



USAID
FROM THE AMERICAN PEOPLE

NEO

New Economic Opportunities Initiative
ახალი ეკონომიკური შესაძლებლობების ინიციატივა

NEO 2014 ANNUAL REPORT

October 1, 2013 – September 30, 2014



October 30, 2014

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International.

NEW ECONOMIC OPPORTUNITIES INITIATIVE (NEO)

2014 Annual Report

Funded by the
U.S. Agency for International Development

Implemented by
Chemonics International, Inc.

Contract No. AID-114-C-11-00001

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

ACRONYMS

AAC	Aragvispri Adventure Center	LED	Local Economic Development Planning
ABL	Administrative Boundary Line (with South Ossetia)	MASHAV	Israeli Agency for International Development
ACF	Action against Hunger	MoESD	Ministry of Economic and Sustainable Development
AFAD	Association for Agricultural Development	MRA	Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees
AIC	Abkhazintercont	MRDI	Ministry of Rural Development and Infrastructure
APS	Annual Program Statement	MT	Maintenance Team
AUG	Agricultural University of Georgia	MTA	Mountain Travel Agency
CHCA	Charity Humanitarian Centre Abkhazeti	NASP	National Agency of State Property
CiDA	Civil Development Agency NGO	NEO	USAID/New Economic Opportunities Initiative
DRC	Danish Refugee Council	NGO	Non-Governmental Organization
EDP	Economic Development Plan	NORC	NORC at the University of Chicago
ENPARD	European Neighborhood Programme for Agriculture and Rural Development	PMP	Performance Management Plan
F2F	USAID/Farmer to Farmer Program	REDA	NEO Rural Economic Development Advisor
FtF	Feed the Future	RDA	NEO Rural Development Advisor
FY	Fiscal Year	RFA	Request for Application
GEL	Georgian Lari	RFP	Request for Proposal
GMP	USAID/Municipal Infrastructure and IDP Housing Rehabilitation Project	SOW	Scope of Work
HOA	Homeowners Association	TA	Tenant's Association
IDP	Internally Displaced Person	US	United States
INRMW	USAID/Integrated Natural Resources Management in	USAID	U.S. Agency for International Development
IPM	Integrated Pest Management	USD	United States Dollars
JUC	Joint Use Center	USG	U.S. Government
		VTC	Vocational Training Center
		ZMC	Zeta Mountain Camp

TABLE OF CONTENTS

▪ Acronyms	3
▪ Executive Summary	5
▪ Component 1: Community-Level Economic Development Planning	7
▪ Component 2: Rural Economic Development	13
▪ Component 3: Assistance to Support Highly Vulnerable Households and Individuals	29
▪ Component 4: Promoting Sustainability of IDP Housing	36
▪ Project Operations	43

Executive Summary

This is the third annual report of the Georgia New Economic Opportunities Initiative (NEO), a USAID-funded rural economic development project envisioned to operate through December 2015. This report provides a comprehensive overview of the results and accomplishments achieved in Fiscal Year (FY) 2014 in relation to the previous year (FY 2013) and project baseline levels. Since project inception, NEO has assisted more than 65,577 rural households, provided 52,699 target beneficiaries with improved socio-economic infrastructure services, administered agricultural sector productivity training to 31,434 farmers, supported 8,798 internally displaced persons (IDPs) to establish homeowners (HOAs) and tenants associations (TAs) to effectively manage and maintain their rehabilitated infrastructure, and strengthened the capacity of 4,984 private enterprises in 85 communities across Georgia. These numbers reflect the scale of NEO's impact to date on rural communities in Georgia.

Component 1 – Community Level Economic Development Planning. During FY 2014, NEO, together with community working-, focus-, and monitoring groups, successfully completed and updated 85 local economic development plans. Based on the priorities outlined in the economic development plans (EDPs), NEO, in coordination with community groups, local government officials, and local construction companies, completed 71 small-scale infrastructure projects which provide direct economic and social benefits for each community. In addition, the project secured on average, a cost-share of 38 percent from municipalities for these infrastructure projects. The resulting infrastructure projects have improved the livelihoods of 14,242 households by providing increased access to agricultural land and potable water, increased volumes of irrigation water, protection against floods, and enhanced educational and recreational facilities.

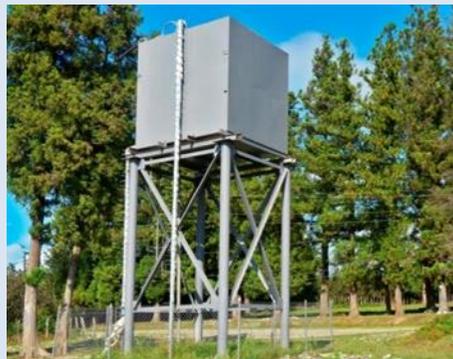
Component 2 – Rural Economic Development. To further support farmers to transition from subsistence to small-scale commercial farming, NEO supported 65 farmers in establishing modern fruit tree, berry, wine grape, ware potato, and greenhouse and open-field vegetable demonstration plots. Trainings in new agricultural technologies and farm management practices provided by NEO's international and local agricultural experts benefitted 13,531 farm households on 8,897 hectares of land. NEO-supported farmers harvested and sold 292,775 kilograms of vegetables, fruits, nuts, and honey, as well as 112,890 vegetable seedlings, 59,192 berry plants, 19,140 tree fruit and grape saplings, and 6,150 flowers to generate \$397,395 in sales. This was a direct result of the implementation of new technologies, farmer trainings, and one-on-one technical assistance throughout the crops' production cycles provided by the project.

Component 3 – Assistance to Strengthen Highly Vulnerable Households and Individuals. An additional 225 vulnerable individuals, including IDPs, graduated from NEO-supported vocational training courses during FY 2014. In total, 889 vulnerable individuals participated in NEO-sponsored vocational training programs, of which 76 percent (678) of graduates have gained or improved their employment status. NEO's two livelihood package service providers, Abkhazintercont (AIC) and Civil Development Agency (CiDA), delivered 564 livelihoods packages to 688 vulnerable households, which has led to an average increase of 75 percent in households' annual income levels. AIC and CiDA also linked 189 vulnerable individuals with 35 businesses to participate in three-month on-the-job training programs. Upon completion of the programs, 170 vulnerable individuals (90 percent) were hired as full-time employees by these businesses.

At the close of the second quarter of FY 2014, NEO's grantee, Charity Humanitarian Centre "Abkhazeti" (CHCA), completed the implementation of the NEO-supported no-interest loan program for vulnerable individuals including IDPs. During the 18-month implementation period, CHCA disbursed a total of 342 loans totaling \$197,965. CHCA also trained 470 vulnerable individuals in business management to provide them with the skills required to establish successful start-up enterprises. Sixty percent of loan recipients were women entrepreneurs, and 68 percent of the loans were issued to support the establishment of IDP businesses. On average, loan recipients generated a 137 percent increase in monthly income relative to their monthly income levels prior to taking the loans.

Component 4 – Promoting Sustainability of IDP Houses Rehabilitated with Support from the USG. During FY 2014, NEO completed trainings in HOA formation and management, and established eight HOAs comprised of 289 IDP households in 10 newly rehabilitated buildings. While establishing the HOAs, NEO and the HOA jointly identified 39 residents and provided customized training to improve their skills in electrical works, plumbing, masonry, welding, tile-setting, and carpentry to enable them to properly maintain their HOA buildings and common use areas. NEO distributed 15 income-generating grants to 12 HOAs and TAs to support the associations in generating sustainable revenue streams to maintain, repair, and upgrade their infrastructure. By the end of FY 2014, 49 NEO-supported HOAs and TAs had collected \$4,380 from membership fees, maintenance tools' rental fees, and income generating grants.

Emergency Funds. During FY 2014, NEO committed ██████████ to support approximately 300 vulnerable households in nine priority villages along the administrative boundary line (ABL) with South Ossetia in Gori municipality through infrastructure development projects. This included the design and rehabilitation of a kindergarten to provide a safe learning facility for children in Zemo Nikozi, Kvemo Nikozi and Zemo Khviti villages; rehabilitation of the potable water supply system in Plavismani village providing access to clean water for 190 households; and identification of 71 individuals from the priority villages of Adzvi, Djariasheni, Kveshi, Plavi and Kere to receive agricultural and non-agricultural livelihood packages and training. NEO also completed six river-bank reinforcement gabion projects which provided flood protection for 222 households in Shamgona, Oktomberi, Akhalsopeli, Darcheli (Zugdidi), Mujava (Tsalenjikha) and Rtskhmeluri communities (Lentekhi).

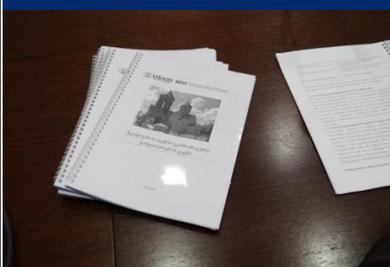


Component 1: Community-Level Economic Development Planning

Activity 1.0 Overview



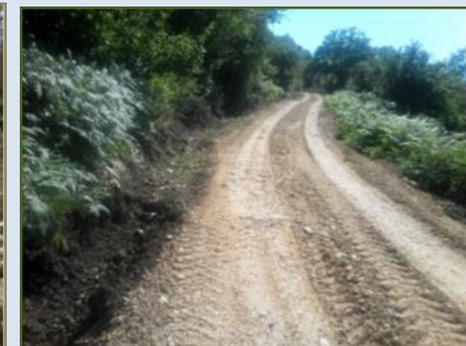
In FY 2014, NEO continued working with 29 community working groups and focus groups to finalize economic development plans (EDPs) initiated in FY 2013. In addition to developing the plans, the working and focus groups presented their EDPs and lists of priority projects to municipal officials in the Gori, Kareli, Khashuri, Dusheti, Zugdidi, Tsalenjikha, Oni, and Lentekhi municipalities for inclusion in municipal budgets. In addition, NEO's community mobilizers assisted community groups to establish monitoring groups from the existing working groups. These monitoring groups are responsible for reviewing and updating EDPs based on completed projects and newly identified priorities in the agriculture, non-agricultural business, infrastructure, and social development sectors for their communities.



In FY 2014, NEO continued implementation of small-scale infrastructure rehabilitation projects in target communities. To date, NEO has secured agreements with partner municipalities for the implementation of 86 small-scale infrastructure projects in target communities. To date, NEO has worked jointly with partner municipalities to complete 71 small-scale infrastructure projects. These projects have included rehabilitation of the following: 27 potable water supply systems, 13 rural roads, 11 flood protection gabions, 7 drainage channels, 6 kindergartens, 3 irrigation systems, 2 sports fields, a public park, and an agrarian market. These infrastructure rehabilitation projects implemented by NEO have benefitted 6,791 households to date. Households have received tangible economic and social benefits, such as access to safe drinking water, increased availability of water for irrigation, improved transportation infrastructure, and enhanced recreational spaces for families and individuals residing in the project area.



*Rehabilitated Drainage Channel
Ali Community, Khashuri Municipality*



*Rehabilitated Road,
Tvishi Community, Tsageri Municipality*

Activity 1.1: Municipal and Local Economic Development Planning



In FY 2014, NEO assisted target community working groups from 29 communities in Gori (7), Kareli (2), Khashuri (3), Dusheti (3), Zugdidi (7), Tsalenjikha (2), Oni (1), and Lentekhi (4) municipalities to present their EDPs to municipal officials. During the EDP presentations, the working group members presented priority projects identified by the community in agriculture, non-agriculture business, infrastructure, and social sectors. Municipal officials lauded the EDP developed by the community members and verbally agreed to allocate budgetary resources to support implementation of at least the identified priority infrastructure project in each community. Approximately 118 community group representatives attended the EDP presentations in eight municipalities.



During FY 2014, NEO also assisted community working groups to select members and establish EDP monitoring groups, involving 296 community members, in 74 NEO target communities in Gori (12), Kareli (5), Khashuri (7), Dusheti (8), Kazbegi (3), Zugdidi (17), Tsalenjikha (8), Oni (5), Tsageri (5) and Lentekhi (4). The monitoring groups reviewed their EDPs developed in FY 2012/13, and identified projects from the original EDPs, which have been implemented over the past two years with the support of NEO, the municipality, village programs, state government or any other donor working in the community. NEO then assisted the monitoring groups to revise and update their EDPs, including the addition of a table highlighting completed projects in each sector with their total value and funding sources mobilized.



*Irrigation Channel
Gomi Community, Khashuri Municipality*



*Riverbank Reinforcement Gabion
Zugdidi Municipality*



Activity 1.2: Implement small-scale infrastructure projects



*Potable Water System
Gori Municipality*



*Cross-Road Drainage Pipe
Zugdidi Municipality*

In FY 2014, NEO continued implementation of priority small-scale infrastructure projects in NEO target communities. NEO’s civil engineers and the project environmental specialist visited 34 target-communities; identified, assessed, and drafted scopes of work for 34 new projects; conducted environmental monitoring and mitigation measures and secured necessary approvals; announced 39 requests for proposals (RFPs); and selected design and construction companies before initiating implementation of rehabilitation works.

NEO also completed 41 small-scale infrastructure rehabilitation projects across all 10 target municipalities, including 12 potable water supply systems, 8 rural roads, 7 flood-protection gabions, 7 drainage channels, 3 kindergarten buildings, 2 irrigation channels, an agrarian market, and a pedestrian footbridge. By the end of FY 2014, NEO completed 71 of the 87 planned infrastructure projects, providing benefits to 6,791 households in the target communities (see Table 1 below).

In addition, NEO initiated construction activities in the remaining 15 target communities related to the rehabilitation of six potable water supply system projects, four drainage channels, three kindergarten buildings, an irrigation channel, and a decorative fountain. These remaining projects will benefit 1,849 households.

The planned rehabilitation of a drainage channel in Didi Plevi community of Khashuri municipality was canceled at the end of FY 2014. NEO canceled the project because the municipality was unable to secure the necessary approval from the Ministry of Environment for the proposed dumpsite for depositing excess soil from channel excavations. (The closest alternative disposal site was situated far from the work location; high transportation costs for soil disposal to this alternate site would have significantly increased the project costs above both the municipality’s and NEO budget allocations.) Furthermore, because NEO activities in this community will end by December 31, 2014, there is insufficient time to select, approve, tender and implement an alternative project within the timeline of the NEO project.

Therefore, within the frame of the original project, NEO will complete 86 infrastructure projects in 84 of the 85 target communities.

During the reporting period, NEO signed letter of intents with partner municipalities to secure cost-share contributions and cooperation for the implementation of 37 rehabilitation projects selected for FY 2013 and FY 2014 in Gori (8), Kareli (3), Khashuri (5), Dusheti (2), Kazbegi (2), Zugdidi (10), Tsalenjikha (1), Oni (1), Tsageri (3) and Lentekhi (2) municipalities. To date, partner municipalities have pledged \$711,500(GEL 1,245,126), or ██████████ of the total value of NEO-supported small-scale infrastructure projects. Partner municipalities have already contributed \$623,680 (GEL 1,091,439), or ██████████—including \$23,500 (GEL 41,126) in third-party contributions from the United Water Company of Georgia—of total project costs for the 71 completed projects, well above the ██████████ cost-share requirement under the NEO project. Municipalities have already committed funds for projects in 59 of the 71 project locations; municipality funds for the 11 remaining locations will be committed in FY 2015.

Table 1: NEO Small-Scale Infrastructure Projects - FY 2012 - FY 2014

Municipalities (no. of target communities)	Type of Rehabilitation Project							No. Completed Projects	No. Ongoing Projects	Beneficiary HHS.	Municipal Cost-Share*	Municipal Completed Projects
	Potable Water	Rural Road	Drainage Channels	Irrigation Channel	Gabion	Sports Field / Park / Market	Kindergarten					
Shida Kartli												
Gori (16) + 2 emergency projects	9	7		1			1	17	1	5,925	■	12
Kareli (9)	5	2		1	1			7	2	2,083	■	6
Khashuri (10) **	4	1	3	1		1		8	1	2,572	■	7
Mtskheta-Mtianeti Region												
Dusheti (8)	3			1	2	1	1	7	1	993	■	7
Kazbegi (3)	3							2	1	406	■	2
Samegrelo-Zemo Svaneti												
Zugdidi (17)	3	1	6		4		3	13	4	1193	■	10
Tsalenjikha (8)	3				1		4	6	2	825	■	6
Racha-Lechkhumi Kvemo Svaneti												
Oni (5)	2		1			2		4	1	698	■	4
Tsageri (5)	1	2	1		1			4	1	1274	■	4
Lentekhi (4)	1		1		2			3	1	370	■	1
Total (87) 85 plus 2 additional projects funded through the NEO Emergency Fund	34	13	12	4	11	4	9	71	15	16,339	■	59

* Cost-shares have been calculated for completed projects only.

** Small-scale infrastructure project in Didi Plevi was canceled.

Activity 1.3: Facilitate LED coordination events in conjunction with the Government of Georgia



In FY 2014, NEO conducted a presentation for the Ministry of Regional Development and Infrastructure (MRDI) on NEO’s approach to economic development planning at the community-level and lessons learned during the planning and implementation of EDPs. Thirty-five participants attended the meeting, including the Deputy Minister and Local Self-Government Development and Decentralization Policy Division Advisor from MRDI; representatives from the Parliamentary Committee for Regional Policy, Self-Government and Mountainous Regions; heads of municipal administrations and council chairs; local community members and other donor organizations working in the field of local economic development. Representatives of the ministry and municipal leaders highly appreciated NEO’s approach to local economic development planning and involvement of community groups, which can serve as a model for communities and villages in execution of the new law on self-governance. In addition, municipal leaders emphasized the importance of involving the local population in planning and implementing projects for their communities.



NEO also met with MRDI representatives to discuss development priorities for villages along the ABL to South Ossetia. Specifically, NEO and MRDI officials discussed possible collaboration on the execution of small-scale infrastructure projects in FY 2015 in the Shida-Kartli and Mtskheta-Mtianeti regions. As a result of the meeting, MRDI committed to providing NEO with a list of priority issues of state-interest for target ABL-villages, where ministerial funding could be leveraged to facilitate the implementation of small-scale infrastructure projects.

During FY 2014 NEO continued regular coordination activities with the newly appointed municipality leaders to introduce NEO community-level initiatives and seek approval for cost-share contributions for small-scale infrastructure projects prioritized through the local EDP process. NEO regional staff also shared with the municipality leaders EDPs developed and/or revised by community working and monitoring groups with the assistance of NEO community mobilizers.



During the reporting period, NEO actively coordinated with the USAID/Integrated Natural Resources Management in Watersheds of Georgia (INRMW) project to rehabilitate the potable water supply system in Didi Ghebi village of Oni municipality. INRMW prepared the project designs. NEO and INRMW collaborated on the development of the RFP and held a joint evaluation committee meeting to review proposals and select a contractor to implement the project. The municipality of Oni also contracted the same construction company and started rehabilitation works in parallel with NEO works. Rehabilitation works are currently ongoing and are expected to be completed in October 2014. The project will provide access to clean water for approximately 160 households in the community.



In FY 2014, NEO also worked with “Temi and Garemo,” a Georgian NGO funded by the Government of Lichtenstein, to equip NEO-rehabilitated kindergartens in Zugdidi and Tsalenjikha municipalities. Kindergartens in Didinedzi and Tsaishi communities of Zugdidi municipality and Pakhulani and Chale communities of Tsalenjikha municipality were equipped with furniture and playgrounds, as well as solar heating to provide hot water to the kitchens. In FY 2015, NEO plans additional cooperation with the NGO to equip newly rehabilitated kindergartens in the communities of Nakipu and Jvari (Tsalenjikha municipality), Narazeni (Zugdidi municipality), Kvesheti (Dusheti municipality), and Nikozi (Gori municipality).



***Rural Road Rehabilitation
Kareli Municipality***



***Irrigation Channel Rehabilitation
Gori Municipality***



Component 2: Rural Economic Development

Activity 2.0: Introduction

Since the majority of NEO's target beneficiaries reside in rural communities and own small (less than 1 hectare) fragmented land plots, NEO's approach to rural economic development rests on introducing new, but affordable, crops, technology and know-how to enable farmers to optimize their harvests and income per square meter. During FY 2014, NEO expanded activities with quick impact and high margin crops (e.g., vegetables, berries, herbs, and flowers), coupled with new technology (e.g., seedling production, drip irrigation and fertigation systems, greenhouses, and plastic mulch) and customized training and one-on-one technical assistance throughout the production cycles. As a result of these activities over the course of FY 2014, NEO-supported grantees harvested and sold 112,890 vegetable seedlings, 91,114 kilograms of tomatoes, 50,730 kilograms of cucumbers, 31,592 kilograms of herbs and lettuce, 10,063 kilograms of strawberries, 8,770 kilograms of peppers, 6,150 flowers, 4,000 kilograms of broccoli, 2,679 kilograms of raspberries, 1,920 kilograms of onions, 1,515 kilograms of eggplants, and 1,195 kilograms of blackberries to generate \$167,611 in sales.

During FY 2014, the eight NEO-supported fruit nurseries produced and sold 17,200 grafted apple saplings, 1,940 green-grafted grapevines, and 47,890 strawberry, 9,260 raspberry, and 2,042 blackberry plants to generate \$97,985 in sales. In addition, members of the NEO-supported beekeeping associations, ware potato associations, and hazelnut association harvested and sold 67,000 kilograms of ware potatoes, 15,297 kilograms of honey, and 6,900 kilograms of hazelnuts to generate \$131,799 in sales.

NEO also expanded its meteorological activities to include five municipalities in the Samegrelo-Zemo Svaneti and Racha-Lechkhumi and Kvemo Svaneti regions to promote early warning services for farmers in irrigation, and pest and disease management. NEO provided two local organizations with six meteorological stations (three stations per grantee). Since July 2014 these organizations are providing SMS services in the Ambrolauri, Tsageri, Oni, Zugdidi, and Tsalenjikha municipalities to inform around 1,500 farmers on the appropriate timing for irrigation and disseminate warnings on the potential outbreak of grape and vegetables pests and diseases. These interventions enabled farmers to protect and irrigate their crops at the necessary times and avoid excessive costs due to multiple sprayings or use of ineffective protection and irrigation methods, thereby reducing production costs, improving harvests, and ultimately generating more income.



Activity 2.1: Business Skills



During the first quarter of FY 2014, NEO's Accountant Shalva Dvali and Rural Economic Development Advisor Irakli Toloraia delivered introductory business skills trainings to members of four NEO-supported agricultural associations in the Shida Kartli and Samegrelo regions. During the trainings, Mr. Dvali and Mr. Toloraia addressed topics such as registration, legal issues, taxation, business planning, and annual action plan development. Although Mr. Dvali departed NEO for a position with a new USAID project in January 2014, during the second quarter of FY 2014 Mr. Toloraia continued to deliver follow-up business skills trainings and technical assistance to members of NEO-supported agricultural associations in the Shida Kartli and Samegrelo-Zemo Svaneti regions.

As a result of the business skills trainings and meetings conducted by Mr. Dvali and Mr. Toloraia in the first and second quarters of FY 2014, the Samegrelo Beekeeper's Association decided to register themselves as an agriculture cooperative. The Association developed a cooperative charter and registered itself as the Beekeeping Cooperative "Arto" in the Public Registry.

During the third and fourth quarters of FY 2014, NEO staff worked to link NEO-supported agricultural associations with implementing partners of the EU-funded ENPARD project to assist the associations in developing their capacities and transforming themselves into cooperatives. In September, NEO organized a meeting between representatives of an ENPARD implementer, Mercy Corps, and NEO-supported agricultural associations in Shida Kartli. The Mercy Corps representatives gave the associations' members information about opportunities with ENPARD to further develop their agricultural activities, as well as the application procedures for ENPARD's grant competition.

Activity 2.2: Beekeeping Value Chain



By the close of FY 2014, NEO's local beekeeping experts conducted 74 field-based trainings for 54 members of the NEO-supported beekeeping associations, 180 vulnerable individuals, and 79 other beekeepers in all four NEO target regions. Trainings covered the benefits of using Langstroth beehives, beehive management, bee colony integrated pest management (IPM), bee colony winter preparation, early spring management of beehives, preparation of colonies for spring honey production, and honey extraction, processing, packaging and marketing.

Based on requests from the Ministry of Agriculture's information-consultation service centers in Martvili and Senaki, in October 2013, NEO's local beekeeping expert Zaza Gurtskaia conducted field-based trainings in modern techniques of beekeeping at NEO-supported beekeeping demonstration farms in Didinedzi and Akhalsopeli villages of Zugdidi municipality. Trainings included IPM, harvesting, filtering, packaging, storing, and marketing of honey for 27 beekeepers from the Martvili and Senaki municipalities.



In December 2013, NEO's local beekeeping expert, Zurab Sadatierashvili, participated in a month-long training program in Israel on Modern Apiculture Management: Honey, By-Products and Pollination, sponsored by Israel's Agency for International Development Cooperation (MASHAV) and organized by the Center for International Agricultural Development Cooperation within the Israeli Ministry of Agriculture and Rural Development.

From May 12 – June 2, 2014, NEO's livelihoods advisor Tsothe Iashvili participated in the MASHAV-sponsored three-week training and capacity building program [Commercial Beekeeping in Modern Agriculture](#) at the Robert H. Smith Faculty of Agriculture, Food and Environment, Division of International Studies in Rehovot, Israel. The three-week program addressed apiary management; pests, diseases and treatment; pollination; quality control in various aspects of beekeeping and honey production; supplemental nutrition; and queen bee breeding – management and queen selection.

During FY 2014, NEO's four regional beekeeping associations harvested 19,788 kilograms of honey from their new Langstroth beehives—a 61 percent increase from 2013. The association sold 15,297 kilograms of honey valued at \$89,245 on the local fresh markets. In addition to honey, the members of the beekeeping associations produced 539 kilograms of propolis (31 percent increase), 920 queen bees (10 fold increase), 3,100 grams of royal jelly (240 percent increase), and 448 kilograms of beeswax (300 percent increase), generating an additional \$17,132 in sales in FY 2014.



In September, the NEO-supported Beekeepers Cooperative Arto completed the renovation of the facility to house a honey processing and bottling line in Ingiri village of Zugdidi municipality. Also in September, NEO delivered and installed honey processing and bottling equipment. NEO's international beekeeping consultant Bill Lord completed an eight-day assignment to support Arto to develop a business model based on a fee-for-service honey processing facility, and perform cost of production and cost of processing analyses. Mr. Lord also trained NEO's local beekeeping specialist, Zaza Gurtskaia, to perform fee-based honeybee IPM and diagnostic services at the NEO-supported Joint Use Center (JUC) in Zugdidi. Also, in late September, Arto completed its first order from the Diocese of Chkondidi to process, bottle and label 1,500 kilograms of honey, generating \$286 in revenues for these services.

Activity 2.3: Fruit Value Chain – Berries



During FY 2014, three NEO-supported regional berry nurseries sold 47,890 strawberry, 9,260 raspberry, and 2,042 blackberry plants to berry farmers in their respective regions to generate \$24,062 in sales. In addition, the three nurseries produced and sold 2,679 kilograms of raspberries, 1,195 kilograms of blackberries, and 1,160 kilograms of strawberries on the fresh markets and to supermarket chains such as Goodwill, generating \$9,380 in sales.

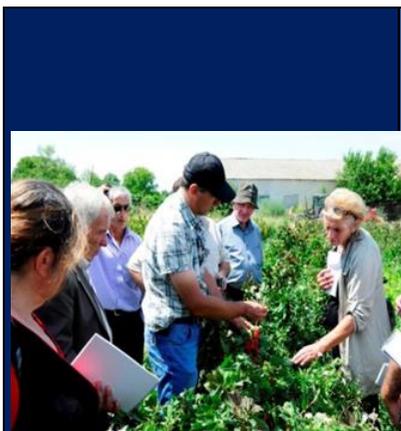
In accordance with their grant agreements, the berry nurseries also provided technical assistance and donated 3,500 strawberry, 495 raspberry, and 60 blackberry plants to six vulnerable individuals, who received livelihood packages from NEO’s livelihood package service providers Abkhazintercont (AIC) and Civil Development Agency (CiDA).

To further support the expansion of berry production in NEO target communities, NEO established three modern raspberry demonstration plots in the Mtskheta-Mtianeti and Shida Kartli regions. NEO provided the grantees with drip irrigation systems, while the grantees procured berry planting stock, plant protection supplies, fertilizers and fencing materials, and covered all related production costs.



The NEO-supported Berry and Fruit Culture Development Association in the Samegrelo-Zemo Svaneti region imported 5,000 strawberry plants from Spain and purchased an additional 9,170 strawberry plants (San Andreas, day neutral variety) from the association’s members. The association then provided one-on-one consultations and sold 14,170 strawberry plants to 36 farmers in the Abasha, Bagdati, Kobuleti, and Senaki municipalities to support them in starting strawberry production. The association also sold 5,000 strawberry plants to the retail gardening outlet Green Garden in Tbilisi. The association generated \$9,326 from sales of strawberry plants to the abovementioned customers. In addition, the association sold 7,237 kilograms of strawberries on the Zugdidi, Tsalenjikha, and Gali fresh markets to generate \$15,403 in sales.

NEO also assisted five farmers to establish strawberry demonstration plots in the Kazbegi municipality. NEO imported 3,400 strawberry plants from the USA for the grantees. The farmer-grantees purchased plastic mulch and an additional 2,600 strawberry plants from the NEO-supported berry nursery in Samegrelo. During FY 2014, the farmers had an initial harvest of 240 kilograms of strawberries.



NEO's fruit production experts Dr. David Picha and Dr. Zviad Bobokashvili conducted one-on-one consultations and field-based trainings in modern techniques of berry production at the NEO-supported demonstration farms in Kvenatkotsa (Kareli municipality), Satemo (Gori municipality), and Kakhati (Zugdidi municipality) for 49 farmers. The trainings and consultations covered variety selection, IPM, weed management, fertigation, and irrigation topics.

In October 2013, NEO's Zugdidi office hosted representatives of the Armenian and Georgian branch offices of the international NGO, Action Against Hunger (ACF), and the Armenian NGO, Green Lane. Currently, ACF and Green Lane are implementing the EU-funded organic berry production project "Support to Rural Development in Aragatsotn Marz, Armenia" involving 35 women farmers. ACF and Green Lane visited NEO-supported greenhouse and open-field strawberry demonstration farms and berry nursery in the Zugdidi municipality to build the capacity of Green Lane staff. The delegation met with NEO grantees and learned about the benefits of applying new technologies, such as plastic mulch and fertigation systems in greenhouse and open field berry production. In December 2013, NEO's Zugdidi Office staff also hosted 25 farmers from the Gali municipality at NEO-supported demonstration greenhouses in Orsantia and Kakhati in Zugdidi municipality. ACF conducted trainings for the visiting farmers in modern techniques of greenhouse vegetable and strawberry production.

In August 2014, the Minister of Agriculture of Georgia Otar Danelia visited NEO-supported strawberry, broccoli, and lettuce demonstration plots in Kazbegi Municipality. The Minister noted the importance of support to farming communities in regions where economic development is less than in other parts of Georgia, and welcomed NEO's activities to assist local farmers to enhance production and develop modern farming practices.

Activity 2.4: Fruit Value Chain – Apples, Pears, Plums, and Cherries



In November 2013, the four NEO-supported apple, pear, plum, and cherry nurseries in the Shida Kartli region joined forces and established the Intensive Fruit Sapling Producers' Association. The newly-established association participated in the 13th International Exhibition of Agricultural, Food and Drink Products, and Food Processing Equipment "Agro+Food+Drink+Tech Expo 2013" held in Tbilisi. During the exhibition, the association distributed 1,000 brochures and business cards, as well as established a trade linkage with the Turkish fruit nursery Beta Sulama. Because of rising demand for new varieties of apple saplings, the Association purchased and imported 40,000 dwarf and semi-dwarf apple rootstocks from Beta Sulama, onto which they grafted 63,850 apple and pear scion bud sticks. Beginning in the first quarter of FY 2015, the nurseries will have 59,900 apple, 3,950 pear, 4,000 plum, and 4,000 dwarf and semi-dwarf saplings available for sale to farmers in the region. During FY 2014, the association sold 17,200 apple saplings to generate \$65,568 in sales revenues.

In addition, in accordance with grant agreements between NEO and the association's members, the association donated 1,920 apple saplings to 16 vulnerable households selected by NEO's livelihood package service provider CiDA to enable the vulnerable households to establish modern apple orchards.



To support the expansion of NEO's fruit production activities, NEO assisted seven farmers to establish modern apple orchards in the Shida Kartli, Mtskheta-Mtianeti, and Racha-Lechkhumi and Kvemo Svaneti regions. NEO provided the grantees with drip irrigation systems, while the farmers purchased trellising systems and apple planting stock from the Intensive Fruit Sapling Producers Association.

NEO's local fruit production expert Zviad Bobokashvili conducted two field-based trainings for 31 farmers in modern techniques of tree fruit production at NEO-supported demonstration orchards in Brili (Kashuri municipality) and Shindisi (Gori municipality), which covered the following topics: variety selection, IPM, weed management, fertigation, and irrigation.

NEO's international horticulture expert, Dr. David Picha, also conducted training in Gori on postharvest handling of apples, which focused on the following primary themes: Postharvest Care to Optimize Apple Market Quality; Appropriate Harvest Maturity; Firmness; Brix Testing (measuring sugar levels in fruits); Wash Water Sanitation; Grading and Sorting; and Apple Waxing. Dr. Picha demonstrated to seven farmers and representatives of the Farm Service Center "Agro Kartli" how Carnauba Wax can preserve the appearance and extend the shelf life of apples. Dr. Picha also visited NEO-supported fruit nurseries in the Shida Kartli region and provided recommendations to the nurseries' owners and staff on modern techniques of producing tree fruit planting stock.

NEO also arranged for the project-produced instructional video [Establishing Fruit Nurseries and Orchards](#) to be broadcast for seven days during peak viewing times on the local television station Trialeti for fruit farmers in the Shida Kartli region, which attracted 7,500 viewers.



To provide opportunities for farmers to sell their low grade fruits and vegetables, NEO identified four entrepreneurs to establish fruit and vegetable drying facilities in the Samegrelo-Zemo Svaneti, Shida Kartli, and Racha-Lechkhumi and Kvemo Svaneti regions. NEO also coordinated with USAID's Farmer to Farmer (F2F) program to support NEO selected grantees to improve their knowledge in drying technology. Dr. Leonardo Obaldo, conducted trainings in modern techniques of fruit and vegetable drying using solar power in Ambrolauri, Zugdidi, and Gori. Potential NEO grantees, interested farmers, extension agents of the Ministry of Agriculture's branch offices in Zugdidi, Tsalenjikha and Martvili, and representatives of the Georgian processing company, GEO Flowers, attended the trainings. In total, there were 35 participants (11 women) in the trainings. The fruit and vegetable drying equipment will be delivered and installed at the grantees' facilities during the first quarter of FY 2015.

Activity 2.5: Fruit Value Chain – Meteorological Stations



NEO grantee, AgroKartli Ltd., continues to provide early warning services on pest and disease outbreaks for apple farmers across the Shida Kartli region. In FY 2014, AgroKartli sent a total of 28,588 SMS messages to 5,700 fruit farmers with information on when to spray their orchards based on weather conditions. This message service helped farmers avoid ineffective or excessive sprayings, thus reducing farmers' production costs and improving the quality of their yields, which helped farmers command a higher price for their products.

To further support fruit, vegetable, and hazelnut farmers in irrigation, pest and disease management, NEO selected two organizations, Akhali Fermeri XXI (New Farmers XXI) based in Ambrolauri and the Association for Agricultural Development (AFAD) in Zugdidi to operate six meteorological stations. In late June 2013, NOBLEX Ltd., the supplier of the new meteorological stations, conducted trainings in the usage and maintenance of the meteorological stations for 13 farmers and seven staff members of the two NEO grantees. The grantees launched SMS services in the Ambrolauri, Tsageri, Oni, Zugdidi, and Tsalenjikha municipalities to inform around 1,500 farmers on the appropriate timing for irrigation and warnings on the potential outbreak of grape and vegetables pests and diseases.

Activity 2.6: Fruit Value Chain – Grapes



To enhance the quality and yields of grapes produced in NEO's target regions using modern technology and production techniques, NEO announced a request for applications (RFA) and selected six farmers from the Shida Kartli and Racha-Lechkhumi and Kvemo Svaneti regions to establish modern wine grape vineyards. The grantees were responsible for soil preparation, procurement of grafted grapevines and trellising systems, and all other costs associated with wine grape production. NEO provided the grantees with drip irrigation systems and rototillers coupled with training and technical assistance in modern techniques of vineyard management throughout FY 2014.

Since five of the grantees reside in the Tsageri municipality, NEO assisted these farmers in organizing themselves to establish the Grape Producers Association of the Racha-Lechkhumi Region. The association members purchased 4,100 green-grafted grapevines from the NEO-supported grapevine nursery in Tvishi village (Tsageri municipality), which were transplanted onto 1.25 hectares of land.

The president of the NEO-supported Grape Producers Association of the Racha-Lechkhumi Region, Levan Khmedlidze, with technical support from NEO's fruit production expert, Zviad Bobokashvili, began grafting grapevines. Mr. Khmedlidze grafted 20,000 grapevines using green grafting technology and transplanted 16,000 of these grapevines to his modern vineyard. The remaining 4,000 grafted grapevines Mr. Khmedlidze will offer for sale in the spring of 2015.



During FY 2014, the NEO-supported grapevine nursery sold 1,940 green-grafted grapevines to generate \$8,355 in sales revenues. Because the scion bud sticks of these local grape varieties are grafted on high quality, disease-resistant rootstocks using innovative green-grafting technology, the nursery was able to sell the grafted grapevines at prices ranging from 130 to 360 percent higher than other producers of local grapevines.

In addition, as part of the grant agreement, the nursery also provided training and technical assistance in wine grape production, and distributed 3,635 grapevines (20 percent of the produced seedlings) free-of-charge to 11 vulnerable individuals identified by NEO's livelihood package service provider AIC.

The nursery also accepted pre-orders from farmers throughout Georgia for an additional 45,000 grapevines, valued at \$13,636, which will be available for sale in the spring of 2015.



NEO's local fruit production expert, Zviad Bobokashvili conducted training in establishing modern vineyards for 53 association members and other interested farmers in Korenishi village (Tsageri municipality). The training focused on improving the quality and quantity of yields through the introduction of new technology such as planting stock green-grafted on disease-resistant rootstocks, vine trellising and drip irrigation systems.

In late June, NEO also collaborated with the Israeli agricultural company J Global Group and arranged for an Israeli viticulture expert, Dr. Pinny Sarig, to provide consultations to the NEO-supported wine grape nursery and demonstration vineyard grantees in Tvishi (Tsageri municipality). Dr. Sarig also conducted a workshop in Ambrolauri on modern techniques of wine grape production, including: planting distance, pruning, bud fertility, trellising systems, irrigation, fertigation, sugar accumulation, and acid content. The workshop attracted 25 participants, including wine grape farmers, local government officials, and representatives of the Ministry of Agriculture's extension center in Ambrolauri.

Activity 2.7: Vegetable Value Chain – Open Field and Greenhouse



In FY 2014, 23 NEO-supported greenhouse grantees in the Samegrelo-Zemo Svaneti region harvested 9,844 kilograms of herbs and lettuce, 44,760 kilograms of cucumbers, 1,920 kilograms of onions, 7,840 kilograms of tomatoes, and 1,666 kilograms of strawberries, as well as 6,150 roses and Georgina flowers, 64,390 vegetable seedlings, and 7,000 strawberry plants, which were sold on the Zugdidi and Tsalenjikha fresh markets to generate \$72,793 in sales.

Also in the reporting period, nine NEO-supported open field vegetable associations in the Shida Kartli, Mtskheta-Mtianeti, Samegrelo-Zemo Svaneti, and Racha-Lechkhumi and Kvemo Svaneti regions produced 4,000 kilograms of broccoli, 5,970 kilograms of cucumbers, 83,274 kilograms of tomatoes, 8,770 kilograms of peppers, 1,515 kilograms of eggplants, and 2,455 kilograms of lettuce on 55 demonstration plots. The harvested vegetables were primarily sold on the local fresh markets and to the hospitality industry in Kazbegi and Tbilisi and generated \$57,522 in sales. Over the course of FY 2014, the associations also produced 179,606 vegetable seedlings, of which 8,800 were donated to vulnerable households, including IDPs. In addition, 48,500 lettuce, broccoli, tomato, and pepper seedlings were sold at the local fresh markets to generate \$4,517.



During the first quarter of FY 2014, the Georgian food distribution company Eco Farm Ltd. completed the purchase of lettuce and broccoli from the NEO-supported Shida Kartli IDP Association of Vegetable Producers and the Vegetable Producers Association of the Stepantsminda Municipality for distribution to hotels, restaurants, cafes, and supermarkets in Tbilisi. In total, Eco Farm collected 8,795 kilograms of lettuce and broccoli, which generated \$7,996 in sales for the associations' members.

One of the NEO-supported greenhouse farmers, Giorgi Svirava from Kakhati village in Zugdidi municipality, also started distribution of fresh lettuce to the hospitality industry in Zugdidi, Batumi, and Kutaisi. During FY 2014, Mr. Svirava purchased 9,900 kilograms of lettuce from 15 farmers and generated \$28,258 in income from sales to the hospitality industry and traders from Abkhazia.



During FY 2014, NEO facilitated 12 trainings on modern techniques of greenhouse vegetable and herb production, which were attended by 406 farmers. On August 26, 2014, USAID Mission Director, Stephen Haykin; Ambassador of Israel to Georgia, Yuval Fuchs; Director of Training at Israel's Agency for International Development Cooperation (MASHAV), Mattanya Cohen; Deputy Governor of Shida Kartli, Guram Macharashvili; and representatives of other international and local organizations joined NEO at the graduation ceremony of the MASHAV-sponsored workshop on Modern Techniques of Open Field Vegetable Production at a NEO-supported open field vegetable demonstration plot in Breti (Kareli municipality). The eight-day workshop was conducted by two Israeli experts from MASHAV for 36 NEO-supported farmers and representatives of the Ministry of Agriculture in Georgia.

Activity 2.8: Vegetable Value Chain – Potatoes



In the fall of 2013, the NEO-supported Seed Potato Producers Associations of the Mtskheta-Mtianeti and Racha-Lechkhumi and Kvemo Svaneti regions harvested 145,300 kilograms of Class A seed potatoes that were placed in members' storage facilities. In the spring of 2014, based on their grant agreement requirements, the associations' members distributed 10,000 kilograms of seed potatoes free-of-charge to 300 vulnerable individuals selected by NEO's livelihood package service providers CiDA and AIC.

Also, during the spring of 2014, the Seed Potato Producers Associations sold 50,275 kilograms of Class A seed potatoes to farmers residing in their respective regions to generate \$45,885 in sales revenues.

Because of the high quality of the Class A seed potatoes harvested in the fall of 2013, the associations' members were able to re-plant 24,000 kilograms of seed potatoes on eight hectares of land.



Based on NEO's success in introducing quality seed potato production during FY 2013, NEO focused its efforts in FY 2014 to assist buyers of seed potatoes to produce quality ware potatoes for the Georgian market. To expand potato production activities, NEO announced an RFA and selected 10 farmers to establish modern ware potato demonstration farms in the Mtskheta-Mtianeti and Shida Kartli regions. NEO provided the grantees with drip irrigation systems, and offered training and technical assistance throughout the production cycle. NEO assisted the farmers to organize and register themselves into two regional ware potato producers associations. The associations' members were responsible for land preparation, purchase of seed potatoes, plant protection supplies, and fertilizers, as well as covering all associated production costs.

As a result of these programs, the Ware Potato Producers Association of Shida Kartli harvested 74,000 kilograms of ware potatoes, of which 67,000 kilograms were sold to date to generate \$29,412 in sales revenues. The Ware Potato Producers Association of Mtskheta-Mtianeti will harvest their ware potatoes during the first quarter of FY 2015.

Activity 2.9: Hazelnut Value Chain



During FY 2014, NEO's international entomologist Dr. Celal Tuncer completed an analysis of the movements of four primary hazelnut pests - Fall Webworm Moth, Nut Weevil, Big Bud Mite and Hazelnut Twig Borer - in the Imereti, Guria, Samegrelo, Adjara, and Abkhazia regions of Georgia. In November, Dr. Tuncer presented the NEO-supported online Database on the Movements and Impacts of Hazelnut Pests at the [International Symposium on Fruit Culture and its Traditional Knowledge along Silk Road Countries](#) in Tbilisi.

During the reporting period, NEO supported development and testing of three different approaches to pest management – chemical, biological and mechanical – at 83 hazelnut demonstration orchards in the Zugdidi and Tsalenjkhka municipalities. The results of these studies, as well as the online database of hazelnut pests' movements, were shared by Dr. Tuncer at the NEO Tbilisi office with 13 representatives of the National Food Agency, Ministry of Agriculture, Georgian National Academy of Sciences, Georgian Agricultural



University in Tbilisi and Batumi, Anaseuli Research Institute of Tea, Subtropical Cultures and Tea Industry; Association “Peaceful and Business Caucasus”; and the Ministry of Agriculture of Abkhazia in exile. The results of the pest management test plots showed that the mechanical pest control method generated the highest hazelnut yields and also was the least expensive option for the 83 hazelnut orchard owners.

On March 18, 2014, USAID Mission Director Stephen Haykin handed over the NEO-developed online Database on the Movements and Impacts of Hazelnut Pests to the Agricultural University of Georgia (AUG) to promote the dissemination of knowledge and information on pest movements and mitigation measures to reduce crop damage across Georgia among farmers, scientists, professors, students, and other stakeholders. The University assumed responsibility for further development and management of the database system.

During FY 2014, AUG continued to update the movements of the four abovementioned pests in the database, and also began tracking the movements of four additional hazelnut pests: Ambrosia Beetle, Box Tree Moth, Mulberry Moth, and Citrus Flatid Planthopper. At the close of FY 2014, professors and students at AUG were analyzing the data collected during the year and will update the online database and mapping system during the first quarter of FY 2015.

*Hazelnut Pests Database and
Maps*

During FY 2014, the Hazelnut Producers Association of the Samegrelo Region sold 6,900 kilograms of hazelnuts, generating \$13,142 in sales. NEO worked closely with the Hazelnut Producers Association of the Samegrelo region to submit a scope of work (SoW) to the USAID/F2F program. As a result, F2F identified an international value chain development expert, Mr. Bruce Bailey, who conducted a two-week assignment with the Association in April and May, to provide training and technical assistance on modern techniques of soil preparation, planting of hazelnut saplings, pest management, hazelnut production and tree management, and post-harvest handling and storage of hazelnuts. The trainings were attended by 113 participants, including farmers from Zugdidi, Tsalenjikha, and Gali municipalities; representatives of hazelnut processing companies (Anka Foods and Euro Nuts) and the local NGO Elkana; and agricultural extension agents from the Ministry of Agriculture’s branch offices in Zugdidi, Tsalenjikha, Abasha, and Martvili.

In October 2013, professors at the AUG in Tbilisi also presented NEO’s instructional video on [integrated pest management](#) of hazelnut orchards to 80 undergraduate students. In addition, NEO facilitated a five-day broadcast of the IPM instructional video on local television stations Odishi and Jikha, which was viewed by 5,559 households.

Activity 2.10: Livestock Value Chain



In January 2014, NEO’s international livestock feed production expert Jerry Turnbull completed an eight-day in-country assignment to support the livestock feed production activities of NEO’s feed mill grantees in Zugdidi and Dusheti municipalities. Mr. Turnbull, together with the feed mill owners and staff, developed 12 feed rations for freshwater fish, swine, poultry and cattle. In addition, Mr. Turnbull conducted training on the lactation cycle of dairy cattle, and energy and protein requirements during all stages of the livestock’s lifecycle.

During FY 2014, NEO’s two livestock feed mill grantees completed construction and rehabilitation of their livestock feed mill facilities, as well as procured and installed livestock feed processing equipment. Since completing the rehabilitation of livestock feed mill facilities in June and following the livestock feed recipes developed by NEO’s international expert Jerry Turnbull, the NEO-supported livestock feed mill in Tsaishi community (Zugdidi municipality) produced 118,420 kilograms of feed for dairy cattle, water buffalo and poultry, which supplies 15 retail shops and 90 farmers. To date, Tsaishi feed mill has generated \$46,950 in sales. In addition, the feed mill’s expansion and upgrades have led to the creation of 11 jobs for the local population with an average monthly salary of \$320. The NEO-supported livestock feed mill in Shuakhevi community (Dusheti municipality) will launch operations during the first quarter of FY 2015.



The NEO-supported livestock feed mill in Tsaishi distributed 2,000 kilograms of livestock feed free-of-charge to four local farmers to allow farmers to witness firsthand the health and weight gain benefits of feeding their livestock with the new feed mixes created by NEO’s international livestock feed expert Gerald Turnbull. The NEO-supported livestock feed mill in Shuakhevi will begin distributing its livestock feed free-of-charge to farmers during the first quarter of FY 2015.

NEO’s local livestock production expert David Chezha conducted trainings in modern techniques of feeding dairy cattle at the farms receiving feed from the NEO-supported feed mill in Tsaishi. Mr. Chezha also measured the impact of the feed from the NEO-supported feed mill fed to select dairy cattle relative to the farmers’ dairy cattle fed from other types of livestock feed. During the two months of monitoring, Mr. Chezha learned that on average, the cows fed the livestock feed from the NEO-supported feed mill increased their milk yields by 67 percent, resulting in the average cow producing an additional 4.35 liters of milk per day and the farmer generating an additional \$7.46 in revenues from the sale of milk per day.

In addition, Mr. Chezha conducted four trainings on the lactation cycles of dairy cattle and water buffalo, nutritional requirements of livestock across all lifecycles, and approaches to diagnosing and treating livestock diseases for 35 livestock farmers in the Zugdidi and Tsalenjikha municipalities.



NEO announced an RFA and selected nine farmers from the Mtskheta-Mtianeti and Shida Kartli regions to introduce modern techniques of alfalfa and livestock fodder production. NEO assisted the farmers in organizing and registering themselves as the Association of Alfalfa Producers. NEO procured 595 kilograms of quality alfalfa seeds that was seeded on 30 hectares of the association's members' land in the spring of 2014.

NEO's local grain production expert, Iliia Mchedlidze provided one-on-one consultations to the grantees on soil preparation and monitored the seeding and alfalfa production process. NEO also assisted the association in organizing demonstration days, where NEO's local livestock feed experts conducted trainings for the association's members and 13 interested farmers on contemporary methods for producing livestock fodder. The trainings addressed the selection of alfalfa seed varieties; seed bed preparation and alfalfa planting practices; seed rotation and crop management; harvesting and production of alfalfa hay; use of alfalfa, green grass, and hay for dairy and beef cattle; and improving alfalfa hay digestion using multi-mineral licking blocks.

As of the close of FY 2014, 29,400 kilograms of alfalfa had been harvested by the association's members and 9,400 kilograms of alfalfa were sold to beef and dairy cattle farmers in their communities to generate \$1,480 in sales.

Activity 2.11: Tourism Value Chain

In December 2011, NEO issued an annual program statement (APS) soliciting concept papers for grant activities to promote the development of the tourism sector through projects supporting eco-tourism, adventure tourism, and/or cultural/heritage tourism in NEO communities in the Mtskheta-Mtianeti region. Based on the APS, NEO received over 200 concept papers, and in 2012, awarded grants to support the development of the tourism sector in NEO-target regions of Dusheti and Kazbegi municipalities. The grantees and tourism grant activities are detailed below:



Combimap – Through a grant from NEO, Combimap funded the procurement of printing equipment (PVC mixing and injection machines, flat bed printer, double-sided logo printing machine, drying machine, and laser engraving system) to launch a business to manufacture Georgian souvenir products. Combimap was able to begin locally manufacturing a wide range of souvenirs which had previously been purchased from China. The new production facility, situated in the village of Aragvispiri in Dusheti municipality, has led to the creation of 22 jobs (16 full-time and six part-time jobs, including 19 women). The average Combimap employee earns \$182 per month and receives medical insurance for themselves and their family members.

Since launching production in December 2012, Combimap has signed contracts to produce souvenirs and other specialty branded items with 37 Georgian public and private sector entities—ranging from the Georgian patrol police to Pepsi Cola. During FY 2014, Combimap supplied over 46,000 items valued at \$113,590, a 140 percent increase over sales earned in 2013.



Aragvi Adventure Center (AAC) – In June 2012, NEO signed a grant with AAC to enhance adventure tourism services (rafting, mountain biking, kayaking, and other outdoor activities) in Dusheti municipality. With support from a NEO grant, AAC improved camping and picnic areas; installed toilets and showers; and purchased new and improved rafting, kayaking, and camping equipment. Coupled with the company’s provision of on-the-job training for six whitewater rafting guides and recruitment of experienced tour guides, AAC has been able to dramatically improve the quality and variety of tourism services offered to its clients. With NEO’s support, AAC hired 16 seasonal employees and contracted four local farmers to supply the center with vegetables.

In FY 2014, AAC constructed two cabins to provide additional overnight accommodations for up to eight visitors. During the 2014 tourist season (April – September) AAC provided adventure services to 2,200 clients and generated \$41,302, a 39 percent increase in their client base, and a 37 percent increase in revenues compared to the 2013 tourist season.



Mountain Travel Agency (MTA) – Located in the center of Stepantsminda village at the foot of Mount Kazbegi, MTA is a women-owned business, which operates a small hiking/camping rental equipment business, providing adventure tourists with hiking equipment, maps, and professional guides. In 2012, NEO provided MTA with a grant to upgrade, expand, and diversify MTA’s product and tourism service offerings by improving equipment available for rent; creating a database of local guesthouses and certified mountain guides; and offering a wider selection of hiking, camping and regional tours. As a result of the grant, MTA has created 16 new jobs with an average monthly salary of \$236 including seasonal employment for 12 vulnerable individuals; including ten who graduated from NEO-supported vocational training courses in mountain guiding at Akhali Talga Vocational College in Kobuleti.

Unfortunately, due to two severe mudslides that closed the border pass between Georgia and Russia in Kazbegi in May – June and August – September 2014, MTA experienced a 240 percent reduction in customers and 150 percent decrease in sales revenues compared to the FY 2013 tourist season. Despite these natural disasters, between April and September 2014, MTA served 3,700 customers and generated \$36,551 in sales. The company is looking to expand services to provide winter-tourism activities for Georgian and foreign tourists to Gudauri starting in the 2014/2015 ski season.



Zeta Mountain Camp (ZMC) – Zeta Mountain Camp is located in Juta village of Sno community, in Kazbegi municipality. In 2012, ZMC was awarded a NEO tourism grant to refurbish the wooden cabins, renovate bathrooms, install solar water heating system, and install dining and night tents to better meet the needs of tourists and hikers. After completing the renovation and upgrades to the guesthouse, café and camp, and hiring six new employees with average salaries of \$350 per month, ZMC opened its doors for business in late June 2013. In FY 2014, ZMC served 2,809 clients and generated \$18,074, which represents a 16 percent increase in their client base and a 10 percent increase in sales compared to the 2013 tourist season.



Gergeti Summer Café – Through a NEO tourism development grant, the beneficiary constructed a permanent building for the café at the base of the Gergeti Trinity Church foot path, in Gergeti village of Kazbegi municipality. With NEO support, the grantee installed a new toilet and kitchen facilities, added furniture and equipment, improved food quality and service, and provided parking for tourists travelling by car. The café also increased involvement of the community in the tourism sector by creating four new jobs and purchasing locally produced agricultural products for use in the café. During FY 2014, the café served 615 customers and generated \$8,710 in sales revenues.



Tsanareti Restaurant – By spring 2013, Tsanareti completed grant-funded renovations and upgrades to the restaurant and bathroom facilities. In addition, the restaurant, located in Arsha village just outside of Kazbegi and along the main travel highway to the Russian border, hired 16 new staff as cooks, wait-staff and cleaners. Tsanareti also hired three vulnerable individuals from the community, who had graduated from NEO-supported vocational training in cooking and restaurant services at Akhali Talga Vocational College in Kobuleti. Staff earn an average monthly salary of \$175. Based on the improved facilities and services provided by the restaurant during the 2014 tourist season, Tsanareti served over 33,000 customers and generated \$120,603, which represented a 32 percent increase in customers and a 29 percent increase in sales revenues compared to the 2013 tourist season.

Activity 2.12: Joint Use Center



At the close of FY 2014, NEO’s grantee, Euro Nuts Ltd., reached the final stages of construction of the joint use center (JUC) “Agro House” in Zugdidi. During the third and fourth quarters of FY 2014, NEO procured and delivered equipment and supplies for the JUC’s veterinary and artificial insemination clinic, and soil, leaf, nut, fruit, and water testing laboratory. In support of the JUC’s fruit and vegetable demonstration activities, NEO also procured and delivered a 200 m² greenhouse, rototillers, trellising systems, and 2,280 table grape, mandarin, persimmon, raspberry, blackberry, blueberry, and strawberry plants. Unfortunately, a significant quantity of the persimmon, raspberry, blackberry and blueberry plants perished during transport from the USA to Georgia. NEO is currently in negotiations with the insurer of the planting stock for compensation to replenish the affected plants in the spring of 2015.



In May, the JUC’s in-house veterinarians, David Chezhia and Ketevan Mania, participated in an intensive course on modern techniques of artificial insemination financed by the Ministry of Foreign Affairs of Estonia and hosted by the Estonian University of Life in Tartu, Estonia. This 12-day course, entitled “Bovine Artificial Insemination,” was comprised of lectures and field-based trainings on a wide range of practical topics. In late June, the JUC officially opened its veterinary and artificial insemination clinic. Based on the skills and knowledge gained during the training course in Estonia, Mr. Chezhia and Ms. Mania artificially inseminated 20 dairy cows with Jersey bull semen for farmers in the Tsalenjikha, Chkhorotsku, and Zugdidi municipalities during the fourth quarter of FY 2014.



NEO also linked the JUC with USAID's F2F program to support the JUC's staff in providing quality extension services to farmers in northwestern Georgia. F2F volunteer, John Fouts, led comprehensive trainings on the development of agricultural extension services. The training covered methods of sharing and disseminating knowledge of modern techniques of agricultural production among farmers; identifying the needs of farmers and assessing the impact of extension services; and modern techniques of soil and plant tissue testing. Nine staff members of the JUC and 15 extension agents from the Ministry of Agriculture's branch offices in Abasha, Senaki, Khobi, Zugdidi, and Tsalenjikha participated in the three-week training led by Mr. Fouts. Another F2F program volunteer, Scott Stanley, completed a two-week training program for the staff of the NEO-supported JUC. The training program focused on installing, operating and maintaining the soil, leaf, nut and water testing laboratory at the JUC.

NEO's international beekeeping expert Bill Lord provided training to NEO's local beekeeping specialist Zaza Gurtskaia to perform fee-based honeybee IPM and diagnostic services through the JUC. In addition, NEO's international horticulture expert David Picha completed a five-day training in conducting soil, tissue, water, and nut analysis for the laboratory staff at the NEO-supported JUC in Zugdidi. Dr. Picha trained the laboratory staff on modern techniques of preparing samples for soil, tissue, water and hazelnut analysis; measuring pH levels for soil; identifying macro and micro elements in soil and plant tissues; detecting aflatoxins and pathogens in hazelnuts; and determining the sugar content and firmness of fruits and vegetables.



COMPONENT 3: Assistance to Strengthen Highly Vulnerable Households and Individuals

Activity 3.0 Overview



Throughout FY 2014, NEO continued activities to improve the livelihoods of highly vulnerable households and individuals by providing employment opportunities (including self-employment) through vocational and on-the-job training. NEO supplemented these training activities through the distribution of agricultural and non-agricultural livelihood packages to enhance beneficiaries' income generation potential.

During the reporting year, NEO provided 255 vulnerable and IDP beneficiaries with vocational training in high-demand trades, such as: welding, tile-setting, plumbing, hairdressing, apparel-making, cooking, confectionary, carpentry and bee-keeping. Successful graduates received a package of equipment or tools to facilitate their employment opportunities following the completion of their training. The results of the program have well-exceeded the 50 percent target: 678 of 889 graduates (76 percent) have found employment or improved their employment status after completing the NEO-supported vocational training courses.



In April FY 2013, NEO expanded Component 3 activities to include the delivery of agricultural and non-agricultural livelihood packages, as well as technical assistance to target vulnerable beneficiary households. To date, livelihood service providers for East and West Georgia have delivered 564 livelihood packages benefitting 688 vulnerable individuals and facilitated on-the-job training opportunities for an additional 189 vulnerable beneficiaries and households across the 10 NEO target municipalities. These activities have resulted in the development and growth of new small businesses and substantial increases in household income levels. In addition, 170 of the 189 vulnerable individuals trained secured long-term positions at the companies where they had been placed for NEO-facilitated on-the-job training.



Nana Vatsadze, launched her café and catering business with the support of USAID/NEO's livelihood grants program, which is aimed at encouraging vulnerable individuals to start-up or expand their businesses to generate income and improve their livelihoods. A year ago, Nana used to sell muffins, and potato and bean pies at the school cafeteria, located four kilometers from her home--a difficult journey in the winter. Nana earned, at most, \$2 per day, to support her five-member family in the neighboring village of Lasuriashi. In November 2013, Nana applied to and received a grant from the USAID/NEO livelihood grants program. Through the cost-shared grant, Nana received a set of home appliances, worth \$1,200, she rented a small retail outlet in downtown Tsageri, recruited an assistant--a girl from a vulnerable household like herself—and put the sign "Open" on the door. Today she sells three to five cakes a day, as well as a wide range of meat and vegetable pies, earning an average monthly income of \$320. Nana has expanded her business from a bakery shop to a catering service for bigger events in the community like weddings. She also plans to further expand her business by introducing delivery services.

Activity 3.1: Facilitate employment opportunities



In FY 2014, NEO selected 274 beneficiaries to receive vocational training in demand-driven trades. Of those selected, 255 beneficiaries—210 vulnerable individuals and 45 IDP beneficiaries—completed vocational training in welding, tile-setting, and plumbing (49); hairdressing (40); apparel-making (59); cooking (30); confectionary (17); carpentry (10); and bee-keeping (50). To enhance employment opportunities, 242 of the 255 graduates also received trade-specific toolkits. By the end of FY 2014, 102 graduates (or 40 percent) had already obtained or improved their employment status. Since over 50 percent of graduates completed their training in late August/September 2014, the number of beneficiaries who gain employment or improve their employment status is expected to increase in the coming months, as most graduates find employment within three months of graduation.

As detailed in the table below, in total, NEO has provided vocational training in 16 demand-driven trades to 889 beneficiaries—737 vulnerable individuals and 152 IDPs from Shida Kartli and Mtskheta Mtianeti (208 vulnerable, 52 IDPs), Samegrelo (418 vulnerable, 5 IDPs), and Racha-Lechkhumi, Kvemo Svaneti (128 vulnerable; Imereti – 78 IDPs) regions of Georgia. In addition, to enhance employment opportunities and/or facilitate self-employment, 777 of the 889 trainees received trade-related toolkits upon successful completion of their training. As a result, to date, 678 graduates (76 percent) have gained new or improved employment opportunities based on the NEO-supported vocational training they received.

In FY 2014, to expand vocational training opportunities for vulnerable beneficiaries in Tsageri and Lentekhi municipalities, NEO signed a grant agreement with the new ‘Professional Center’ in Tsageri. The grant enabled the vocational center to provide vocational training courses in carpentry, hairdressing, and apparel-making to 30 NEO-selected beneficiaries. NEO also continued to support the following vocational training centers (VTCs) in terms of expanding access to vocational training opportunities for vulnerable individuals: Gantiadi VTC in Gori, Erkvani VTC in Ambrolauri, Shota Meskhia University in Zugdidi, Iberia VTC in Kutaisi, and the Association of Women, IDPs and Invalids in Tsalenjikha.



Table 2: NEO Vocational Training and Employment Results through FY 2014

Trades	Vocational Training Service Providers								Graduates by Trade	Toolkits	Total Employed	Percentage Employed
	Akhali Talga Kobuleti	Iberia Kutaisi	Gantiadi Gori	Lakada - Jvari	Erkvani Ambrolauri	Tsageri Vocational Center	Shota Meskhia Zugdidi	Association ¹ Tsalenjikha				
Cook	12	10						61	83	83	52	63%
Confectioner	5	17							22	22	14	64%
Mountain Guide	10								10	10	10	100%
Mechanic	2								2	2	2	100%
Tower Crane Operator	2								2	2	2	100%
Apparel-Maker		12	42	15		10		67	146	123	98	67%
Electrician		6	18						24	23	23	96%
Hair Dresser		20	66			10		87	183	141	155	85%
Plumber/Tile Setter		12	58	32			21		123	86	83	67%
Welder		4	10				49		63	54	45	71%
Fruit Grafter			11						11	11	11	100%
Carpenter			11			10			21	21	20	95%
Painter			7						7	7	6	86%
Stone Mason			12						12	12	12	100%
Beekeeper					95			85	180	180	145	81%
Graduates/Provider	31	81	235	47	95	30	70	300	889	777	678	76%

¹ Association of Women, IDPs and Invalids in Tsalenjikha



NEO also aims to expand access to employment opportunities for vulnerable individuals by facilitating on-the-job training in the private sector. Since the beginning of the project, NEO's livelihood service providers AIC and CiDA have identified more than 35 companies willing to provide on-the-job training in areas of manufacturing, agriculture, food production, and various service sectors. As detailed in Table 3 below, 35 businesses have provided training for 189 NEO-identified vulnerable beneficiaries to date. To promote these opportunities, NEO awarded in-kind grants to these businesses, totaling [REDACTED]. To mitigate market distortion and ensure these companies' buy-in, the companies contributed over [REDACTED] percent (\$130,070) as a cost-share to help fund on-the-job training programs for NEO-selected vulnerable beneficiaries. Since completing their training, 170 trainees (or 90 percent of participants) have obtained positions at the companies where they completed on-the-job training.



Givi, an artisan from Lasuriashi village of Tsageri municipality, started his home-based carpentry business years ago. But the lack of precision tools and equipment meant that his customers had a significant wait before he could fill their orders. The poor quality of his tools limited the quality of his products, and as a result, limited his customer-base and income potential. While searching for resources to expand and improve his woodworking shop, Givi applied to the USAID/NEO's livelihoods program. Through the program, he received a commercial-grade carpentry toolkit comprised of a milling machine, compressor, paint sprayer, circular saw, wood cutting machine, and a set of drill bits; \$1600 worth of equipment. Within four months of receiving the toolkit, Givi had already completed around 60 orders, earning him a net profit of \$2,300. He immediately invested the proceeds back into his business, to expand production, purchase a car for delivery services, and hire two apprentices from vulnerable households in the community. During the past four months his team has completed projects for 18 public schools in the surrounding villages, earning \$720 of net income.

Table 3: NEO On-The-Job Training Results through FY 2014

Business	East Georgia (CIDA) facilitated trainees	West Georgia (AIC) facilitated trainees	Total Trained	Total Employed	Percent Employed
Guesthouse Management		3	3	3	100%
Audio/visual services	5	3	8	8	100%
Car Wash Services	5	1	6	4	67%
Tire / Auto Repair	4	9	13	12	92%
Furniture Production		5	5	5	100%
Carpentry		12	12	10	83%
Apparel-making	17	9	26	21	81%
Blanket / Bedding Manufacturing		3	3	3	100%
Baking/ Confectionary	11	10	21	19	90%
Fast-Food Services	5	6	11	11	100%
Walnut Processing		10	10	7	70%
Corn-Flake Production	4		4	4	100%
Hair-dressing		10	10	9	90%
Well-Cleaning Services		3	3	3	100%
Funeral House Services		3	3	3	100%
Handicraft Production	8		8	7	87%
Intensive Fruit Production	11		11	11	100%
Animal-Feed Production	3		3	3	100%
Mushroom Production	6		6	6	100%
Greenhouse Production	5	7	12	10	83%
Viticulture		11	11	11	100%
Total	84	105	189	170	89.9%

Activity 3.2: Improve livelihoods of target households through increased household production and diversification of income sources



Since initiating the livelihood package program in the spring of FY 2013, NEO livelihood service providers AIC and CiDA have selected 796 vulnerable beneficiaries to receive small in-kind grant packages and technical assistance related to 13 agricultural sub-sectors and 18 non-agricultural trades/activities. Of 796 livelihood packages distributed, 636 packages benefitted vulnerable individuals or households engaged in the agricultural sector and 160 packages benefitted those involved in non-agricultural trades. Agricultural sectors include poultry, beekeeping, greenhouse and open-field vegetable cultivation, grain production, strawberry/raspberry production, tree fruit production, agricultural mechanization (drip irrigation, rototillers/mowers, etc.), viticulture, rabbit farming, aquaculture and dairy production. Non-agricultural activities include: retail shop development, hair-dressing, apparel-making, bakery/confectionary, fast-food services, carpentry/furniture making, handicrafts, guesthouse management, funeral services, concrete blocks production, auto repair, metal processing shop, audio/visual services, electricians, and shoe-repair. In addition, to support the sustainability of these activities, the livelihood service providers also delivered technical assistance in sector specific skills and general business acumen in the form of training and consultations.



NEO's selection of target sub-sectors was based on the analysis of community EDPs developed by community working groups and interviews with relevant stakeholders. In line with priority sub-sectors and in consultation with NEO's Component 2 and 3 staff and external experts, AIC and CiDA identified standard packages for agricultural and non-agricultural sub-sectors ranging from [REDACTED], based on expected returns within the range of \$765 – \$4,115 in additional annual income.

To date, AIC and CiDA have delivered 432 agriculture and 132 non-agricultural livelihood packages, providing benefits to 688 individuals. Based on survey results of NEO beneficiaries participating in livelihood programs, comparing pre- and post-package income levels; on average, the recipients of livelihood packages have experienced between a 30 and 300 percent increase in household income levels, with an average increase of 75 percent in annual income levels. Recipients of non-agricultural packages have seen a higher rate of return: on average, recipients of non-agricultural livelihood packages have experienced a 145 percent increase in household income levels compared with an average percent increase of 50 percent among agricultural package recipients. That said, recipients of agricultural packages may not see the benefits immediately due to the seasonal nature of agriculture.



It is also worth noting the qualitative factors such as engagement, motivation, and determination of each of the individual beneficiaries affect performance when comparing results of beneficiaries who received the same livelihood package. Livelihood packages were designed to enhance or supplement household income levels, however, when the beneficiaries invested additional resources in the programs and/or used the tools to develop new or enhance existing (full-time) business endeavors; their rates of return were higher than the beneficiaries who only made basic use of the packages to supplement their current income levels. For example, the farmers receiving the mechanization packages could use the equipment to cultivate and harvest their own land plots, thereby increasing their yields. The farmers who also rented out the equipment or provided cultivation services for neighbors received additional revenues from these services. Beneficiaries receiving beekeeping packages received on average five hives. The farmers who multiplied their hives/colonies upon receipt of their packages received a smaller amount of honey per hive during the first production cycle. However, by the second production cycle, they had doubled or tripled their number of hives, which provided them with greater honey yields and two to three times the income, compared to the farmers who only maintained the original number of hives received in their package.



NEO's grantee, CHCA, completed implementation of the NEO-supported no-interest loan program for vulnerable individuals including IDPs in the second quarter of FY 2014. Since the inception of the program in October 2012, CHCA received 544 loan applications, interviewed 502 loan applicants, trained 470 vulnerable individuals in business management, and disbursed 342 loans totaling \$197,965. Sixty percent of loan recipients were women entrepreneurs and 68 percent of the loans recipients were IDP start-up enterprises. During the program, only 15 loan recipients, comprising 1.8 percent of CHCA's total loan portfolio, were in arrears in their loan repayments. NEO's and CHCA's joint no-interest loan program resulted in loan recipients generating an average increase in monthly income of 137 percent relative to their monthly income levels prior to receiving the loans.



Component 4: Promoting the Sustainability of IDP Housing

Activity 4.0 Overview



NEO is tasked with developing a long-term sustainable approach to manage and maintain IDP buildings and settlements rehabilitated with USG funding. In FY 2014, NEO started to work with IDPs in 10 buildings newly rehabilitated by USAID/Municipal Infrastructure and IDP Housing Rehabilitation Project (GMIP) project. This work included capacity building and establishing HOAs in target buildings as well as selecting and provided training and maintenance tools to maintenance teams in these communities.



To ensure that USG-rehabilitated IDP apartment buildings and cottage settlements are properly managed and maintained, NEO continued to assist residents to establish and build the capacity of homeowners and tenants associations (HOAs and TAs). NEO's implementing partner, CHCA, completed trainings in HOA formation and management and established eight HOAs comprised of 289 IDP households in 10 newly rehabilitated buildings. NEO established, trained and equipped maintenance teams of eight HOAs to maintain the HOAs' buildings and common use areas.



To achieve long-term sustainability and reduce their level of vulnerability, HOAs and TAs must secure regular income sources, through income generating projects, membership dues, maintenance fees, and/or other sources to cover the costs of maintaining and improving residential common property. NEO continues monitoring HOA/TA fund collection in all NEO-supported associations, which has increased from \$1,800 to \$4,416 over the year with \$1,108 expended on various maintenance works. In order to help the associations develop sustainable revenue sources, NEO also continued providing business proposal writing trainings and provision of income generating grants. In FY 2014, NEO was able to approve and deliver 15 more income-generating grants to NEO-established associations.

However, as municipalities are responsible for providing needed assistance to the IDP buildings, NEO also continued to build the capacity of municipal staff to better assist HOAs with registration and resolve HOA and TA issues. In FY 2014, NEO provided trainings to nine local government officials from new partner municipalities and in FY2015, NEO will continue to facilitate dialogue between NEO-trained municipalities and HOA/TAs to advocate for the associations' interests and joint projects benefitting HOAs and TAs.



Lala Leshkasheli, her husband, and two kids were forced to flee from their home in Sukhumi, Abkhazia, when civil war erupted in 1992. The family eventually found shelter in a former kindergarten in Kutaisi. After relocating to Kutaisi, Lala's husband began buying and selling fruits and vegetables on the local fresh food market to generate income for his family. Due to small profit margins, her husband struggled to earn enough to feed the family. Lali decided it was time for her to join the workforce to help support the family. After graduating from the NEO-supported apparel-making course at the Vocational College "Iberia" in July 2013, Lala got her first full-time job as a sorter at a Georgian-Turkish textile manufacturing company, where she receives an average monthly salary of \$175. In addition, Lala generates supplementary income (\$50 per month on average) by using a sewing machine she received from USAID/NEO to produce and mend clothes for clients in her neighborhood. Through the USAID/NEO-supported no-interest loan program, Lala's husband also received a \$1,000 working capital loan to expand the range and volume of products that he offers on the local fresh food market. Together, Lala and her husband now earn more than \$800 per month, which has allowed them to cover extra-curricular language courses for their children.

Activity 4.1: Address Land Use Issues of Target HOAs/TAs



During FY 2014, NEO’s IDP Housing Team, together with Mr. Murad Ablotia, Head of the IDP Issues Department at the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia (MRA), worked closely with representatives of municipal governments and the Ministry of Economy and Sustainable Development of Georgia (MoESD) to assist IDPs in NEO-supported buildings and cottage settlements to legally use land surrounding their residencies for agricultural production and other income generating activities. In January 2014, NEO and MRA launched a pilot initiative to assist a NEO-supported HOA in Kvitiri community (Tskaltubo municipality) to prepare and submit a written request to the MoESD for the use of three land plots adjacent to the HOA’s residence for agricultural production purposes. On September 30, 2014, the National Agency of State Property (NASP) of the MoESD responded with a letter stating that the NASP will review the HOA’s application to legally use the three aforementioned land plots only after the HOA’s building has been privatized.

To further support IDPs to legally access land plots near their residences for income generating opportunities, in FY 2015 NEO, together with the World Bank in Georgia, MRA and other stakeholders will develop a coherent and streamlined approach for IDPs to apply for and gain legal access to private-, municipal- or state-owned lands. During the first quarter of FY 2015, the World Bank’s international and local consultants will visit NEO-supported HOAs and TAs in the Tskaltubo and Gori municipalities, as well as meet with municipal, MRA, MoESD and other stakeholders to develop a strategy with guidelines for IDPs to legally access private-, municipal- or state-owned land.



Giorgi Pataraiia was just ten years old when his family was forced to flee their home in Sukhumi, Abkhazia to escape the Georgian -Abkhaz civil war in 1993. Although Giorgi has a degree in engineering, his love for martial arts led him to choose karate as a profession. Initially, Giorgi rented a sports hall and made his own equipment, such as punching bags, with help from friends. While he worked hard to expand his business enterprise, additional funding was necessary to upgrade the sports hall. Giorgi approached CHCA, which administers the USAID/NEO-supported Income Generation and Business Support Initiative, and within two weeks received business skills training and a no-interest loan of \$500. Giorgi used the loan to purchase martial arts equipment and renovated the sports hall to meet the growing demand for his services. Since the rehabilitation, Giorgi has seen his revenue grow 30 percent, and has an average of four new students per month. He has since invested in further upgrades to the school including new heating equipment, a horizontal bar, a climbing rope, and a mat to further support the physical development of his students.

Activity 4.2: Promote Sustainability of HOATAs



In January, NEO signed a follow-on grant agreement with CHCA to assist in the formation and development of HOAs and maintenance teams in 10 IDP apartment buildings in Kareli, Marneuli, Zestaponi, Kutaisi, Vani, Terjola and Tskaltubo municipalities, rehabilitated by USAID/GMIP. During FY 2014, CHCA conducted 11 trainings in HOA formation and management for 186 households including 129 women, which resulted in the establishment of eight HOAs (four IDP buildings in Zestaponi decided to create two joint HOAs).

CHCA also conducted three trainings in business planning for 91 members of 28 HOAs established by NEO in FY 2013, and 24 members of 10 HOAs established in FY 2014. The trainings focused on developing the IDPs' skills and capacity to develop business plans to participate in NEO's income generating grant program for HOAs. Following the training, the HOAs were invited to complete and submit income generating grant proposals to NEO for review. Based on the applications, NEO awarded 15 income-generating grants to 12 HOAs and TAs to support the associations in generating revenue streams to sustainably maintain, repair and upgrade their infrastructure. Overviews of the grants awarded are listed below:



*Beauty-Salon Equipment for
Kutaisi HOA "Abkhazeti"*



*Carpentry Equipment
for Kutaisi HOA "Nugeshi"*



*Carwash Equipment for Kutaisi
HOA "Momavlis Imedi"*

Table 4: NEO HOA Income Generating Grants - FY 2014

No	HOA/TA	Location	In-Kind Grant	Purpose	Income Stream
1	Ilori	Kutaisi	Jack Hammers	Rented to HOA's maintenance team to diversify and improve the quality of the team's construction and remodeling services.	Managed by MT 200 GEL/month, rental
2	Nugeshi	Vani	Carpentry Equipment	Rented to HOA member to expand the services offered at his carpentry shop.	50 GEL/month, rental
3	Apkhazeti	Kutaisi	Beauty Salon Equipment	Leased to HOA member to diversify the services offered at her beauty salon.	216 GEL/month, for 12 months
4	Imedi	Tsilkani	Beauty Salon Equipment	Leased to TA member (graduate of a NEO-supported vocational training course in hairdressing) to expand her hairdressing services.	114.50 GEL/month, for 36 months
5	Imedi	Tsilkani	Coffee Grinding Machine	Leased to a TA member, who provides coffee grinding services at her shop in Tbilisi.	93 GEL/month, for 36 months
6	Momavlis Imedi	Kutaisi	Carwash Equipment	Leased to three HOA members to perform car-washing services at a local car wash.	306.50 GEL/month, for 12 months
7	Ertoba	Kutaisi	Shoe Repair Equipment	Rented to HOA member to enable him to improve and expand his shoe repair services.	50 GEL/month, rental
8	Amra	Kutaisi	Dough Making Machine	Leased to HOA member to diversify the assortment and increase the quantity of products offered at his bakery.	204.50 GEL/month, for 22 months
9	Otsneba	Frezeti	Rototillers	HOA will hire four members to provide agricultural land cultivation services.	Managed by the TA, 650 GEL per season to TA Fund
10	Otsneba	Frezeti	Baking Equipment	Leased to HOA member for cake baking.	80 GEL/month, for 30 months
11	Otsneba	Frezeti	Refrigerator	Leased to HOA member with retail shop to expand assortment of product offerings to include frozen foods, refrigerated items, and ice cream.	101 GEL/month, for 24 months
12	Eshera	Kutaisi	Construction Equipment	Leased to HOA member with construction business to expand services.	132 GEL/month, for 30 months
13	Iberia	Kutaisi	Beauty Salon Equipment	Lease to HOA member (graduate of NEO-sponsored vocational training course in hairdressing) to expand and improve hairdressing services.	180 GEL/month, for 12 months
14	Tolia	Kutaisi	Beauty Salon Equipment	Lease to HOA member (graduate of NEO-sponsored vocational training course in hairdressing) to launch beauty salon across from Parliament.	90.46 GEL/month, for 34 months
15	Vartsikhe Hesi	Vartsikhe	Refrigerators	Lease to HOA member to upgrade equipment in his grocery store.	133 GEL/month, for 24 months



As a follow-up to the NEO-sponsored HOA Slovakia Study Tour, in February 2014, NEO and the Parliamentary Committee for Regional Policy and Self-Governance organized a Roundtable Meeting: *Promoting Growth and Development of Homeowners' Associations (HOAs) in Georgia - Sharing Insights and Slovak Experience*. The meeting was attended by Parliament members; representatives of municipal governments, USAID, MRDI, Ministry of Energy, MoES, Tbilisi City Council, NGOs, and educational institutions. During the meeting, participants shared Slovakian and Georgian experiences in the management of multi-family housing units and held a broad discussion on promoting the growth and development of HOAs in Georgia. Participants delivered presentations on Georgia Legislation and the Current Situation with HOAs, Slovakian Housing Management and Maintenance Practices, Overview of Slovakian Housing Policy, as well as Comparisons between Georgian and Slovakian Housing Management Practices. Recommendations were made to consider EU standards on energy efficiency, affordability, and market economy and the environment, when considering changes to housing policies. Parliament members expressed readiness to take ownership of the process and cooperate with all interested parties, including international donors, in forming a working group to advance discussions on HOA issues and recommendations on the Georgian Law on Condominiums.



In September 2014, NEO organized two-day training on HOA oversight for nine municipal officials from the Gori, Kareli, Marneuli, Kaspi, Kutaisi, Senaki, Vani, Terjola, and Tskhaltubo municipalities. NEO also facilitated four public meetings between NEO-supported HOAs and TAs and the Gori, Akhagori, Zugdidi, and Kutaisi municipal governments. The meetings aimed to facilitate the government officials' understanding of the needs and priorities of HOAs and TAs, as well as allowed HOA and TA members to obtain information on municipal government programs to support HOAs and TAs. As a result of these public meetings:

- Skra and Berbuki TAs submitted a written request to the Gori municipality to fix street lights in their respective settlements (in the case of Skra IDP settlement, only 11 of the 47 lamps were functioning, while in Berbuki IDP settlement 11 lamps were not functional). The municipality responded and repaired all of the broken lamps.
- Tsilkani local government and Tsilkani TA implemented a joint sports ground renovation project. The local government granted the TA fencing mesh and supporting poles to fence the sports ground, and the TA contributed cement for the poles.

Activity 4.3: Promote Sustainability of HOA/TA Maintenance Teams



In FY 2014, NEO assisted eight HOAs in Kutaisi, Terjola, Zestaponi, Tskaltubo, Vani, Kareli and Marneuli to establish maintenance teams (MTs). The HOAs, together with NEO, identified 39 HOA members with skills in electrical, plumbing, masonry, welding, tile-setting and carpentry to become members of the MTs. NEO organized trainings in regular maintenance activities for the MT members and HOA chairpersons, which were conducted by two local trainers from the Department of Housing Infrastructure at the Mayor’s office of Kutaisi. The trainers delivered a NEO-designed two-day training program covering the role of MTs in HOAs, buildings and their components, overview of USG-funded rehabilitation works in the HOA buildings, regular maintenance recommendations, safety issues (asbestos, lead paint, carbon monoxide, mold, fire, etc.), maintenance calendars, and the skills and tools needed for building maintenance. NEO also provided each MT with six reference manuals: masonry, tile-setting, welding, painting, plaster boarding, and concrete works.

After the trainings, NEO procured and distributed maintenance toolkits to each MT, including an electric drill, jack hammer, angle grinder, electrician’s set, welding machine, electric circular saw, power planer, plastic pipe welding machine, heat gun, soldering iron, gas powered scythe and other equipment. The toolkits help the MTs to properly maintain their HOA infrastructure, as well as allow the MT members to generate personal and HOA income by enabling them to rent the tools from the HOA for use on external maintenance and construction jobs. NEO’s IDP Housing Team also continued to monitor the MTs’ usage of HOA toolkits throughout FY 2014. To date, 27 HOAs and 7 TAs have collected \$2,058 in fees from their respective MTs for the use of the toolkits for commercial services performed outside of their buildings and cottage settlements.

In addition to newly established HOAs, NEO continues to support the 41 HOAs/TAs, established in 2012/13 to develop and implement Sustainability Plans including the establishment of maintenance funds comprised of proceeds from membership fees, rent of maintenance toolkits, and revenues from income generating grants. By the end of FY 2014, 49 NEO-supported HOAs and TAs had collected \$4,380 (\$1,050 in membership fees, \$2,058 from rental of maintenance tools, and \$1,272 from income generating grants). From these revenues, HOAs and TAs spent \$1,100 in FY 2014 on various maintenance activities.



MT of Kutaisi installs and paints benches



MT of Kutaisi repairs the main gate



MT of Khurvaleti IDP settlement constructs church

Table 5: NEO HOA/TA Maintenance Activities - FY 2014

No.	HOA/TA	Location	Amount	Activity
1	Prones Kheoba 2013	Akhalsopeli	46 GEL	Replaced communal spring water tap and door lock, and repaired window safety bars and rainwater gutters of community center.
2	Apkhazetis Gza	Senaki	63 GEL	Laid concrete floor at entrance to building, replaced water taps and installed meshing over ceiling vents.
3	Tolia	Kutaisi	214 GEL	Repaired damaged water tanks and pays 22 GEL/month for tank filling; repaired sewage pipes.
4	Apkhazeti	Kutaisi	50 GEL	Constructed new building entrance.
5	Imedi	Tsilvani	30 GEL	Repaired leaking roofs.
6	Egrisi	Kutaisi	112 GEL	Repaired metal gate, water and sewage pipes and rainwater gutter.
7	Kheoba 2013	Shavshvebi	63 GEL	Constructed gazebo with tables and benches for youth to play board games (chess, checkers, etc.).
8	Ertoba +	Teliani		Repaired ovens of two bread bakeries in the settlement.
9	Liakhvis Kheobebebi	Berbuki	36 GEL	Repaired oven of bread bakery.
10	Momavlis Imedi	Skra	84 GEL	Installed new oven for bread bakery.
11	Mshvidoba	Kutaisi	20 GEL	Repaired clogged sewage pipes.

Project Operations

Administration

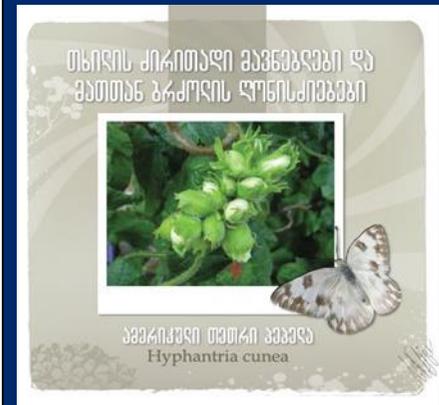
[Redacted text block]

Communications



During the reporting period, NEO organized and facilitated a number of public outreach events with USAID, US Embassy, Israeli Embassy, and other donors and line ministries. Events included:

- *October 2013*: Opening of the NEO-supported rural road rehabilitation project in Khidistavi community of Gori municipality;
- *November 2013*: Opening of the NEO-rehabilitated kindergartens in Didinedzi and Tsaishi communities of Zugdidi municipality and Chale community of Tsalenjikha municipality;
- *November 2013*: Presentation of NEO-supported infrastructure, agricultural, and livelihood projects to the U.S. Ambassador and other Embassy and State Department representatives;
- *November 2013*: Participation in the U.S. Embassy Fair showcasing agricultural and other goods produced by NEO-supported beneficiaries;
- *January 2014*: Meeting with the Ministry of Regional Development and Infrastructure (MRDI) to share the impact of NEO's



activities across target communities: [New Approaches and Lessons Learned in Community Mobilization and LED Planning in Georgia](#). The meeting was attended by 35 participants, including the First Deputy Minister MRDI; Head of Parliamentary Committee for Regional Policy and Self-Governance; municipal authorities from Gori and Dusheti municipalities; a representative from the Samegrelo-Zemo Svaneti governor's office; community working group members from Tsalenjikha, Tsageri, and Gori municipalities; and representatives from donor organizations.

- February 2014:** Roundtable Meeting at the Parliament of Georgia on *Promoting Growth and Development of Homeowners' Associations in Georgia - Sharing Insights on the Slovak Experience*. The roundtable attracted 40 participants including representatives of HOAs from Kutaisi, Batumi, and Rustavi; Head and Deputy Head of the Regional Policy and Self-Governance Committee; Deputy Head of Finance and Budget Committee of the Parliament of Georgia; members of the Tbilisi, Kutaisi, and Rustavi City Halls; representatives of the Ministry of Energy, Ministry of Regional Development and Infrastructure, and Ministry of Economy and Sustainable Development; and participants from the Danish Refugee Council (DRC), CHCA, USAID, and NEO.
- March 2014:** Handover of the NEO-developed [Database on the Movements and Impacts of Hazelnut Pests](#) to the Agricultural University of Georgia. The presentation was made to 150 students and representatives of the Agricultural University of Georgia; Ministry of Agriculture, National Food Agency of Georgia; Georgian National Academy of Agricultural Sciences; Association "Peaceful and Business Caucasus"; Ministry of Agriculture of Abkhazia in-exile; Elkana; Anaseuli Research Institute of Subtropical Cultures and Tea Industry; USAID/REAP and NEO projects, and USAID staff.
- March 2014:** Handover of [mechanization livelihood packages](#) (rototillers) to 88 vulnerable families from Gori municipality. The handover event attracted 150 participants, including 88 beneficiaries and family members; representatives of Governor's office of Shida Kartli; Municipality Heads from Gori; and USAID and NEO.
- April 2014:** Opening of vocational training courses for 42 IDP beneficiaries at Iberia Vocational College in Kutaisi;
- May 2014:** Graduation ceremony for 45 vocational training beneficiaries from Erkvani Vocational College in Ambrolauri and the Professional Center in Tsageri. During the graduation, NEO staff and local government officials provided certificates and toolkits to the graduates in carpentry, apparel-making, hairdressing and beekeeping from Lentekhi and Tsageri municipalities;
- May 2014:** Thirty EDP presentations to the Gori, Kareli, Khashuri, Dusheti, Oni, Zugdidi, and Tsalenjikha municipalities, where community working group members presented updated community-level EDPs to local government officials;
- June 2014:** Opening of vocational training courses at Shota Meskhia State Teaching University in Zugdidi and at the Association of Invalids, Women, and IDPs in Tsalenjikha. At the event, NEO and local government officials welcomed 133 vulnerable beneficiaries from Zugdidi and Tsalenjikha municipalities to the launch of their vocational training programs in welding, plumbing, hairdressing, apparel-making, beekeeping, and confectionery;



- August 2014: [MASHAV Workshop on Modern Techniques of Open Field Vegetable Production](#) at the NEO-supported vegetable production demonstration plot in Breti village of Kareli municipality. During the closing event, USAID Mission Director, Ambassador of Israel to Georgia, MASHAV's Director of Training, and Deputy Governor of Shida Kartli provided 25 participants with certificates of completion.
- September 2014: The USAID Mission Director conducted a site visit to NEO-supported project sites in Racha-Lechkhumi and Kvemo Svaneti, which coincided with the close-out event for the region;
- September 2014: The USAID Mission Director attended the [Toolkit and Certificate Handover Ceremony](#) for two NEO-supported HOA Maintenance Teams in Zestaponi.

All events were publicized through national television and local broadcast media outlets, including; Rustavi 2, Imedi, Public Channel, and TV3; Trialeti TV in Shida Kartli; Rioni TV in Imereti; and Odishi TV in Samegrelo-Zemo Svaneti. In addition, events were publicized in newspapers; through news agencies; and on municipal and regional websites.

NEO continues to develop instructional videos and video success stories showcasing the impact of NEO activities. The videos aim to disseminate information on new agricultural technologies and practices and highlight results to date through NEO's interventions:

- In March 2014, videos on agricultural best practices in fruit and vegetable production were broadcast through local television channels in Shida Kartli and Samegrelo-Zemo Svaneti:
 - March 11 - 18, 2014: [Fruit Sapling Production and Establishing Fruit Nurseries](#) was aired seven times on Trialeti television channel to 7,500 viewers across Gori, Kareli and Khashuri municipalities.
 - March 18 - 23, 2014: [Modern Techniques of Tomato Production](#) was broadcast 20 times by local ODISHI and JIKHA television channels to 5,559 viewers in Samegrelo-Zemo Svaneti.
- In June 2014, NEO developed an additional instructional video on [Modern Drip Irrigation Technologies](#) for dissemination to farmers in the Shida Kartli, as well as an additional training video on Honey Processing, Packing, and Marketing. The training videos are also being disseminated among farm service centers and educational institutions.
- NEO also developed a video on the [Impact of NEO's Disaster Relief Initiatives](#).

NEO is also in the process of developing scripts for videos on the benefits of Knip Boom Technologies and meteorological stations introduced by NEO; Introduction of New Management Practices for IDP Homeowners Associations; and NEO-supported Employment and Income Generation Prospects for Highly Vulnerable Individuals, which will be publicized in FY 2015.



During the reporting period, NEO developed eight success stories to help the project share the impact of its work with key stakeholders. The [USAID Facebook Page](#) also featured numerous postings on NEO, highlighting initiatives in sustainable income-generation activities for highly vulnerable individuals including vocational trainings and no-interest loans, as well as NEO agriculture and IDP housing activities. In addition, in order to increase recognition and awareness of USAID activities in NEO target communities, NEO continues to mark USAID-rehabilitated infrastructure and grant project sites with USAID/NEO signs.

During the reporting period, NEO's IDP housing and communications teams launched an informational campaign for IDP communities to further raise awareness of the benefits of homeowners' associations, the roles and responsibilities of citizens and government officials in HOAs, and highlight potential benefits of HOAs for the community. NEO is assisting stakeholders, counterparts, and collaborative donors to tell the story of their accomplishments and HOA/TA experiences through numerous media outlets (INFO-9, Pirveli Radio, citizens.ge, medianews.ge, ipn.ge, and others). By helping successful HOAs/TAs tell their story, NEO hopes to inspire other buildings to learn of the benefits of a safer, well-maintained residence and develop HOA/TA systems in their own buildings.

Grants and Subcontracts

Grants: In FY 2014, NEO issued [REDACTED] RFAs and signed [REDACTED] grant agreements totaling [REDACTED]. These grants aimed to expand vocational training for vulnerable beneficiaries; improve greenhouse, open-field, seed potato, lettuce and strawberry production; develop fruit and vegetable demonstration plots; install meteorological stations for irrigation and early crop disease control; develop HOA/TAs and maintenance teams; and provide livelihood support to vulnerable individuals and households across NEO's target communities as detailed above. NEO grantees were required to provide cost-share contributions under the terms of their grant.² Overall to date, NEO grantees have contributed \$1,270,967 [REDACTED] in cash, kind, and/or in loan funding towards their NEO grant activities. Component 2 grantees have accounted for \$1,122,931 [REDACTED] of these cost-share contributions, well exceeding the 25 percent cost-share contribution required for their grant.

To date, NEO has awarded [REDACTED] grants totaling [REDACTED] grant budget and disbursed [REDACTED] of this committed amount. NEO's grant activities have provided direct benefits (jobs, training, equipment, etc.) to 22,351 individuals in NEO-target communities (see Table 6 below).

² For direct grantees, a minimum of 25 percent cost-share is required for an award. Grants to service providers such as AIC, CIDA, CHCA, and Vocational Training Colleges do not require direct cost-share contributions. The vulnerable beneficiaries receiving services provide a 5-10 percent contribution in terms of time commitment, land preparation, or other in-kind assistance for the vocational training, livelihood packages, on-the-job training, HOA/TA development provided through the grant.

Subcontracts: In FY 2014, NEO executed subcontracts for 39 small-scale infrastructure projects totaling ██████████, which are estimated to provide benefits to 24,157 households in NEO’s ten target municipalities (see Table 1 above). To date, NEO has executed subcontracts totaling ██████████ and disbursed ██████████ to implement a total of 86 infrastructure projects, revise 55 community-level EDPs, establish HOA/TAs in 7 pilot IDP-buildings and 2 IDP settlements, and conduct baseline, mid-term and final household surveys of control groups and beneficiaries across NEO’s 85-target communities in order to evaluate the impact of NEO activities throughout the project.

Table 6: NEO Grants Awards - FY 2012 through FY 2014

Sector	No. of Grants	No. of FY12-14 Beneficiaries	Type of Organizations	Total Value of Grants Committed (USD)	Total Value of Grants Disbursed (USD)	% Total Disbursed
Tourism	8	207	Private	████████	████████	████
Agriculture Development	58	11,158	Private, NGO, Association	████████	████████	████
Vocational Training	16	1,012	Educational	████████	████████	████
Access to no-interest loans	2	470	NGO	████████	████████	██%
Livelihood support program	4	686	NGO	████████	████████	████
HOA/TA Development	37	8,798	NGO	████████	████████	████
JUC	1	20	Private	████████	████████	████
Total	126	22,351		████████	████████	████

████████ ██████████
 ██████████ ██████████
 ██████████ ██████████

Monitoring and Evaluation

The NEO project has been designed and implemented to achieve results in the areas of community-level economic development planning, rural economic development, assistance to highly vulnerable households and individuals, and sustainability of IDP households rehabilitated with USG support. In addition to these four components, NEO has a built-in disaster response mechanism valued at up to ██████████. To monitor the progress towards achieving project results, NEO follows a robust Performance Monitoring Plan (PMP) which tracks results based on 33 output and outcome indicators, as well as seven key result indicators across the fifty-six month life of the project from April 2011 to December 2015.

By the end of this reporting period, NEO had provided assistance to 66,834 households, including 65,677 rural households, which represent 90 percent of the 74,000 households in NEO-targeted municipalities. In addition, NEO has completed 71 of 86 small-scale socio-economic infrastructure projects and delivered all 85 community-level EDPs to partner municipalities for consideration. The remaining 15 community-level infrastructure projects and 20 new ABL-village level projects will be implemented and completed in FY 2015.

In terms of rural economic development, NEO has provided short-term agricultural training to 31,434 individuals and introduced new technologies and practices across 8,897 hectares of agricultural land plots in target regions of Georgia. As a result of these activities, NEO has also helped to catalyze \$1,270,965 in private sector investment in the agricultural sector; and NEO's small-scale farmers, vulnerable beneficiaries, and IDPs have increased farm-gate sales of agricultural produce by \$833,522 in this fiscal year over pre-NEO sales figures.

NEO also works to enhance the livelihoods of highly vulnerable individuals, including IDPs, through vocational training, on-the-job training livelihood packages, and access to no-interest loans. To date, 911 individuals have received vocational training through the NEO program. Results of these programs have far exceeded expectations. Specifically, between FY 2012-2014, 76 percent of NEO vocational trainees and 90 percent of on-the-job trainees have obtained new or improved employment opportunities following the completion of their trainings. NEO's livelihood service providers, AIC and CiDA have delivered 564 livelihood packages (435 agricultural and 130 non-agricultural packages, including small in-kind grants of equipment, technical assistance and training) to help provide sustainable sources of household income for 686 targeted beneficiary households by the end of FY 2014; and CHCA distributed 342 no-interest loans. On average, livelihood package recipients have seen a 75 percent increase in their household income levels since implementing their package programs.

Finally, NEO works to promote sustainability of IDP housing by establishing HOAs and TAs in USG-rehabilitated IDP buildings and settlements. By the end of FY 2014, NEO had established 38 HOAs representing 3,087 residents in 40 rehabilitated IDP collective centers, and 11 TAs representing 5,711 IDPs residing in cottage settlements. Many of the IDP beneficiaries have also been the recipients of NEO-supported agricultural and vocational training programs.

Project results to date are in line with PMP targets as detailed below in Table 5 NEO Indicator Targets and Actuals. However, for a full description of project results and disaggregation of project indicators, please refer to the accompanying *NEO Annual Monitoring and Evaluation Report*.

Table 7: NEO INDICATOR TARGETS AND ACTUAL RESULTS

No	Indicator Name	Actual	Actual	Target	Actual	Cumulative Total	Target	
		FY2012 (Oct-Sep)	FY2013 (Oct-Sep)	FY2014 (Oct-Sep)	FY2014 (Oct-Sep)		FY2015 (Oct-Dec)	LOP Total Target
USAID PMP OUTCOME/OUTPUT INDICATORS								
4.4.8	Number of beneficiaries receiving improved infrastructure services due to USG assistance	1,154	26,418	21,070	25,127	52,699	10,360	63,059
4.5.2-13	Number of rural households benefiting directly from USG interventions	6,107	30,171	31,013	30,927	65,677	9,645	75,322
4.5.2-5	Number of farmers and others who have applied new technologies or management practices as a result of USG assistance	816	10,284	4,431	2,431	13,531	2,500	16,031
4.5.2-2	Number of hectares under improved technologies or management practices as a result of USG assistance	1,502	6,746	2,570	649	8,897	1,100	9,997
4.5.2-7	Number of individuals who have received USG supported short-term agricultural sector productivity training	2,608	9,512	23,270	19,450	31,434	5,900	37,334
	Trainings in classroom and demonstration plots	924	2,375	3,270	774	3,937	900	4,837
	Training via magazines	1,684	1,023		0	2,707		2,707
	Trainings via multimedia	0	6,114	20,000	18,676	24,790	5,000	29,790
4.5.2	Number of jobs attributed to NEO implementation	265	2,292	1,708	3,354	4,486	870	5,169
4.5.2-11	Number of food security private enterprises (for profit), producer organizations, water users associations, women's groups, trade and business associations, and community based organizations (CBOs), receiving USG assistance.	86	77	30	26	189	17	206
4.5.2-23	Value of incremental sales (collected at farm-level) attributed to FTF implementation (<i>New FTF required indicator</i>)	0	\$190,728	\$849,603	\$833,522	\$1,024,250	\$400,000	\$1,424,250
4.5.2-29	Value of agricultural and rural loans (<i>New FTF required indicator</i>)	\$36,108	\$215,044	\$225,000	\$32,362	\$285,513	\$75,000	\$360,513
4.5.2-38	Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation	\$160,510	\$717,001	\$506,800	\$393,453	\$1,270,965	\$18,000	\$1,288,965

NEO 2014 Annual Report

No	Indicator Name	Actual	Actual	Target	Actual	Cumulative Total	Target	
		FY2012 (Oct-Sep)	FY2013 (Oct-Sep)	FY2014 (Oct-Sep)	FY2014 (Oct-Sep)		FY2015 (Oct-Dec)	LOP Total Target
USAID PMP OUTCOME/OUTPUT INDICATORS (CONT.)								
4.5.2-42	Number of private enterprises, producer organizations, water users associations, women's groups, trade and business associations, and communitybased organizations (CBOs) that applied new technologies or management practices. <i>(newFTF indicator)</i>	79	201	45	377	657	71	728
4.6.3-2	Number of people receiving new or better employment (including better self-employment) as a result of participation in USG-funded workforce development project	116	582	204	915	1,028	35	1,063
4.6.3-4	Number of persons completing USG-funded workforce development programs	305	664	340	431	1,400	75	1,475
4.7.3-4	Total number of enterprises receiving business development and management practice services from USG assisted sources	924	3,008	3,549	1,184	4,984	1,390	6,374
4.7.5-11	Number of sector assessments	68	28	0	0	96	0	96
4.6.2-7	Number of SMEs receiving USG assistance to access bank loans or private equity	4	473	0	6	483	440	923
NEO INTERNAL INDICATORS								
<i>Component 1</i>								
3.3.1.2	Number of EDPs developed/updated	55	14	16	16	85	0	85
3.3.1.4	Number of local government staff and community members trained in EDP development/implementation	275	241	0	0	516	0	516
3.3.1.5	Number of working groups formed/revitalized	65	20	0	0	85	0	85
3.3.1.6	Number of community members involved in LED planning	1,556	502	0	0	2,058	0	2,058
3.3.1.7	Number of monitoring groups formed <i>(newindicator)</i>	0	11	60	74	85	0	85
3.3.1.8	Number of community members involved in monitoring groups <i>(newindicator)</i>	0	44	240	296	340	0	340
3.3.2.1	Amount/percentage of funding leveraged from government /other donors/private sector	37%	44%	15%	32%	38%	15%	15%
3.3.2.2	Number of LED events held	68	30	10	10	108	0	108
3.3.2.3	Number of small-scale infrastructure projects implemented	2	28	50	41	71	35	106

NEO 2014 Annual Report

No	Indicator Name	Actual	Actual	Target	Actual	Cumulative Total	Target	
		FY2012 (Oct-Sep)	FY2013 (Oct-Sep)	FY2014 (Oct-Sep)	FY2014 (Oct-Sep)		FY2015 (Oct-Dec)	LOP Total Target
NEO INTERNAL INDICATORS (CONT.)								
Component 2 & 3								
3.2.3.1	Number of grants/sub-awards awarded	953	4,094	1,564	810	5,857	594	6,451
	C2 individual grants	19	14	21	7	40	4	44
	C2 sub-award grants	812	187	1,087	74	1,073	420	1,493
	C3 livelihood packages	0	160	279	404	564	50	614
	C3 vocational training toolkits	122	285	125	225	632	35	667
	C4 vocational training toolkits	0	107	--	45	152	10	162
	C4 income generation and maintenance team grants	0	10	52	55	65	4	69
	Emergency Assistance	0	3,331	--	0	3,331	71	3,402
3.2.3.3	Number of special funds/loans facilitated	4	347	0	8	359	320	679
3.2.2.5	Number of clients using the joint-use/extension center	0	0	2,000	20	0	1,980	2,000
Component 4								
3.3.2.5	Number of HOAs established	7	23	10	8	38	4	42
3.3.2.6	Number of Tenants Associations (TAs) established	2	9	0	0	11	0	11
3.3.2.7	Number of IDPs organized in HOAs	516	1,639	1,288	932	3,087	890	3,977
3.3.2.8	Number of IDPs organized in TAs	858	4,853	0	0	5,711	0	5,711
3.3.2.10	Number of local government officials trained in housing services	20	22	0	18	60	10	70

NEO 2014 Annual Report

No	Indicator Name	Actuals			Cumulative Total	LOP Total Target
		FY2012 (Oct-Sep)	FY2013 (Oct-Sep)	FY2014 (Oct-Sep)		
NEO OUTCOME INDICATORS						
	70,000 households supported through NEO activities	6,291	30,628	30,643	66,834	74,000
	3,500 IDP households supported through Component 4 activities	663	2,192	422	3,276	3,500
	A long-term sustainable approach/management system to manage and maintain USG-rehabilitated IDP buildings and IDP settlements	2 TAs 7 HOAs	9 TAs 23 HOAs	8 HOAs	11 TAs 38 HOAs	11 TAs 44 HOAs
	A sustained increase of at least 20% in the number of adult individuals that perceive that the local government understands and is responsive to their needs over initial benchmark levels	Baseline Index: 2.463	Mid-term Index: 2.873 (17% increase measured)		N/A	Target Index: 2.9959
	A sustained increase of at least 25% in the average value of household production (income + market value of agricultural or other production obtained but not sold) of targeted households	Baseline completed FY 2013			N/A	25%
	A sustained increase of at least 15% in the average value of household production (income + market value of agricultural or other production obtained but not sold) of targeted households	Baseline completed FY 2013			N/A	15%
	25% of targeted vulnerable households and individuals raised to the official subsistence level	Baseline completed FY 2013			N/A	25%