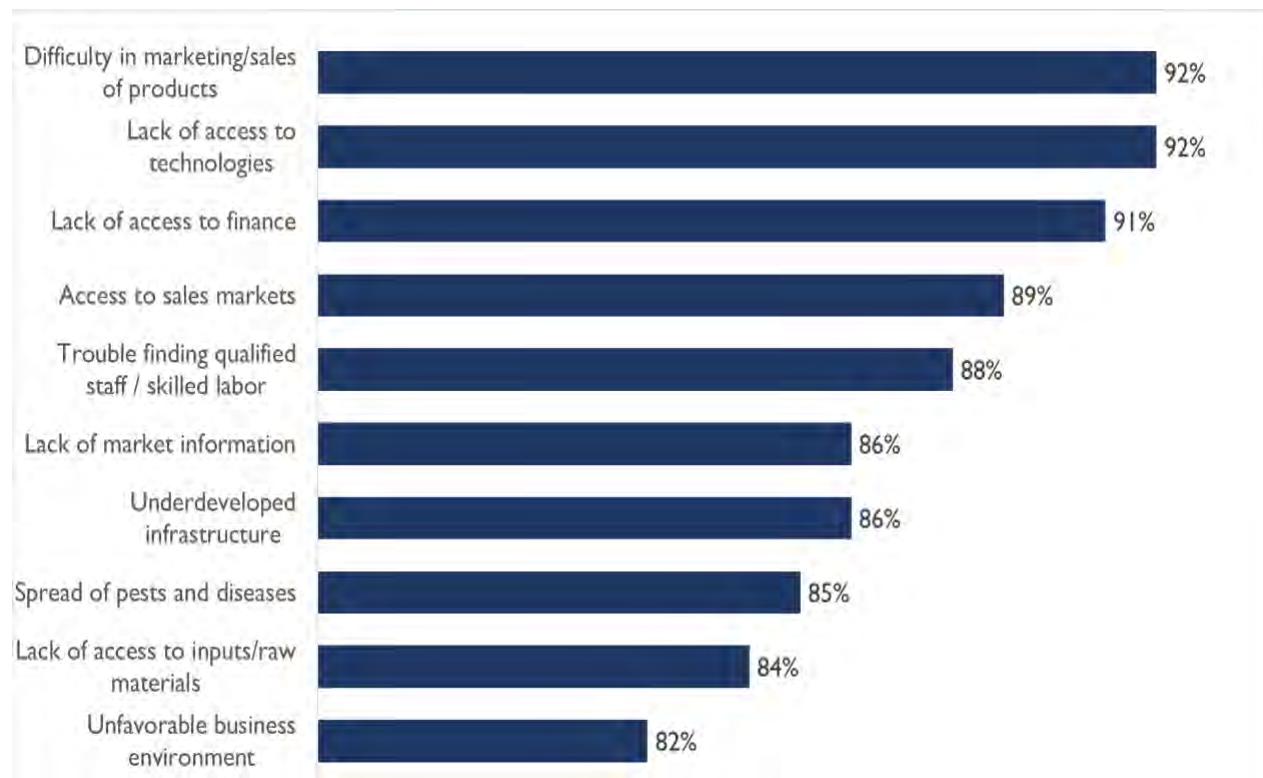
		Georges Dehoux	Male	Programme Officer Agriculture, Fisheries and Food Safety, EU to Georgia	Other Donor	88
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ANNEX V: STATISTICAL ANNEX

EQ I

In general, the challenges in the agriculture sector are persistent, especially in the areas related to export and sales markets, access to finance and technologies. Therefore, the support of the Program in export capacity building interventions with firms, and export promotion interventions with the government was necessary.

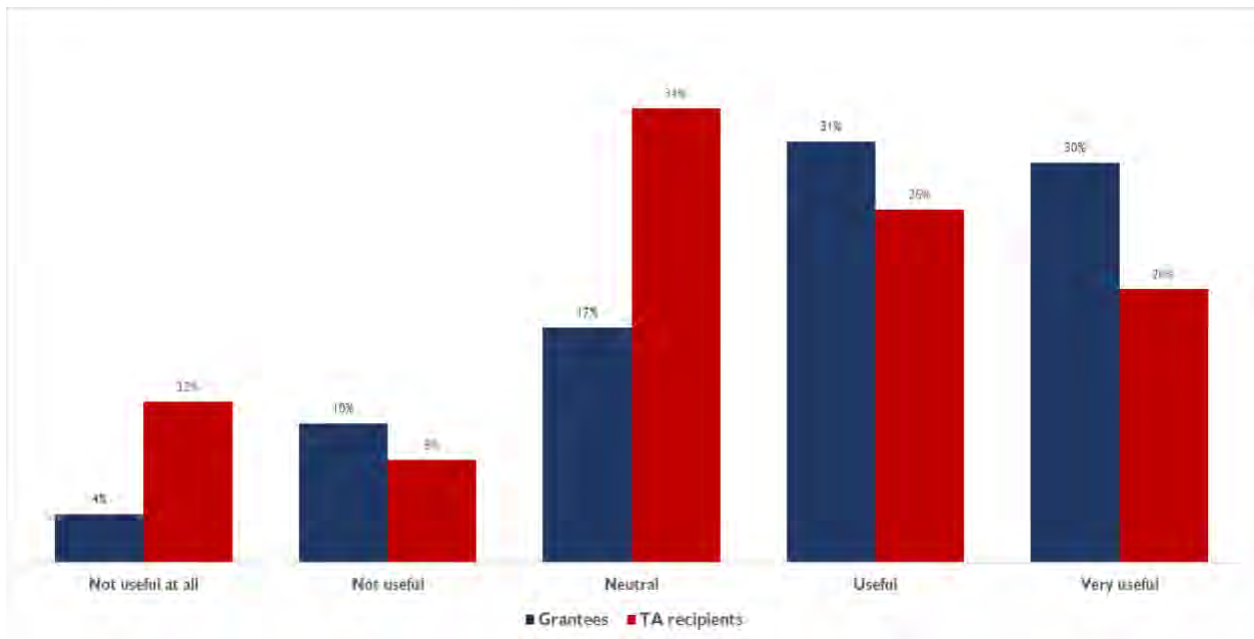
FIGURE 19: CHALLENGES IN THE AGRICULTURE SECTOR



Source: Surveys of grantees and TA recipients

Majority of the survey and KII respondents found the support provided by the Program as useful. Some of the frustration among the survey respondents was related to inability of the Program to address challenges beyond its scope (e.g. enabling business environment, fighting pests and diseases).

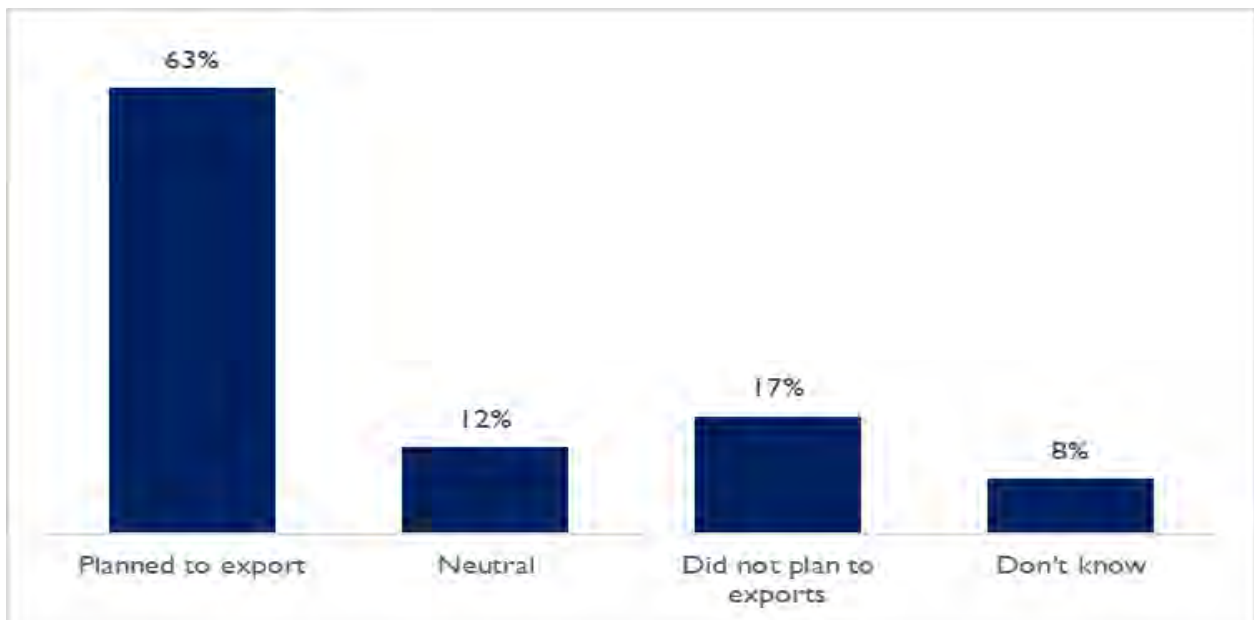
FIGURE 20: USEFULNESS OF THE PROGRAM SUPPORT



Source: Surveys of grantees and TA recipients

Majority of the survey respondents planned to diversify exports prior to joining the Program.

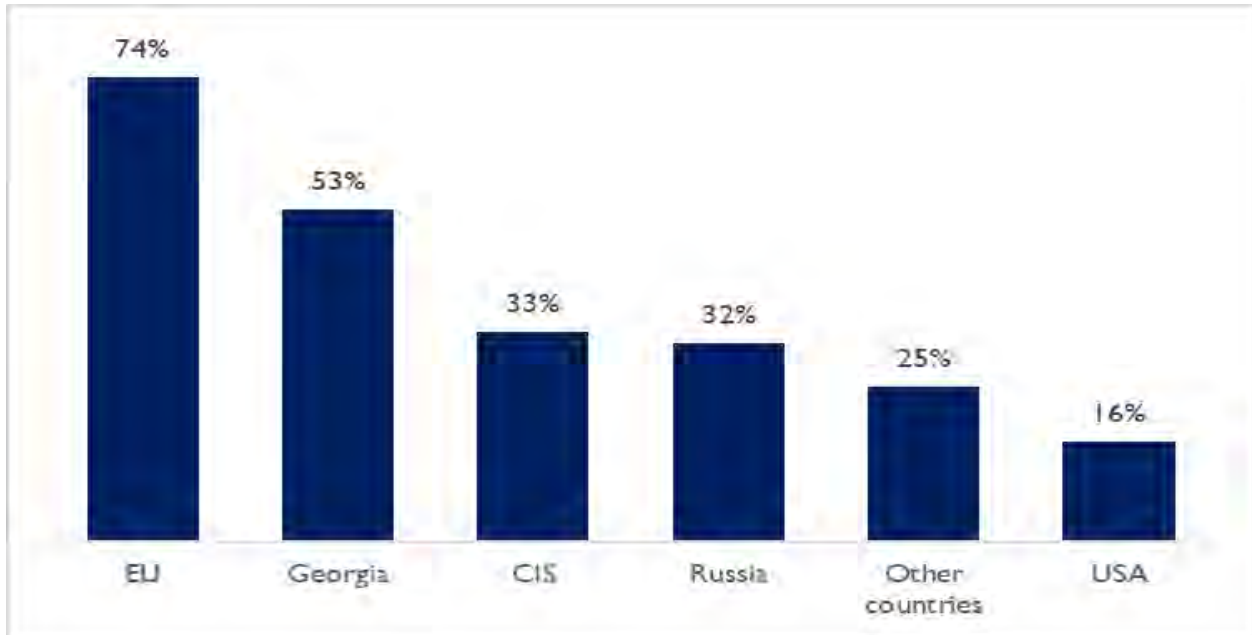
FIGURE 21: PLANS OF GRANTEES AND TA RECIPIENTS TO DIVERSIFY EXPORTS BEFORE JOINING THE PROGRAM



Source: Surveys of grantees and TA recipients

The EU, US and Gulf countries were seen as attractive destinations by the survey respondents before the start of the Program.

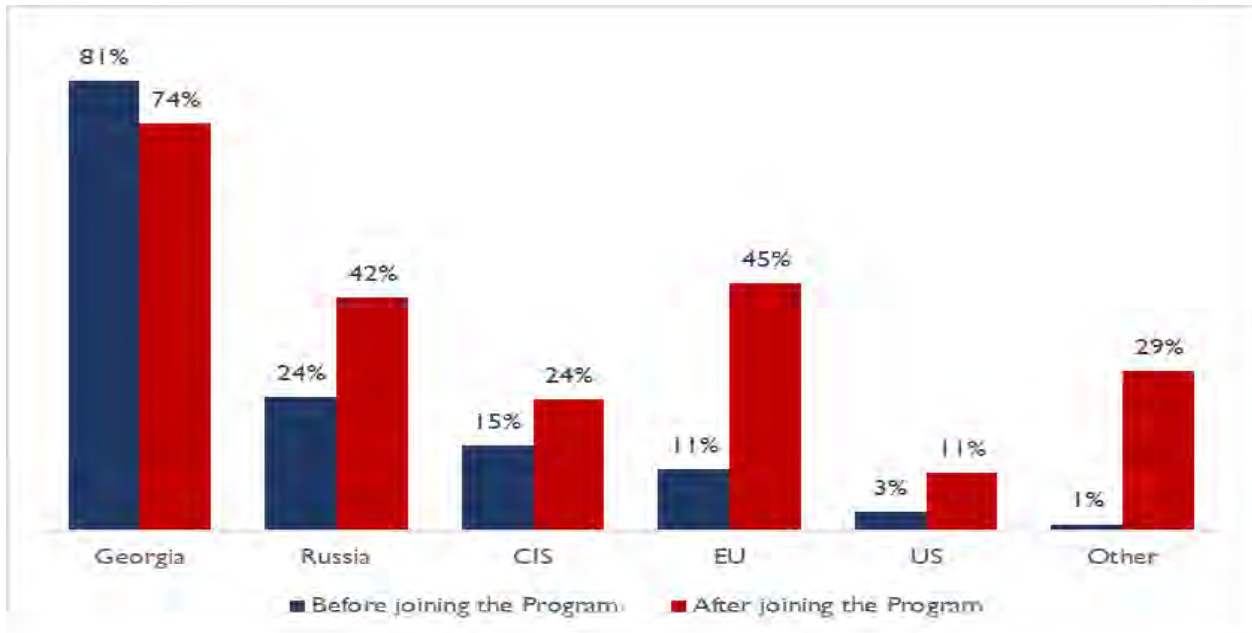
FIGURE 22: MARKETS TO WHICH THE SURVEY RESPONDENTS PLANNED TO SELL BEFORE JOINING THE PROGRAM



Source: Surveys of grantees and TA recipients

Program interventions (grants and TA) have played an important role for diversifying exports. As a result of Program support, the respondents now sell to new markets and most frequently export to more than one. However, this has not been sufficient as Russia remains as a major export market.

Figure V-5: Sales of the Grantees and TA Recipients Before and After Joining the Program

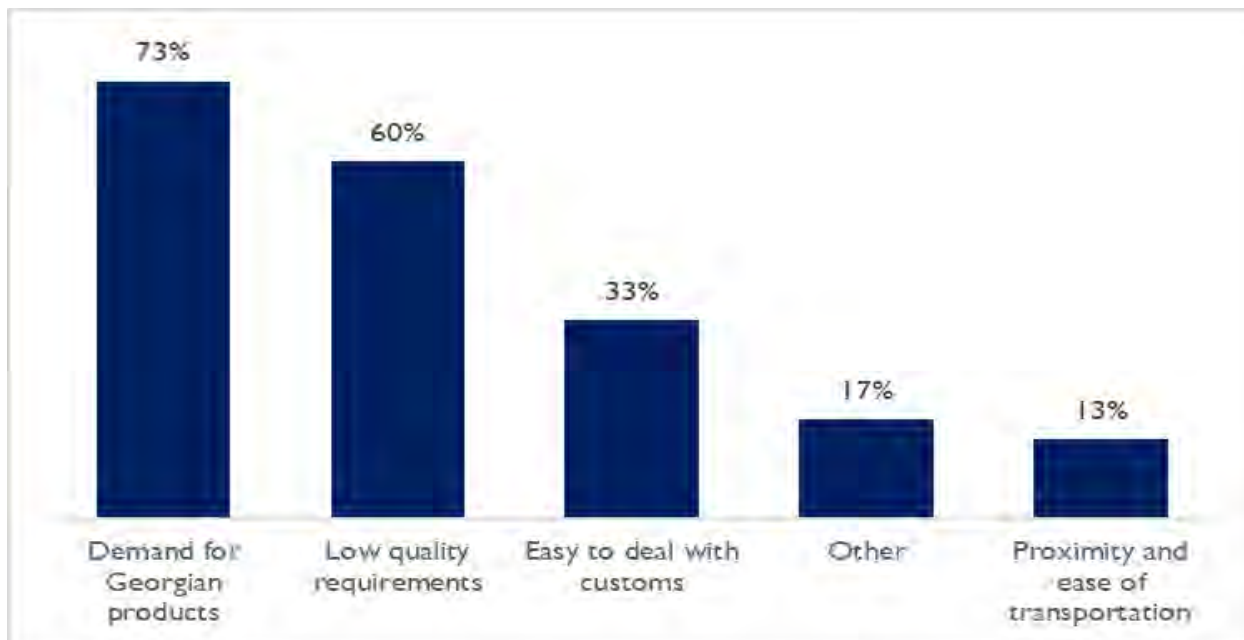


Source: Surveys of grantees and TA recipients

The Georgian market also holds significant potential, as the vast majority of respondents sell domestically.

Several factors influence the decision of exporters when selecting a country for export. The survey respondents named several advantages of the Russian and CIS markets.

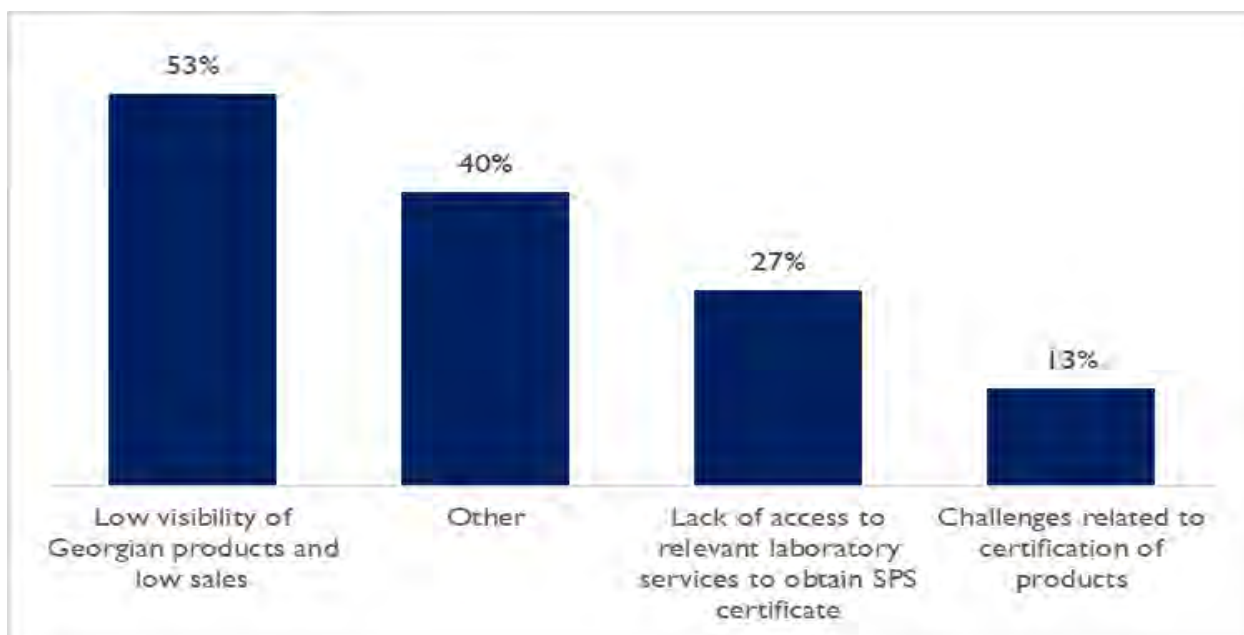
FIGURE 23: ADVANTAGES OF SELLING TO RUSSIA AND/OR CIS COUNTRIES



Source: Surveys of grantees and TA recipients

At the same time, the survey respondents face several challenges when exporting to the high-end markets.

FIGURE 24: CHALLENGES WHEN EXPORTING TO HIGH-END MARKETS

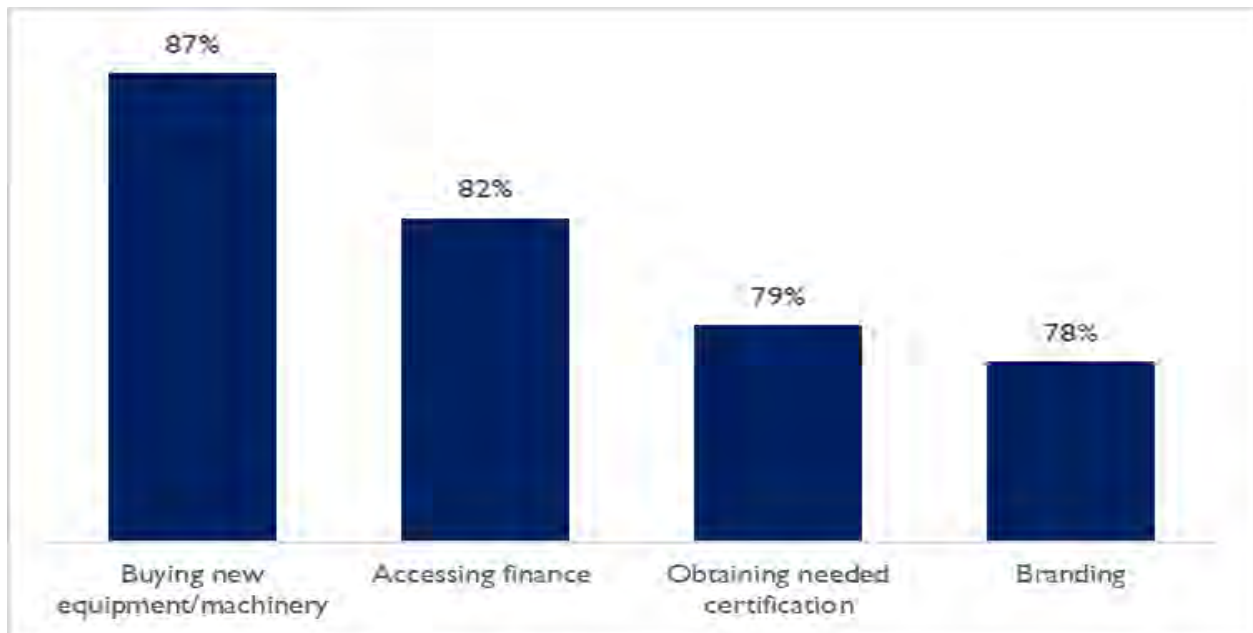


Source: Surveys of grantees and TA recipients

During KIIs the respondents also mentioned absence of cargo flights to the EU, complicated packaging demands (size and materials) compared to Russia as additional factors influencing their decision about exports.

Particular areas of intervention of the Program addressed the challenges and were highly rated by the surveyed grantees.

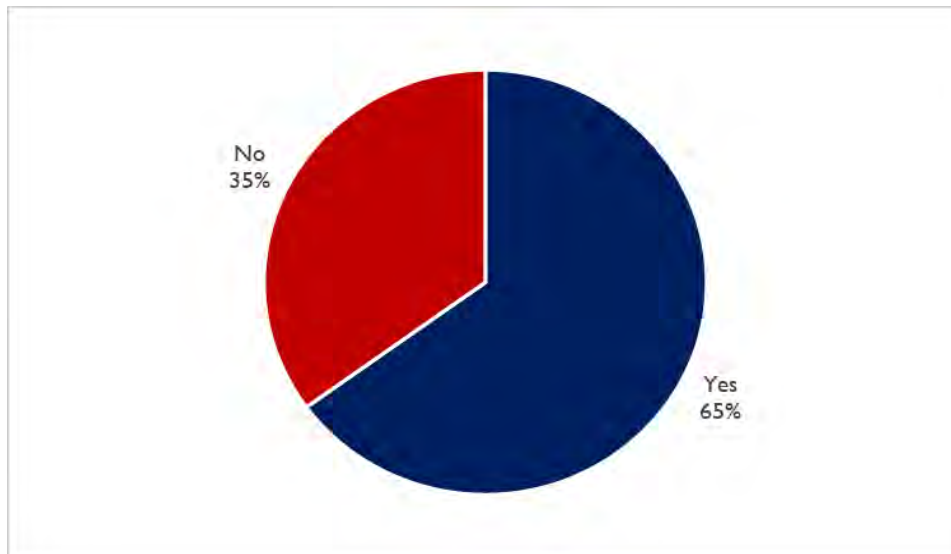
FIGURE 25: INTERVENTIONS OF THE PROGRAM THAT GRANTEES FOUND THE MOST USEFUL



Source: Surveys of grantees and TA recipients

Due to persistent challenges in the sector, there are several sources of funding available to farmers. As a result, most respondents receive support from multiple stakeholders. This fact makes the attributability of impact to the Program difficult.

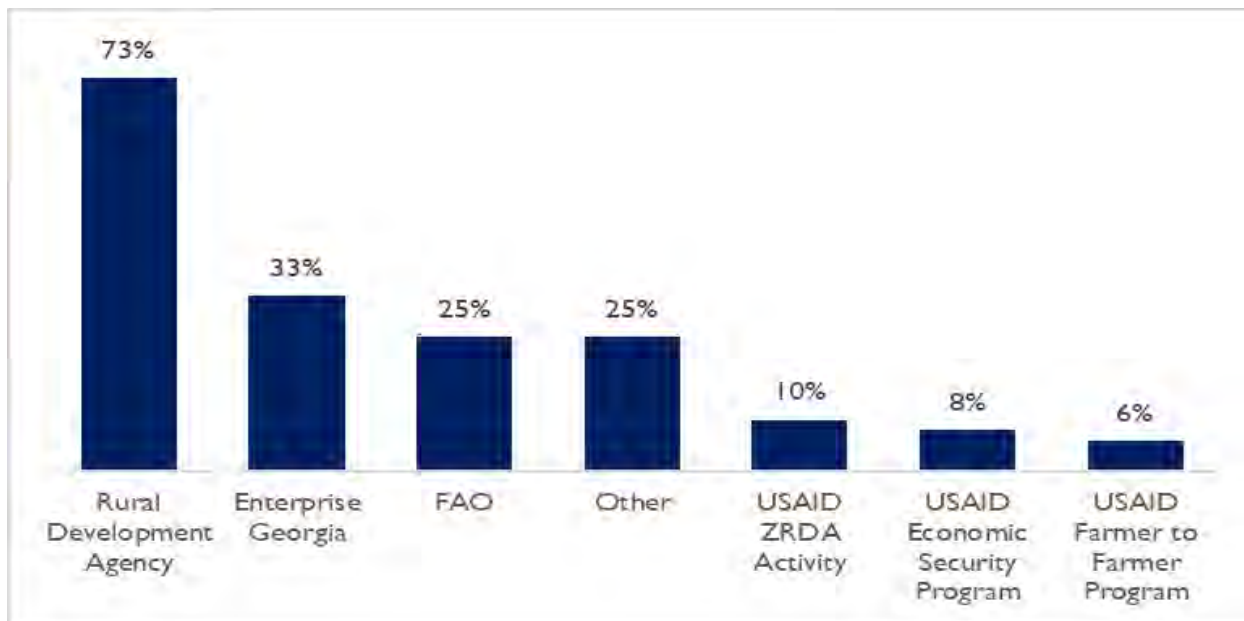
FIGURE 26: NUMBER OF GRANTEES AND TA RECIPIENTS, WHO RECEIVED SUPPORT FROM OTHER SOURCES



Source: Surveys of grantees and TA recipients

Among stakeholders, including various development initiatives funded through the State budget or by the USAID and other donors and that have provided support to the Program beneficiaries, the governmental agencies (Rural Development Agency, Enterprise Georgia) were cited the most frequently. In addition, the survey respondents have also benefited from other USAID-funded Programs.

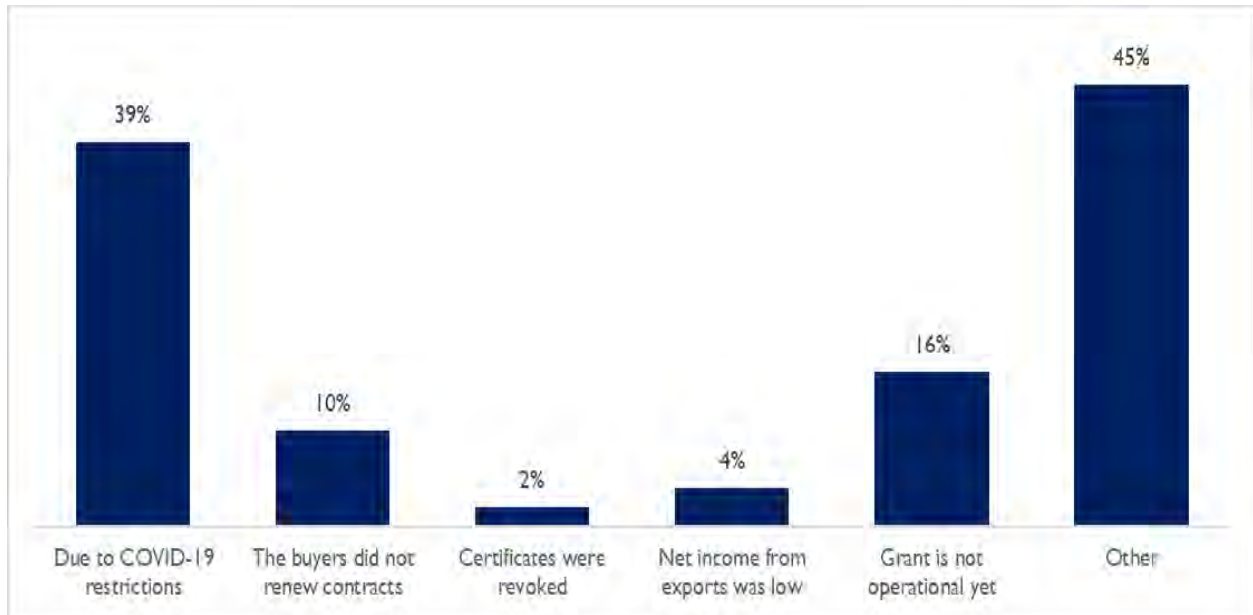
FIGURE 27: STAKEHOLDERS THAT PROVIDED SUPPORT TO GRANTEES AND TA RECIPIENTS



Source: Surveys of grantees and TA recipients

Number of the survey respondents could not maintain market linkages with high-end markets. While restrictions related to COVID-19 were cited frequently, there were several instances when the buyers did not renew contracts or income from exports was low and entrepreneurs decided to discontinue it.

FIGURE 28: REASONS WHY GRANTEES AND TA RECIPIENTS COULD / DID NOT MAINTAIN MARKET LINKAGES TO HIGH-END EXPORT MARKETS

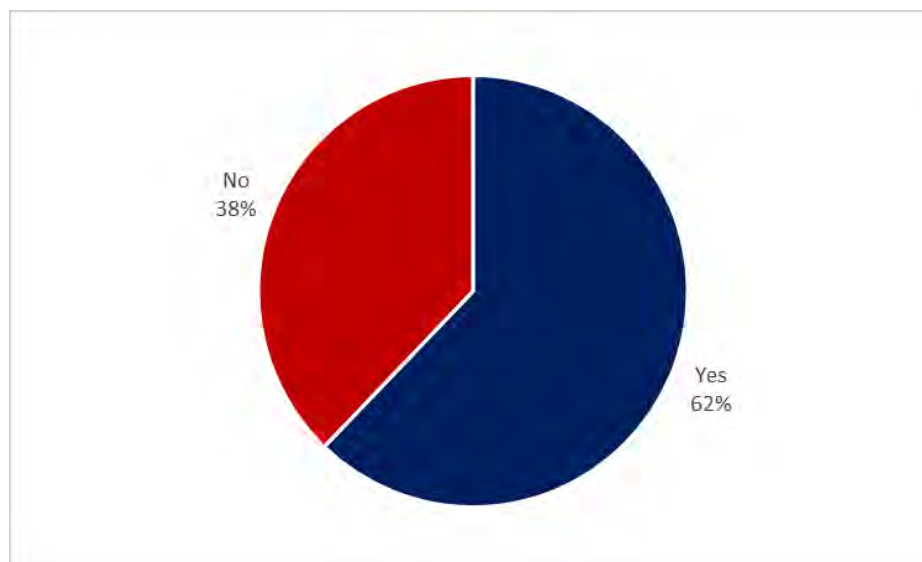


Source: Surveys of grantees and TA recipients

EQ 2

Majority of survey respondents receive services from different value chain actors and stakeholders.

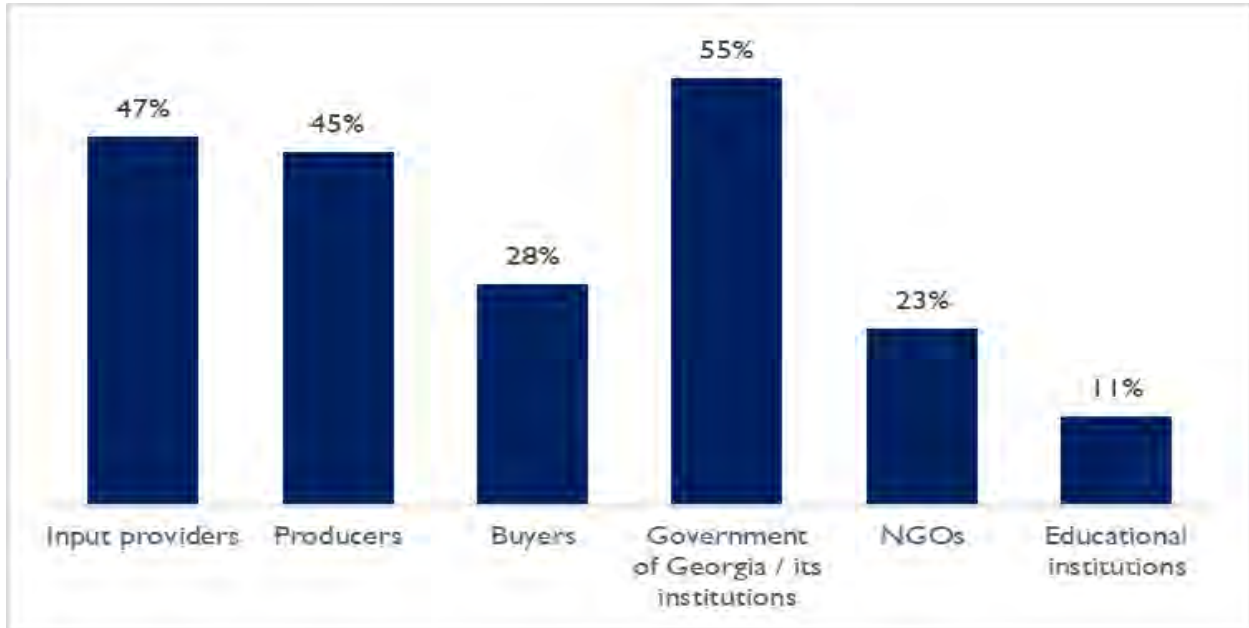
FIGURE 29: SHARE OF GRANTEES AND TA RECIPIENTS RECEIVING SERVICES FROM DIFFERENT STAKEHOLDERS



Source: Surveys of grantees and TA recipients

These include a variety of stakeholders, the most popular being GoG and its institutions, while educational institutions were cited the least.

FIGURE 30: STAKEHOLDERS FROM WHOM GRANTEES AND TA RECIPIENTS RECEIVE SERVICES

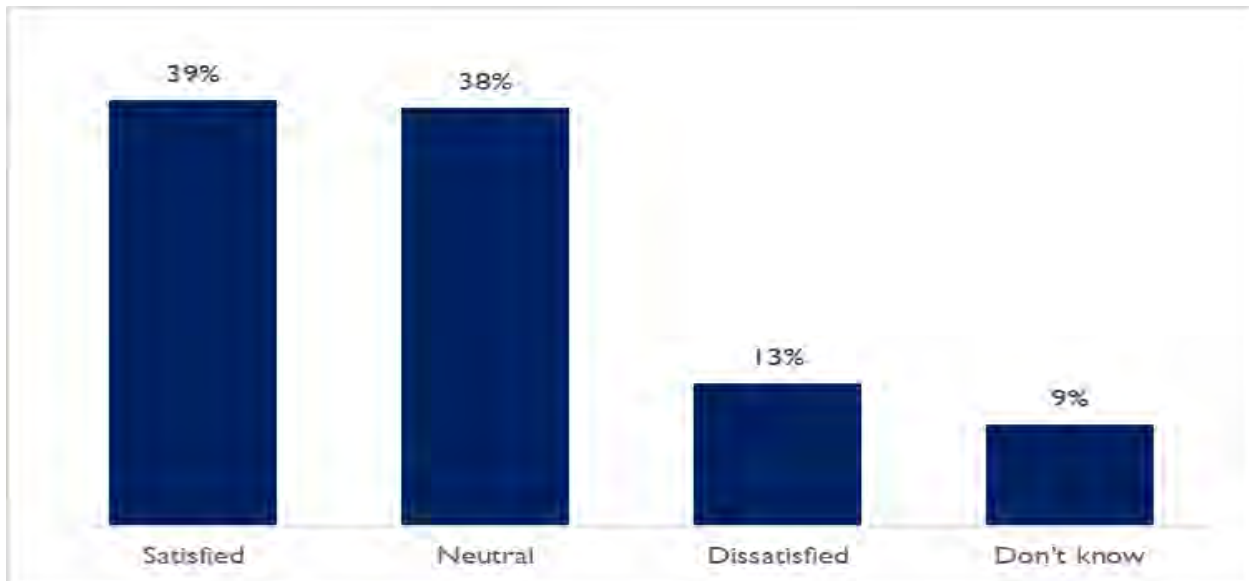


Source: Surveys of grantees and TA recipients

Even though the Program supported educational institutions in implementing internship, training and curriculum development Programs, these were mentioned the least by the surveyed respondents.

The survey respondents received various support from the stakeholders. Similar number of respondents are satisfied or feel neutral towards the received support, while a relatively small number is dissatisfied.

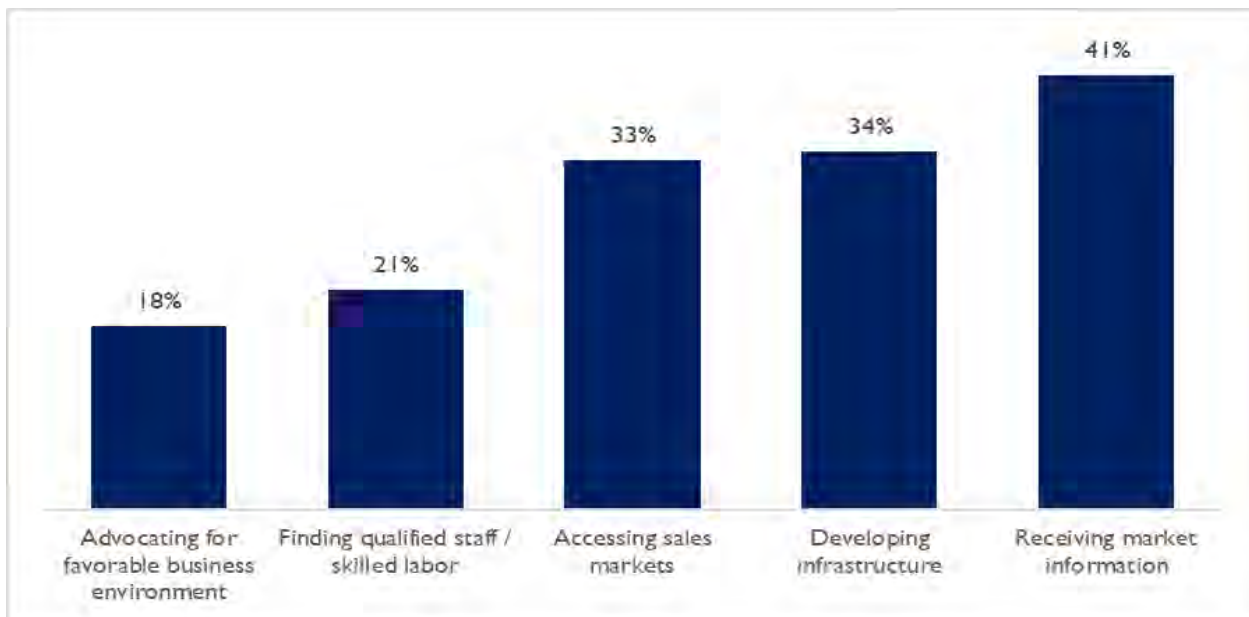
FIGURE 31: OVERALL SATISFACTION OF GRANTEES AND TA RECIPIENTS WITH THE RECEIVED SERVICES FROM OTHER STAKEHOLDERS



Source: Surveys of grantees and TA recipients

Five services, with which the respondents were the least satisfied included the following:

FIGURE 32: SERVICES RECEIVED FROM OTHER STAKEHOLDERS WITH WHICH THE SURVEY RESPONDENTS WERE THE LEAST SATISFIED



Source: Surveys of grantees and TA recipients

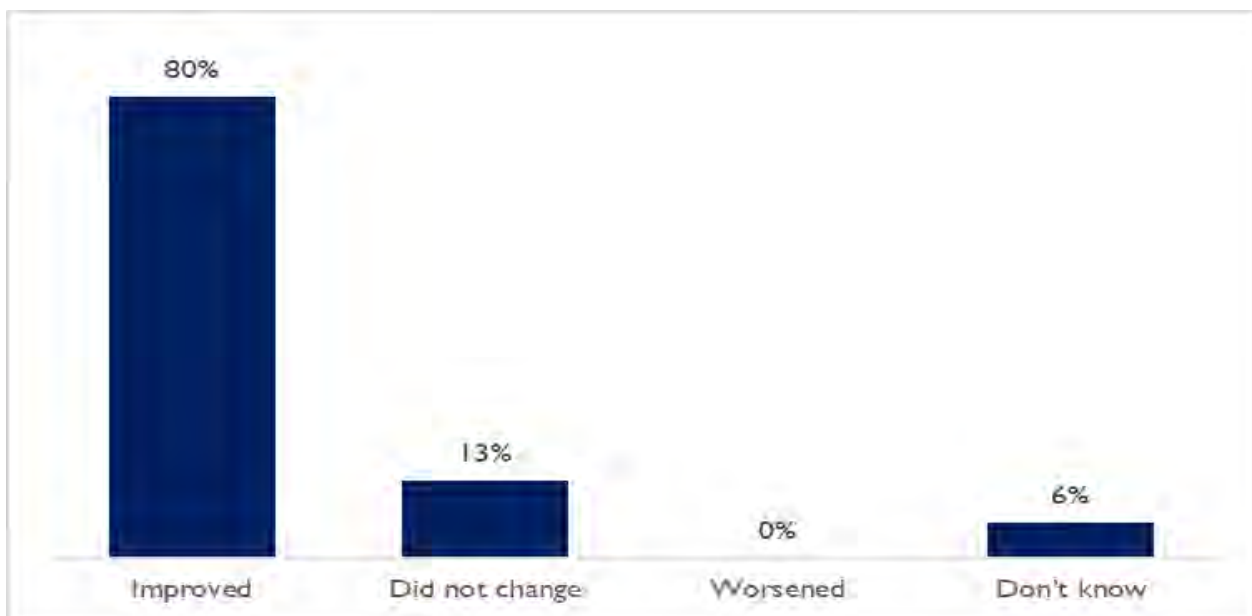
The fact that support in advocating for BEE was rated the lowest can be attributed to the fact that the vast majority of the interviewed grantees and TA recipients are not aware of any coordination mechanisms with the GoG and mostly rely on personal contacts when they require support of the governmental institutions.

Sustainability of some Program interventions and their support to associations in particular is unclear. Associations that received grants from the Program introduced services required by their members, e.g. hired agronomists and other support staff. However, the KIsI revealed that the annual membership fees at the time of the evaluation were not sufficient to cover these costs, while other services were being developed (e.g. packaging, processing, selling) for other value VC to diversify the revenue streams.

Through the Program support the number of businesses registered in the Trade with Georgia catalog administered by the Enterprise Georgia has more than doubled. However, as relevant tools are not available yet, it is hard to quantify whether and how this fact has translated into results.

Notwithstanding the challenges, relationships between different VC actors have improved.

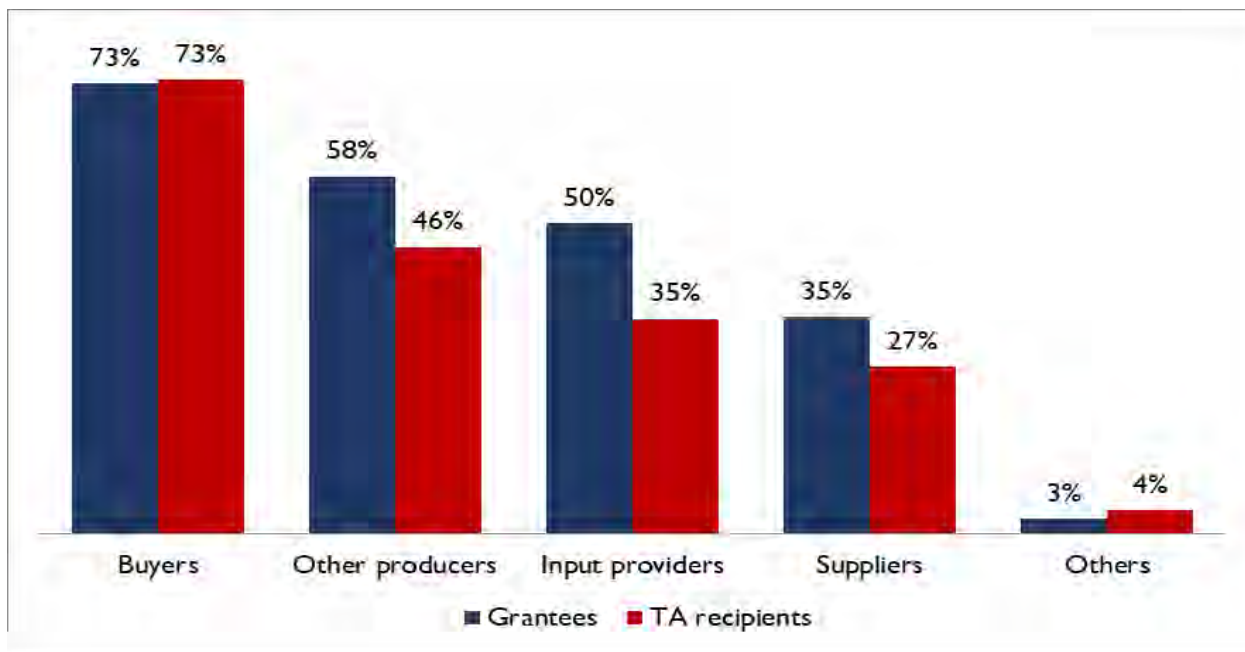
FIGURE 33: TRANSFORMATION OF RELATIONSHIPS OF GRANTEES AND TA RECIPIENTS WITH OTHER VC ACTORS AFTER JOINING THE PROGRAM



Source: Surveys of grantees and TA recipients

Relationships improved both horizontally and vertically (with input providers, suppliers and buyers) and horizontally (with other producers).

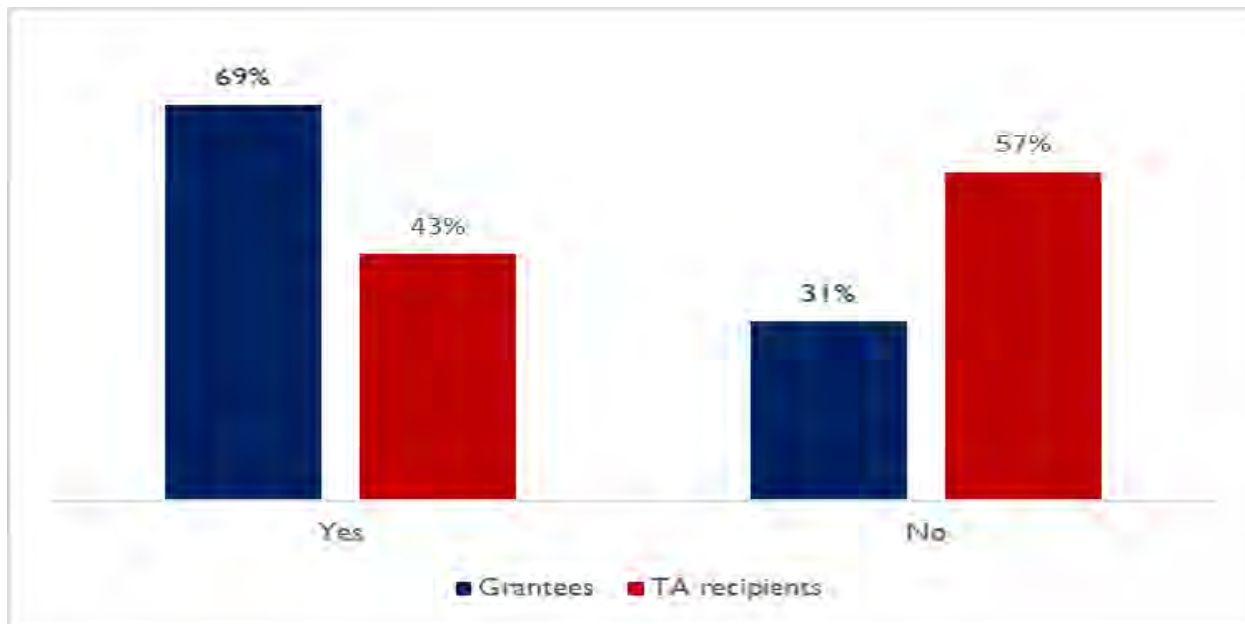
FIGURE 34: VALUE CHAIN ACTORS WITH WHOM GRANTEES AND TA RECIPIENTS IMPROVED THEIR RELATIONS



Source: Surveys of grantees and TA recipients

The support of the Program and improved capacities of both grantees and TA recipients trickles down to farmers / producers as both survey respondents buy products from them.

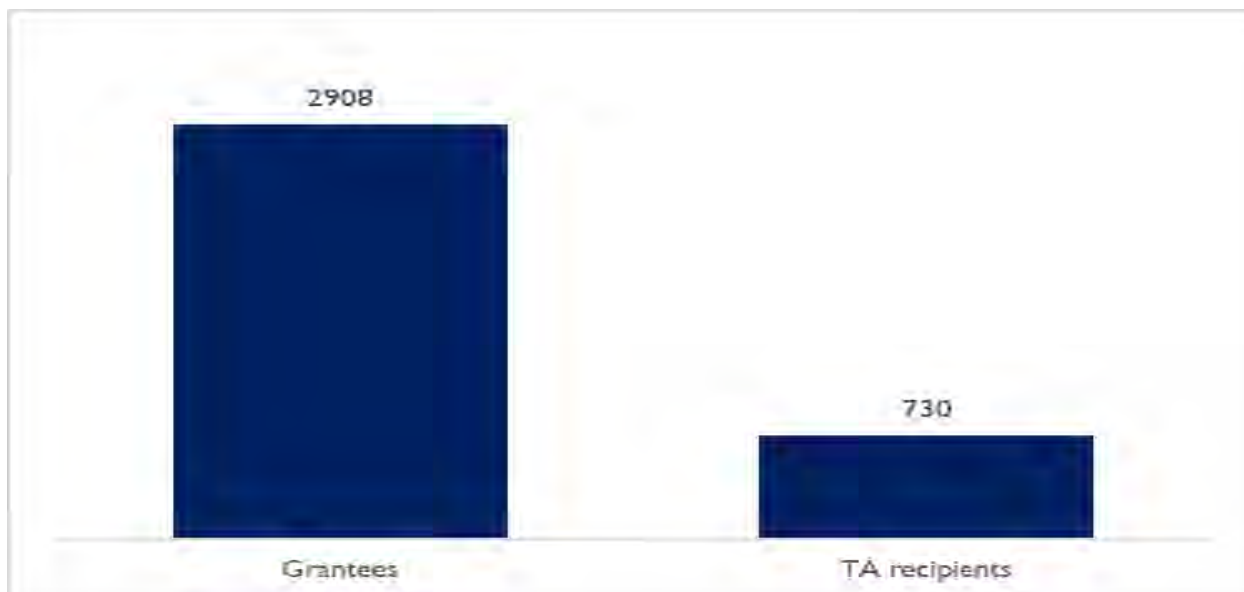
FIGURE 35: RESPONDENTS WHO BUY PRODUCTS FROM OTHER FARMERS / PRODUCERS



Source: Surveys of grantees and TA recipients

Grantees buy products from more farmers compared to TA recipients.

FIGURE 36: NUMBER OF FARMERS / PRODUCERS FROM WHOM THE PROGRAM BENEFICIARIES BUY PRODUCTS

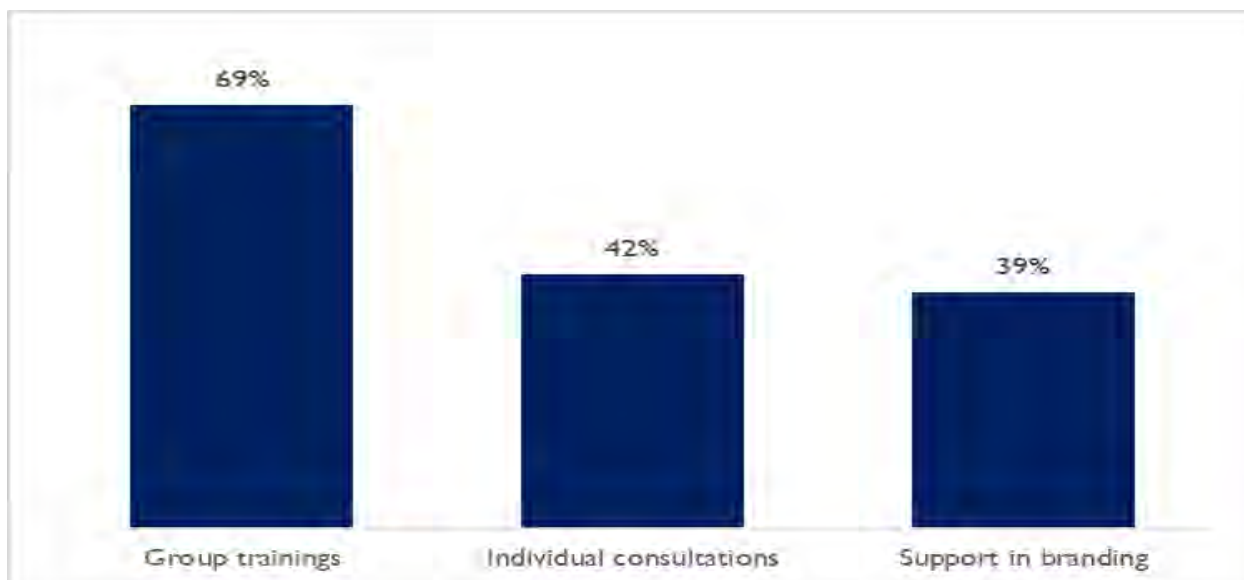


Source: Surveys of grantees and TA recipients

This can be attributed to the fact that through the Program investment their production and / or processing capacities improved and they require more inputs / raw materials.

The Program provided several types of support to the TA recipients.

FIGURE 37: TOP THREE TYPES OF SUPPORT PROVIDED MOST FREQUENTLY TO THE TA RECIPIENTS

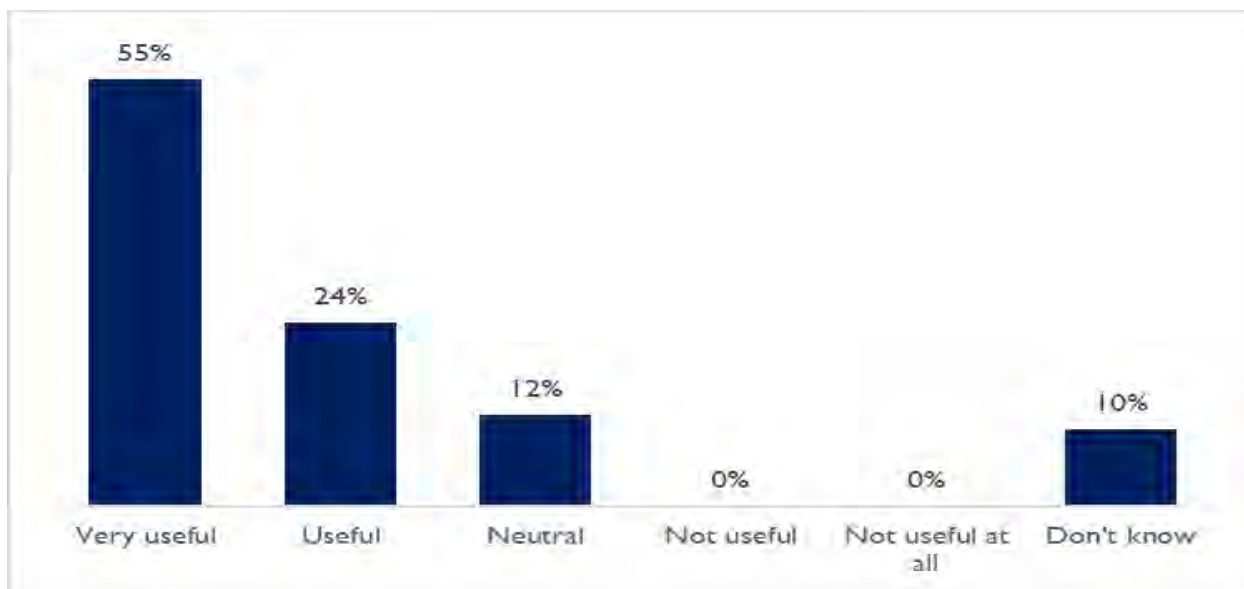


Source: Survey of TA recipients

Other support, including certification, was provided to a lower number of beneficiaries. However, certification of nurseries was seen as an important support by the KII respondents.

In addition, the support provided by the Program to grantees in the area of in utilizing digital tools, including those that facilitate access to information, services and markets were seen as useful.

FIGURE 38: USEFULNESS OF PROGRAM’S SUPPORT IN UTILIZING DIGITAL TOOLS



Source: Survey of grantees

At the same time the state still faces lack of human resources both in terms of quality and quantity and some of the tasks related to the certification (e.g. confirming stability and uniformity of local selective varieties) cannot be performed yet. At the same time, there are no coordination mechanisms between the private sector and institutions of the GoG. This was confirmed during KIs by the representatives of both sectors. Therefore, the unfavorable business environment was identified as one of the challenges in the agriculture sector.

EQ 3

The Program commissioned the analysis of selected VCs during the first year of implementation. It revealed a large number of common and specific challenges in each VC. The common challenges shared along the VCs are related to input supply, production, post-harvest handling, and trade and marketing. The latter include dependency on food imports, inadequate market information, retail margins and requirements raising consumer price and requirements for producers, insufficient local product labeling and instability of local currency.

Some of the VC-specific challenges are summarized in the below table:

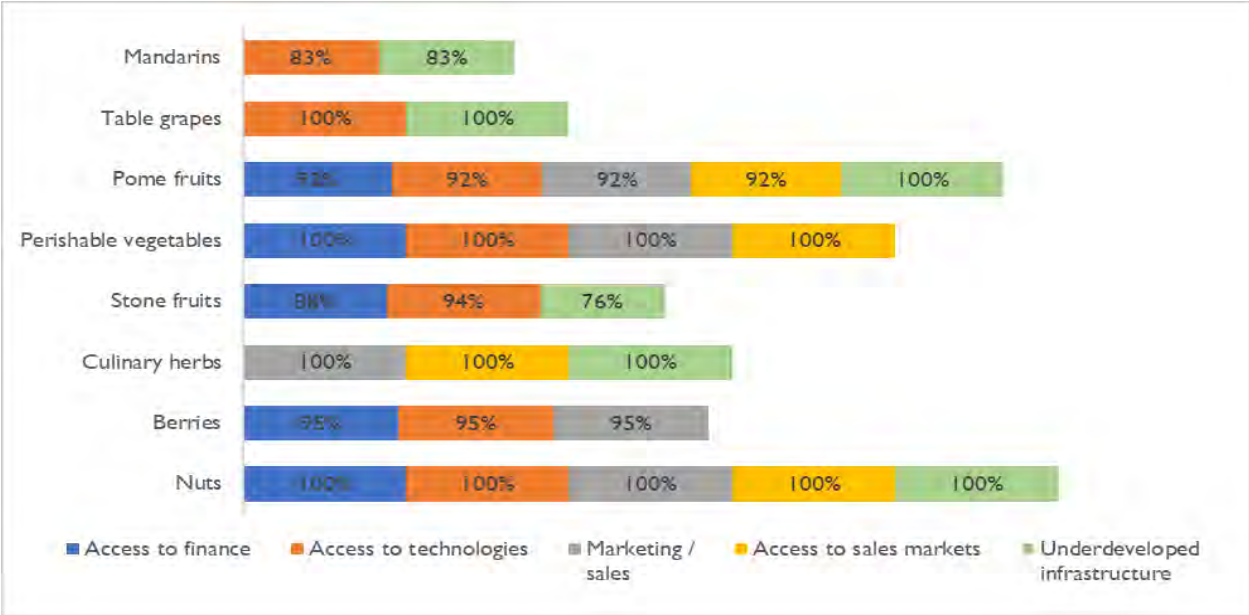
TABLE 16: CHALLENGES IN VCS IDENTIFIED IN THE SECTOR SELECTION AND VALUE CHAIN ANALYSIS REPORT	
VC	CHALLENGES

Berries	Lack of systematic approach and research on the fruit varieties in Georgian condition.
	Limited knowledge of production technologies (fertigation, irrigation, plant protection) at all sizes of production.
Culinary herbs	Lack of special varieties and high-quality products demanded on the EU market.
	Compliance with quality, food safety and traceability requirements is challenging.
	Lack of technical advice on crop selection, varieties, technologies, inputs, integrated pest management, and organic production.
Perishable vegetables	Varieties grown in Georgia are not the top ones grown in Europe.
	Limited professional production of seedlings (pepper and tomato).
	Limited knowledge about the most appropriate technologies.
	High initial investment and maintenance costs.
Stone fruits	Virus diseases spreading within and out of the plantation by pollen or by aphids.
	Lack of the qualified workers required for pruning, pesticide application and other activities.
Apples	Limited high-quality fruits due to insufficient knowledge of relevant practices and limited production experience.

	Lack of aggregators with modern cold storage facilities and equipment for sorting and packing.
Table grapes	Lack of commercial table grape production.
	Lack of post-harvest treatment.
Mandarins	Planting materials for the new recommended cultivars are produced in limited quantities.
	Low productivity and fruit quality.
	The existing storage facilities are insufficient

Challenges are similar across the target VC. Access to technologies was named among top challenges in seven VCs, while export promotion and marketing-related challenges were named in six. Underdeveloped infrastructure and access to finance were mentioned frequently. In the nuts sub-sector all challenges were identified as equally important and cited by all the respondents involved in the VC.

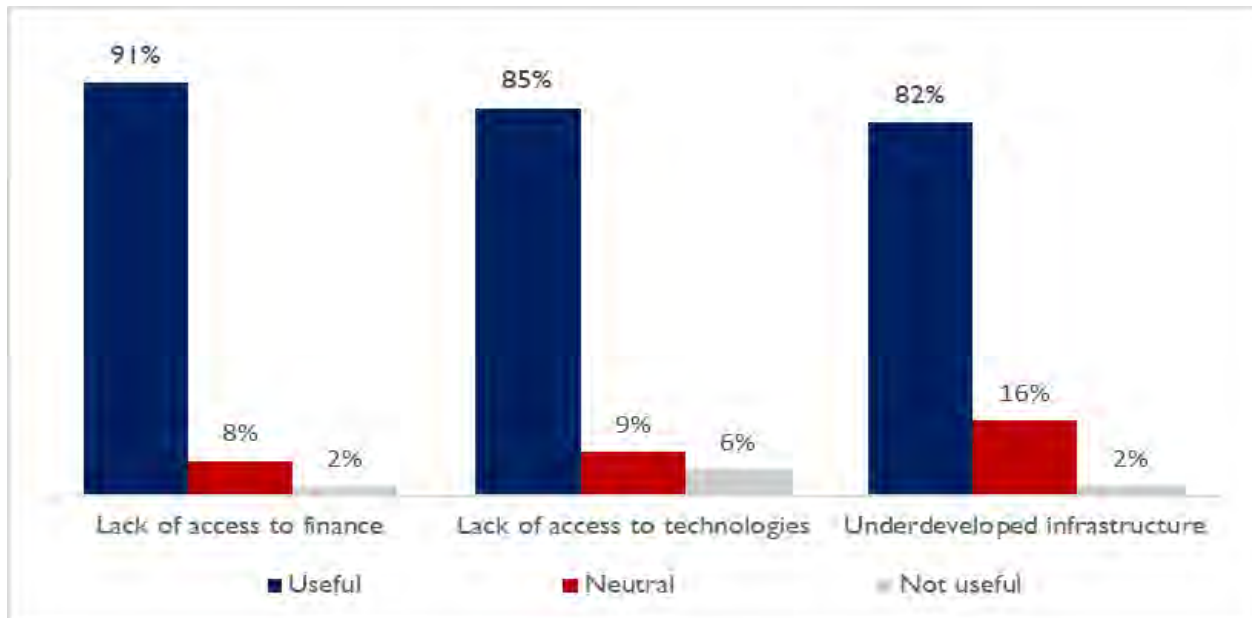
FIGURE 39: THE MOST FREQUENTLY MENTIONED CHALLENGES PER EACH VC



Source: Survey of grantees

While the Program support was seen as useful in general by the grantees, the three areas that were found the most useful by the grantees included lack of access to finance and technologies and underdeveloped infrastructure.

FIGURE 40: THREE MOST USEFUL AREAS OF PROJECT INTERVENTION IDENTIFIED BY THE GRANTEES

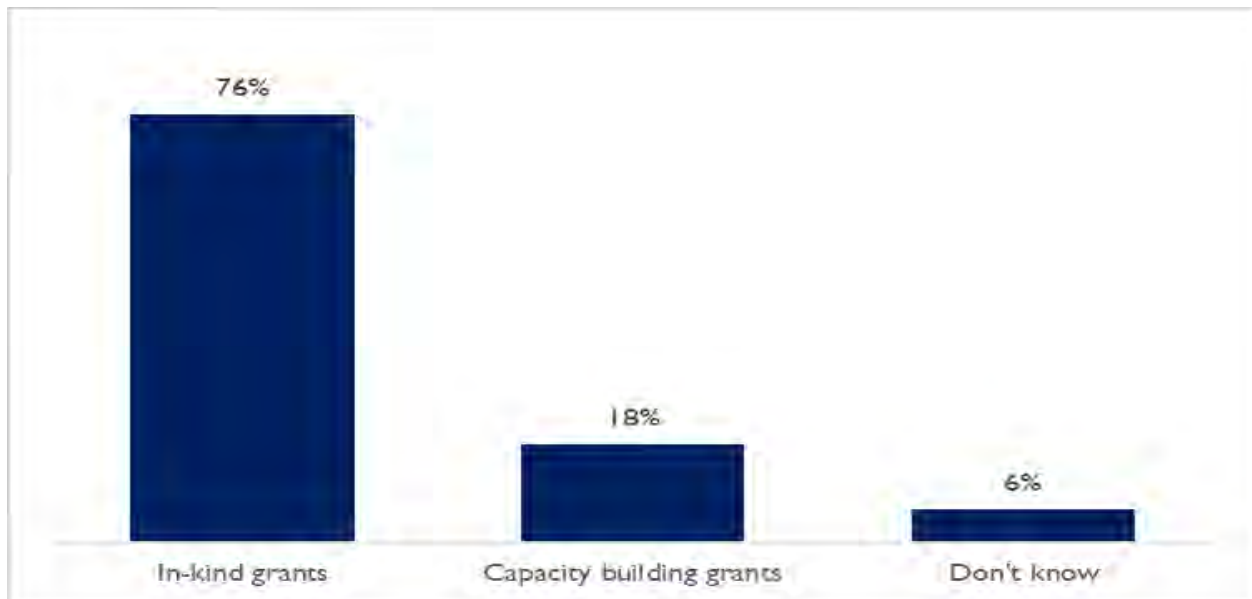


Source: Surveys of grantees and TA recipients

The direct support of the Program had the positive impact on access to finance on the enterprise level, but it did not have a wider effect as access to capital of financial institutions remains challenging.

In-kind grants were found as the most useful by the majority of survey respondents.

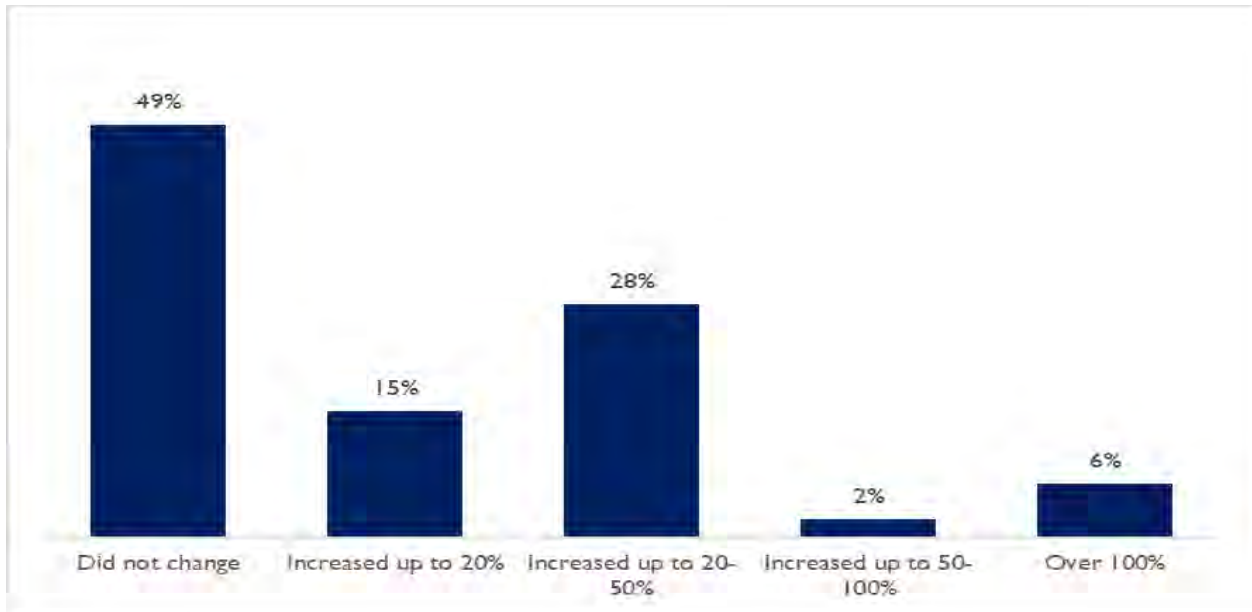
FIGURE 41: USEFULNESS OF GRANTS BY THEIR TYPES



Source: Survey of grantees

The effects on exports and domestic sales have been positive. Over half of the surveyed grantees stated that their income increased after joining the Program.

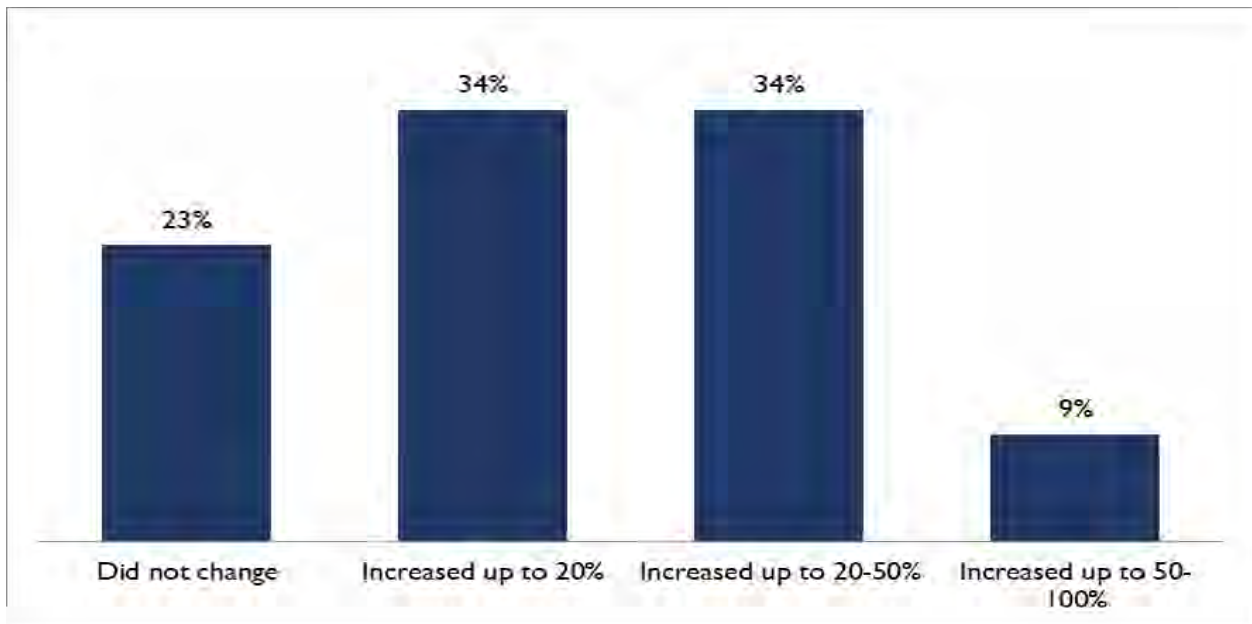
FIGURE 42: INCOME CHANGE OF GRANTEES FROM EXPORTS



Source: Survey of grantees

Domestic sales also increased for the majority of the grantees.

FIGURE 43: INCOME CHANGE OF GRANTEES FROM DOMESTIC SALES



Source: Survey of grantees

Both grantees and TA recipients reported significant income from exports and attributed it mostly to the Program.

FIGURE 44: VALUE OF EXPORTS AND THEIR ATTRIBUTION TO THE PROGRAM



Source: Surveys of grantees and TA recipients

The figures are in line with the Program monitoring data as by the end of FY 3 increase in sales in export markets was estimated at USD 6,136,765.

In addition to increased sales, both surveyed grantees and TA recipients reported increased volumes of exports. Similar to sales, most of it was attributed to the Program.

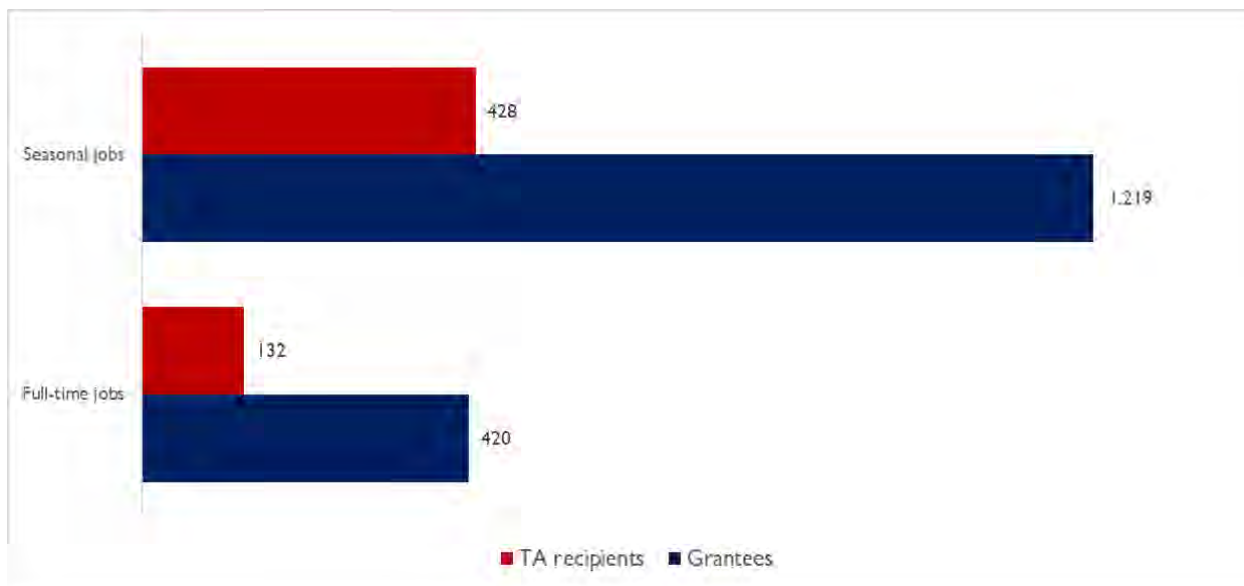
FIGURE 45: VOLUME OF EXPORTS AND THEIR ATTRIBUTION TO THE PROGRAM



Source: Surveys of grantees and TA recipients

Another effect of the Program is an increased number of created jobs by both the grantees and TA recipients after joining the Program.

FIGURE 46: NUMBER OF JOBS CREATED BY THE GRANTEES AND TA RECIPIENTS

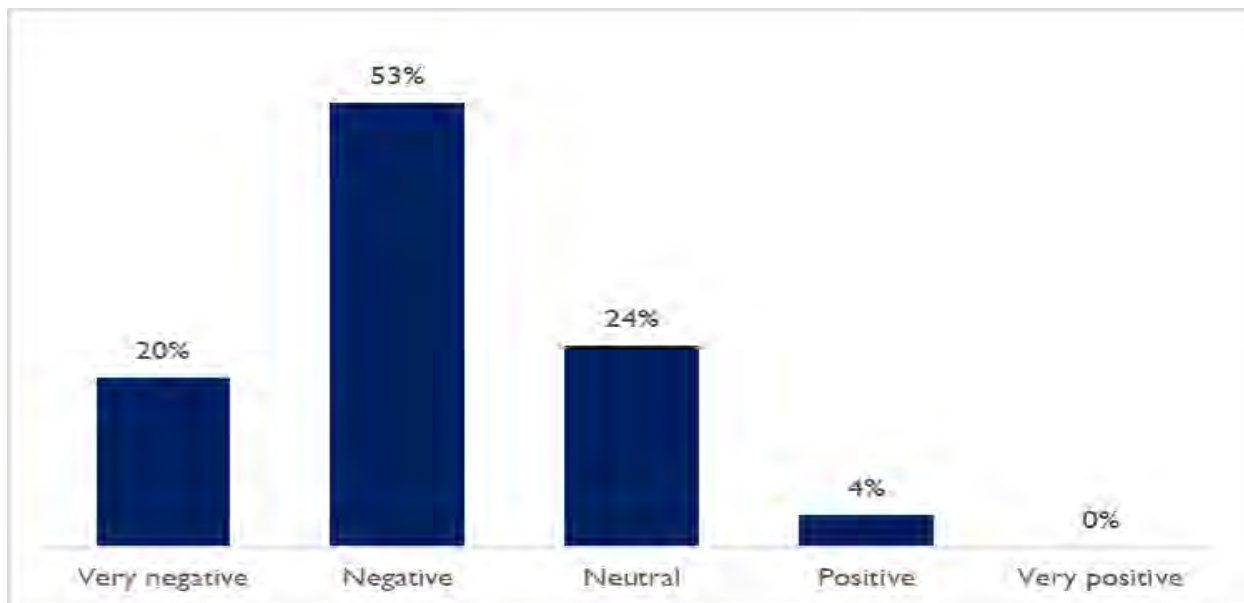


Source: Surveys of grantees and TA recipients

EQ 4

COVID-19 had a negative effect on the majority of grantees and TA recipients.

FIGURE 47: EFFECTS OF COVID-19 ON THE GRANTEES AND TA RECIPIENTS

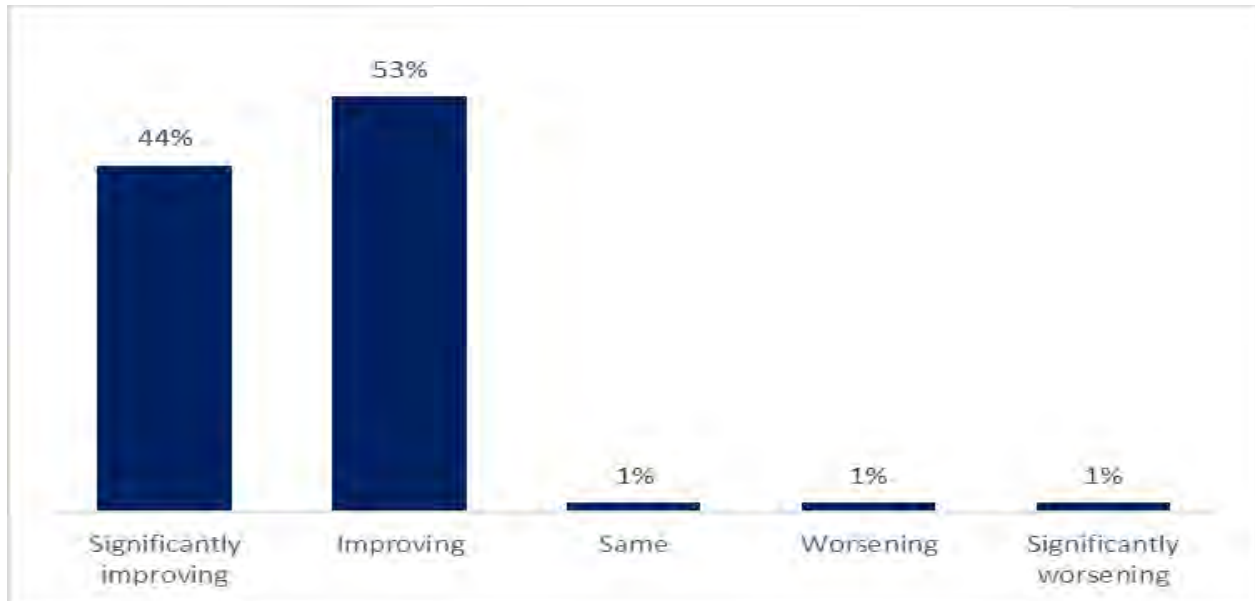


Source: Surveys of grantees and TA recipients

This was confirmed during the KIIs. Challenges mentioned by the respondents included disruption in input supplies, transportation during lockdown in 2019, as well as infections among their staff that negatively affected their productions.

Notwithstanding the challenges posed by the pandemic, the vast majority of the survey respondents believe that during the next several years the performance of their businesses will improve.

FIGURE 48: OUTLOOK ON THE PERFORMANCE OF BUSINESSES IN THE NEXT FEW YEARS



Source: Surveys of grantees and TA recipients

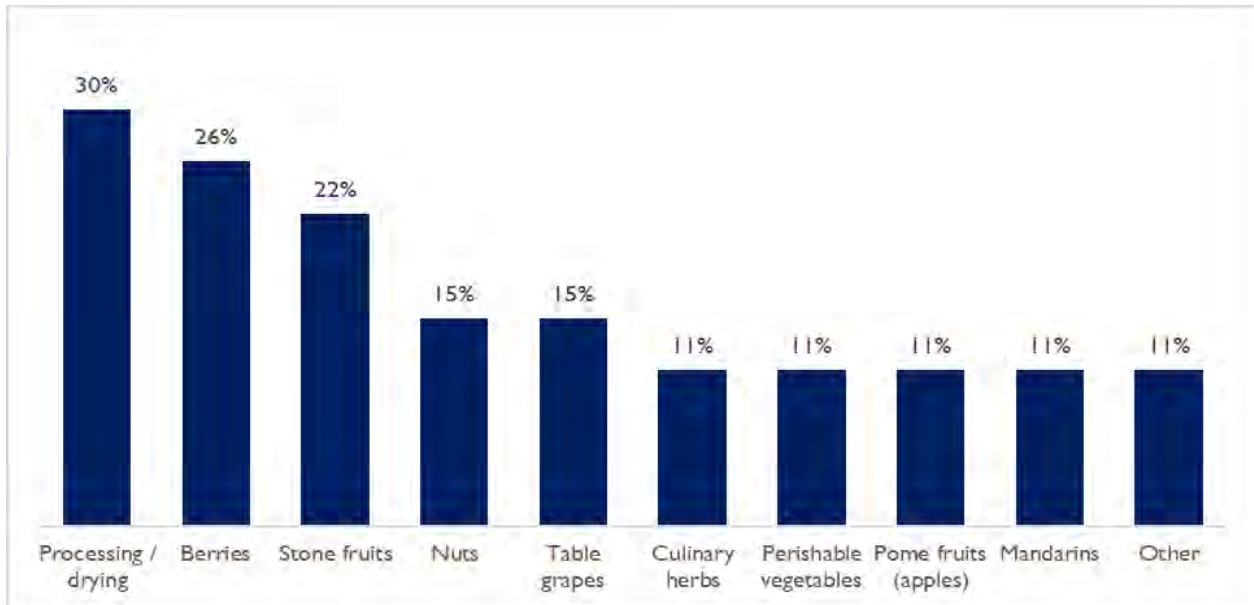
Cross-cutting issues

Female respondents of the survey constituted 26 percent as majority were men. While their number was higher among the TA recipients, only 17 percent of grantees were women.

At the same time, there is a significant potential of creating jobs for women. According to the KII respondents, they are seen as more trustworthy and responsible employees and some private sector actors see the value of hiring more female staff members.

Out of the surveyed women the largest number is involved in small-scale processing (mostly fruit juices) and / or drying of fruits. These tasks were traditionally performed by women and remain one of the major entry points for them.

FIGURE 49: INVOLVEMENT OF WOMEN IN AGRICULTURAL VCS

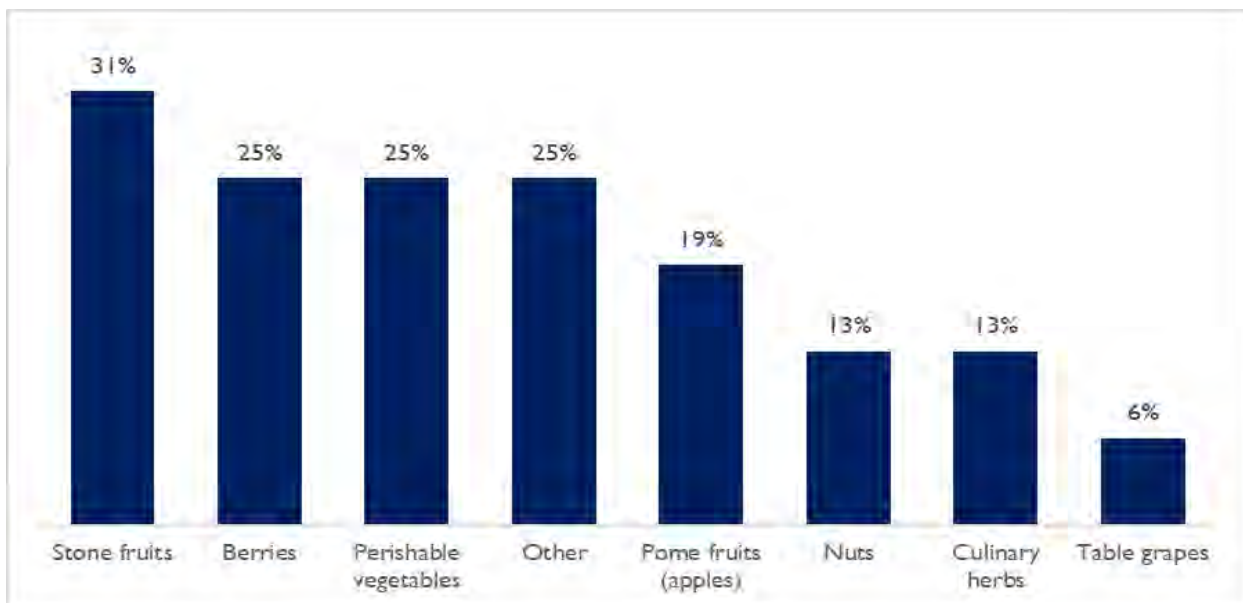


Source: Surveys of grantees and TA recipients

Often women are involved in growing more than one product. Berry and stone fruit growing are the two areas with relatively high involvement of women.

The share of surveyed youth was lower than women as they represented only 14 percent of respondents. On the other hand, they are more evenly distributed across the higher number of VC compared to women.

FIGURE 50: INVOLVEMENT OF YOUTH IN AGRICULTURAL VCS



Source: Surveys of grantees and TA recipients