

Agriculture and Rural Development Strategy of Georgia 2021-2027 and Action Plan 2021-2023

Performance Monitoring Report for 2021

2022

Table of Contents

Summary	4
Goal 1: Competitive agricultural and non-agricultural sectors	7
<i>Objective 1.1 To raise awareness/knowledge of farmers and entrepreneurs</i>	7
<i>Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments</i>	10
<i>Objective 1.3: To support integration of farmers/entrepreneurs on the market</i>	35
<i>Objective 1.5 To Increase Access to Infrastructure and Services</i>	46
<i>Objective 1.6 To Improve the Irrigation and Drainage Systems</i>	59
<i>Objective 1.7 To develop rural tourism and relevant tourism products</i>	64
Goal 2 - Sustainable usage of natural resources, retaining of the eco-system, adaptation to climate change	68
<i>Objective 2.1 To disseminate climate-smart and environmentally adapted agricultural practices and promotion of bio-organic production development</i>	68
<i>Objective 2.2 To support the development of ecotourism</i>	69
<i>Objective 2.3 Sustainable usage of forest resources</i>	72
<i>Objective 2.5 To maintain agro-biodiversity</i>	77
Goal 3 - Effective systems of food/feed safety, veterinary and plant protection	86
<i>Objective 3.1 To approximate the sanitary and phytosanitary regulatory legislation of Georgia to the EU legislation</i>	86
<i>Objective 3.2 To ensure that the products supplied to the local and export markets comply with sanitary and phytosanitary standards</i>	88
<i>Objective 3.3 To build the laboratory capacities</i>	96
<i>Objective 3.4 Quality assurance agricultural inputs</i>	98

Summary

The 2021-2027 Strategy of Agriculture and Rural Development of Georgia approved by the Decree No. 2665 of the Government of Georgia on December 20, 2019, is part of the national policy of development of the country, all sectoral or multi-sectoral development directions and a set of specific measures to ensure sustainable development of agriculture.

Three strategic directions are set for the implementation of the strategic vision of the development of agriculture:

- Competitive agricultural and non-agricultural sectors.
- Sustainable use of natural resources, conservation of eco-systems, adaptation to climate change.
- Effective systems of food/feed safety, and veterinary and plant protection.

The 2021-2023 Action Plan of the Agriculture and Rural Development Strategy of Georgia for 2021-2027 **includes 68 activities for the year 2021, 17 of which cover** the annual implementation of the European Neighborhood Program for Agriculture and Rural Development (ENPARD) fourth phase performance indicators.

In 2021, according to the 2021-2023 Action Plan, the financing of activities was envisaged with a total budget of GEL 443,616,500, while the actual budget utilization in the reporting period amounted to GEL 618,794,354.09.

Strategic goal	Objective	Number of activities	Budget estimate for 2021 (GEL)	Budget expenditure for 2021 (GEL)
1. Competitive agricultural and non-agricultural sectors	1.1: To raise awareness/knowledge of farmers and entrepreneurs	3	275,000.00	311,862.69
	1.2: To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments.	19	175,063,500.00	230,353,262.5
	1.3 To support integration of farmers/entrepreneurs on the market	5	10,400,000.00	9,117,069.29
	1.5: To increase access to infrastructure and services	11	142,008,000.00	271,211,908.62
	1.6: To improve the irrigation and drainage systems	4	68,000,000.00	49,558,225.00
	1.7 To develop rural tourism and relevant tourism products	3	700,000.00	417,751.00
	First strategic goal		45	396,446,500.00

2. Sustainable usage of natural resources, retaining of the ecosystem, adaptation to climate change	2.1: To disseminate climate-smart and environmentally adapted agricultural practices and support the development of bio/organic production	1	0	0
	2.2: To support the development of ecotourism	2	500,000.00	9,219,139.00
	2.3: Sustainable usage of forest resources	4	14,600,000.00	16,892,000.00
	2.5: To maintain agro-biodiversity	2	2,700,000.00	2,792,927.00
Second strategic goal		9	17,800,000.00	28,904,066.00
3. Effective systems of food/feed safety, veterinary and plant protection	3.1: To approximate the sanitary and phytosanitary regulatory legislation of Georgia to the EU legislation	2	0	0
	3.2: To ensure that the products supplied to the local and export markets comply with sanitary and phytosanitary standards	7	22,220,000.00	21,720,500.00
	3.3: To build the laboratory capacities	1	7,000,000.00	7,083,700.00
	3.4: Quality assurance of agricultural inputs	4	150,000.00	116,009.00
Third strategic goal		14	29,370,000.00	28,920,209.00
Total		68	443,616,500.00	618,794,354.09

Agri-food sector - Development Trends

In terms of the development of the agri-food sector, significant positive results were observed in 2021.

According to preliminary data for 2021, the **total production indicator of agribusiness products** (production of primary agricultural products and products obtained because of processing) amounted to GEL 13.0 billion, which is 32.5% higher than the 2018 figure.

According to preliminary data for 2021, the **added value indicator** was GEL 3.7 billion, which exceeds the 2018 indicator by 22.1%.

According to preliminary data for 2021, the output **in the business sector in agriculture, forestry, and fisheries** amounted to GEL 653.1 million, which is 28.1% more than in 2018.

In 2020, the **average production output calculated per employed person in the sector** amounted to GEL 23.3 thousand, which exceeds the 2018 indicator by GEL 4.1 thousand (21.5%).

In 2020, the **average monthly income of rural households calculated per one household** was GEL 982.2, which is 11.6% higher than in 2018.

In 2021, the export value of agri-food products amounted to USD 1,142 million, which is USD 176 million (18.2%) more than in 2018. The negative trade balance amounted to USD 207.6 million, which is 46% less than the 2018 indicator.

This monitoring report includes detailed information on the implementation of programs under the 2021-2023 Action Plan of the Georgian Agriculture Development Strategy 2021-2027.

Goal 1: Competitive agricultural and non-agricultural sectors

Strategic goal 1 - Competitive agricultural and non-agricultural sectors – includes 7 objectives and 45 activities.

Objective 1.1 To raise awareness/knowledge of farmers and entrepreneurs

To accomplish Objective 1.1, 3 activities were carried out in 2021 – provision of effective extension services to farmers, implementation of vocational education programs in the agrarian field, and skills development in rural settlements. Activities of the Objective were implemented by the Ministry of Environmental Protection and Agriculture of Georgia, its agencies, and the Ministry of Education and Science of Georgia.

As a result of activities carried out to achieve the goals of the Objective, during the year 2021:

- ⇒ Consulting services were provided to 25,358 beneficiaries (individuals and legal entities).
- ⇒ 605 persons were enrolled in vocational education programs in the field of agriculture, which is 24.2% higher than the baseline (2018) figure (487 persons).
- ⇒ In 2021, the total number of persons enrolled in vocational education programs ensuring improvement of skills necessary for rural non-agricultural employment was 601 students, of whom 177 (29%) were women.

The forecast budget of the activities planned for achieving Objective 1.1 was set at the amount of GEL 275,000. In 2021, the state spent GEL 311,862.69 for the achievement of the Objective.

- **Activity 1.1.1: Provision of effective extension services to farmers**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency.

The goal of the activity: Implementation of agricultural extension for farmers and rural population employed in the field of agriculture in office, remote, and field conditions. Extension services, in parallel with performing information and consultation activities per field, ensure the promotion of implemented and ongoing projects of the Agency.

Realized Activities

In 2021, a total of 17,244 consultations were provided by 9 regional offices and 45 extension centers. Consulting services were provided to 25,358 beneficiaries (individuals and legal entities). In rural areas, the number of information-extension meetings with the local population was 884. The consultations were conducted in full compliance with Covid regulations and mainly covered sectoral issues and

programs/projects implemented by the Agency. This fact caused the low percent the performance of the 2021 indicator.

Consulting services were provided through various means: in the office; via telephone conversations; SMS notifications; visits to sites of interested parties; group meetings with farmers in villages; meetings in the public centers of the Ministry of Justice; using email and social media.

From 2021, regional services and extension centers have moved to a new operating platform - regions.mepa.gov.ge which allows extension services to become more accessible, fast, and needs-oriented. The platform provides for sending special notifications to farmers, as well as to the authorized persons of the Ministry of Environmental Protection and Agriculture of Georgia and its agencies.

In 2021, the Department of Regional Relations was involved in both the Rtveli 2021 (Vintage 2021) and the 2021 Non-Standard Apple Sales Promotion Program.

Operational-statistical data document for internal consumption - "Databases 2021" - was developed by the regional services.

Indicator Realization and Budget Expenditure

In 2021, it was planned to provide consulting services to 40,000 beneficiaries (individuals and legal entities). During the reporting period, consulting services were provided to 25,358 beneficiaries (individuals and legal entities). The low percentage of the performance of the 2021 indicator is caused by the fact that the consultations were carried out in full compliance with the Covid regulations and mainly covered sectoral issues and programs/projects implemented by the Agency.

The activity was carried out under the administrative cost.

Objective 1.1 To raise awareness/knowledge of farmers and entrepreneurs	
Number and title of an activity:	Activity 1.1.1: Provision of effective extension services to farmers
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency
Reporting (monitoring) period:	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021, consulting services will be provided to 40,000 beneficiaries (individuals and legal entities).	Realized: In 2021, consulting services were provided to 25,358 beneficiaries (individuals and legal entities).
Budget	
Estimated: <u>GEL 0.00</u>	Actual: <u>GEL 0.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating		X			
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 1.1.2: Implementation of vocational education programs in the agrarian field**

Responsible agency: Ministry of Education and Science of Georgia / Department of Vocational Education Development.

The goal of the activity: increase the number of students enrolled in vocational education programs in the field of agriculture by 5% compared to the baseline figure.

Realized Activities

In 2021, 605 persons were enrolled in vocational education programs in the field of agriculture, which is 24.2% more than the baseline (2018) indicator (487 persons).

Indicator Realization and Budget Expenditure

It was planned to increase the number of students enrolled in vocational education programs in agriculture by 5% compared to the baseline indicator. 605 persons were enrolled in the programs, which is 24.2% more than the baseline (2018) indicator (487 persons). Thus, the planned works are completed by more than 100%.

According to the Action Plan, in 2021, the forecast budget of GEL 275 000.00 was planned. The amount of voucher funding for students enrolled in these programs in 2021 amounted to GEL 311,862.69 and in total, the voucher funding for students in the agricultural field during 2021 was GEL 2,881,537.85.

Objective 1.1 To raise awareness/knowledge of farmers and entrepreneurs	
Number and title of an activity:	Activity 1.1.2: Implementation of vocational education programs in the agrarian field
Responsible agency:	Ministry of Education and Science of Georgia Department of Vocational Education Development
Reporting (monitoring) period:	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021, the number of students enrolled in vocational education programs in agriculture will increase by 5% compared to the baseline indicator.	Realized: In 2021, 605 persons were enrolled in vocational education programs in agriculture, which is 24.2% more than the baseline (2018) indicator (487 persons).

Budget	
Estimated: <u>GEL 275,000.00</u>	Actual: <u>GEL 311,862.69</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status					X

- **Activity 1.1.3: Skills development in rural settlements (ENPARD IV, Indicator 2.3)**

Objective 1.1 To raise awareness/knowledge of farmers and entrepreneurs	
Number and title of an activity:	Activity 1.1.3: Skills development in rural settlements (ENPARD IV, Indicator 2.3)
Responsible agency:	Ministry of Education and Science of Georgia / LEPL Education Management Information System (EMIS)
Reporting (monitoring) period:	01.01.2020 – 31.12.2021
Performance Indicators	
Planned: By 2023, the number of women enrolled in technical and vocational education programs providing skills necessary for rural non-agricultural employment will increase by at least 5% compared to 2019.	Realized: The number of students enrolled in 2020, totaled 548 students, of whom 161 (29%) were women. The number of students enrolled in 2021, totaled 601 students, of whom 177 (29%) were women.

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments

In order to accomplish the Objective 1.2, 19 activities were carried out in 2021, including the development of criteria for support of bottom-up initiatives, equipping agricultural cooperatives with processing plants, supporting the cultivation of modern orchards, promoting Georgian tea production, subsidizing insurance premium, co-financing an agri-credits' interest rate with the purpose of agri-insurance development, co-financing the purchase of harvesting equipment for farmers, co-financing the creation/re-equipping of storage and processing enterprises, development and support of quality schemes at national and regional levels, co-financing interest rate for credit and leasing of industrial component, co-financing an interest rate for credit and leasing for the development/expansion of hospitality industry, arrangement of greenhouse cluster, co-financing non-agricultural and renewable energy/energy efficiency projects and stimulating agricultural land owners with state subsidies (in response to the challenges of COVID-19), supporting the business sophistication of cooperatives or/and

producers' associations, promoting the business sophistication of agri-food producers, supporting the business upgrading of cooperatives, promoting the employment of women in non-agricultural sectors in rural areas, supporting the financial sustainability of selected LEADER/CLLD initiatives.

All activities of the Objective were carried out by the Ministry of Environmental Protection and Agriculture of Georgia and its agencies.

As a result of activities carried out to achieve the goals of the Objective, during the year 2021:

- ⇒ Development of criteria for supporting initiatives based on a bottom-up principle started.
- ⇒ 12 agricultural cooperatives were equipped with the equipment necessary for an enterprise receiving-processing raw materials.
- ⇒ Co-financing the purchase of equipment for honey production for 5 cooperatives was carried out.
- ⇒ An additional 3,619.59 ha of new orchards were planted/contracted.
- ⇒ 611.22 ha of tea plantations were rehabilitated.
- ⇒ About 19,118.57 ha of agricultural land was insured.
- ⇒ Co-financing the 20,827 preferential agricultural loan/leasing interest rate was carried out.
- ⇒ Co-financing the purchase of harvesting equipment for 88 beneficiaries was carried out.
- ⇒ The creation of 50 processing enterprises or/and storage infrastructure was fully or partially financed.
- ⇒ Specifications of 5 new geographical indications were developed.
- ⇒ Co-financing the expansion/re-equipment/modernization of 101 new or/and existing enterprises was carried out.
- ⇒ Co-financing of 96 hotels was supported under the Loan Interest Co-Financing Program within the framework of the state program Enterprise Georgia in the regions under the direction of the hotel industry.
- ⇒ Preliminary expression of international interests was carried out within the project Imereti Agro Zone and a tender for selection of investors was held.
- ⇒ 35 beneficiaries received co-financing from the Agency for non-agricultural and renewable energy/energy efficiency projects.
- ⇒ The subsidy was received by 12,638 beneficiaries (farmers/owners of agricultural land plots).
- ⇒ In 2020-2021, 10 cooperatives or/and producers' associations received at least 1 entrepreneurial loan from a commercial bank or microfinance organization.
- ⇒ In 2020-2021, the right to use the quality seal logo was granted to 3 companies.
- ⇒ In 2020-2021, preparatory work was carried out and the registration of agri-food products, brands, or/and trademarks for cooperatives will start from 2022.
- ⇒ The number of women employed in non-agricultural sectors in rural areas was 112,000 in 2020 (baseline indicator in numbers), while the 2021 indicator is being processed.

The forecast budget of the activities planned for achieving Objective 1.2 was set at the amount of GEL 175,063,500. In 2021, the state spent GEL 230,353,262.5 for the achievement of the Objective.

- **Activity 1.2.1: Development of criteria for supporting the initiatives using the bottom-up principle**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/Policy Coordination and Analytics Department/non-entrepreneurial (non-commercial) legal entity Rural Development Agency

The goal of the activity: Development of an integrated approach.

Realized Activities

Criteria for supporting initiatives based on the bottom-up principle were defined by the Interim Working Group. The initial version of these criteria was developed considering the recommendations of the foreign consultant.

Indicator Realization and Budget Expenditure

In 2021, the development of criteria for supporting initiatives based on the bottom-up principle was planned. During the reporting period, works on these criteria were carried out and the indicator was fulfilled by 51%.

The implementation of the activity did not require a separate approved budget.

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.1: Development of criteria for supporting the initiatives using the bottom-up principle
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/Policy Coordination and Analytics Department/non-entrepreneurial (non-commercial) legal entity Rural Development Agency
Reporting (monitoring) period:	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021, criteria for supporting initiatives based on the bottom-up principle will be developed.	Realized: In 2021, the indicator was fulfilled by 51%. The work on criteria is in progress.
Budget	
Estimated: <u>GEL 0</u>	Actual: <u>GEL 0</u>

Progress evaluation	Rating	Fully completed	Mostly completed	Partially completed	Not completed	
			Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated

	Status		x			
--	--------	--	---	--	--	--

Activity 1.2.2. Equipping agricultural cooperatives with processing equipment

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency.

The goal of the activity: Facilitating the production of dairy and grape products in Georgia, stimulating the establishment of enterprises receiving and processing dairy and grape equipped with modern technologies within agricultural cooperatives, improving the quality and competitiveness of locally produced products, supporting the improvement of cattle breeding in cooperatives, and improving the socio-economic conditions of the rural population.

The goal of the activity: Improve the material and technical base of beekeeping farms of agricultural cooperatives, increasing the quality and volume of produced honey and other beekeeping products.

Realized Activities

In 2021, consultative meetings were held with representatives of dairy cooperatives on the conditions of the ongoing program and challenges in the field.

Following the amendments to the law on cooperatives, a consultative meeting was held by the cooperatives to bring their statutes in line with the law.

The following outcomes were obtained because of the measures carried out in 2021 within the framework of the activity:

1) State Program for Support of Dairy Production Agricultural Cooperatives:

- ✓ Many beneficiaries with whom the contract was signed - 5.
- ✓ Amount of co-financing of the Agency in approved projects - GEL 481,013.

In 2021, consultative meetings were held with representatives of beekeeping cooperatives on the conditions of the ongoing program and challenges in the field.

Following the amendments to the law on cooperatives, a consultative meeting was held by the cooperatives to bring their statutes in line with the law.

The following results were obtained because of the measures carried out in 2021 within the framework of the activity:

- The number of beneficiaries with whom the contract was signed - is 6.
- Amount of co-financing of the Agency in approved projects - GEL 99,991.

Indicator Realization and Budget Expenditure

In 2021, as part of the activity, it was planned to equip 9 agricultural cooperatives with the equipment necessary for enterprises receiving and processing raw materials. During the reporting period, a total of 5 contracts were signed under the program and the amount of co-financing of the Agency in the approved projects amounted to GEL 481,013, while 12 cooperatives were equipped with the equipment necessary for enterprises receiving and processing raw materials.

In 2021, as part of the activity, it was planned to equip 5 cooperatives with instruments/equipment for honey production. During the reporting period, 6 contracts were signed and the amount of co-financing of the Agency in the approved projects was GEL 99,991, while 5 cooperatives were equipped with the instruments/equipment necessary for honey production.

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.2. Equipping agricultural cooperatives with processing equipment
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency
Reporting (monitoring) period:	01.01.2021 - 31.12.2021
Performance Indicators	
Planned: In 2021, 9 agricultural cooperatives will be equipped with the equipment necessary for enterprises receiving and processing raw materials.	Realized: In 2021, 12 cooperatives were equipped with the equipment necessary for enterprises receiving and processing raw materials
Budget	
Estimated: <u>GEL 3,500,000.00</u>	Actual: <u>GEL 2,693,452.31</u>

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.2. Equipping agricultural cooperatives with processing equipment
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency
Reporting (monitoring) period:	01.01.2021 - 31.12.2021
Performance Indicators	

Planned: In 2021, 5 cooperatives will be equipped with the instruments/equipment necessary for honey production.	Realized: In 2021, 5 cooperatives were equipped with the instruments/equipment necessary for honey production.
Budget	
Estimated: <u>GEL 150,000.00</u>	Actual: <u>GEL 91,171.20</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status					X

- **Activity 1.2.3: Promoting the cultivation of modern orchards**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency.

The goal of the activity: Efficient use of agricultural lands in Georgia through the cultivation of perennial crops, which will replace imported products and increase export potential, facilitate the provision of raw materials to processing enterprises and improve the socio-economic situation of the rural population.

Realized Activities

In 2021, the following changes were made to the state program Plant the Future:

- The berry crops financing sub-component (hereinafter - the Sub-component) of the perennial orchards co-financing component has been revoked. This sub-component was added to the program in May 2018 and the need to create it was due to its social nature. In particular, the sub-component focused on the inclusion of potential beneficiaries in the program who did not have sufficient financial means to participate in the program but had owned/co-owned agricultural land plots before the sub-component became operational, where they could, with 100% funding from the Agency, cultivate and arrange appropriate berry orchards with an irrigation system on an area of not less than 0.15 ha and not more than 0.5 ha, according to the species defined under the program. It was considered expedient to fully direct the program budget in the future to finance other components of the program with the co-participation of the Agency.
- Co-financing of table grape and wine vine culture has been revoked. The necessity of the mentioned change was caused by the objective circumstances - this culture is already present in abundance throughout Georgia and its acceptance, processing, or sales were supported by other state projects/programs.

- Significant changes have been made, which increases the opportunity for additional potential beneficiaries to participate in the program. In particular, the possibility of including lands leased from the JSC Partnership Fund within the project was allowed. JSC Partnership Fund is a state investment fund that owns agricultural land plots. It would be relevant to allow the inclusion of land plots leased from them under the program.

Due to the epidemic situation, visits to the orchards funded under the program as well as visits to the municipalities could not be actively carried out.

It should be noted that applications under the orchard's component of the state program Plant the Future are received now only electronically, through software.

The following outcomes were obtained because of the measures carried out in 2021 within the framework of the activity:

- Number of agreements (projects) concluded during the reporting period - 1,114 (out of which: 557 contracts were signed within the orchards component; 418 agreements were concluded within the berry financing sub-component (100% financing); 1 agreement was concluded within the nursery component; 1 agreement was signed within the component of replacement of damaged seedlings; 6 agreements was signed within the component of arranging the hail protection system; 1 agreement was signed within the component of financing the purchase of spraying apparatus; 45 agreements were signed within the drip irrigation system arrangement component; 85 agreements were signed within the well/borehole arrangement component);
- According to the agreements concluded during the reporting period, the total contracted area is 4,390.21 ha (out of which: the contracted area under the orchards component is 3,454.05 ha; the contracted area under the berry financing sub-component (100% financing) is 165.55 ha; the contracted area under the damaged seedling replacement component is 0.78 ha; the contracted area under the hail protection system arrangement component is 63.63 ha; the contracted area under the drip irrigation system arrangement component is 236.94 ha; the contracted area under the well/borehole arrangement component is 469.26 ha);
- During the reporting period, co-financing of the Agency according to the signed agreements - GEL 34,932,706 (out of which: the co-financing by the Agency defined by the agreement within the framework of the orchards component is GEL 27,028,532; the funding by the Agency defined by the agreement under the berries financing sub-component (100% financing) amounts to GEL 5,630,562; the co-financing by the Agency defined by the agreement under the nursery component is GEL 250,000; the co-financing by the Agency defined by the agreement under the damaged seedling replacement component is GEL 7,500; the co-financing by the Agency defined by the agreement under the hail protection system component is GEL 306,450; the co-financing by the Agency defined by the agreement under the purchase of spraying apparatus component is GEL 5,000; the co-financing by the Agency defined by the agreement under the drip irrigation systems

arrangement component is GEL 540,738; the co-financing by the Agency defined by the agreement under the well/borehole arrangement component is GEL 1,163,924);

- The area of orchards cultivated within the orchard's component and berry financing sub-component during the reporting period is 3,746.95 ha.

Although the program is in its 7th year, the number of beneficiaries involved in the program is not decreasing, which is correspondingly reflected in cultivated orchards. Since the co-financing of the orchards component of the project was carried out as planned, no additional activities were planned.

Indicator Performance and Budget Expenditure

In 2021, as part of the activity, it was planned to cultivate/contract an additional 2,150 ha of new orchards. Intensive and semi-intensive type orchards with an area of 3,619.59 ha were planted/contracted during the reporting period (out of which 165.55 ha were planted/contracted under the berry sub-component (100% financing).

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.3: Supporting the establishment of modern orchards
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency
Reporting (monitoring) period:	01.01.2021 - 31.12.2021
Performance Indicators	
Planned: In 2021, 2,150 ha of additional new orchards will be cultivated/contracted.	Realized: In 2021, 3,619.59 ha of additional new orchards were cultivated/contracted.
Budget	
Estimated: <u>GEL 18,000,000.00</u>	Actual: <u>GEL 39,100,249.42</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 1.2.4: Promoting the production of Georgian tea**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency.

The goal of the activity: Make effective use of the potential of tea plantations in Georgia, promote the growth of local tea (including bio tea) production, thereby increasing the level of self-sufficiency and the export potential; rehabilitation of both privately and state-owned wild tea plantations; employment of population and improvement of their socio-economic situation; promoting the establishment of modern tea primary processing enterprises.

Realized Activities

In 2021, due to the Coronavirus pandemic, it was not possible to visit the rehabilitated tea plantations. To further raise awareness about the program, several beneficiaries were contacted, both regarding the beneficiaries involved in the program and potential beneficiaries as well as about the progress of the program.

In 2021, several beneficiaries had deadlines for submission of acts of commissioning of tea primary production plant buildings and documents confirming the implementation of the production plan to fulfill the obligations under the project. At this stage, all beneficiaries have timely submitted documents confirming the fulfillment of the relevant obligation.

The following outcomes were obtained because of the measures carried out in 2021 within the framework of the activity:

- ✓ The number of beneficiaries involved in the program - is 17.
- ✓ The total area of plantations to be rehabilitated - is 611.22 ha.
- ✓ The total cost of rehabilitation works on rehabilitated plantations - GEL 2,207,465.
- ✓ Amount of co-financing in approved projects - GEL 1,535,393.

Factors hindering the achievement of target indicators during the reporting period were, first, the epidemic situation in the country, in addition to the failure to meet the deadline of rehabilitation works promptly, as well as delays in the registration of unregistered land plots (tea plantations). It is also noteworthy that within the framework of the project, the consent of LEPL National Agency of State Property for the lease of state-owned tea plantations and the further process is being highly delayed. This delay is mostly due to the current situation. However, through daily communication with the beneficiaries and appropriate consulting and other assistance, performance indicator targets have been met.

Indicator Realization and Budget Expenditure

In 2021, as part of the activity, it was planned to rehabilitate 350 ha of tea plantations. Full/partial rehabilitation of the 611.22 ha area was carried out during the reporting period.

The imbalance between the percent of the performance of the indicator and the percent of budget utilization is since according to the program implementation procedure, transferring the co-financing of the Agency to the beneficiaries is carried out only after the beneficiary completes the contracted activities in full and presents the relevant supporting documentation.

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.4: Promoting the production of Georgian tea
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency
Reporting (monitoring) period:	01.01.2021 - 31.12.2021
Performance Indicators	
Planned: In 2021, 350 ha of tea plantations will be rehabilitated.	Realized: In 2021, full/partial rehabilitation of 611.22 ha tea plantations area was carried out.
Budget	
Estimated: <u>GEL 500,000.00</u>	Actual: <u>GEL 94,945.25</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
Status			X			

- **Activity 1.2.5: Subsidizing insurance premium for development of agro insurance**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency.

The goal of the activity: Development of the insurance market in the agricultural sector; supporting agricultural activities; increasing the competitiveness of persons employed in the agricultural sector; maintaining income and reducing risks for those engaged in agricultural activities.

Realized Activities

In April-May 2021, contracts were signed with 8 insurance companies. The progress of the program was covered by various TV channels. Documentary monitoring of insurance policies was carried out and a state subsidy was transferred. Consultations were held with insurance companies and international consultants on possible changes in the agro insurance program and the development of new insurance products.

The following outcomes were obtained because of the measures carried out in 2021 within the framework of the activity:

- ✓ The number of policies issued - is 19,478.
- ✓ Cost of insured harvest - GEL 184,999,507.
- ✓ Insured harvest area - 19,118.57 ha.
- ✓ Insurance premium share of the Agency (co-financing by the Agency) - GEL 9,487,790.

Work was underway through 2021 to analyze all the issues and problems that had occurred in previous years and to take these factors into account in the program, which in turn would contribute to the highly efficient implementation of the next year's program.

Indicator Realization and Budget Expenditure

In 2021, it was planned to insure about 21,000 hectares of agricultural land as part of the activity. During the reporting period, 19,118.57 ha of agricultural land was insured.

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.5: Measures for ensuring agro insurance
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency
Reporting (monitoring) period:	01.01.2021 - 31.12.2021
Performance Indicators	
Planned: In 2021, about 21,000 ha of agricultural land will be insured.	Realized: In 2021, 19,118.57 ha of agricultural land was insured.
Budget	
Estimated: <u>GEL 8,000,000.00</u>	Actual: <u>GEL 9,980,750.44</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating			X		

		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 1.2.6: Co-financing of interest rates on agro credits**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency.

The goal of the activity: Supporting the processes of production of primary agricultural production, processing and storage, and sales by providing cheap and accessible funds to individuals and legal entities.

Realized Activities

In 2021, consultations were held on borrowing opportunities and relevant procedures. Consultations were provided to both potential and existing project beneficiaries, as well as representatives of financial institutions. The Agency's Information Service (Call Center) was actively involved in the consultations. Presentations and TV reports were made. Furthermore, to raise awareness and accessibility of the program, visits were made to different regions and news coverage was prepared on the establishment of new enterprises and the re-equipment/expansion of existing ones.

In 2021, several changes were introduced to the project, namely: new goals were added to the project, such as the financing of energy-efficient enterprises and the financing of timber production equipment and implements. Also, sub-components of financing grape and apple purchasing enterprises were activated in the working capital component. In the sub-component of grape purchasing enterprises, in addition to the goal of purchasing grapes, the goal of purchasing bottles, corks, caps, and boxes was added.

As part of the activity, in 2021, the following measures were implemented:

- The number of loans issued - is 7,957.
- The number of unique beneficiaries - is 7,001.
- Amount of loan issued - GEL 859,629,603.

Indicator Realization and Budget Expenditure

In 2021, as part of the activity, co-financing an interest rate of 12,200 preferential agricultural loans/leasing was planned. During the reporting period, 20,827 preferential agricultural loan/leasing interest rates were co-financed (services provided).

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.6: Co-financing of interest rates on agro credits
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency
Reporting (monitoring) period:	01.01.2021 - 31.12.2021
Performance Indicators	
Planned: In 2021, an interest rate of 12,200 preferential agricultural loans/leasing will be co-financed.	Realized: In 2021, an interest rate of 20,827 preferential agricultural loans/leasing was co-financed.
Budget	
Estimated: <u>GEL 115,000,000.00</u>	Actual: <u>GEL 136,197,456.18</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 1.2.7: Co-financing purchasing of harvesting machinery for farmers**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency.

The goal of the activity: The goal of the program is to carry out agri-technical measures for crops on time; strengthening the mechanization base in the country. To this end, the program provides for co-financing of 30% and 50% of the harvesting equipment.

Realized Activities

Within the framework of the program, during 2021, harvesting machinery for crops was co-financed for all regions of Georgia. The training was conducted for the staff of the consultation centers of the region to promote the program and better understand the conditions. In 2021, 88 beneficiaries benefited from the program. New harvesting machinery for crops worth up to 11 million was imported into the country.

In 2021, the following outcomes were obtained because of the activities carried out under the project:

- Some concluded contracts - 89.
- The number of beneficiaries involved in the program - is 88.
- Agency co-financing in approved projects - GEL 4,533,741.
- Total investment in approved projects - GEL 10,748,411.

The risk of delaying the project implementation process is the epidemic situation in the country and the constraints caused by it.

To mitigate this hindering factor, communication with the beneficiaries was being carried out to speed up eliminating the problems encountered during the implementation of the projects.

Indicator Realization and Budget Expenditure

In 2021, as part of the activity, co-financing the purchase of harvesting machinery for 65 beneficiaries was planned. During the reporting period, the purchase of harvesting machinery for 88 beneficiaries was co-financed.

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.7: Co-financing purchasing of harvesting machinery for farmers
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency
Reporting (monitoring) period:	01.01.2021 - 31.12.2021
Performance Indicators	
Planned: In 2021, the purchase of harvesting machinery for 65 beneficiaries will be co-financed.	Realized: In 2021, the purchase of harvesting machinery for 88 beneficiaries was co-financed.
Budget	
Estimated: <u>GEL 5,000,000.00</u>	Actual: <u>GEL 4,458,048.85</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
	Status	Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
			X			

- Activity 1.2.8: Co-financing of establishment/reequipping of processing and storage enterprises

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency.

The goal of the activity: Establishment of new processing enterprises in municipalities and rehabilitation of inactive enterprises; geographical diversification of processing enterprises; development of raw material base; increasing the income of the rural population.

Realized Activities

In 2021, applications, documents, and business plans of beneficiaries interested in setting up a storage and processing enterprise were received. Based on the applications received during the year, the co-financing of 63 new processing and storage enterprises started. Also, the construction of 19 enterprises was completed.

In 2021, the following outcomes were obtained because of the activities carried out within the project:

- The number of enterprises established under the project - is 19.
- The number of municipalities where new enterprises have been established - is 9.
- The number of new projects approved within the component of storage and processing enterprises - is 63.
- The total cost of approved applications - GEL 87,011,012.
- The amount of co-financing by the Agency in the approved projects - GEL 28,916,973.

The number of enterprises established/completed in the period from the beginning of the project to 31.12.2021, was 88 enterprises and the number of municipalities where these enterprises are located was 33 municipalities.

It should be noted that by the end of the reporting period, the total number of projects implemented as well as projects being in the process of implementation amounted to 162 (68 processing and 94 storage enterprises).

The risk for establishing enterprises during the project implementation is the epidemic situation in the country and the restrictions caused by it, exchange rate fluctuations, as operations are carried out in different currencies (GEL, USD, RUB, and EUR). Besides, delays may be caused by climatic conditions as projects are being implemented in the regions, and construction works are virtually halted in some regions from late autumn to mid-spring.

To mitigate these barriers, communication with beneficiaries was being carried out to expedite the elimination of problems encountered during the implementation of projects.

Indicator Realization and Budget Expenditure

In 2021, as part of the activity, full or partial financing of the establishment of 25 processing enterprises or/and storage infrastructure was planned. During the reporting period, the establishment of 50 processing enterprises or/and storage infrastructure was fully or partially financed.

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.8: Co-financing of establishment/reequipping of processing and storage enterprises
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency
Reporting (monitoring) period:	01.01.2021 - 31.12.2021
Performance Indicators	
Planned: In 2021, the establishment of 25 processing enterprises or/and storage infrastructure will be fully or partially financed.	Realized: In 2021, the establishment of 50 processing enterprises or/and storage infrastructure was fully or partially financed.
Budget	
Estimated: <u>GEL 12,000,000.00</u>	Actual: <u>GEL 12,325,735.67</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 1.2.9: Development of quality schemes and promotion at national and regional levels**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / Department of Agriculture, Food and Rural Development.

The goal of the activity: Promotion of local products.

Realized Activities

Specifications of five products were developed during the reporting period. Namely: Keri, Kheta Mandarin, and Mukhuri Honey, which have already been registered, while Tkemali and Ajika were developed and are in the process of registration.

Indicator Realization and Budget Expenditure

In 2021, it was planned to develop specifications for 4 new geographical indications. During the reporting period, 5 new geographical specifications were developed, therefore, the indicator was exceeded.

Implementation of the activity did not require a separate approved budget.

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.9: Development of quality schemes and promotion at national and regional levels
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / Department of Agriculture, Food and Rural Development
Reporting (monitoring) period:	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021, specifications for 4 new geographical indications will be developed.	Realized: In 2021, specifications for 5 new geographical indications were developed.
Budget	
Estimated: GEL 0	Actual: GEL 0

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
	Status	Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
						X

- **Activity 1.2.10: Co-financing interest rate for credit and leasing of an industrial component**

Responsible agency: Ministry of Economy and Sustainable Development of Georgia/LEPL Enterprise Georgia.

The goal of the activity: Development of entrepreneurship in Georgia, support for entrepreneurs, support for the establishment of new enterprises, and expansion or re-equipment of existing ones.

Realized Activities

In 2021, the agency Enterprise Georgia signed agreements with 91 beneficiary companies within the framework of the Enterprise Georgia program, to co-finance an interest rate on loans and leasing. A total of GEL 5.9 million was transferred to enterprises in 2021 under this program.

Indicator Realization and Budget Expenditure

In 2021, as part of the activity, it was planned to support projects for the expansion of 10 new or/and existing enterprises. During the reporting period, agreements were signed with 91 beneficiaries, while 101 enterprises were co-financed.

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.10: Co-financing interest rate for credit and leasing of an industrial component
Responsible agency:	Ministry of Economy and Sustainable Development of Georgia/LEPL Enterprise Georgia.
Reporting (monitoring) period:	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021, as part of the access to finances component of the state program Enterprise Georgia in the regions, projects for expansion of about 10 new or/and existing enterprises will be supported to co-finance an interest rate on loans and leasing of the beneficiary companies.	Realized: In 2021, as part of the access to finances component of the state program Enterprise Georgia in the regions, projects for expansion of 101 new or/and existing enterprises were supported to co-finance an interest rate on loans and leasing of the beneficiary companies.
Budget	
Estimated: <u>GEL 3,500,000.00</u>	Actual: <u>GEL 5,914,699.40</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
	Status	Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed

- **Activity 1.2.11: Co-financing an interest rate for credit and leasing for the development/expansion of the hospitality industry**

Responsible agency: Ministry of Economy and Sustainable Development of Georgia/LEPL Enterprise Georgia.

The goal of the activity: Development of hospitality business in the regions, creating new jobs, attracting more tourists, and facilitating the economic development of the region.

Realized Activities

In 2021, the agency Enterprise Georgia signed agreements with 68 beneficiary companies within the framework of the program Enterprise Georgia, to co-finance an interest rate on loans. A total of GEL 11,414,808.40 was transferred to hotels in 2021 under this program.

Indicator Realization and Budget Expenditure

In 2021, as part of the activity, support for 15 new or/and existing hotel expansion projects was planned. During the reporting period, agreements were signed for 68 new or/and existing hotel expansion projects. During the same period, 96 projects were supported through the co-financing under the program.

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.11: Co-financing an interest rate for credit and leasing for the development/expansion of the hospitality industry
Responsible agency:	Ministry of Economy and Sustainable Development of Georgia/LEPL Enterprise Georgia.
Reporting (monitoring) period:	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021, as part of the hospitality industry component of the state program Enterprise Georgia in the regions, projects for expansion of about 15 new or/and existing hotels will be supported.	Realized: In 2021, as part of the hospitality industry component of the state program Enterprise Georgia in the regions, 96 hotels were supported under the loan interest rate co-financing program.
Budget	
Estimated: <u>GEL 2,000,000.00</u>	Actual: <u>GEL 11,414,808</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status	X				

- **Activity 1.2.12: Establishment of greenhouse cluster**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency; Imereti Agro Zone Ltd.

The goal of the activity: Stimulating the maximum use of the export potential of the traditional export sector of Western Georgia, in particular, the greenhouse sector (greens and greenhouse vegetables) and as a result increase the export revenues; promoting access to new markets for traditional export industries and consequently diversifying export markets; creating preconditions for the growth of revenues for entrepreneurs traditionally involved in the sector (small and medium) through the use of new opportunities; creating a model for greenhouse sector modernization and knowledge sharing across the country; creating preconditions for establishing Kutaisi as a logistical center.

Objectives: Stimulating the creation of a critical number of primary enterprises with food safety standards, necessary for international trade in a short period; stimulating the creation of a modern enterprise for further processing of harvest; creating all the necessary infrastructure for the proper functioning of the agro zone; creating and developing a cluster of greenhouses.

Realized Activities

In 2021, from 1 March to 30 April, the preliminary international expression of interest took place. Within the preliminary international expression of interest, Imereti Agro Zone Ltd. received 48 proposals from 8 different countries. It should be noted that this expression of interest was a non-binding process.

In 2021, from November 1 through December 31, the bidding process was also carried out. In the mentioned process, Imereti Agro Zone Ltd received 29 proposals from 10 different countries. It should be mentioned that potential beneficiaries of the project are the applicants participating in the bidding process.

Indicator Realization and Budget Expenditure

In 2021, a preliminary international expression of interests will be carried out and an investor selection tender will be held. In 2021, from 1 March to 30 April, the preliminary international expression of interest took place. Imereti Agro Zone Ltd received 48 proposals from 8 different countries during the preliminary international expression of interest. It should be noted that the expression of these interests was a non-binding process. Based on the mentioned expression of interest, on November 1, 2021, the acceptance of binding proposals was announced.

The forecast budget for 2021 was GEL 0.00. The failure to plan the budget was caused by the fact that at the time of forming the planned budget, it was not known exactly what the outcomes of the

preliminary international expression of interests were to be implemented in 2021 under the Imereti Agro Zone Project would be. After the preliminary international expression of interest was carried out, according to the outcomes obtained, the Government of Georgia allocated GEL 2 million to finance further activities to be implemented in 2021 and the actual budget utilization amounted to GEL 2,000,000.00.

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.12: Establishment of greenhouse cluster
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency; Imereti Agro Zone Ltd.
Reporting (monitoring) period:	01.01.2021 - 31.12.2021
Performance Indicators	
Planned: In 2021, a preliminary international expression of interests will be carried out and an investor selection tender will be held.	Realized: In 2021, a preliminary international expression of interest was carried out and the acceptance of binding proposals was announced.
Budget	
Estimated: GEL 0.00	Actual: GEL 2,000,000.00

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 1.2.13: Co-financing projects in the field of non-agricultural and renewable energy/energy efficiency**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency.

The goal of the activity: Supporting the development of non-agricultural entrepreneurial activities in rural areas, which in turn will facilitate stimulating the economic development of the municipality, improving the socio-economic situation, diversifying the economy, creating new jobs; overcoming the challenges related to the environment and climate change and the efficient use of natural resources.

Realized Activities

In 2021, under the program, the existing enterprises, as well as new start-up businesses, were financed in the target municipalities (Khulo, Keda, Borjomi, Akhalkalaki, Dedoplistskaro, Tetrtskaro, Lagodekhi, Kazbegi). The training was conducted for the staff of the counseling centers of the region to promote the program and better understand the conditions. Non-agricultural and energy-efficient projects were funded under the program.

In 2021, the following outcomes were obtained because of the activities carried out within the framework of the program:

- The number of concluded contracts - 35.
- The number of beneficiaries involved in the program - is 35.
- Agency co-financing in approved projects - GEL 3,501,744.
- Total investment in approved projects - GEL 4,894,158.

Indicator Realization and Budget Expenditure

In 2021, as part of the activity, it was planned that 30 beneficiaries would receive co-financing from the Agency. 35 beneficiaries were contracted/co-financed during the reporting period.

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.13: Co-financing projects in the field of non-agricultural and renewable energy/energy efficiency
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency
Reporting (monitoring) period:	01.01.2021 - 31.12.2021
Performance Indicators	
Planned: In 2021, 30 beneficiaries will receive co-financing from the Agency.	Realized: In 2021, 35 beneficiaries were contracted/co-financed.
Budget	
Estimated: GEL 6,413,500.00	Actual: GEL 3,991,155.78

Progress evaluation	Rating	Fully completed	Mostly completed	Partially completed	Not completed	
		X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 1.2.14: Stimulating agricultural landowners with state subsidies (In response to challenges caused by COVID-19)**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency.

The goal of the activity: Supporting the primary production of agricultural products by stimulating the owners of agricultural land plots registered with the LEPL National Agency of Public Registry.

Realized Activities

In 2021, JSC Liberty Bank continued to distribute relevant agro cards to project beneficiaries and accrue relevant agro points corresponding to information provided by the Agency. Project beneficiaries, with accrued agro points, could purchase agricultural goods with the Agency's contractor, and agricultural goods sales companies, which have received permanent valid recognition from the LEPL National Food Agency.

In 2021, the following outcomes were obtained because of the activities carried out within the framework of the project:

- ✓ The number of trade facilities (the number is increasing) - 449.
- ✓ The number of farmers with points accrued on their cards - is 12,638.
- ✓ Amount of subsidy accrued on the cards (GEL) - GEL 1,395,048.
- ✓ The number of farmers who used agro cards - was 103,857.
- ✓ Amount of subsidy utilized (GEL) - GEL 3,383,746.

Indicator Realization and Budget Expenditure

In 2021, 12,000 beneficiaries (farmers/agricultural landowners) will receive the subsidy. 12,638 beneficiaries (farmers/agricultural landowners) received subsidies during the reporting period.

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.14: Stimulating agricultural landowners with state subsidies (In response to challenges caused by COVID-19)
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency.
Reporting (monitoring) period:	01.01.2021 - 31.12.2021
Performance Indicators	

Planned: In 2021, 12,000 beneficiaries (farmers/agricultural landowners) will receive the subsidy.	Realized: In 2021, 12,638 beneficiaries (farmers/agricultural landowners) received the subsidy
Budget	
Estimated: <u>GEL 1,000,000.00</u>	Actual: <u>GEL 2,090,789.99</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status					X

- **Activity 1.2.15: Business Sophistication of cooperatives and/or producers' associations (ENPARD IV, Indicator 1.4)**

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.15: Business Sophistication of cooperatives and/or producers' associations (ENPARD IV, Indicator 1.4)
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency
Reporting (monitoring) period:	01.07.2020 - 31.12.2021
Performance Indicators	
Planned: In 2022, from 01.07.2020 to 31.12.2022, 35 cooperatives or/and producers' associations will receive at least one entrepreneurial loan from a commercial bank or microfinance organization.	Realized: In 2020-2021, 10 cooperatives or/and producers' associations received at least one entrepreneurial loan from a commercial bank or microfinance organization.

- **Activity 1.2.16: Business Sophistication of agro-food producers (ENPARD IV, Indicator 1.5)**

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.16: Business Sophistication of agro-food producers (ENPARD IV, Indicator 1.5)
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/Marketing Board/Department of Agriculture, Food and Rural Development
Reporting (monitoring) period:	01.01.2020 - 31.12.2021
Performance Indicators	

Planned: In 2022, additional 30 agro-food product producers will receive at least one quality mark in the period from 01.01.2020 to 31.12.2022.	Realized: In 2020-2021, the right to use the quality mark logo was granted to 3 companies.
---	--

- **Activity 1.2.17: Business upgrading of cooperatives (ENPARD IV, Indicator 1.8)**

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.17: Business upgrading of cooperatives (ENPARD IV, Indicator 1.8)
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency
Reporting (monitoring) period:	01.01.2020 - 31.12.2021
Performance Indicators	
Planned: In 2023, at least 15 cooperatives will register agro-food products, brands, or/and trademarks 2020-2023.	Realized: In 2020-2021, preparatory works were carried out and the registration of agro-food products, brands, or/and trademarks for cooperatives will start from 2022.

- **Activity 1.2.18 Employment of women in rural areas in non-agricultural fields (ENPARD IV, Indicator 2.9)**

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.18 Employment of women in rural areas in non-agricultural fields (ENPARD IV, Indicator 2.9)
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / member agencies of the Interagency Coordinating Council for Agriculture and Rural Development.
Reporting (monitoring) period:	01.01.2020 - 31.12.2021
Performance Indicators	
Planned: In 2023: the number of women employed in rural non-agricultural areas will increase by 10% compared to 2020.	Realized: The number of women employed in rural non-agricultural areas was 112,000 in 2020 (baseline indicator in numbers); the figure for 2021 is being processed.

- **Activity 1.2.19. Financial sustainability of selected LEADER/CLLD initiatives (ENPARD IV, Indicator 2.8)**

Objective 1.2 To develop agricultural and non-agricultural value chain by focusing on diversification, innovative technologies, cooperation, and support to producers' unions; To increase access to various financial instruments	
Number and title of an activity:	Activity 1.2.19. Financial sustainability of selected LEADER/CLLD initiatives (ENPARD IV, Indicator 2.8)
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / member agencies of the Interagency Coordinating Council for Agriculture and Rural Development.
Reporting (monitoring) period:	01.01.2020 - 31.12.2021
Performance Indicators	
Planned: In 2023: with the state funding, a system and mechanism for financing selected rural development projects initiated by LEADER/CLLD (registered/recognized) will be established and operational.	Realized: In 2020-2021, with the state funding, the system and mechanism for financing selected rural development projects initiated by LEADER/CLLD (registered/recognized) will be established, and operational - criteria and program outline were developed.

Objective 1.3: To support the integration of farmers/entrepreneurs into the market

To accomplish the Objective 1.3, 5 activities were carried out in 2021, including support/measures for the promotion of Georgian agro-food products, ensuring the promotion of Georgian vine origin, developing a system of appellations of origin and geographical indications, supporting the implementation of international food production standards and establishing the Cadaster of vineyards. All activities of the Objective were carried out by the Ministry of Environmental Protection and Agriculture of Georgia and its agencies.

As a result of activities carried out to achieve the goals of the Objective, during the year 2021:

- ⇒ Georgian agro-food products participated (their participation was ensured) in 4 exhibitions-tasting events in different countries of the world and within the country.
- ⇒ 2 international exhibitions of Georgian agro-food products were held.
- ⇒ Participation in 77 tastings (including online tasting) events in different countries of the world and within the country was ensured.
- ⇒ Markings related to 2 Georgian wines were protected on strategic markets in different countries of the world.
- ⇒ 1 appellation of origin wine was registered.
- ⇒ 20 beneficiaries introduced international food safety standards (ISO-22000 / HACCP / GLOBAL G.A.P / BIO / BRC / IFS / FSSC-22000).
- ⇒ Cadaster of vineyards within Kakheti and Racha-Lechkhumi administrative borders was developed.

The forecast budget of the activities planned for achieving Objective 1.3 was set at the amount of GEL 10,400,000. In 2021, the state spent GEL 9,094,991.4 for the achievement of the Objective.

- **Activity 1.3.1. Supporting/implementing activities to promote Georgian agro-food products**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia, Department of International Relations and European Integration; LEPL National Wine Agency.

The goal of the activity: promote Georgian agro-food products, promote, and increase the export of Georgian wine.

Realized Activities

In 2021, under the component “Promotion of Georgian agro-food products” (program code: 310103), international as well as local exhibitions were held:

Local event:

With the support of the Ministry of Environmental Protection and Agriculture of Georgia, at the initiative of the International Olive Council, on November 24-26, 2021, the 114th session of the International Olive Council members - the 57th meeting of the Advisory Committee was held in Tbilisi. Within the framework of the abovementioned event, the largest olive producers of 43 countries and representatives of the Cabinet of Ministers of several countries visited Georgia.

Georgia joined the World Olive Council in 2019, and from 2020 became the chair of the International Olive Council.

International exhibitions:

The Ministry of Environmental Protection and Agriculture of Georgia, to popularize Georgian agro-food products, on September 24-27, 2021, participated in the international gastronomic exhibition "Sirha 2021" in Lyon (France).

Through the organization of the Ministry of Environmental Protection and Agriculture of Georgia and the Embassy of Georgia in the State of Qatar, on March 23-28, 2021, the Ministry of Environmental Protection and Agriculture of Georgia participated in the international exhibition Agriteq2021 in Doha. Products of 15 Georgian companies: Gurieli, Nuts ge, Chikori, Geo Natural, Agritouch, Elixir Georgia, Nugbari, Rukhi 2, Magrito, Kampa, Manna, Borjomi, Kula, Georgia' Natural, and Kind & Nobl were represented at the exhibition. Due to the epidemic situation and restrictions in the world, the Georgian companies were represented by the Embassy of Georgian at the abovementioned exhibition.

On September 7-9, 2021, in the city of Rimini, Italy, Georgia participated in the international agro-exhibition Macfruit 2021. The Ministry of Environmental Protection and Agriculture of Georgia ensured the arrangement of a Georgian stand. Companies from about 50 countries participated in Macfruit 2021, including 8 Georgian companies: Kareli Fruits (Chicory), Georgia Natural, Lurji Veli, Agrolane, Nuts Ge, Caucasus Organic Fruits, August Fruit Factory, and Geo Organic. Based on the exhibition profile, the companies were able to demonstrate fruits, vegetables, and products obtained from their processing.

Indicator Realization and Budget Expenditure

In 2021, to promote Georgian products, the Ministry of Environmental Protection and Agriculture of Georgia planned to participate in 6 local/international exhibitions, but due to the epidemic situation in the world in 2020, 1 local event was held, and the Ministry of Environmental Protection and Agriculture participated in 3 international exhibitions.

Local event:

On November 24-26, 2021, events of the 114th session of the International Olive Council, the 57th meeting of the Advisory Committee, and the International Seminar on Access to Olive Oil Future Markets were held in Tbilisi - GEL 282,679.28.

International events:

1. Organization of an exhibition to promote Georgian agro-food products on September 24-27, 2021, to participate in the international gastronomic exhibition Sirha 2021 scheduled in Lyon (France) - GEL 99,639.20.
2. Organization of an exhibition with the purpose of participation in the international exhibition MACFRUIT 2021 scheduled for September 7-9, 2021, in Rimini, Republic of Italy (allocation and arrangement of 64 sq. m exhibition space with appropriate stands and necessary inventory) - GEL 48,935.41.
3. Procurement of air freight transportation of Georgian agro-food products (107 kg) and relevant terminal services from Tbilisi to Doha (Qatar State) to participate in the international agro exhibition Agritech 2021 scheduled in Doha - GEL 1,657.60.

Objective 1.3: To support the integration of farmers/entrepreneurs into the market	
Number and title of an activity:	Activity 1.3.1. Supporting/implementing activities to promote Georgian agro-food products

Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia, Department of International Relations and European Integration.
Reporting (monitoring) period:	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021, 6 international and local exhibitions.	Realized: In 2021, 4 international and local exhibitions.
Budget	
Estimated: <u>GEL 500,000.00</u>	Actual: <u>GEL 432,911.49</u>

Realized activities within the competence of LEPL National Wine Agency:

On April 23, an online tasting of Georgian wine was held in the UK. The online presentation of Georgian wine was led by Sarah Abbott, British Wine Master (head of the Agency's contractor company Swril Wine Group). The tasting was attended by wine professionals, wine traders, and media representatives. According to Sarah Abbott, the event was a success. On May 5, an online seminar "German Wine Market" was held for Georgian producers. The main concept of the tasting, which took place on May 18 in Tokyo, Japan, as part of the "Double World Heritage" event, was to combine Georgian wine with the traditional Japanese cuisine "Vashoku". On May 21-24, by way of an organization by the contractor company of the Agency Le Pont Caucasien, Georgian wine was presented at the prestigious French gastronomic festival "SAVIM Printemps Salon des Vignerons et de la Gastronomie". The festival was held in the city of Marseille. On May 28, an online tasting of Georgian wine was held in the United States. About 60 local sommeliers, wine writers, and importers, as well as Georgian wine producers, participated in it. On May 30, in Krakow, Poland, a presentation of Georgian wine was organized by the contractor company of the National Wine Agency, Malinova. On June 10, a Georgian wine tasting was held for local wine professionals in Hong Kong. On June 12-13, the second Saperavi International Competition was held in Georgia. On June 18, in the framework of supporting the promotion of Georgian wine, a Georgian wine tasting seminar was held at the Le Meridian Hotel in Monaco. On June 22, a Georgian wine tasting was held in London. More than 100 wines from more than 50 Georgian wine companies were presented. On June 23, the prestigious German media holding in the field of wine published an article about Georgian wines. In May, with the support of the National Wine Agency and the organization of the German marketing company "ff. k Public Relations", one of the most prestigious German media holdings in the field of wine "Meininger" held a competition-tasting to select the best Georgian wines. On June 24, a Georgian wine tasting was organized by the contractor company of the Agency Malinova in the historic settlement Srebrna Gora near the city of Krakow. On July 30, a Georgian wine tasting was held at the Georgian Wine Promotion Center in Beijing. With the support of the National Wine Agency and the organization of the contractor company Malinova, Georgian wine tastings were held on August 17 in Krakow and on August 18 in Katowice. On September 13, the presentation of Georgian wine was held in Matsumoto, Japan. On September 9, with the support of the National Wine Agency and the organization of the publishing house Vinifera, a Georgian wine tasting was held in Poznan, Poland. On September 27, the Georgian Wine

Presentation organized by the National Wine Agency and Marketing Company Marq Energie Consulting was held in the United States. On October 19, Georgian Wine Presentation was held in Tokyo. 13 different Georgian wines were presented for tasting. On October 22, at an event in New York City, USA, 10 local importers presented 120 Georgian wines, which are already successfully sold on the US market. To increase the export potential of Georgian wine, similar tastings were held in October in Washington and San Francisco. On October 29-30, as part of the FERNWEH Festival, the Georgian Wine Forum was held in Bern, the capital of the Swiss Confederation. On November 5, at the international exhibition "EnoExpo 2021" in Krakow, Poland, the wines of 20 Georgian wine companies were presented which are not currently sold in the Polish market. Tasting of Qvevri wines produced by small wineries was also held within the framework of the exhibition. On November 9, within the framework of the Georgian Wine Forum, a conference was held at the University of Pennsylvania to focus on Georgian wine culture and history, new challenges in the wine sector caused by the pandemic, strategy and action plans for Georgian wine promotion and marketing on the US market. As part of the forum, a tasting-seminar "Amber Wine Festival in Boston" was held in Boston for wine professionals, and in Philadelphia, a tasting of Georgian wine was held for local distributors, importers, restaurant chains, and media representatives. On November 27, the 12th New Wine Festival was held in Mtatsminda Park with the support of the National Wine Agency and the organization of the Georgian Wine Club. About 150 wine producers, including about 100 small family wineries, participated in the festival. On November 26, a Georgian wine tasting was held in Cologne, Germany. From November 29 to December 3, a study visit of Georgian winemakers to France was implemented. On December 8, a Georgian wine tasting was held in London. The presentation of Georgian wine called "Georgian Wine Roadshow" was held in three cities of the People's Republic of China - Shanghai (December 15), Chengdu (December 17), and Shenzhen (December 20). Georgian wine was presented at the Krakow Christmas Festival.

During the reporting period, the dynamics of growth of exports of Georgian wine to strategic markets of recent years is maintained: Poland - 34% (7,003,031), China - 29% (5,934,937 bottles), USA - 19% (1,084,278), Germany - 28% (892,348), Latvia - 19% (1,900,519), Lithuania - 45% (986,740), Japan - 12% (197,638) and the United Kingdom - 71% (736,391). Export of 107 million bottles (0.75 l) of wine from Georgia to 62 countries around the world is a historically high figure during the period of independent Georgia. Export revenue reaches \$ 250 million. Both the quantity of exported wine and the revenue received from exports increased by 16% compared to 2020. During the reporting period, 441 companies exported different volumes of wine. In 2021, 1 million bottles (0.5 l) of chacha were exported; the export growth was 145%. Revenue from chacha exports reached \$ 2.6 million; The growth, compared to the same period in 2020, was 126%.

Last year, exports of wine, brandy, chacha, brandy spirits, and bottled brandy generated revenue of up to \$ 400 million, which is 18% higher than the indicator for the same period in 2020.

Indicator Realization and Budget Expenditure

Exports of wine, brandy, chacha, brandy spirits, and bottled brandy in total earned \$ 400.0 million, up 18% from the same period last year. During the reporting period, 77 tastings-presentations were held in 11 countries around the world.

Objective 1.3: To support the integration of farmers/entrepreneurs into the market	
Number and title of an activity:	Activity 1.3.1. Supporting/implementing activities to promote Georgian agro-food products
Responsible agency:	LEPL National Wine Agency of the Ministry of Environmental Protection and Agriculture of Georgia
Reporting (monitoring) period:	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021, holding 10 international exhibitions of Georgian agro-food products and participating/ensuring participation in 30 tasting events (including online tasting) in different countries of the world and within the country.	Realized: In 2021, 2 international exhibitions of Georgian agro-food products were held, and Georgia took part in 77 tastings (including online tastings) in various countries around the world and within the country.
Budget	
Estimated: <u>GEL 8,500,000.00 (adjusted budget GEL 7,864,000)</u>	Actual: <u>GEL 7,505,800.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
	Status	Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed

- **Activity 1.3.2: Stimulating popularization of Georgian Wine Origin**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/LEPL National Wine Agency.

The goal of the activity: Study aboriginal vine varieties and wild vines by ampelography and molecular genetics methods.

Realized Activities

In 2021, the study of 20 aboriginal varieties of vine and wild vine by the methods of ampelography and molecular genetics was not carried out due to the pandemic situation in the country.

Objective 1.3: To support the integration of farmers/entrepreneurs into the market
--

Number and title of an activity:	Activity 1.3.2: Stimulating popularization of Georgian Wine Origin
Responsible agency:	LEPL National Wine Agency of the Ministry of Environmental Protection and Agriculture of Georgia
Reporting (monitoring) period:	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021, the study of 20 aboriginal varieties of vine and the wild vine will be conducted based on the methods of ampelography and molecular genetics.	Realized: In 2021, the study of 20 aboriginal varieties of vine and wild vine based on the methods of ampelography and molecular genetics was not carried out due to the pandemic situation in the country.
Budget	
Estimated: GEL 50,000 (adjusted budget GEL 4,000)	Actual: GEL 3,600

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating			X		
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status	X				

- **Activity 1.3.3: Developing a system for an appellation of origin and geographical indications**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/LEPL National Wine Agency.

The goal of the activity: Protection of Georgian appellations of origin and geographical indications in local and international markets.

Realized Activities

Within the framework of the program, legal services were procured for the protection of the collective trademark "Alazani Valley" abroad, in Estonia. As part of this service, the patent attorney filed a request for reconsideration of the trademark application, which was satisfied by the Estonian Patent Office. Qyevri is the first non-food product to be added to the State Register of Appellations of Origin and Geographical Indications. The name of the 25th appellation of origin was registered: Maghraani Kisi.

Indicator Realization and Budget Expenditure

Within the framework of the program, legal services were procured for the protection of the collective trademark "Alazani Valley" abroad, in Estonia. As part of this service, the patent attorney filed a request for reconsideration of the trademark application, which was satisfied by the Estonian Patent Office.

Qvevri is the first non-food product to be added to the State Register of Appellations of Origin and Geographical Indications. The protection of Qvevri as a geographical indication is especially important for Georgia, a country with an 8-thousand-year continuous history of winemaking. Making wine by the Georgian traditional method relates to the national wine vessel - Qvevri. Making a Qvevri is the fruit of the intellect of the Georgian people. The name of the 25th appellation of origin was registered: Maghraani Kisi.

Objective 1.3: To support the integration of farmers/entrepreneurs into the market	
Number and title of an activity:	Activity 1.3.3: Developing a system for an appellation of origin and geographical indications
Responsible agency:	LEPL National Wine Agency of the Ministry of Environmental Protection and Agriculture of Georgia
Reporting (monitoring) period:	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021, – Appellations of origin of Georgian wine and protection of indications related to Georgian wine in strategic markets. – Measures to identify and register new appellations of origin will be ensured.	Realized: In 2021, – Indications related to 2 Georgian wines were protected in strategic markets. – 1 wine of appellation of origin was registered.
Budget	
Estimated: <u>GEL 50,000.00</u> (adjusted GEL 23,000)	Actual: <u>GEL 22,100.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating		X			
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 1.3.4: Promoting the introduction of international standards for food production**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency.

The goal of the activity: Supporting the quality, safety, traceability, and increase in competitiveness of the products produced/to be produced by beneficiaries funded/to be funded within the framework of the programs/projects implemented by the Agency, by co-financing the relevant activities, which comprises:

- Introduction of international food safety systems and standards.
- Assisting in branding and packaging design to optimize marketing activities.
- Co-financing the equipment is necessary for agricultural cooperatives for giving a final marketable state to the products.

Realized Activities

In 2021, the following activities were carried out within the project and the following results were obtained:

Despite the limitations and other barriers caused by the COVID-19 epidemic in the country, in 2021, to further raise awareness of the program and refine/optimize the program conditions and procedures, communications/consultations were carried out with both current and potential beneficiaries of the program.

USAID Agriculture Program and Technical Assistance Service organized pieces of training on various topics for the beneficiaries of the non-entrepreneurial (non-commercial) legal entity Rural Development Agency.

Changes introduced into the program during 2021:

- In case of the introduction of international food safety management systems and standards, the co-financing of the Agency is set at not more than 50%, not more than GEL 15,000, and if the source of the beneficiary's participation in the funding received from the donor organization - not more than 30%, but not more than GEL 10,000.
- In case of the introduction of international food safety management systems and standards by the agricultural cooperative, the co-financing of the Agency is set at not more than 90%, not more than GEL 25,000, and if the source of the beneficiary's participation is the funding from the donor organization - not more than 50% - not more than GEL 50,000.
- In the case of creating branding and packaging design, the co-financing of the Agency was set at not more than 50%, but not more than GEL 15,000, and if the source of the beneficiary's participation in the funding received from the donor organization - not more than 30%, but not more than GEL 10,000.
- In the case of creating a branding and packaging design by an agricultural cooperative, the co-financing of the Agency shall be not more than 90%, not more than GEL 25,000, and if the source of the beneficiary's participation in the funding received from the donor organization - not more than 50%, but not more than GEL 15,000.
- In the case of the purchase of equipment by agricultural cooperatives, the co-financing of the Agency was determined to be not more than 70%, but not more than GEL 10,000.

- The co-financing of the Agency was added to the technical assistance and marketing project in the case of agricultural cooperatives management consulting services, not more than 80%, but not more than GEL 15,000.
- The co-financing of the Agency was added to the technical assistance and marketing project in case of trademark registration by an agricultural cooperative, not more than 70% of the trademark registration cost, but not more than GEL 750.

In addition, the following activities were carried out during the reporting period:

- International Food Safety Standards - 27 agreements were signed.
- Branding - 2 contracts were signed.
- Co-financing the equipment necessary for agricultural cooperatives for giving final marketable state to the products - contracts were signed.
- The number of international food safety standards introduced under the State Technical Assistance Program - 20 standards have been introduced.
- The number of product/company branding under the State Technical Assistance Program - 9 brandings were implemented.
- The total value of the approved applications was GEL 500,701.00 and USD 19,725.00.
- The total amount of co-financing issued by the Agency was GEL 272,722.20.

Indicator Realization and Budget Expenditure

In 2021, as part of the activity, it was planned that 15 beneficiaries would introduce international food safety standards (ISO-22000, HACCP, GLOBAL G.A.P, BIO, BRC, FSSC-22000). During the reporting period, 20 beneficiaries introduced and certified international food safety systems, standards (ISO-22000, HACCP, GLOBAL G.A.P, BIO, BRC, FSSC-22000), and 9 beneficiaries fully branded their products/companies.

Objective 1.3: To support the integration of farmers/entrepreneurs into the market	
Number and title of an activity:	Activity 1.3.4: Promoting the introduction of international standards for food production
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency
Reporting (monitoring) period:	01.01.2021 - 31.12.2021
Performance Indicators	
Planned: In 2021, 15 beneficiaries will introduce international food safety standards (ISO-22000, HACCP, GLOBAL G.A.P, BIO, BRC, FSSC-22000).	Realized: In 2021, 20 beneficiaries introduced and certified international food safety systems, and standards (ISO-22000, HACCP, GLOBAL G.A.P, BIO, BRC, FSSC-22000).

Budget						
Estimated: <u>GEL 500,000.00</u>			Actual: <u>GEL 273,357.80</u>			
Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 1.3.5. Establishing cadaster of vineyards**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/LEPL National Wine Agency.

The goal of the activity: Establishing an institutional cadaster of the vineyards of Georgia.

Realized Activities

In 2021, the Cadaster of Vineyards Program was completed in the Kakheti and Racha-Lechkhumi regions, which is important for the development of the viticulture and winemaking sector and facilitating the quality wine production. Under the Cadaster of Vineyards Program, 26,540 ha of vineyards were inventoried in Kakheti and Racha-Lechkhumi regions. During the vintage 2021, all viticulturists, a total of 23 thousand farmers, delivered grapes to the enterprises together with the extract from the Cadaster of Vineyards.

The extract from the cadaster was issued to a total of 25,780 viticulturist farmers. The Cadaster of Vineyards is available to all EU member states where the viticulture and winemaking industry is developed. Georgia shares and introduces another important European experience by creating a cadaster of vineyards.

Indicator Realization and Budget Expenditure

In 2021, the Cadaster of Vineyards Program was completed in Kakheti and Racha-Lechkhumi regions. Under the Cadaster of Vineyards Program, 26,540 ha of vineyards were inventoried in Kakheti and Racha-Lechkhumi regions. The extract from the cadaster was issued to a total of 25,780 viticulturist farmers.

Objective 1.3: To support the integration of farmers/entrepreneurs into the market	
Number and title of an activity:	Activity 1.3.5. Establishing cadaster of vineyards
Responsible agency:	LEPL National Wine Agency of the Ministry of Environmental Protection and Agriculture of Georgia

Reporting (monitoring) period:	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021, completion of the cadaster of vineyards in the Kakheti region, and updating of cadastral data in the Racha-Lechkhumi-Kvemo Svaneti regions.	Realized: In 2021, the Cadaster of Vineyards Program was completed in Kakheti and Racha-Lechkhumi-Kvemo Svaneti regions.
Budget	
Estimated: <u>GEL 800,000.00 (adjusted GEL 930,000)</u>	Actual: <u>GEL 879,300.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status					X

Objective 1.5 To Increase Access to Infrastructure and Services

To accomplish the Objective 1.5, 11 activities were carried out in 2021, including ensuring the development of a farmers registry, developing infrastructure for educational institutions (schools), improving geographical access to vocational education, improvement of road infrastructure in rural areas, supporting preschool facilities in rural areas, construction and rehabilitation of premises of sports and cultural institutions in rural areas, rehabilitation of water supply and sewage systems in rural areas. All activities of the Objective were implemented by the Ministry of Environmental Protection and Agriculture of Georgia, its agencies, the Ministry of Education and Science of Georgia, and the Ministry of Regional Development and Infrastructure of Georgia.

As a result of activities carried out to achieve the goals of the Objective, during the year 2021:

- ⇒ 20,399 farmers/farms were registered in the farmers'/farms' registration program.
- ⇒ 33 schools were rehabilitated.
- ⇒ 454 public schools were provided with various equipment.
- ⇒ The opportunity (infrastructure) of getting vocational education was created in 7 additional municipalities.
- ⇒ The road cover was arranged/rehabilitated on 710.9 km local road sections.
- ⇒ 23 preschool facilities were built/rehabilitated.
- ⇒ 32 premises of sports and cultural institutions were built/rehabilitated.
- ⇒ 196.37 km water supply and sewage systems were built/rehabilitated.
- ⇒ 218 km water supply system and 51 auxiliary structures were built/rehabilitated.
- ⇒ In 2020-2021, the ACT research surveyed the customer satisfaction of the community centers built after the year 2019. The level of satisfaction with the service provided by the community centers amounted to 97%.

- ⇒ In 2020-2021, additional documents related to the construction of the regional site for waste disposal were prepared. Besides, the document on environmental impact assessment was prepared. To select a construction company, a pre-qualification competition was announced. Due to obstacles caused by the COVID-19 pandemics, the commencement of the infrastructure works is planned by the end of the year 2022, upon completion of the corresponding procedures. Furthermore, the necessary actions defined for further maintenance of the closed dumpsites were/are being implemented in compliance with the stated procedures during the reporting period.
- ⇒ As of the year 2021, more than 521 thousand (64%) Georgian citizens have additional access to the corresponding upgraded infrastructure. Based on the goals of the strategy, the population of five self-governing cities (Tbilisi, Rustavi, Kutaisi, Poti, Batumi) and Adjara AR are not taken into consideration in the calculations.
- ⇒ As of the year 2020-2021, additional 75,000 students (60%) have access to the upgraded corresponding infrastructure. Based on the goals of the indicator, the number of students at the schools of five self-governing cities (Tbilisi, Rustavi, Kutaisi, Poti, Batumi) and Adjara AR is not taken into consideration in the calculations.

The forecast budget of the activities planned for achieving Objective 1.5 was set at GEL 142,008,000. In 2021, the state spent GEL 271,211,908.62 for the achievement of the Objective.

- **Activity 1.5.1: Ensure the development of a farmer registry**

Responsible agency: The Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency

The goal of the activity: to register all entities engaged in the agricultural business all over Georgia (except those carrying out the agricultural activities only by order of the legal entity(ies) registered in Georgia or/and based on the concluded employment agreement), allowing the state to own, inter alia, the statistical information, which will be used for correct selection of target groups and planning and implementation of various stimulating projects/programs for them according to their needs.

Realized Activities

In 2021, registration of new farmers/farms and checking the data of the farmers/farms registered in 2018-2020 was carried out. In 2021, the activities were implemented directed to perfection of the electronic system necessary for the registration of farmers/farms (including Management of Processes and Control - the electronic module implemented by the Abaco company), to make the system more dynamic and interactive.

As a result of the measures taken within the framework of the activity, in 2021, 20,399 farmers/farms were registered under the Farmers/Farms Registration Project. In total, the amount of the

farmers/farms registered within the framework of the project from its commencement amounted to 155,053.

Indicator Realization and Budget Expenditure

In 2021, it was planned to register 20,000 farmers/farms. During the reporting period, 20,399 farmers/farms were registered.

1.5 To increase access to infrastructure and services	
Number and title of an activity:	Activity 1.5.1: Farmers/farms registration project
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/non-entrepreneurial (non-commercial) legal entity Rural Development Agency
Reporting (monitoring) period:	01.01.2021 - 31.12.2021
Performance Indicators	
Planned: 20,000 farmers/farms will be registered in 2021.	Realized: 20,399 farmers/farms were registered in 2021.
Budget	
Estimated: <u>GEL 300,000.00</u>	Actual: <u>GEL 283,480.09</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 1.5.2: Development of infrastructure for education (schools) institutions**

Responsible agency: Ministry of Education and Science of Georgia/LEPL Educational and Scientific Infrastructure Development Agency

The goal of the activity: 8 schools will be rehabilitated, and 660 public schools will be provided with various equipment.

Realized Activities

To achieve the indicator, full rehabilitation of 3 schools in the villages of Kulishkari (Zugdidi Municipality), Shuagora, and Inashauri (Vani Municipality) was carried out.

5 schools were partially rehabilitated: in the village of Tsaishi (Zugdidi Municipality), Abastumani, Narazeni and Likhauri and, also, in the village of Zana (Senaki Municipality).

Within the framework of the Operation Project 25 schools were partially rehabilitated: Akhmeta Municipality - 1, Bolnisi Municipality – 1, Gardabani – 1, Gurjaani – 2, Dedoplistskaro – 1, Vani – 1, Zestaphoni Municipality – 1, Zugdidi Municipality – 2, Telavi Municipality – 3, Lagodekhi Municipality – 3, Lanchkhuti Municipality – 1, Marneuli Municipality – 1, Martvili Municipality – 1, Ozurgeti Municipality – 1, Sagarejo Municipality – 2, Sighnaghi Municipality – 1, Kobuleti Municipality – 1, Chkhorotsku Municipality – 1.

During the reporting period, 454 public schools were provided with the following equipment:

- School blackboards were delivered to 115 public schools.
- Desks – to 49 public schools.
- Office furniture – to 64 public schools.
- According to the New School Model, 5,750 laptops were provided to 416 schools.
- Medical equipment was handed over to 177 public schools.
- 379 projectors were given to 164 public schools.

Within the framework of the New School Model program, 278 village public schools were equipped with 636 projectors.

Indicator Realization and Budget Expenditure

Rehabilitation of 8 schools was planned. In 2021, the full rehabilitation of 3 schools was carried out in the villages of Kulishkari (Zugdidi Municipality), Suagora, and Inashauri (Vani Municipality).

5 schools were partially rehabilitated: in the village of Tsaishi (Zugdidi Municipality), Abastumani, Narazeni and Likhauri, also in the village of Zana (Senaki Municipality). Besides, partial repair works were performed in 25 schools.

During the reporting period, 454 public schools were provided with various equipment.

School blackboards were provided to 115 public schools; desks – to 49 public schools; office furniture – to 64 public schools; within the framework of the New School Model 5,750 laptops were handed over to 416 schools; medical equipment – to 177 public schools; 379 projectors were given to 164 public schools. Under the New School, Model 278 village public schools received 636 projectors.

Number and title of an activity:	1.5.2. Development of infrastructure for education (schools) institutions
Responsible agency:	Ministry of Education and Science of Georgia/LEPL Educational and Scientific Infrastructure Development Agency
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021: <ul style="list-style-type: none"> 8 schools will be rehabilitated 660 public schools will be provided with various equipment 	Realized: In 2021: <ul style="list-style-type: none"> 33 schools were fully or partially rehabilitated 454 public schools were provided with various equipment
Budget	
Estimated: <u>GEL 4,928,000.00</u>	Actual: <u>GEL 13,178,287.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating		X			
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status					X

- **Activity 1.5.3: Improving geographical access to vocational education**

Responsible agency: Ministry of Education and Science of Georgia/Department of Vocational Education Development

The goal of the activity: opportunity (infrastructure) of getting vocational education will be created at least in three additional municipalities.

Realized Activities

To improve the accessibility of vocational education and enhance the geographic network of vocational education, students/learners were accepted to the qualification or/and training/retraining programs for the first time by the newly developed seven colleges/subsidiaries in Kaspi, Marneuli, Dusheti, Chokhatauri (Goraberezouli), Keda, Poti and Shuakhevi (the indicator is 100% complete).

Indicator Realization and Budget Expenditure

Creation of the opportunity to obtain vocational education was planned at least in three additional municipalities, but students/listeners were for the first time accepted to the qualification or/and training/retraining programs by the seven newly developed colleges/subsidiaries.

According to the Action Plan, the forecast budget for 2021 equaled GEL 16,780,000.00. The financing in the mentioned directions amounted to GEL 17,950,141.53 in 2021.

1.5 To increase access to infrastructure and services	
Number and title of an activity:	Activity 1.5.3: Improving geographical access to vocational education
Responsible agency:	Ministry of Education and Science of Georgia/ Department of Vocational Education Development
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021 the opportunity to get vocational education will be created (infrastructure) in, at least, three additional municipalities.	Realized: In 2021 students/listeners were accepted to the qualification or/and training/retraining programs for the first time by the seven newly developed colleges/subsidiaries.
Budget	
Estimated: <u>GEL 16,780,000.00</u>	Actual: <u>GEL 17,950,141.53</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
	Status	Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
						X

- **Activity 1.5.4:** Improvement of road infrastructure in rural areas

Responsible agency: Ministry of Regional Development and Infrastructure of Georgia

The goal of the activity: Repairing-rehabilitation of the obsolete local and rural road infrastructure or/and creation of new road infrastructure

Realized Activities

The amounts are being allocated from the fund of the projects to be implemented in the regions of Georgia which are reflected in the Law on the State Budget (5,608) and the government document for the years 2021-2024 on Basic Data and Directions of the Country (GEL 500 mln). The Ministry of Regional Development and Infrastructure, according to the defined procedure, is coordinating the processes of implementation of the infrastructure projects identified by the municipalities.

The works related to the improvement of the road infrastructure are being carried out within the framework of the projects to be implemented in the regions of Georgia and, respectively, the

municipalities are explicitly responsible for the selection of the types of the infrastructure projects. In 2021, compared with the previous years, the municipalities submitted more road infrastructure improvement projects, causing a doubling, and exceeding the budget and performance indicators.

Indicator Realization and Budget Expenditure

In 2021, within the framework of the activity, arranging or rehabilitation of the road covering was planned on 250 km local auto-road sections. 711 km road covering was arranged or rehabilitated during the reporting period.

Objective 1.5: To create access to infrastructure and services	
Number and title of an activity:	Activity 1.5.4 Improvement of road infrastructure in rural areas
Responsible agency:	Ministry of Regional Development and Infrastructure of Georgia
Performance Indicators	
Planned: In 2021 road covering will be arranged or rehabilitated on about 250 km of local auto-road sections	Realized: In 2021 the road covering was arranged or rehabilitated on 711 km local auto-road sections
Budget	
Estimated: <u>GEL 75,000,000.00</u>	Actual: <u>GEL 182,100,000.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 1.5.5: Supporting preschool facilities in rural areas**

Responsible agency: Ministry of Regional Development and Infrastructure of Georgia

The goal of the activity: Construction and rehabilitation of kindergartens and establishment of the corresponding standard conditions for kids and teachers to support the preschool education at the local and village level.

The amounts are being allocated from the fund of the projects to be implemented in the regions of Georgia which are reflected in the Law on the State Budget (5,608) and the government document for the years 2021-2024 on Basic Data and Directions of the Country (GEL 500 mln). The Ministry of Regional Development and Infrastructure, according to the defined procedure, is coordinating the processes of implementation of the infrastructure projects identified by the municipalities.

Indicator Realization and Budget Expenditure

In 2021, within the framework of the activity, the construction/rehabilitation of 8 kindergartens was planned. 23 kindergartens were constructed/rehabilitated during the reporting period.

Objective 1.5: To increase access to infrastructure and services	
Number and title of an activity:	Activity 1.5.5. Supporting preschool facilities in rural areas
Responsible agency:	Ministry of Regional Development and Infrastructure of Georgia
Performance Indicators	
Planned: In 2021 8 kindergartens will be constructed/rehabilitated	Realized: In 2021 23 kindergartens were constructed/rehabilitated
Budget	
Estimated: <u>GEL 2,500,000.00</u>	Actual: <u>GEL 6,100,000.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 1.5.6: Construction and rehabilitation of premises of sports and cultural institutions in rural areas**

Responsible agency: Ministry of Regional Development and Infrastructure of Georgia

The goal of the activity: Construction/rehabilitation of the sports premises and cultural institutions at the village level, which will support the popularization of healthy life among the population.

Realized Activities

The amounts are being allocated from the fund of the projects to be implemented in the regions of Georgia which are reflected in the Law on the State Budget (5,608) and the governmental document for the years 2021-2024 on Basic Data and Directions of the Country (GEL 500 mln). The Ministry of Regional Development and Infrastructure, according to the defined procedure, is coordinating the processes of implementation of the infrastructure projects identified by the municipalities.

Indicator Realization and Budget Expenditure

In 2020, within the framework of the activity, it was planned to construct/rehabilitate 8 sports premises and cultural institutions. 32 sports premises and cultural institutions were constructed/rehabilitated during the reporting period.

Objective 1.5: To increase access to infrastructure and services	
Activity number and title:	Activity 1.5.6. Construction and rehabilitation of premises of sports and cultural institutions in rural areas
Responsible agency:	Ministry of Regional Development and Infrastructure of Georgia
Performance Indicators	
Planned: 8 sports premises and cultural institutions will be constructed/rehabilitated on an annual basis	Realized: 32 sports premises and cultural institutions were constructed/rehabilitated in 2021
Budget	
Estimated: <u>GEL 2,500,000.00</u>	Actual: <u>GEL 4,500,000.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 1.5.7: Rehabilitation of water supply and sewage systems in rural areas**

Responsible agency: Ministry of Regional Development and Infrastructure of Georgia / United Water Supply Company of Georgia.

The goal of the activity: providing the local population with potable water of corresponding quality, constructing, through rehabilitation, water supply networks and headworks (water reservoirs, boreholes), inter alia, adjustment of the drainage (sewage) systems and construction of drainage treatment plants corresponding to the international standards to reduce negative environmental impact.

Realized Activities

The basic part of the funds is being allocated from the state budget of Georgia (2,504) and the responsibility for implementation of the projects is imposed on LLC United Water Supply Company of Georgia of the Ministry of Regional Development and Infrastructure. Also, a part of the projects is being implemented from the fund of the projects to be implemented in the regions of Georgia which are reflected in the Law on the State Budget (5,608) and the governmental document for the years 2021-2024 on Basic Data and Directions of the Country (GEL 500 mln). The Ministry of Regional

Development and Infrastructure, according to the defined procedure, is supervising the works being carried out by LLC United Water Supply Company of Georgia and is coordinating the processes of implementation of the infrastructure projects identified by the municipalities.

Indicator Realization and Budget Expenditure

In 2021, within the framework of the activity, it was planned to construct/rehabilitate 100 km of the water supply system and 4 corresponding auxiliary structures (borehole, reservoir, treatment plant). 218 km of the water supply and sewage systems and 51 auxiliary structures were constructed/rehabilitated during the reporting period.

Objective 1.5: To increase access to infrastructure and services	
Number and title of an activity:	Activity 1.5.7. Rehabilitation of water supply system in rural areas
Responsible agency:	Ministry of Regional Development and Infrastructure of Georgia / United Water Supply Company of Georgia
Performance Indicators	
Planned: In 2021 about 100 km water supply system and about 4 headworks and treatment plants will be constructed/rehabilitated	Realized: 218 km water supply system and 51 auxiliary structures were constructed/rehabilitated in 2021
Budget	
Estimated: <u>GEL 40,000,000.00</u>	Actual: <u>GEL 47,100,000.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 1.5.8 Access to essential public services - community center services**

Objective 1.5: To increase access to infrastructure and services	
Number and title of an activity:	Activity 1.5.8 Access to essential public services - community center services (ENPARD IV, Indicator 2.2)
Responsible agency:	Ministry of Justice of Georgia
Reporting (monitoring) period	01.01.2020 – 31.12.2021
Performance Indicators	

Planned: In 2021, at least 80% of the interviewed rural population is satisfied with the services provided by the community centers built after 2019	Realized: In 2020-2021, the ACT research company surveyed the level of satisfaction of the customers of the community centers built after 2019. The level of satisfaction with the services provided by the community centers amounted to 97%.
--	--

Activity 1.5.9: Access to essential public services - waste management (ENPARD IV, Indicator 2.4)

Responsible agency: Ministry of Regional Development and Infrastructure of Georgia/Solid Waste Management Company of Georgia

The goal of the activity: Construction of a new dumpsite corresponding to the European standards and closing and maintenance of the existing ones.

Realized Activities

About the construction of the new regional non-hazardous waste allocation site (dumpsite) in Samegrelo-Zemo Svaneti, the design/tender documentation was developed in 2020. In 2021 the corresponding additional documentation, related to the regional waste allocation site construction, was prepared. Besides, to select a construction company, a prequalification competition was announced. Due to the delays caused by the COVID-19 pandemics, the commencement of the infrastructure works is planned by the end of the year 2022, upon completion of the corresponding procedures.

At the same time, in compliance with the procedures defined during the reporting period, the necessary activities, determined for further maintenance of the closed dumpsites, were/are being carried out.

Objective 1.5: To increase access to infrastructure and services	
Number and title of an activity:	Activity 1.5.9 Access to essential public services - waste management (ENPARD IV, Indicator 2.4)
Responsible agency:	Ministry of Regional Development and Infrastructure of Georgia/LTD Solid Waste Management Company of Georgia
Reporting (monitoring) period	01.01.2020 – 31.12.2021
Performance Indicators	
Planned: In 2022, the number of the population being provided with the service of waste collection corresponding to the dump site-related EU standards will increase by 210,000.	Realized: In 2020-2021 the corresponding additional documents related to the construction of the regional waste allocation site were prepared. Besides, the Environmental Impact Assessment report was prepared. At the same time, to select a construction company, a prequalification competition was announced. Due to the

	<p>delays caused by the COVID-19 pandemics, the commencement of the infrastructure works is planned by the end of the year 2022, upon completion of the corresponding procedures.</p> <p>On top of that, in compliance with the procedures defined during the reporting period, the necessary activities, determined for further maintenance of the closed dumpsites were/are being carried out.</p>
--	--

- **Activity 1.5.10: Access to infrastructure in rural settlements (ENPARD IV, Indicator 2.5)**

Responsible agency: Ministry of Regional Development and Infrastructure of Georgia/ United Water Supply Company of Georgia / Municipalities of Georgia

The goal of the activity: ENPARD IV - Indicator 2.5 envisages increasing the access to new and upgraded infrastructure (roads, kindergartens, sports, and cultural institutions, water supply, and drainage systems) for the local population.

Realized Activities

In compliance with ENPARD IV - Indicator 2.5, in comparison with the baseline data (815,000 citizens) of the year 2019, access to new and upgraded infrastructure will be increased for additional 280,000 citizens (35.6%) by the end of the year 2022.

As of 2021, more than an additional 521 thousand (64%) citizens of Georgia have access to the corresponding upgraded infrastructure. Based on the strategic goals, five self-governing cities (Tbilisi, Rustavi, Kutaisi, Poti, Batumi) and Adjara AR are not considered in the calculations.

Objective 1.5: To increase access to infrastructure and services	
Number and title of an activity:	Activity 1.5.10 Access to infrastructure in rural settlements (ENPARD IV, Indicator 2.5)
Responsible agency:	Ministry of Regional Development and Infrastructure of Georgia
Reporting (monitoring) period	01.01.2020 - 31.12.2021
Performance Indicators	
<p>Planned:</p> <p>In 2022, the number of the population having access to new or upgraded public infrastructure will increase at least by 35.6% in comparison with the indicator of the year 2019.</p>	<p>Realized:</p> <p>As of 2021, more than an additional 521 thousand (64%) citizens of Georgia have access to the upgraded infrastructure.</p> <p>Based on the strategic goals, five self-governing cities (Tbilisi, Rustavi, Kutaisi, Poti, Batumi) and Adjara AR are not considered in the calculations.</p>

- **Activity 1.5.11: Access to essential public services - education (ENPARD IV, Indicator 2.7)**

Responsible agency: Ministry of Regional Development and Infrastructure of Georgia / LEPL Municipal Development Fund of Georgia of the Ministry of Regional Development and Infrastructure of Georgia / Municipalities of Georgia

The goal of the activity: ENPARD IV - Indicator 2.7 envisages increasing access to new and upgraded school infrastructure (rehabilitation/construction of schools) for public school students at the rural settlement and town levels.

Realized Activities

In compliance with ENPARD IV - Indicator 2.7, in comparison with the baseline data (124,000 students) for the year 2019, access to new and upgraded school infrastructure will be increased for additional 80,600 students (65%).

As of 2021, about an additional 75,000 (60%) students have access to the upgraded infrastructure. Based on the strategic goals, five self-governing cities (Tbilisi, Rustavi, Kutaisi, Poti, Batumi) and Adjara AR are not considered in the calculations.

Objective 1.5: To increase access to infrastructure and services	
Number and title of an activity:	Activity 1.5.11 Access to essential public services - education (ENPARD IV, Indicator 2.7)
Responsible agency:	Ministry of Regional Development and Infrastructure of Georgia / LEPL Municipal Development Fund of Georgia of the / Municipalities of Georgia
Reporting (monitoring) period	01.01.2020 - 31.12.2021
Performance Indicators	
Planned: In 2023, the number of students having access to the new or upgraded educational infrastructure in rural areas will be increased at least by 65% in comparison with the indicator of the year 2019.	Realized: As of 2020-2021, additional 75,000 students (60%) have access to the corresponding upgraded infrastructure. Based on the strategic goals, five self-governing cities (Tbilisi, Rustavi, Kutaisi, Poti, Batumi) and Adjara AR are not considered in the calculations.

Objective 1.6 To Improve the Irrigation and Drainage Systems

With the purpose of implementation of Objective 1.6, in 2021, 4 activities were carried out, including, the rehabilitation of amelioration systems, rehabilitation of irrigation and drainage (main channels) systems, and the development of the water resources consumers' digital database. All activities of the Objective have been implemented by the Ministry of Environmental Protection of Agriculture of Georgia and its agencies.

As a result of the activities carried out to achieve the goals of the Objective, during the year 2021:

- ⇒ The area of the lands to be regularly irrigated was increased by 4.63 ha.
- ⇒ The water supply of the irrigated land has been improved by 2.53 thousand ha.
- ⇒ 0.24 thousand ha of land was drained.
- ⇒ Excess water was removed from 4.78 thousand ha.
- ⇒ 40% of the rehabilitation works were carried out according to the detailed engineering design of the internal networks of two irrigation systems.
- ⇒ 50% of the rehabilitation works were carried out on the Kvemo Samgori Sioni reservoir and Tbisikumisi Algeti reservoir dams.
- ⇒ 13 farmer initiative groups have been created, being the predecessor informal structure of the water consumers' organization.
- ⇒ About 46,890 consumers were registered in the water resources consumers' digital database.
- ⇒ In 2020-2021, the area of the land ameliorated under state financing was increased: in 2020 – by 4.6 %, in 2021 – by 2.75%; by a total of 7.35%.

The forecast budget of the activities planned for achieving the goals of Objective 1.6 was set at GEL 68,000,000. In 2021, the state spent GEL 49,558,225.00 for the implementation of the Objective.

- **Activity 1.6.1: Rehabilitation of amelioration systems**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / LTD Georgian Amelioration

The goal of the activity: Rehabilitation of the irrigation and drainage systems

Realized Activities

In 2021, as part of the major measures, the following was being carried out: rehabilitation of headwork, main channels, first and other order distributors, drain tunnels, and other hydro-technical structures; restoration of channel finishing; the arrangement of additional distribution channels and hydro-technical structure to give way to the water to the land plot blocks; installation of water meters; establishment of new pumping stations and rehabilitation/modernization of the existing ones;

restoration of electric-mechanical devices and replace them with new ones; procurement of additional power to increase the capacity of the pumping stations; rehabilitation of basic water collecting channels and in-house drainage network.

In 2021, the rehabilitation works were being carried out on 65 facilities of the irrigation system, out of which 37 were completed, and 2 projects were terminated. 26 projects were in progress including the transient projects of the last period (01.01.2022).

During 202,1 the rehabilitation works were being carried out on 11 facilities of the drainage systems, out of which 10 projects were completed, and 1 project was in progress including the transient projects of the last period (01.01.2022).

Three changes were introduced to the Instruction No. 218, dated February 11, 2021(No, 951, dated June 9, 2021; No. 1789, dated October 6, 2021, and No. 1925, dated October 29, 2021), and the budget of the sub-program Rehabilitation of Amelioration Systems and Procurement of Equipment (program code 31 06 01) was set at the amount of GEL 26, 550, 000, instead of GEL 48,000,000, and, respectively, the construction-rehabilitation budget equaled GEL 19,021,200, instead of GEL 41,290,000. As a result, the dates of completion of several sites were adjusted and became transient and will be completed in 2022; respectively, the failed indicators will be performed in 2022.

Indicator Realization and Budget Expenditure

During the year 2021, within the framework of the activity, it was planned to increase the area of regularly irrigated land up to 11.24 thousand ha; improve water supply for 16.05 thousand ha of irrigated lands; also, drainage of 0.23 thousand ha land; removal of excess water from 4.78 thousand ha.

During the reporting period, the amelioration infrastructure was rehabilitated; about 4.63 ha were moved from the conditional irrigated land category to the regularly irrigated land category; the water supply of the 2.53 ha irrigated lands were improved; about 0.24 ha of land areas were drained and excess water was removed from 4.78 ha.

In 2021, for the measures implemented within the framework of the activity, assimilation of GEL 48,000,000 was planned. Based on Instruction No. 1925, dated October 29, 2021, the final changes were introduced to Instruction No. 218, dated February 11, 2021, and the budget was defined as GEL 26,550,000 instead of GEL 48,000,000, and the actual assimilation of the budget amounted to GEL 20,005,129.

Objective 1.6: To improve the irrigation and drainage systems	
Number and title of an activity:	Activity 1.6.1: Rehabilitation of amelioration Systems

Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / LTD Georgian Amelioration
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021: <ul style="list-style-type: none"> The area of regularly irrigated land will be increased by 11.24 thousand ha. The provision of water in irrigated areas will be improved by 16.05 thousand ha. 0.23 thousand ha area will be drained. Excess water will be removed from 4.78 thousand ha. 	Realized In 2021: <ul style="list-style-type: none"> The area of regularly irrigated land was increased by 4.64 thousand ha. The provision of water in irrigated areas was improved by 2.53 thousand ha. 0.24 thousand ha area was drained. Excess water was removed from 4.78 thousand ha
Budget	
Estimated: <u>GEL 48,000,000</u>	Actual: <u>GEL 20,005,129</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating		X			
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 1.6.2: Rehabilitation of Irrigation and drainage (main channels) systems**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / Georgian Amelioration LTD

Partner organization: World Bank

The goal of the activity: Improving the provision of irrigation and drainage services

Realized Activities:

Rehabilitation and modernization of the irrigation systems (rehabilitation of Zeda Rou, Tbisi-Kumisi, and Kvemo Samgori channel)

To design and supervise the second cycle systems of rehabilitation works:

- ✓ The company Insaaf has commenced rehabilitation works on the **Kvemo Samgori G1-G32** distributor. As of today, 40% of the works envisaged under the contract are completed. Particularly, rehabilitation of the 84,520 m pipeline is completed.

- ✓ Besides, in the reporting period, the tender documents for the **Kvemo Samgori G33 distributor** were prepared, and a tender was announced, on which the company Inshat was selected and contracted. The company has finished the mobilization works and 7% of the works envisaged under the contract are completed. Particularly, 5,327 m pipelines are rehabilitated.
- ✓ The company Gza selected for the **Zeda Rou scheme** is carrying out the works. As of today, 50% of the works envisaged under the contract are completed. Particularly, the 27,079 m pipeline is rehabilitated.
- ✓ As to the **Tbisi-Kumisi scheme**, at this stage, due to a limited budget, the rehabilitation plan is suspended and the works on attracting finances are in progress.

The rehabilitation works to improve the Algeti and Sioni dams' safety

- ✓ The rehabilitation works aimed at improving the safety of the Algeti and Sioni dams are completed. After completion of the rehabilitation activities, the amelioration personnel has been provided with training on the maintenance of the safety system. At this stage, the defects liquidation period – a year – has been launched. Upon the expiration of the mentioned period, the project will be closed.

Strengthening institutional and operational structure of Amelioration of Georgia Ltd (supporting in the development of a draft law for the water-consuming organizations, establishing structural units for insuring functioning of the water-consuming organizations, providing modern equipment, etc.).

- ✓ The draft law on the water-consuming organizations was adopted by the Parliament of Georgia in December 2019. At this stage, the working plan for the establishment of water-consuming organizations is prepared. It reflects the detailed schedule of implementation and indicates the responsible persons.
- ✓ The assisting structure supporting the establishment of the water-consuming organizations has been created in the regions. For this reason, 6 individuals have been hired and trained.
- ✓ 13 initiative groups of farmers have been created - 8 for Zeda Rou and 5 for Kvemo Samgori.

Indicator Realization and Budget Expenditures

It was planned to establish two water-consuming organizations in pilot regions – *it is planned to change the given indicator and the work on changing the indicator is in progress*. At this stage, instead of the water-consuming organizations, 13 initiative groups of farmers are created, being an informal predecessor structure of the water-consuming organizations.

The rehabilitation works on the dams of two reservoirs and implementations of the monitoring and safety systems have been conducted.

The rehabilitation works under the detailed engineering design of the internal networks of two irrigation systems are completed by 50%.

Objective 1.6: To improve the irrigation and drainage systems	
Number and title of an activity:	Activity 1.6.2: Rehabilitation of Irrigation and drainage (main channels) systems
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / Department of International Relations and European Integration / Georgian Amelioration LTD
Partner organization:	World Bank
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance indicators	
Planned: In 2021: <ul style="list-style-type: none"> 50% of the rehabilitation works will be carried out on the internal network of two irrigation systems under the detailed engineering design. 50% of the rehabilitation works will be carried out on the dams of Kvemo Samgori Sioni reservoir and Tbisi-Kumisi Algeti reservoir. 2 water-consuming organizations will be created in the pilot regions. 	Realized: In 2021: <ul style="list-style-type: none"> 40% of the rehabilitation works were fulfilled on the internal network of two irrigation systems under the detailed engineering design. 50% of the rehabilitation works were carried out on the dams of Kvemo Samgori Sioni reservoir and Tbisi-Kumisi Algeti reservoir. Work on changing the indicator is in progress. At this stage, instead of the water-consuming organizations, 13 initiative groups of farmers are established. They represent an informal predecessor structure of the water-consuming organizations.
Budget	
Estimated: <u>GEL 20,000,000</u>	Actual: <u>GEL 29,553,096</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating		X			
	Status	Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
			X			

- **Activity 1.6.3: Developing the water resources consumers' digital database**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / Georgian Amelioration LTD

The goal of the activity: Rehabilitation of irrigation and drainage systems

Realized Activities:

In 2021, 46,890 consumers were registered.

Objective 1.6: To improve the irrigation and drainage systems	
Number and title of an activity:	Activity 1.6.3: Developing the water resources consumers' digital database
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / Georgian Amelioration LTD
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: About 37,000 consumers will be registered in 2021	Realized: 46,890 consumers were registered in 2021
Budget	
Estimated: 0	Actual: 0

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating		X			
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- Activity 1.6.4: Land amelioration (ENPARD IV, Indicator 2.6)

Objective 1.6: To improve the irrigation and drainage systems	
Number and title of an activity:	Activity 1.6.4: Land amelioration (ENPARD IV, Indicator 2.6)
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / Georgian Amelioration LTD
Reporting (monitoring) period	01.01.2020 – 31.12.2021
Performance Indicators	
Planned: In 2023, the area ameliorated under state financing will be increased by at least 15% in comparison with the baseline indicator.	Realized: In 2020-2021, the area ameliorated under state financing was increased by 4.6% in 2020 and 2.75% in 2021; in total – by 7.35%.

Objective 1.7 To develop rural tourism and relevant tourism products

To implement Objective 1.7 in 2021, 3 activities were carried out, including the development of the touristic product in rural areas, the development of small-scale tourism infrastructure, and the development of private sector skills in the sphere of tourism services (requalification program). All

activities of the Objective were fulfilled by the Ministry of Economy and Sustainable Development and its agencies.

As a result of the implementation of the activities to achieve the goals of the Objective, during the year 2021:

- ⇒ A new touristic product Mountain Walking Paths (Khaishi) was created; two existing touristic products (Wine Road and Mountain Walking Path – Mestia) were diversified.
- ⇒ Two small-scale infrastructure projects were created.
- ⇒ 600 tourism sector representatives were retrained.

The forecast budget of the activities planned for achieving the goals of Objective 1.7 was set at GEL 700,000. In 2021, the state spent GEL 417,751 for the implementation of the Objective.

- **Activity 1.7.1: Development of touristic products in Rural area**

Responsible agency: Ministry of Economy and Sustainable Development of Georgia / LEPL Georgian National Tourism Administration.

The goal of the activity: Development and promotion of tourism.

Realized Activities

Guiding signs were installed for 48 new wine tourism hosting facilities on the Wine Road all over Georgia. Mountain-walking paths were arranged in Zemo Svaneti (in Chuberi, Nakra, and Mulakhi communities). Traffic signs were installed for 61 new recommended wine tourism facilities (wine cellar and winery) in the country. The wine tourism facilities were inspected, and a road sign project was prepared for 35 new wine facilities. Installation of the mentioned signs is planned for 2022.

Indicator Realization and Budget Expenditure

In 2021, during the reporting period, a new touristic product – Mountain Walking Paths (Khaishi) – was created and two existing touristic products – Wine Road and Mountain Walking Path (Mestia) – were diversified.

Objective 1.7: To develop rural tourism and relevant tourism products	
Number and title of an activity:	Activity 1.7.1: Development of touristic products in Rural area
Responsible agency:	Ministry of Economy and Sustainable Development of Georgia / LEPL Georgian National Tourism Administration
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicator	

Planned: In 2021, a new, additional touristic product will be created, and 2 existing touristic products will be diversified.	Realized: In 2021, a new touristic product – Mountain Walking Paths (Khaishi) – was created and two existing touristic products – Wine Road and Mountain Walking Path (Mestia) – were diversified.
Budget	
Estimated: <u>GEL 200,000.00</u>	Actual: <u>GEL 80,666.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status					X

- **Activity 1.7.2: Development of small-scale tourism infrastructure**

Responsible agency: Ministry of Economy and Sustainable Development of Georgia / LEPL Georgian National Tourism Administration.

The goal of the activity: Development and promotion of tourism.

Realized Activities

Ateni gorge picnic infrastructure was arranged – within the framework of the project closed pavilions, a table, and chairs, fireplaces, hammock poles, and a swing were arranged. Plastic frames for food were installed in Gori.

Indicator Realization and Budget Expenditure

In 2021, during the reporting period, two small-scale infrastructure projects were established.

Objective 1.7: To develop rural tourism and relevant tourism products	
Number and title of an activity:	Activity 1.7.2: Development of small-scale tourism infrastructure
Responsible agency:	Ministry of Economy and Sustainable Development of Georgia / LEPL Georgian National Tourism Administration
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021 two small-scale infrastructural projects will be established.	Realized: In 2021 two small-scale infrastructural projects were established.

Budget	
Estimated: <u>GEL 400,000.00</u>	Actual: <u>GEL 236,358.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed		
	Rating	X					
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed	
	Status						X

- **Activity 1.7.3: Development of the private sector skills in the sphere of tourism services (requalification program)**

Responsible agency: Ministry of Economy and Sustainable Development of Georgia / LEPL Georgian National Tourism Administration.

The goal of the activity: Development and promotion of tourism.

Realized Activities

In 2021, the Quality Development Department of the Georgian National Tourism Administration carried out 4 pieces of training on various topics. 600 beneficiaries were requalified within the framework of the Rural Development Program.

Indicator Realization and Budget Expenditure

In 2021, during the reporting period, 600 beneficiaries were requalified within the framework of the Rural Development Program.

Objective 1.7: To develop rural tourism and relevant tourism products	
Number and title of an activity:	Activity 1.7.3: Development of the private sector skills in the sphere of tourism services (requalification program)
Responsible agency:	Ministry of Economy and Sustainable Development of Georgia / LEPL Georgian National Tourism Administration
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: 600 beneficiaries will be requalified in 2021.	Realized: 600 beneficiaries were requalified in 2021.
Budget	
Estimated: <u>GEL 100,000</u>	Actual: <u>GEL 100,727</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status					X

Goal 2 - Sustainable usage of natural resources, retaining of the eco-system, adaptation to climate change

Strategic Goal 2 - Sustainable usage of natural resources, retaining of the eco-system, and adaptation to climate change includes 4 objectives and 9 activities.

Objective 2.1 To disseminate climate-smart and environmentally adapted agricultural practices and promotion of bio-organic production development

As a result of the activities carried out to achieve the goals of the Objective, during the year 2021:

⇒ An assessment of the national adaptation plan for the agricultural sector was not commenced.

The forecast budget planned for the implementation of Objective 2.1 was set for GEL 0.00.

- **Activity 2.1.1: Identification and facilitation of opportunities for adaptation to climate change**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / Department of Environment and Climate Change.

Partner organization: UN Environment.

The goal of the activity: Strengthen the adaptation of the agricultural sector of Georgia to climate change through the analysis of the existing opportunities and developing a new action plan based on the mentioned analysis.

Realized Activities

Strengthening the adaptation of the agricultural sector of Georgia to climate change is a part of the wider project envisaging studying the opportunities of adaptation of the country to climate change and identification of further actions to enhance the mentioned opportunities. Within the framework of the project, it is planned to develop the National Adaptation Plan (NAP); The development of the adaptation plan for the agricultural sector is deemed to be a part of the NAP.

The project was developed and in 2020 was submitted to the Green Climate Fund (GCF). Even though funds were allocated for the project, its final approval was delayed for various reasons (including the negative role of the COVID-19 pandemics).

At this moment, the final version of the project is still being agreed upon with the GCF. As the project has not been commenced, respectively, the mentioned action has not been implemented yet.

Indicator Realization and Budget Expenditure

Execution has not been commenced.

Objective 2.1: To disseminate climate-smart and environmentally adapted agricultural practices	
Number and title of an activity:	Activity 2.1.1. Identification and facilitation of opportunities for adaptation to climate change
Responsible agency:	Ministry of Economy and Sustainable Development of Georgia / LEPL Georgia's Innovation and Technology Agency
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021 evaluation of the national adaptation plan for the agricultural sector will commence	Realized: The year 2021: not fulfilled
Budget	
Estimated: 0	Actual: 0

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating				X	
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status	X				

Objective 2.2 To support the development of ecotourism

To accomplish Objective 2.2, two activities were implemented in 2021 - Improvement of the infrastructure of the touristic routes of protected areas and providing infrastructure for protected areas. The Objective was implemented by the LEPL Agency of Protected Areas subordinated to the Ministry of Environmental Protection and Agriculture.

As a result of the activities carried out to achieve the goals of the Objective, during the year 2021:

- ⇒ 22 eco-touristic infrastructures were arranged in the protected areas.
- ⇒ The eco-touristic infrastructure located in one of the protected territories was rehabilitated.
- ⇒ 200 units of anti-incendiary fittings and equipment will be purchased.
- ⇒ Protection infrastructure – 35 units of blockages - was arranged in the protected territories.
- ⇒ More than 200 various types of anti-incendiary equipment were purchased for the protected territories.

The forecast budget of the activities planned for the implementation of the Objective 2.2 was set at the amount of GEL 500,000. In 2021, the state spent GEL 9,219,139.00 for the implementation of the Objective.

- **Activity 2.2.1: Improvement of the infrastructure of the touristic routes of the protected areas**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / LEPL Agency of Protected Areas

The goal of the activity: Development of ecotourism and effective communication with society.

Realized Activities

In the year 2021:

- In total, a 126 km long paths network was arranged in the three protected territories: Borjomi-Kharagauli protected area (2 paths, 17 km in total); Lagodekhi protected area (8 km); Algeti National Park (5 paths, 101 km in total).
- 12 bridges were constructed in Borjomi-Kharagauli National Park.
- 2 touristic shelters were built – in Algeti National Park (1) and Borjomi-Kharagauli National Park (1).
- The infrastructure of Sataplia Managed Reserve was rehabilitated, the lighting system of the cave and walking paths were upgraded, and a sound system was installed in the cave.

Indicator Realization and Budget Expenditure

In 2021, within the framework of the activity, it was planned to arrange two eco-touristic infrastructures/or rehabilitate the existing ones in the protected territories. During the reporting period, 22 eco-touristic infrastructures were arranged in the protected territories (Borjomi-Kharagauli, Lagodekhi, and Algeti protected territories) and the eco-touristic infrastructure located in the protected territory was rehabilitated (Sataplia).

During the reporting period, the actual utilization of the budget amounted to GEL 9,098,812. At the beginning of the year 2021, together with the Ministry, the amounts were attracted from the state

budget which was directed to an arrangement of 10 eco-touristic infrastructures in various 9 protected territories. The mentioned project is a multi-year procurement that will be implemented in 2021-2023 and it amounts to GEL 38 mln; GEL 9,098,812 out of the mentioned sum was spent in 2021.

Objective 2.2: To support the development of ecotourism	
Number and title of an activity:	Activity 2.2.1: Improvement of the infrastructure of the touristic routes of the protected areas
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / LEPL Agency of Protected Areas
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: Establishing 2 eco-touristic infrastructures/or rehabilitation of existing ones in 2021	Realized: 22 eco-touristic infrastructures were established/rehabilitated in the protected territories in 2021
Budget	
Estimated: <u>GEL 350,000.00</u>	Actual: <u>GEL 9,098,812.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating		X			
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 2.2.2: Providing infrastructure for Protected Areas**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / LEPL Agency of Protected Areas

The goal of the activity: Protection of the protected areas and resource management

Realized Activities

During the year 2021:

- Security infrastructure was improved in three protected territories - 35 blockages were arranged in:
 - Borjomi-Kharagauli National Park (10).
 - Machakhela National Park (3).
 - Erusheti National Park (22).
- More than 200 types of various anti-incendiary equipment were purchased for the protected territories.

Indicator Realization and Budget Expenditures

3 units of security infrastructure (ranger house, blockage, or other) will be installed/rehabilitated in the protected areas; 50 units of anti-incendiary equipment will be purchased.

During the reporting period, security infrastructure was allocated in three protected territories – 35 blockages were arranged (Borjomi-Kharagauli (10), Machakhela (3), Erusheti (22)).

More than 200 types of various anti-incendiary equipment were purchased for the protected territories.

Objective 2.2: To support the development of ecotourism	
Number and title of an activity:	Activity 2.2.2: Providing infrastructure for Protected Areas
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / LEPL Agency of Protected Areas
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021 → 3 units of security infrastructure (ranger house, blockage, or other) will be installed/rehabilitated in protected areas. → 50 units of anti-incendiary equipment will be purchased.	Realized: In 2021 → the security infrastructure was arranged in the protected territories – 35 blockages. → more than 200 types of various anti-incendiary equipment were purchased for the protected territories.
Budget	
Estimated: <u>GEL 150,000.00</u>	Actual: <u>GEL 120,327.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status					X

Objective 2.3 Sustainable usage of forest resources

To accomplish Objective 2.3, four activities were carried out in the year 2021, including management of timber resources, forest maintenance, and restoration measures, and carrying out the forest inventory. The activity of the Objective – assistance to environmental sustainability - was carried out

by the Ministry of Environmental Protection and Agriculture and its subordinate LEPL National Forestry Agency.

As a result of the activities carried out to achieve the goals of the Objective, during the year 2021:

- ⇒ Accessibility was ensured to the allocated 474,571 m³ wood resource.
- ⇒ The measures of forest rehabilitation/planting (facilitating natural renewal) were carried out on 442.8 ha of the new area.
- ⇒ The projects of the forest management plans are additionally developed; the stock-taking of three forest sections (Lagodekhi, Lentekhi, Akhmeta) is completed on 152.9 ha.
- ⇒ Forest restoration/planting (facilitating natural renewal) was carried out on a new 442.8 ha area.

The forecast budget planned for implementation of the Objective was set at the amount of GEL 14,600,000. To implement the Objective the government spent GEL 16,892,000 in the year 2021.

- **Activity 2.3.1: Management of timber resource**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Forestry Agency

The goal of the activity: To ensure access to timber resources, with the purpose of preparation of wood on the territories of preliminarily chosen forest sections, revealing corresponding areas, and implementation of forestry measures; preparation and sale of wood within the framework of special cutting.

Realized Activities

With the purpose of the provision, the population as well as budgetary and other organizations with wood (except special cutting), 294,913 m³ of felling areas were allocated. Within the framework of special and maintenance cutting, 179,657 m³ of felling areas were allocated - 474,571 m³ of wood in total.

In 2021, the Agency, from the managerial and maintenance felling areas, prepared 133,126 m³ of timber resources. To supply schools and budgetary organizations with heating wood, 27,130 m³ of timber resources were prepared and handed over. 112,8 thousand m³ resources were sold through auction and direct selling.

To increase accessibility to the resources existing in the allocated felling areas, forest roads were additionally arranged/rehabilitated – 68.4 km in total. For social purposes, up to 281,046.8 m³ of the timber resources were distributed (40,544 beneficiaries). As a result of managerial and maintenance cutting of about 133,126 m³ of timber, resources were prepared.

Objective 2.3: Sustainable usage of forest resources	
Number and title of an activity:	Activity 2.3.1: Management of timber resource
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia /LEPL National Forestry Agency
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: 600,000 m ³ of the allocated timber resources will be accessible in 2021.	Realized: 474,571 m ³ of allocated timber resources became accessible in 2021 in total.
Budget	
Estimated: <u>GEL 12,000,000.00</u>	Actual: <u>GEL 14,975,800.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process terminated
	Status		X			

- **Activity 2.3.2: Forest Maintenance and Restoration**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Forestry Agency

The goal of the activity: Supporting the preservation of the ecological state of forests; an arrangement of temporary forest nurseries on the territories of the forest sections selected according to priorities, and implementation of the forest restoration-planting measures on the preliminarily identified areas subject to restoration.

Realized Activities

In 2021, the measures of restoration and planting (including maintaining) were carried out on 651,5 ha in seven regions. Among them the forest restoration and planting measures were taken on 442,8 ha of the new areas, the maintenance measures were taken on 206,7 ha area restored-planted in the previous year and 2 ha planted in the previous years.

According to the forestry services, the forest restoration and planting and maintenance measures were taken in Mtskheta-Mtianeti – 25,6 ha, Kvemo Kartli – 44,9 ha, Samtskhe-Javakheti – 178,46 ha, Imereti

region – 343,1 ha, Guria – 39,9 ha, Racha-Lechkhumi-Kvemo Svaneti – 18,9 ha, Samegrelo-Zemo Svaneti – 1,24 ha.

Objective 2.3: Sustainable usage of forest resources	
Number and title of an activity:	Activity 2.3.2: Forest Maintenance and Restoration
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Forestry Agency
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021, the forest will be planted/restored on an additional 100 ha.	Realized: In 2021, the forest was planted/restored on an additional 442,8 ha of the new areas.
Budget	
Estimated: <u>GEL 1,750,000.00</u>	Actual: <u>GEL 1,367,800.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 2.3.3: Implementation of forest Inventory**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Forestry Agency

The goal of the activity: Development of the forest management plan reflecting the forestry measures directed to forest protection, improvement of the state of resources, rational and multi-purpose usage and reproduction; updating the outdated information on the state of forest resources, registration of forest resources, identification, and analysis of the forestry production, indicators, and quality of forest resources; specification of the state forest fund borders and preparation of the corresponding cartographic material; improvement of the existing forest registration material resources and ensuring processing the information employing modern software.

Realized Activities

The forest registration works were completed, and the forest management plan was developed for:

- Lagodekhi forest section - 21,086 ha.
- Lentekhi forest section - 76,393 ha.

- Akhmeta forest section - 55,492ha.
- 152,9 thousand ha in total.

The procedures of approval of the forest management plans for the mentioned areas were in progress. Besides, in 2021, forest registration field works were implemented in:

- Tsalka-Tetritskaro – 54,202 ha.
- Adigeni – 30,000 ha.

On 23,335 ha of Dedoplistskaro-Sighnaghi forest section development of the forest management plan was in progress; the works on registration (stock-taking) of Ambrolauri 20,000 ha forest section were carried out and are in progress (which will be continued and completed in 2022; 81,000 ha in total).

In total, the updated forest management plans covered about 35% of the territories of the State Forest Fund subordinated to the LEPL National Forestry Agency.

Objective 2.3: Sustainable usage of forest resources	
Number and title of an activity:	Activity 2.3.3: Implementation of forest Inventory
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia /LEPL National Forestry Agency
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021: draft forest management plans will be additionally developed for 2 forest areas (153 thousand ha).	Realized: In 2021: draft forest management plans were additionally developed on 152,9 thousand ha. The inventory-taking works were completed for three forest sections (Lagodekhi, Lentekhi, Akhmeta).
Budget	
Estimated: <u>GEL 850,000.00</u>	Actual: <u>GEL 548,400.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating		X			
	Status	Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed

- **Activity 2.3.4: Assistance to environmental sustainability (ENPARD IV, Indicator 2.1)**

Objective 2.3: Sustainable usage of forest resources	
Number and title of an activity:	Activity 2.3.4: Assistance to environmental sustainability (ENPARD IV, Indicator 2.1)

Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Forestry Agency
Reporting (monitoring) period	01.01.2020 – 31.12.2021
Performance Indicators	
Planned: In 2021, at least an additional 200 ha of the forest will be planted/restored compared to the 2019 baseline value.	Realized: In 2021, the forest was restored/planted on 442,8 ha of the new area (measures of natural restoration support).

Objective 2.5 To maintain agro-biodiversity

To accomplish Objective 2.5, two activities were carried out in 2021, including conducting research on local breeds and the bio population of Georgian fauna and researching annual and perennial crops. The Objective was fulfilled by the Ministry of Environmental Protection and Agriculture of Georgia and the LEPL Agricultural Scientific-Research Center subordinated to the Ministry.

As a result of the activities carried out to achieve the goals of the Objective, during the year 2021,

Within the framework of the research on local breeds and bio population of Georgian fauna:

- ⇒ 52 articles were published.
- ⇒ 9 recommendations were developed.

Within the framework of preservation of the annual and perennial crops, their planting, maintenance, and development of bio-agro-production innovative technologies:

- ⇒ 72 articles were published.
- ⇒ 44 recommendations were developed.

The forecast budget of the activities planned for the implementation of the Objective 2.5 was set at the amount of GEL 2,700,000. In 2021, the state spent GEL 2,792,927 to achieve the Objective.

- **Activity 2.5.1: Researching local breeds and bio population of Georgian Fauna**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / LEPL Agricultural Scientific -Research Center

The goal of the activity: Restoration and improvement of the local species and populations of the domestic animals, birds, fish, and economically beneficial insects and the creation of their genetic bank.

Realized Activities

- **Cow-herding** – In Bagdadi Municipality farms breeding Megrelian red species were identified. The registration materials are entered into the electronic registration forms.

- The micro-herd population in Krtsanisi experimental base cow-herd farm amounted to 19 heads, dairy productivity was being studied on 8 milk cows, and breeding cards were developed for the entire population.
- Studying of young cows' growth and development, dairy productivity of milk cows and reproduction rate indicators, evaluation and selection of the herd, young weighing, studying of productivity of mothers, and current works on breed registration and selection was kept on in Dmanisi selection station.
- Studying of Megrelian red species of the livestock was in progress on the base farm located in the village of Nakhshirgele (Khobi Municipality).
- Studying productivity and exterior indicators of Caucasian brown livestock was being carried out in the base farms of Alatubani and Jigrasheni villages. The obtained materials were entered into the test electronic form.
- The process of breeding and selection of Georgian mountain herd was conducted at the premises of Krtsanisi.
- 20 samples of the Megrelian experimental milk cows' milk were taken, their chemical and physical indicators were determined, and the exterior research materials of 10 heads were collected.
- The usage of breeding stocks handed over to the Gomarety dairy cooperative from Dmanisi station was monitored.
- The collection-experimental Georgian mountain herd, bred at Krtsanisi experimental base was auctioned retaining the right of free breeding and continuing the experiment.
- In Kvarlis Baga Ltd. (Kvareli Municipality), which the memorandum had been concluded with, studying of the production conditions and the herd was commenced.
- The planned research was on at Megrelian red species experimental farm. Test milking was carried out on 10 milk cows, and their development and exterior of steers were studied.
- The cow-herd research program for the year 2022 was developed, and the methods were corrected.
- 33 ha was mown on Dmanisi natural hay and grazing land, and 26 t of hay were prepared. The hay was handed over to the Dmanisi selection station.
- **Pig-farming** – The profit was gained from 2 introduced and 5 Kakhetian breeds of pigs.
- 53 piglets were obtained from Kakhetian pigs and 33 piglets from the introduced breeds, 86 piglets in total.
- **Sheep-breeding/goat-breeding** – the offspring obtained because of lambing was weighed, marked, and entered the farm log.
- The sheep population was weighed; the sheep class determination was carried out; the wool samples were taken for analysis.
- The growing and development of semi-soft wool and soft wool fat tail breed lambs were monitored, and the data were entered into the farm log.
- Goat-herd measures were taken, the entire goatherd was weighed, 10 kids were obtained, and the data were entered into the registration journal.

- **Poultry-farming** – feeding rations for local hen, straw-colored turkey, colorful duck, and Kolkhi pheasant were developed.
- Eggs of hen, duck, turkey, Javakhi goose, and Kolkhi pheasant were registered (the egg mass, intensity of eggs) and processed biometrically.
- The population of a local hen (240) was handed over to a farm according to the auction procedures.
- The bodyweight of Javakhi goose breeding female flock before eggs was studied.
- Incubation of a turkey egg was carried out. The incubation indicators of a turkey egg were studied.
- Studying turkey and duck young was in progress.
- **Apiculture** – the preventive measures against the bee diseases were taken. A Spring survey of the bee garden was carried out. The results of hibernating bee families were studied.
- Inseminated female bees were taken out from nuclei and distributed over the bee gardens selected in advance.
- Pupae were given to the bee breeding families.
- 50 female bees were bred from the breeding families (200 in total) and 130 female bees – from reproducing bee gardens (500 from breeding and reproducing bee families in total). The inseminated female bees were distributed over the bee gardens selected in advance.
- 200 kg of honey was obtained from the breeding bee families (430 kg in total).
- The samples of a honeybee were taken for laboratory research.
- Accumulation of the bodyweight according to an adult bee, closed larva area, and feed accumulation dynamics were studied.
- Productivity was recorded according to the product obtained from a bee family – the produced honey, wax in the shape of a built honeycomb, mud, and bee package.
- An Autumn survey of bee families was carried out.
- The areas of dissemination of honey plants in Chokhatauri and Surebi were studied.
- **Sericulture** –microscopic analysis of silkworm eggs of a mulberry tree silkworm breeds' gene pool was carried out. About 1200 nadis of healthy pure breed silkworm eggs and 150 gr hybrid silkworm eggs were selected.
- Silkworm eggs were incubated. 420 selected samples were taken from 650 samples, selected, and taken for feeding according to the silkworm egg reanimation indicator.
- 65 breeds of mulberry silkworm were fed, and a selection bag was prepared.
- The blood of 10 collections and 2 colorful cocoon breeds were being renewed based on the preliminarily prepared scheme.
- 65 pure breed silkworm eggs with 1800 nadis were prepared, 100 gr – hybrid silkworm eggs. Besides, 12 breed silkworm eggs with blood renewal in the amount of 100 nadis were prepared.
- As a result of the analyses 500 nadis, diseased grains were called. 1,300 nadis of pure breed and 80 gr of hybrid grain remained.
- Near the sericulture laboratory, 100 seedlings rooted in the thermal square were planted.
- **Veterinary** – some contagious diseases of agricultural animals were monitored.

- To reveal brucellosis among the animals, blood tests were conducted.
- Post-vaccination investigation on brucellosis was carried out on the cattle (40 heads) at Krtsanisi base. The disease was not found. Dehelmintization was regularly conducted.
- The second stage of brucellosis investigation among the cattle was planned (Dmanisi base).
- **Risks** – The mechanisms and instrumental opportunities to form the traditional compounds for nutritional research were identified and analyzed.
- To study food consumption in Georgia, based on EFSA experts' advice, the nutrition models were developed to investigate the data on national dishes.
- To discover the genetic recombination of Campylobacter jejuni resistance determinant, primary analyses were made.
- gyrA and CmeABC Efflux pumps encoding genes were analyzed in Campylobacter jejuni natural populations. An article on the research results was prepared. The article was approved for publishing by the US microbiological society.
- The bacterial and virus DNA insertions identification was carried out in the cobra genome.
- To assess the Drosophila suzukii risk, the risk communication was carried out within the framework of the risk analysis with both international (Fresno University) and local (Scientific-Research Centre of the Ministry of Agriculture) experts.
- To assess the risk of Drosophila suzukii the National Food Agency initiated the relevant analyses which are still being carried on.

Indicator Realization and Budget Expenditure

In 2021, during the reporting period, 52 scientific works were published, and 9 recommendations were elaborated.

Objective 2.5 To maintain agro-biodiversity	
Number and title of an activity:	Objective 2.5.1: Researching local breeds and bio population of Georgian Fauna
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / LEPL Agricultural Scientific - Research Center
Reporting (monitoring) period	01.01.2021 - 31.12.2021
Performance Indicators	
Planned: 20 articles will be published; 7 recommendations will be developed in 2021.	Realized: 52 scientific works were published, and 9 recommendations were developed in 2021.
Budget	
Estimated: GEL 500,000.00	Actual: GEL429,889.00

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating		X			

		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 2.5.2: Researching annual and perennial crops**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / LEPL Scientific Research Center

The goal of the Objective: Preserve genetic funds for annual and perennial crops, elaborating innovative technologies for plantation, treatment, and bio-agro-production.

Realized Activities

- The research was conducted to identify the vine recommendation species.
- Among the investigated vine species (40 species) two species were identified with female flowers: Rachuli Mtsvivana and Chitistvala.
- The parameters of a bunch of grapes and grain of the investigated species were studied.
- The research revealed the species with high sugar content – Kakhis Tsiteli (24.7%) and the species with relatively low sugar content – Grubela Ubususo (15%).
- The wine chemical analyses were completed, and the data of basic chemical parameters were established; 50 species of grapes were processed.
- For the research purposes, 1,700 l of red and 1,200 l of white wines were obtained.
- Within the framework of the investigated species, the vine's fully grown leaves were described by employing OIV descriptors.
- The DNA extraction material was taken from 20 various species of vine. The DNA extraction was carried out from 14 vine species.
- The progress of blooming phenophase of 37 species of 5 cultures (apple, pear, plum, persimmon, and walnut) and maturity phenophase of 7 species of cherry was observed. The database was completed with records and photo materials.
- Leaves of apricot and cherry species (11 species) were described.
- The flower of walnut culture (7 species) was characterized and photographed.
- Characterization and degustation evaluation of cherry, apricot, and goji berry fruit were carried out (15 species).
- The biometrical indicators were recorded for stone-fruit (peach, apricot, cherry, sweet cherry) trees.
- A new collection orchard for introduced fruit-tree species was planted in Jigauri.
- The collection of local fruit-tree species was completed with about 20 new forms.
- Spring trimming was done according to the UFO and Spanish bush methods.

- The progress of maturity phenophase of peach, plum (12 species), and hazelnut (3 species) was observed. The database was completed.
- The webinar PRUNING AND RINNING FRUIT TREES organized by the Spanish company Vivero's Veron was attended.
- The field days on the production technology of berries were organized in the regions of Western Georgia (Samegrelo and Guria).
- Two standard young plants of a red core orange were found out and planted. Avocado seedlings were obtained from the Avocado seed.
- To obtain standard seedlings during the reporting period, the seeds of *Laurus nobilis* were planted.
- Four thousand cuttings of 5 *Actinidia* species forms were taken. To reproduce the advanced species forms of citruses, the base material of three thousand *Poncaeus trifoliata* plants was moved to the greenhouse.
- The model sample, model of intensive windbreak was planted. Its maintenance measures were in progress.
- Stock-taking of the forest genetic resources was completed.
- The molecular-genetic research and morphometric measurements analyses of leaves of certain forest timber species (5 species) were completed and the maps showing their spreading in nature were developed.
- The locations of rare species were identified, and mapping was conducted.
- 10 samples of 5 species were kept at the seed bank.
- Biometrical registration of the new fast-growing aspen forms was carried out, and the growing potential, biomass, carbon content, and calorific value were defined.
- The collection plot was completed with grafted mulberry seedlings.
- 2.5 t maize hybrid seed material and 3,5 t maize seed material were prepared.
- Local and advanced wheat species were planted.
- The isolated com-cobs were gathered at Tsilkani, Sviri, and Akhmeta bases.
- The selected com-cobs were taken for competition and preliminary tests as well as tests of species.
- The land plots were prepared in Akhmeta, Tsilkani, Marneuli, and Ajameti, and selective tests of maize were planted; 10.0 ha in total.
- Artificial crossbreeding of maize was carried out at the Tsilkani base.
- The structures of local and foreign tea trimming devices were studied, the advantages of the new device were identified, and draft drawings were processed.
- Together with the Belarusian specialists the coordination and kinematic schemes of basic units of the new, special tea tractor were processed.
- A test aggregate of tea maintenance was received.
- For research purposes, the sample of beans 108 mutants' fourth generation and 2 tomato hybrids were selected.

- Early bean cultures, spring onions, and selected tomato hybrids were planted on the closed ground.
- Potato seeds were processed with Gama radiation (various doses).
- Biometrical research was carried out on Autumn onions and in garlic nurseries.
- Asparagus and artichoke were harvested.
- Spring onion was harvested, and the obtained material was processed.
- The test samples of bean cultures' grains were harvested and biometrically registered.
- Autumn beans were planted.
- Seed turnover and bio-preparation application schemes were developed for various cultures.
- For the Tsilkani test land plot, together with cereals, pulses, and technical and vegetable cultures, in compliance with the compatibility principles, the plants with aromatic and pesticide activity were selected and the mixed crops schemes were prepared.
- Organic fertilizers (boms, bio-humus, agrovita, and bio-mix) are applied to a 1.5 ha area on the Duzagram test land plot.
- On Duzagram test land plot wheat- 0.3 ha, rye - 0.25 ha, barley – 0.5 ha, and oats - 0.4185 ha were planted.
- The structural indicators of bio – Lucerne, barley, wheat, and rye were studied.
- 42 kg of tomatoes, 35 kg of broccoli, 160 kg of pumpkin, 10 kg of sweet pepper, 63 kg of beetroot, and 40 kg of maize were harvested; the seeds of the following cultures were prepared: bot balm – 30 gr, pumpkin – 350 gr, Imeretian saffron – 20 gr, sweet pepper – 50 gr.
- In the Duzagram test land plot, bio-preparations were introduced in Lucerne, maize, and cereals in various test versions.
- The seeds processed with bio-preparations were planted in cassettes (tomatoes, lettuce, Imeretian saffron, mint, bot balm, broccoli, sweet pepper, basil, leek, asparagus).
- Qualitative indicators of wheat and barley were being studied.
- About 25 bio-preparations were introduced to the mixed crops of tomato, sweet pepper, broccoli, maize, beans, linen, chickling pea, and asparagus.
- The following were planted as mixed crops on the Tsilkani test land plot: maize, beans, black radish, parsley, celery, chickling pea, beetroot, linen, phacelia, Satureja, basil, valerian. Also, the following seedlings were transplanted: tomato, broccoli, lettuce, leek, basil, asparagus, mint, Imeretian saffron, and bot balm.
- 4,000 virus-free micro-plants, CIP 2370, 710 local species, and 920 introduced ones were obtained; in-vitro plants were uninterruptedly protected and kept in the in-vitro gene bank.
- Potato clones and species were massively propagated on corresponding feeding areas; 1,860 plants in total, local – 830, introduced – 480, CIP clone – 530.
- Potato mini-tubers were harvested from the greenhouse- 12,380 units in total; CIP clone – 5,350 units, introduced species – 2,480, Meskhi – 1,720 units, Meskhi red – 1,450 units, Javakheti – 1,380 units.
- Various vine species were propagated in the selected feeding areas; the plants were being propagated in-vitro according to the tissue culture application methods.

- The rare vine species and bases were stored in in-vitro GenBank, where all the physical and climatic conditions were observed.
- The species relatively easily adaptable to the environment were revealed.
- In-vitro propagation of advanced cultures – three types of sweet potato and goji berry were carried out in the laboratory; the plants were stored in the GenBank.
- 30 species of Georgian vine were being propagated in-vitro; 250 plants were transplanted to the new feeding area.
- With the help of the Goryaev camera, the intensity of selected strain propagation was studied.
- For newly separated Mujuretuli and Alexandrouli stains, the optimal boiling temperature of 18-22 C° was identified.
- With the purpose of separation of the advanced yeast pure cultures for wine production, the duplicates of 40 strains to be researched were prepared, their boiling energy is being studied and the strains with high boiling energy are being selected.
- The chlorophylls A and B were studied in Georgian vine species and the carotenoid dynamics were also studied in the vine blooming and shooting phases.
- In the leaves of the Georgian vine species, such as Rkatsiteli, Mtsvane Kakhuri, Saperavi, Chinuri, Goruli Mtsvane, Tavkveri, Tsolikouri, Tsitska, and Otskhanuri Saperavi, the volumes of free water and dry substances were studied.
- During the phases of technical maturity and organic rest in the leaves of the experimental vine species, the characteristics of chlorophyll fluorescence were studied.
- The obtained results were entered into the log.
- The types of fungus causing basic diseases of hazelnut and other nut cultures were specified.
- Phytosanitary monitoring was carried out in hazelnut orchards of the village of Akhalkakhati (Zugdidi Municipality); corresponding recommendations were provided.
- In viticulture regions of Eastern Georgia, the dynamics of vine cicada spreading and intensity and possibilities of transferring the phytoplasma diseases were studied.
- The new pesticide Triazole test acting jointly against the vine powdery mildew and ash was carried out in field and laboratory conditions; the effective regulations for the application of the preparation were identified.
- The hazelnut samples were investigated on the existence of two viruses and bacterial disease.
- With the help of the accelerated methods of diagnostics two species of hazelnuts, one species of walnut, and three species of almond were revealed which are relatively resistant to diseases.
- The vine phytoplasma diseases were revealed with the chain reaction method; 100 samples were inspected in total.
- 100 samples of hazelnuts were investigated. The samples were taken from both the Jigauri collection land plot and the Zugdidi region.
- To study the situation, the state of 13 nurseries was inspected and they were given corresponding instructions.

- With the farmers producing citrus, seed crops, and berry and berry group cultures, the on-site revision of the visual and laboratory research methods of harmful organisms and methods of grafting gardens inspection in grafting gardens was carried out.
- 4 nurseries were granted the status of qualification.
- In seven farms the number of samples to be taken from the grafting gardens for analyses was defined and analyzed.
- Four producers were added to the registry of planting material producers and now the registry involves 55 producers.
- The Autumn period inspections were carried out on farms to assess the phytosanitary state of the seedlings to be sold; the almond, apple, and laurel seedlings subject to the sale were inspected.
- The Autumn wheat seeds produced by 5 seed farms were planted.
- 73 certificates and 45,442 labels were issued.
- Field inspections were carried out at 5 wheat seed-producing farmers.
- Testing of test divisions of the seed material taken from the certified wheat batches was in progress.
- Description of the traditional maize and beans species was carried out according to the technical questionnaires.

Indicator Realization and Budget Expenditure

In 2021, during the reporting period, 72 scientific works were published, and 44 recommendations were developed.

Objective 2.5 To maintain agro-biodiversity	
Number and title of an activity:	Activity 2.5.2: Preserving genetic funds for annual and perennial crops. Elaborating innovative technologies for plantation, treatment, and bio-agro-production
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / LEPL Scientific Research Center
Reporting (monitoring) period	01.01.2021 - 31.12.2021
Performance Indicators	
Planned: 43 articles will be published, and 25 recommendations will be developed in the year 2021.	Realized: 72 scientific works (articles) were published, and 44 recommendations were developed in the year 2021.
Budget	
Estimated: GEL 2,200,000.00	Actual: GEL 2,363,038.00

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating		X			

		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

Goal 3 - Effective systems of food/feed safety, veterinary and plant protection

Strategic Goal 3 - Effective systems of food/feed safety, veterinary and plant protection include 4 objectives and 14 activities.

Objective 3.1 To approximate the sanitary and phytosanitary regulatory legislation of Georgia to the EU legislation

To accomplish Objective 31, two activities were carried out in the year 2021, including the elaboration of the sanitary and phytosanitary regulatory legislation of Georgia approximated with EU legislation. The activity under the Objective was implemented by the Ministry of Environmental Protection and Agriculture of Georgia.

As a result of the activities carried out to achieve the goal of the Objective, during the year 2021:

- ⇒ With the purpose of elaboration of the sanitary and phytosanitary regulatory legislation of Georgia approximated with EU legislation, based on EU 16 legal acts, the Ministry of Environmental Protection and Agriculture of Georgia submitted 10 draft resolutions of the Government of Georgia for the approval while 6 EU legal acts were deemed irrelevant.

The forecast budget of the activities planned for implementation of the Objective 3.1 was set at the amount of GEL 0.00. In 2021, the state spent GEO 0.00 on the implementation of the Objective.

- **Activity 3.1.1: To elaborate on the sanitary and phytosanitary regulatory legislation of Georgia approximated with EU legislation**

Responsible agency/department: Ministry of Environmental Protection and Agriculture of Georgia / Agriculture, Food and Rural Development Department, Legal Department, Department of International Relations and EU Integration

The goal of the activity: Approximation of the legislation regulating Georgian sanitary and phytosanitary spheres with the EU legislation within the framework of the DCFTA (Deep and Comprehensive Free Trade Area).

Realized Activities:

In 2021, to elaborate on the sanitary and phytosanitary regulatory legislation of Georgia approximated with EU legislation, based on 16 EU legal acts, the Ministry of Environmental Protection and Agriculture of Georgia submitted 10 draft resolutions of the Government of Georgia for the approval while 6 EU legal acts were deemed irrelevant.

Indicator Realization and Budget Expenditure

The implementation of the activity did not require a separate approved budget.

Objective 3.1: To approximate the sanitary and phytosanitary regulatory legislation of Georgia to the EU legislation	
Number and title of an activity:	Activity 3.1.1. To elaborate the sanitary and phytosanitary regulatory legislation of Georgia approximated EU legislation.
Responsible agency/department:	Ministry of Environmental Protection and Agriculture of Georgia / Agriculture, Food and Rural Development Department, Legal Department, Department of International Relations and EU Integration
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021, the draft resolutions of the Government of Georgia in the spheres of food safety, veterinary and plant protection will be submitted for approval to ensure approximation with the EU 16 legal acts.	Realized: In 2021, to elaborate on the sanitary and phytosanitary regulatory legislation of Georgia approximated with EU legislation, based on 16 EU legal acts, the Ministry of Environmental Protection and Agriculture of Georgia submitted 10 draft resolutions of the Government of Georgia for the approval while 6 EU legal acts were deemed irrelevant.
Budget	
Estimated: <u>GEL 0</u>	Actual: <u>GEL 0</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status					X

- Activity 3.1.2. Assisting the development of the Food Safety Quality Management System (QMS) (ENPARD IV, Indicator 1.7)

Objective 3.1: To approximate the sanitary and phytosanitary regulatory legislation of Georgia to the EU legislation	
Number and title of an activity:	Activity 3.1.2. Assisting the development of the Food Safety Quality Management System (QMS) (ENPARD IV, Indicator 1.7)
Responsible agency/department:	Ministry of Environmental Protection and Agriculture of Georgia/ LEPL National Food Agency
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2023: The document management system will be created for LEPL National Food Agency based on the best international practice (accreditation standard ISO 9001:2015)	Realized: The project is in the initial stage, and organizational/technical works are in progress, which involves the formation of the project group, development of a plan, hiring experts, etc.

Objective 3.2 To ensure that the products supplied to the local and export markets comply with sanitary and phytosanitary standards

To accomplish the Objective 3.2, seven activities were implemented in the year 2021, including conducting laboratory research in the sphere of food safety, preventive vaccination of animals, treatment of plants against pests, treatment of the areas against the stink bugs, laboratory research of samples of the wines represented in the market. The activities of the Objective were carried out by the Ministry of Environmental Protection and Agriculture of Georgia and the agencies subordinated to it.

As a result of the activities carried out to achieve the goals of the Objective, during the year 2021:

- ⇒ 7,740 planned inspections were carried out.
- ⇒ 3,884 food samples underwent laboratory investigation.
- ⇒ 6,465 documentary inspections were conducted.
- ⇒ About 4,670,344 heads of animals were vaccinated/investigated (against malanders, anthrax, rabies, brucellosis, lumpy skin disease, small livestock plague, spongiform encephalopathy, sheep catarrhal fever, tuberculosis).
- ⇒ 760,202 animals were identified.
- ⇒ 1,012,435 heads of animals were treated against external pests at veterinary supervision stations.
- ⇒ 145,800 ha was treated against locusts, fall webworm moths, *Cydalima perspectives*, and other pests.
- ⇒ 382 samples were inspected to identify the quality of pesticides and agrochemicals.
- ⇒ 186,000 ha was treated against stink bugs (four times).
- ⇒ 1,040 samples of alcoholic beverages were taken for wine laboratory research.
- ⇒ The percentage share of the business operators inspected by LEPL National Food Agency that had reached compliance with the relevant food safety regulations amounted to at least 20% in 2020 and at least 17.4% in 2021.

⇒ In 2020-2021: the rate of incompliance with the meat, meat products, milk, and dairy products was reduced to 5.8%.

The forecast budget of the activities planned to implement Objective 3.2 was set at the amount of GEL 22,220,000. In 2021, the state spent GEL 21,720,500 to accomplish the Objective.

- **Activity 3.2.1: Carry out laboratory tests in food safety**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Food Agency.

The goal of the activity: Reduction/elimination of facts of sale of harmful food in the consumer market; compliance of the sanitary-hygienic state of animal feed producing business operators with the requirements set forth under the legislation.

Realized Activities:

There were implemented, in total:

- planned inspections – 7,740
- unplanned inspections - 740
- checking – 6,975

6,465 documentary inspections were carried out; 3,884 food samples were taken and investigated; 635 supervisions were conducted.

When implementing the food safety state inspection, 2,414 administrative delinquencies were revealed in total.

Indicator Realization and Budget Expenditure

In 2021, the Agency carried out 7,740 planned inspections, 6,465 documentary inspections, and 3,884 food samples underwent laboratory investigation.

Objective 3.2 To ensure that the products supplied to the local and export markets comply with sanitary and phytosanitary standards	
Number and title of an activity:	Activity 3.2.1: Carry out laboratory tests in food safety
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Food Agency
Performance Indicators	

Planned: <ul style="list-style-type: none"> 7,000 planned inspections will be carried out. 8,000 documentary inspections will be conducted. 4,500 food samples will undergo laboratory investigation. 	Realized: <ul style="list-style-type: none"> 7,740 planned inspections were carried out. 6465 documentary inspections were conducted. 3,884 food samples were taken and investigated.
Budget	
Estimated: <u>GEL 1,150,000.00 (specified GEL 973,000)</u>	Actual: <u>GEL 957,000.00</u>

		Fully completed	Mostly completed	Partially completed	Not completed	
Progress evaluation	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- Activity 3.2.2: Implementing animal preventive vaccinations**

Responsible agency: LEPL National Food Agency

Partner agencies: DTRA, USDA, FAO, EuFMD, CDC, and local self-government.

The goal of the activity: Achieving stable epizootic reliability against especially dangerous diseases, reduction of zoonotic disease cases in animals and people; supporting provision of safe food of animal origin to the consumers.

Realized Activities:

Vaccinated:

- 873,901 cattle in total and 1,376,350 small livestock in total were vaccinated/revaccinated against the foot-and-mouth disease.
- 403,182 cattle in total, 569,133 small livestock in total, and 3,628 horses in total were vaccinated/revaccinated against anthrax.
- 180,356 heads of cattle and 11,514 heads of small livestock were vaccinated against brucellosis.
- 253,420 heads of domestic meat-eating (dogs, cats) animals were given preventive vaccinations against rabies.
- 741,078 heads of small livestock were vaccinated against the plague.
- 236,645 heads of small livestock were vaccinated against lumpy skin disease.
- 1,600 heads of cattle were investigated for tuberculosis according to the allergic method.

Treated:

- 13,084 heads of cattle in Crimea-Congo epidemiologic focus of infection.

- 13,231 heads of cattle and 999,204 heads of small livestock were treated against ectoparasites at veterinary supervision stations during migration to seasonal pastures.

Identified:

487,192 heads of cattle, 270,000 heads of small livestock, and 3,010 heads of pigs were identified.

Rechecked:

With the purpose of veterinary preparations' quality monitoring, 196 samples of the veterinary preparation (among them, 3 unplanned) were purchased and handed over to the laboratory. 1,042 facilities subject to control were inspected: in total, 937 facilities were inspected.

Indicator Realization and Budget Expenditure

In 2021, the Agency completed the preventive vaccination by 100% and identification – by more than 100%. The level of post-vaccination strain is higher than 70%. The activity indicator was completed.

Objective 3.2 To ensure that the products supplied to the local and export markets comply with sanitary and phytosanitary standards	
Number and title of an activity:	Activity 3.2.2: Implementing animal preventive vaccinations
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Food Agency
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021: <ul style="list-style-type: none"> • 4,457,887 heads of cattle will be vaccinated/investigated (on foot and mouth disease, anthrax, rabies, brucellosis, lumpy skin disease, goat pox virus and plague, and spongiform encephalopathy). • 533,000 heads will be identified. • 920,000 heads will be treated for external pests at veterinary inspection stations. 	Realized: In 2021: <ul style="list-style-type: none"> • 4,670,344 heads of cattle were vaccinated/investigated (on foot and mouth disease, anthrax, rabies, brucellosis, lumpy skin disease, goat pox virus and plague, and spongiform encephalopathy). • 760,202 heads were identified. • 1,012,435 heads were treated for external pests at veterinary inspection stations.
Budget	
Estimated: <u>GEL 9,450,000.00</u>	Actual: <u>GEL 9,412,000.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 3.2.3: Plants treatment against harmful insects**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Food Agency.

The goal of the activity: Taking measures against the especially harmful organisms over the entire territory of the country, avoiding damaging the agricultural cultures and losing the harvest.

Realized Activities:

As a result of the phytosanitary monitoring, the area of spreading of non-quarantine harmful organisms was defined and the liquidation measures were taken with the help of the special equipment available at the Agency:

- ✓ 120,000 ha were treated against locusts in Eastern Georgia (Kakheti, Kvemo Kartli, Shida Kartli, and Mtskheta-Mtianeti).
- ✓ 2,460 ha were treated against fall webworm moths in the Kakheti region.
- ✓ 332 samples of pesticides and 50 samples of agro-chemicals underwent laboratory investigations.

Indicator Realization and Budget Expenditures

In 2021, the authorized persons of the Agency registered about 250 sales facilities of pesticides and agrochemicals all over the country. During the planned inspections, business operators were fined due to 132 facts of administrative delinquency. Respectively, the procedures of acknowledgment of about 90 sales facilities were being carried out.

When inspecting the quality of chemicals, 332 samples of pesticides and 50 samples of agro-chemicals from 151 realization facilities were taken. The samples were handed over to the laboratory for investigation.

The preliminary monitoring of locusts was implemented and about 120,000 ha were treated in Kakheti, Kvemo Kartli, Shida Kartli, Samtskhe-Javakheti, the city of Tbilisi, and Mtskheta-Mtianeti.

The list of quarantined harmful organisms and the number of samples to be investigated in the framework of the program were determined. As of the given period, to reveal the quarantine of harmful organisms, the laboratory investigations of 1,312 samples were carried out.

Objective 3.2 To ensure that the products supplied to the local and export markets comply with sanitary and phytosanitary standards

Number and title of an activity:	Activity 3.2.3: Plants treatment against harmful insects
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Food Agency
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: In 2021 <ul style="list-style-type: none"> • 22,000 ha will be treated against locusts, fall webworm moth, and box tree moth. • About 350 samples will be tested to identify the quality of chemicals and pesticides. 	Realized: In 2021 <ul style="list-style-type: none"> • 145,800 ha were treated against locusts, fall webworm moth, box tree moth, etc. • About 382 samples were tested to identify the quality of chemicals and pesticides.
Budget	
Estimated: <u>GEL 1,420,000.00</u>	Actual: <u>GEL 1,951,000.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 3.2.4: Treatment of the lands against stink bugs**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Food Agency.

The goal of the activity: Reducing the number of stink bugs and their control; avoiding damage to agricultural cultures and economic loss; stopping the spreading-propagation of the pest in Eastern Georgia.

Realized Activities

The Action Plan was developed, the logistic centers were chosen, and the personnel was selected. They were actively involved in the work.

In the administrative units of the regions, there were planned and implemented the meetings with the representatives of the administrative units, the Ministry of Agriculture, the First Deputy Minister, the Prime Minister, representatives of the state staff, the Cabinet of Ministers, members of the Hazelnut Growers Association, beekeeper farmers, the Turkish scientist in the issues of the agriculture and development and plant protection. The current working plan and the work done were discussed.

In total, 162 meetings were organized and attended by 2,413 people.

Indicator Realization and Budget Expenditure

Within the framework of the measures against the stink bugs, based on the Order No. 2-274, dated March 10, 2021, of the Minister of Environmental Protection and Agriculture, the center of management of the measures against stink bugs was created in Western Georgia.

Monitoring of the pest winter phase was carried out in the locations of hibernating. For monitoring, 5,180 pheromones were installed. 42,064 pheromones were installed against the stink bugs. The technical groups made the sprays operational, developed the action plan and freelance workers were hired according to the plan. Small-scale spraying was carried out on 72,219.5 ha and 113,580 ha was treated with thermal fog. In total, 185,799.5 ha were treated against the stink bugs.

Objective 3.2 To ensure that the products supplied to the local and export markets comply with sanitary and phytosanitary standards	
Objective number and title:	Activity 3.2.4: Treatment of the lands against stink bug
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Food Agency
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performed Indicators	
Planned: 250 thousand ha will be treated against stink bugs (twice) in 2021.	Realized: 186 thousand ha were treated against stink bugs (twice) in 2021.
Budget	
Estimated: <u>GEL 9,500,000.00</u>	Actual: <u>GEL 9,028,000.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating		X			
	Status	Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed

- **Activity 3.2.5** Conducting laboratory test of the wine samples presented on the market

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Wine Agency.

The goal of the activity: is the elimination of the appearance of the falsified and low-quality wine products in the local and export markets.

Realized Activities

In 2021, within the framework of laboratory testing, the inspection of wine and alcoholic beverages was carried out in 207 companies, where 440 samples were taken in total. 23 companies were denied the use of the certificate. State supervision and state control were carried out in 50 companies and 700 samples were taken.

Indicator Realization and Budget Expenditure

- Export products were inspected by 207 companies. 23 companies were denied the use of the certificate.
- 1,140 samples of state control and state supervision.

Objective 3.2 To ensure that the products supplied to the local and export markets comply with sanitary and phytosanitary standards	
Number and title of an activity:	Activity 3.2.5: Conducting laboratory test of the wine samples presented on the market
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Wine Agency
Reporting (monitoring) period	01.01.2021 – 31.12.2021
Performance Indicators	
Planned: 900 samples of alcoholic beverages will be taken for laboratory tests of wine in 2021.	Realized: 1,040 samples of alcoholic beverages were taken for laboratory tests of wine in 2021.
Budget	
Estimated: GEL 700,000.00 (specified GEL 395 400)	Actual: GEL 372,500.00

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status					X

Activity 3.2.6 Ensuring Food Business Operators (FBO) compliance with national food safety regulations (ENPARD IV, Indicator 1.3)

Objective 3.2 To ensure that the products supplied to the local and export markets comply with sanitary and phytosanitary standards	
Number and title of an activity:	Activity 3.2.6 Ensuring Food Business Operators (FBO) compliance with national food safety regulations (ENPARD IV, Indicator 1.3)
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Food Agency
Reporting (monitoring) period	01.01.2020 – 31.12.2021
Performance Indicators	
Planned: In 2022: the percentage share of the NFA inspected FBOs achieved compliance with relevant food safety regulations in the full indicator is at least 16%.	Realized: The percentage share of the NFA inspected FBOs achieved compliance with relevant food safety regulations in the full indicator was at least 20% in 2020 and at least 17,4% in 2021.

Activity 3.2.7 Ensuring food safety compliance of livestock products (ENPARD IV, Indicator 1.6)

Objective 3.2 To ensure that the products supplied to the local and export markets comply with sanitary and phytosanitary standards	
Number and title of an activity:	Activity 3.2.7 Ensuring food safety compliance of livestock products (ENPARD IV, Indicator 1.6)
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / LEPL National Food Agency
Reporting (monitoring) period	01.01.2020 – 31.12.2021
Performance Indicators	
Planned: In 2023: The non-compliance rate of meat, meat products, milk, and milk products will be decreased to 8.3%.	Realized: In 2020-2021: The non-compliance rate of meat, meat products, milk, and milk products decreased to 5.8%.

Objective 3.3 To build the laboratory capacities

To accomplish Objective 3.3, just one activity was carried out in 2021, including introducing new methods and parameters of research. The Objective was carried out by the Ministry of Environmental Protection and Agriculture of Georgia and its subordinated LEPL Laboratory of the Ministry of Agriculture.

As a result of the implementation of the activities to achieve the goals of the Objective, during the year 2021:

- ⇒ Within the framework of ISO 17025 standard, based on ISO 9001:2015 certificate, 14 new methods and 3 new parameters related to the diseases of food products, water, plants, and animals were implemented and accredited in the laboratory.

The forecast budget of the activities planned to be carried out for the implementation of Objective 3.3 was set at the amount of GEL 7,000,000. In 2021 the state spent GEL 7,083,700 on the implementation of the Objective.

- **Activity 3.3.1. Introducing new methods and parameters of research**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia / LEPL Laboratory of the Ministry of Agriculture.

The goal of the activity: Going through the accreditation process according to ISO 17025 (veterinary, food safety, plant disease diagnostics) by the network of the LEPL Laboratory of the Ministry of Agriculture.

Realized Activities

The accreditation process of ISO 17025 of the planned and additional spheres carried out by the GAC of the United National Accreditation Agency was completed. As a result, the following was added to the accreditation sphere:

- In food research - 2 new methods and 3 parameters (in honey – determination of nitroimidazoles – dimetridazole, ipronidazole, tinidazole – by the method of liquid chromatography; in flour - whiteness and quality determination.
- In diagnostics of plants harmful organisms - 12 new methods (identification of the *Dickeya* sp. bacteria causing wet rot by means of a polymerase chain reaction; identification of the *Pseudomonas syringae* pv. *syringae* sp bacteria causing bacterial cancer of seed and stone plants by means of a polymerase chain reaction; identification of the *Xanthomonas arboricola* pv *pruni* bacteria causing bacterial spotting of stone plants and almond by means of a polymerase chain reaction; identification of *Pectobacterium atrosepticum* bacteria causing potato fungal disease by means of a polymerase chain reaction; morphologic-morphometric characterization and identification of *Xiphinema diversicaudatum*; morphologic-morphometric characterization and identification of *Longidorus macrosoma*; morphologic-biologic research of *Cassia occidentalis* L; morphologic-biologic research of *Cassia tora* L; morphologic research of *Helianthus lenticularis* Dough; separation of the weed seeds from the soil; revealing and morphologic-biochemical identification of *Pseudomonas corrugate* the tomato stem necrosis (submitted for approval); separation, identification, morphological features of the *Sclerotium* sp. family representatives (*S. sclerotiorum*, *S. Trifolium*, *S. Minor* and *S. cepivorum*).

Apart from that, in 2021, 11 more methods in the sphere of food research and veterinary were implemented in the laboratory, accreditation of which methods are planned in the first half of the year 2022.

Indicator Realization and Budget Expenditures

In 2021, within the framework of the ISO 17025 standard, based on the ISO 9001:2015 certificate, 25 new methods and 7 parameters on the food, water, plants, and animal diseases were implemented, out of which 14 methods and 3 parameters were accredited; it was planned to implement and accredit 4 new methods and 5 parameters of research. Accreditation of the remaining methods is planned for the first half of the year 2022.

Objective 3.3 To build the laboratory capacities	
Number and title of an activity:	Activity 3.3.1: Introducing new methods and parameters of research
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia / LEPL Laboratory of the Ministry of Agriculture
Reporting (monitoring) period	01.01.2021 - 31.12.2021
Performance Indicators	
Planned: In 2021, within the framework of the ISO 17025 standard, based on the ISO 9001:2015 certificate, 5 new methods and 5 parameters on the food, water, plants, and animal diseases will be implemented.	Realized: In 2021, within the framework of the ISO 17025 standard, based on the ISO 9001:2015 certificate, 14 new methods and 3 parameters on food, water, plants, and animal diseases were implemented.
Budget	
Estimated: <u>GEL 7,000,000.00</u>	Actual: <u>GEL 7,083,700.00</u>

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

Objective 3.4 Quality assurance of agricultural inputs

To accomplish Objective 3.4, 4 activities were carried out in 2021, including scientific research on the methods for storing and processing agriculture products. The activities of the Objective were carried out by the Ministry of Environmental Protection and Agriculture and its subordinated LEPL Scientific Research Centre.

As a result of the activities implemented to achieve the goals of the Objective, during the year 2021:

- ⇒ Soil conditions were studied on 25,000 ha.
- ⇒ 1 map was created showing organic carbon reserves in the soil.
- ⇒ within the framework of scientific research on the methods for storing and processing agriculture products, 8 articles were published, and 3 recommendations were developed.
- ⇒ In 2020-2021, 7 private nurseries were created and accredited by CAC. They are producing CAC class garden seedlings.
- ⇒ In 2021, the application of the seeds certified for wheat production will be increased by 149.8%, compared with the indicator of the year 2019 – the amount of the certified wheat produced in the country – 1,495,525 t, imported - 308.3 t, accumulated – 1,803,825 t.

The forecast budget of the activities planned for the implementation of Objective 3.4 was set at the amount of GEL 150,000. In 2021, the state spent GEL 116,009 for the implementation of the Objective.

- **Activity 3.4.2: Study of Georgian Land Fund**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/LEPL Scientific Research Center.

The goal of the activity: Restoring the structure and improve the fertility of the degraded soils.

Realized Actions

- Within the framework of studying the general state of the Georgian soil, a grid of the soil sample-taking points (2 km x 2 km) was created for the territories of Signaghi, Dedoplistskaro, Bolnisi, and Marneuli Municipalities.
- The proposed plan schedule of soil sample-taking for the year 2021 was created.
- The soil field research was carried out and 166 soil samples were taken to study the soil's physical and chemical characteristics and 120 samples – to define the physical features of the soil.
- The results of 120 soil sample laboratory tests were prepared and the database was updated.
- 52 soil samples were tested in the laboratory to study their chemical and physical characteristics. The physical features of the soil were defined in 30 soil samples.
- On the model-demonstration plots of land of the Scientific Research Centre, to evaluate the soil fertility, the soil field research was carried out and 37 samples were taken which were tested in the laboratory to evaluate the fertility.
- The soil fertility was evaluated based on the tested soil samples.
- The maps reflecting the volume of organic carbon, exchangeable potassium, and copper in the soil were prepared.

- The soil field research was carried out, 16 soil samples were taken and investigated and the recommendations were developed based on their evaluation.
- The results of the field and laboratory research were entered into the electronic base; the electronic database was updated.
- 12 soil samples and 2 plant samples were taken and prepared for analyses to define the extraction of nutrient elements by agricultural products from the soil.
- 6 soil samples were tested in the laboratory with the purpose of determination of the exchangeable cations and organic matters.
- 88 soil samples were taken to study the physical and chemical characteristics of the soil and 42 samples – to determine the physical features of the soil.

Indicator Realization and Budget Expenditure

In 2021, during the reporting period, soil conditions were studied on a 25,000 ha land area; 1 map was created showing organic carbon reserves in the soil:

- 5 recommendations were developed.
- 8 scientific articles were published.
- 17 various maps were created.

Objective 3.4 Quality assurance of agricultural inputs	
Number and title of an activity:	Activity 3.4.2: Study of Georgian Land Fund
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/LEPL Scientific Research Center
Reporting (monitoring) period	01.01.2021 - 31.12.2021
Performance Indicators	
Planned: In 2021: <ul style="list-style-type: none"> • Soil conditions will be studied on 20,000 ha. • 1 map will be created showing organic carbon reserves in the soil. 	Realized: In 2021: <ul style="list-style-type: none"> • Soil conditions were studied on 20,000 ha. • 1 map was created showing organic carbon reserves in the soil.
Budget	
Estimated: GEL 100,000.00 (specified GEL 85,700)	Actual: GEL 85,200.00

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 3.4.3: Scientific research of the methods for storing and processing agriculture products**

Responsible agency: Ministry of Environmental Protection and Agriculture of Georgia/LEPL Scientific Research Center.

The goal of the activity: Scientific research of the methods for storing and processing agriculture products.

Realized Activities

- The efficiency of the combined solution (reduction of common losses in grapes) was revealed compared with the control version.
- After storing the table grape, the obtained results were analyzed according to both losses and chemical indicators.
- The efficiency of the combined solution in the storing process on the biochemical indicators and the influence of the optimal concentration on changes in biologically active matters was revealed.
- The samples of 3 spices were taken for storage: Cordia, Sweetheart, and Regina; each species were treated with the combined solution.
- In cherry, peach, and nectarine samples the range of biochemical indicators was determined.
- The samples of potato, garlic, and onion were taken for storage. They underwent primary treatment. An experiment was conducted to study the ability to preserve each species.
- In the samples of fruit-berry (apple, mini kiwi, pomegranate) vinegar and cider the Phytochemical indicators were determined: soluble dry substance, total phenols, acidity, sweetness, alcohol content, macro-and microelements.
- Wild pear, sea buckthorn, white hazel tree, root beet, pomegranate, and grapefruit were processed and the samples were to be investigated (juice, fermented juice, syrup, concentrate, jam) were obtained.
- The samples of low alcohol apple (combination of species) beverage subject to the investigation were prepared (two versions, using different yeasts).
- Geometrical and technical parameters of concentrating devices were specified, they were tested, and their operability was identified.
- The machinery equipment necessary for experimental fruit and vegetable processing space was selected and the specifications were found.
- The sensor indicators of the tested samples were identified: vinegar (3 assortments), low alcohol apple beverage (2 assortments), and lemonade (4 assortments).
- A recommendation was developed on the technology for obtaining natural sugar-free lemonades, such as the technology of obtaining cherry, aromatic grapes (two types), and dwarf elderberry lemonades, advantages of the beverages, and technical means necessary for the implementation of the basic technological processes.

- The quantitative indicator of the skin and grape stone in grape spices was determined according to the species and content of phenol matters.
- The degustation of the obtained products was held nectarine, compote, fruit-jam, jam (of residues) – the grape deionized concentrate is used in the technology instead of sugar.
- The total amount of titrable acidity, pH, soluble dry matters, and anthocyanins in the grape stone and skin (Saperavi, Chkhakveri, Dakapo) was determined. The best version will be identified according to the obtained indicators.
- The parameters (concentration and exposition of NaOH solution) of preliminary processing (blanching) were defined according to the species.
- Humidity, soluble dry matters, pH, and titrable acidity of dry cherry were determined.
- Technical and technological characteristics were determined for plum fruit (four species).
- Sensor analyses and degustation were held for the prepared dry fruit (cherry – 4 species, plums – 3 species) and dry fruit assortment (plums, grape, cherry, quince, peach, apple, pear, persimmon).
- Technical (average weight, stone percentage content) and basic technological characteristics (soluble dry matter, %; pH; titrable acidity, %) were determined for the dwarf cherry fruit (four species).
- Plums (two species) were dried according to the conventional method.
- Physical-chemical features, chemical content, and microbiological indicators of fresh milk were determined.
- “Sulguni” cheese (control) and “Sulguni Mass” (test sample) cheese wheels were boiled traditionally at the milk processing plant.
- The prepared Sulguni, with the purpose of approval, was handed over to the laboratory of the Ministry of Agriculture.
- The degustation was held.

Indicator Realization and Budget Expenditure

In 2021, during the reporting period, 8 scientific articles were published, and 3 recommendations were developed. Additionally: an instruction was developed.

In 2021, the budget planned for the program implementation equaled GEL 50,000, which was adjusted during the year and amounted to GEL 32,000, but the actual use of the budget equaled GEL 30,809.

Objective 3.4 Quality assurance of agricultural inputs	
Number and title of an activity:	Activity 3.4.3: Scientific research of the methods for storing and processing agriculture products
Responsible agency:	Ministry of Environmental Protection and Agriculture of Georgia/LEPL Scientific Research Center
Reporting (monitoring) period	01.01.2021 - 31.12.2021

Performance Indicator	
Planned: 3 articles will be published, and 1 recommendation will be elaborated in 2021.	Realized: 8 articles were published, and 3 recommendations were developed in 2021.
Budget	
Estimated: GEL 50,000.00 (adjusted: GEL 32,000)	Actual: GEL 30,809.00

Progress evaluation		Fully completed	Mostly completed	Partially completed	Not completed	
	Rating	X				
		Implementation process not initiated	Implementation process ongoing	Implementation process suspended	Implementation process terminated	Implementation process completed
	Status		X			

- **Activity 3.4.4: The strengthened quality assurance of agriculture planting materials (ENPARD IV, Indicator 1.1)**

Objective 3.4 Quality assurance of agricultural inputs	
Number and title of an activity:	Activity 3.4.4: The strengthened quality assurance of agriculture planting materials (ENPARD IV, Indicator 1.1)
Responsible agency:	Ministry of Environmental Protection and Agriculture / LEPL Agriculture Scientific-Research Centre / Non-entrepreneurial (non-commercial) Legal Entity Rural Development Agency
Reporting (monitoring) period	01.01.2020-31.12.2021
Performed Indicators	
Planned: At least 7 private nurseries, which are CAC-accredited, and which produce CAC grade orchard seedlings, will be established in 2021.	Realized: 7 private nurseries, which were CAC-accredited and were producing CAC grade orchard seedlings, were established in 2020-2021.

- **Activity 3.4.5: Ensuring food security (ENPARD for food security/sovereignty, ENPARD IV, Indicator 1.2)**

Objective 3.4 Quality assurance of agricultural inputs	
Number and title of an activity:	Activity 3.4.5: Ensuring food security (ENPARD for food security/sovereignty, ENPARD IV, Indicator 1.2)
Responsibility agency:	Ministry of Environmental Protection and Agriculture of Georgia/ LEPL Agricultural Research Center
Reporting (monitoring) period	01.01.2020-31.12.2021
Performance Indicator	

<p>Planned:</p> <p>Usage of certified seeds for wheat production will increase by 30% in the year 2021, compared to the 2019 baseline value.</p>	<p>Realized:</p> <p>2021: The volume of the certified wheat produced in the country – 1,495,525 t, imported – 308 t, accumulated – 1,803,825 t.</p> <p>2020: The volume of the certified wheat produced in the country – 550.35 t, imported – 598 t, accumulated – 1,148.25 t.</p> <p>2019: The volume of the certified wheat produced in the country – 550 t, imported – 172 t, accumulated – 722 t.</p>
---	---