

PERFORMANCE REPORT
Project Monitoring Sheet: OSRO/GEO/802/USA
Tbilisi, 27th February 2009

Region/Country:	Caucasus / Georgia
Project title:	“Emergency Supply of Animal Feed to Conflict Affected Small Scale Farming Households and Support to the Agriculture Sector and Food Security Cluster Coordination in Georgia”
Grant Agreement No:	114-G-00-09-00010-00
FAO Project Code:	OSRO/GEO/802//USA
Grantee:	FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS (FAO)
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Budget:	US\$5 500 000 ¹
Effective starting date:	15 October 2008
Planned end date:	15 October 2009
Reporting period:	15 October - 15 January 2008 (1 st Quarter)
Context of the project:	<p>The escalation of armed conflict between Russian and Georgian forces in August 2008 led to the displacement of approximately 128,000 persons in Georgia. The majority of families living in the conflict zone depended on agriculture for their livelihoods. This population has suffered significant losses resulting from displacement, looting and destruction. The outbreak of the conflict coincided with the summer harvest, which resulted in many farming families losing almost their entire summer crop as they fled to safety.</p> <p>While active engagement of armed forces has ended, the general humanitarian situation remains in crises. An estimated 30,000 IDPs continue to live in collective shelters, new settlements constructed for the IDPs and private accommodations in Tbilisi, Gori, Rustavi, Kutaisi and other cities and towns of Georgia, while thousands of IDPs have returned to the areas adjacent to conflict zone facing harsh realities of destruction, deprivation and insecurity.</p>
Executive Summary:	<p>Creation of FAO Emergency Rehabilitation and Coordination Unit (ERCU) With the completion of the USAID funded FAO Assessment and Programming Mission that</p>

¹ NB: The Financial Report (SF-269) shall be submitted separately by FAO Headquarters in Rome, Italy. Financial Reports shall be in compliance with Standard Provision "Audit and Records".

took place in September 2008 (Award No. DFD-G-00-08000311-00), FAO started to set up a coordination unit to work with WFP as co-chair the Food Security Cluster as well as to implement FAO's planned emergency and rehabilitation activities in Georgia. The office was set up following established UN procedures, in time for commencement of emergency project operations. Location and logistics were identified, and human resources (local and international) were hired to coincide with the start of operations in December 2008.

Procurement

During November 2009 advance international tenders for emergency supply of concentrated animal feed were undertaken, and potential suppliers identified according to UNFAO procurement rules. Other operational preparations, including selection of local suppliers for provision of anthelmintic drugs, water troughs, and the careful selection of contractors and local implementing partners took place during the months of October and November 2008. By December 2008 all local contracts and Letters of Agreement (LoAs) had been awarded in preparation for project implementation

Letters of Agreement

Letters of Agreement have been signed with four project implementing partners (CARE International, World Vision (WV), International Orthodox Christian Charities (IOCC) and Save the Children (SC)). Delivery of inputs by FAO will be to the distribution point (village), while the project implementing partners will distribute inputs directly to beneficiaries.

Selection of Beneficiaries

During October 2008, FAO and WFP as Co-chairs of the Food Security Cluster, held a workshop on beneficiary criteria and selection. During November and December 2008 all selected implementing partners completed participatory rural appraisals to select beneficiaries in 111 target villages. As soon as USAID Grant Agreement was awarded on 23 December 2008, field operations were able to start immediately after Christmas and during the holiday season. FAO together with partners who had provided updated feedback from the target villages, proposed a reduction of the quantity to be distributed to 250 kg/beneficiary (from an original 350 kg/beneficiary), and a commensurate increase in the number of beneficiaries by approximately 30%. Due to the reduced timeframe of operations the originally estimated period for feed was reduced from 105 to 62 days and respectively the pregnancy period of the cows was removed for the total. This has meant an increase in the number of beneficiaries from an originally planned 12 000 to 16 960. Additional targeting of new beneficiaries is being undertake, focusing on the village of Perevi, and other villages that for various reasons were not included in to the original assessment.

Distribution

With the first delivery of concentrated animal feed from the local supplier and consequent immediate distribution of feed on the same day, field operations were launched on 26 January 2009. The delivery plan, with way stations in Gori and Tbilisi, and logistics support from WFP (under a Service Level Agreement negotiated in December 2008) allowed for the smooth flow of pipeline activities, should allow operations to be completed by mid-March at the latest, with the bulk of the originally planned tonnage. The distribution of a small surplus of feed, and the second round of deworming, are expected to finish by the end of March 2009, coinciding with the end of Flash Appeal period. All project activities are in line with the proposed work plan and should be completed within the given timeframe. Indicative figures show that the entire cattle owning population in the target area will be covered by the feed distribution and deworming activities.

In total 4 240 MT of animal feed will be procured from the following sources:

- Dogan Ltd – Georgia, 1 500 MT,
- Begi Company – Georgia, importing from Turkey, 2 240 MT,
- Frarimpex - 500 MT imported from the EU.

Please refer to attached delivery & distribution plan. Kindly note that records of all beneficiary lists are held at FAO ERCU office, Tbilisi, Georgia, and are available for inspection.

Objectives²:

2.1. Overall Objective (Long Term Goal)

The project's overall objective is to protect livelihoods of vulnerable livestock holders in conflict-affected areas and provide technical assistance and coordination support to ensure that the affected population accrues greater benefits from all related rural household food security interventions.

2.2. Immediate Objective

The immediate objectives of the project are two fold:

- A. To ensure the survival of up to 12 000 livestock by distributing concentrated animal feed to the most vulnerable small-scale farmers affected by the conflict. This will complement existing limited resources in order to prevent further de-stocking of cattle, re-establish livestock's productive capacity and enhance livestock reproduction chances in the spring. In order to achieve this objective the project will focus on massive distribution of concentrated animal feed to most vulnerable households.
- B. To ensure that a coherent and technically sound agricultural assistance programme for the region is implemented through coordination of NGOs and UN agencies involved in emergency agricultural relief operations in Georgia. In order to achieve this objective, the project will establish an Emergency Rehabilitation and Coordination Unit (ERCU) which will strengthen the Food Security Cluster by engaging relevant stakeholders (UN, World Bank, NGOs and CBOs) and technical line ministries (central and district level) in agriculture and food security matters. The Unit will encourage humanitarian partners involved in agricultural relief operations to implement coherent, relevant and effective programmes, which will ensure consistent beneficiary coverage, avoid gaps and overlap, and provide technical advice when requested.

Expected Outputs and Activities:

The project will deliver two independently verifiable outputs as a result of the activities undertaken by the project:

Output 1 consisting of the emergency provision of livestock feed and related supplies

Output 2 consisting of support to agriculture sector and food security cluster coordination.

Planned activities as per work schedule:

² These objectives represent a synthesis of the main Grant Objectives as contained in the Grant Agreement. They have been presented in summarized form in compliance with the Quarterly Update format. More detailed reporting on objectives and activities will be included in the Final Narrative Report upon project completion.

- Plan to distribute 4 240 Mt of animal feed for 12 000 cattle
- Complete dosing against endoparasites (deworming) for 12 000 cattle
- 350 kg of animal feed per household (sufficient supply for 115 days).

Period I. Dec – Jan: Dry period corresponding to the two last months of pregnancy;
 Period II. Feb – March: Calving period.

Actual Progress on Activities implemented during the reporting period (October 2008–January 2009):

Output 1

Animal feed distribution

The distribution is being carried out according to the targeted beneficiary lists prepared by the implementing partners through participatory rural appraisals and in close cooperation with the local authorities. The lists signed, stamped and approved by the village authorities were re-confirmed by the District level Mayors of Kareli and Gori.

A Beneficiary Criteria Workshop carried out at one of the Food Security Cluster (FSC) Meetings by FAO/WFP and their implementing partners (CARE, SC, WV, & IOCC) during the month of October 2008 was based on targeting most vulnerable farming households in the returnee areas with a strict set of exclusion criteria. However, during the survey carried in December 2008 through January 2009, the FSC members concluded that the exclusion criteria were not relevant because adequate targeting had already permitted complete coverage of all livestock holders in the area of operations. Thus was unanimously agreed at the cluster level and communicated to USAID in timely manner mid-January 2009. The animal feed distribution activities that commenced on 26th of January 2009 were by that time able to consider these changes and adapt operations accordingly.

The distribution method used is a mixture of a voucher system and signing of beneficiary lists, ensuring that project beneficiaries receive procured inputs. To date the project has distributed a total of 1 500 MT reaching 6 000 beneficiaries. This represents 50% of the originally proposed number of beneficiaries (12 000), and 40 % of the revised number of beneficiaries (14 200 primary beneficiaries plus 2 760 additional beneficiaries = 16 960).

It is estimated that the distribution of feed to the identified beneficiaries will be completed by mid-March 2009. Distribution is ongoing with no delays. Positive feedback has been reported by farmers through implementing partners where inputs have already been distributed, specifically that milk yields have increased by up to 30%. This information will be verified through Monitoring and Evaluation activities scheduled under the project.

On the basis of a signed Service Level Agreement, WFP provides FAO warehousing and transport to the final destination, with 70% of the cost covered under WFP Special Operations Funds. The project implementing partners handle distribution to the final recipients.

The quantity, quality and delivery performance of the procured inputs is monitored on daily basis at the warehouse level by an independent contractor (SGS). Another, independent service provider Institute for Polling and marketing (IPM), based in Tbilisi, has been contracted to monitor and evaluate the operational performance of the project. IPM visits villages after the distribution on a random basis and carries out structured checks against predetermined indicators.

The assessment of the livestock sector showed that the productivity of the animals and nutritional requirements are lower than what had originally been considered. As a result, animals would not be able to absorb the feed efficiently. Following this conclusion protein content of the feed was reduced from 18% to 16%.

Since the projected started during the last month of cattle pregnancy in the target area, the needs under Period I no longer applied. Therefore activities under Period I were removed from the calculation, increasing the available quantity of feed and therefore the number of potential beneficiaries by 30%.

Table 1. Animal Feed to be distributed by the project (kg per cow)

	Period II		Total
	Kg/day	No. days	Total (Kg)
Compound Concentrated Feed 16% Protein	4.0	62	250

Table 2: Summary of Delivery & Distribution Plan

	Tbilisi Warehouse		Gori Warehouse	
	Beneficiaries	Quantity	Beneficiaries	Quantity
Distributed	5323	1330.75	Nil	Nil
Planned	677	169.25	8152	2038
Additional	Nil	Nil	2223	555.75

De-worming

As detailed in the original LoAs with the project implementing partners the first phase of the deworming process will start on 12 February 2009 and is expected to finish by 20 February. For the first deworming round, the active ingredient Albendazole was selected in order to improve the utilization/absorption of the provided feed. This was specifically targeted at the mature form of the fluke in addition to round- and tape-worms. This treatment will improve the absorption of nutrients by 20-30%. This is a very cost effective intervention (approximately 1 US\$/head of cattle). The accumulated savings enable FAO to maximize the outputs and increase the target group. The entire cattle population in the region (approximately 28 900 heads of cattle) instead of the original 14 200 heads of cattle were treated. All treatments are carried out by licensed veterinarians from the target areas, thus strengthening the whole animal health system by hiring veterinary services from the private sector. An added value of the intervention is that the veterinarians will visit each and every head of cattle thus providing significant information on the health status of the animals. The second phase will start at the end of April with drugs based on Fenbendazole. The activity will be carried out just as the grazing season starts. This is timed to remove immature forms of the fluke and worms, and thus to prevent the next reproductive cycle of the parasites. As result it is expected that the parasite population in the pastures in the target area will be significantly reduced.

Water Troughs

The assigned implementing partner, CARE International, in cooperation with IOCC, WV and SC is presently assessing the locations for construction of the water troughs. The partner is also providing a bill of quantities by end of February 2009. This will permit FAO to

commence with the procurement of required materials and inputs.

Success stories and any press coverage as an attachment

Please refer to attached Press Release

Output 2

a) Establishment of a fully fledged FAO Emergency and Rehabilitation Coordination Unit (ERCU)

Upon completion of the USAID funded FAO Assessment and Programming Formulation Mission, fielded concurrently with the World Bank led Joint Needs Assessment, it was decided that FAO would appeal for four emergency projects under the Revised Flash Appeal (RFA) for the Georgia crisis. The establishment of the FAO ERCU was quickly made possible with conclusion of the Grant Agreement with USAID Georgia at the end of December 2008. Prior to this, the nascent ERCU had been operating from the FAO Representative office at the Ministry of Agriculture, in less than ideal conditions, and not suitable for rolling out of emergency operations. Preparatory activities were carried out during the months of October and November 2008, including the recruitment of staff for ERCU, identification of a new office location, establishing links with all the office service providers etc.. In December FAO Headquarters fielded an Information Communication Technology (ICT) expert to carry out an assessment required for setting up and equipping the FAO ERCU.

b) Support to Agriculture Sector and Food Security Cluster Coordination

Cluster coordination and field-level cooperation

Together with WFP, FAO has co-chaired the Food Security Cluster after merging the Agriculture Sector and Food Aid Sector needs into one cluster with the submission of the revised Flash Appeal in October 2008. Given the large numbers of organizations participating (UN, NGOs, ICRC, OSCE, CNFA, donors, MOA and others), and willingness to share information and coordinate operations, the FSC has been noted as one of the best organized cluster coordination groups. Regular exchanges of transparent information by stakeholders in the food security cluster including food aid, feed aid, and other agriculture sector activities have allowed for well coordinated planning efforts. Technical discussions as well as creation of a work group to address pressing issues on irrigation have been one of the cluster's accomplishments. Identification of the duplication of activities in the livelihoods sector, and seeking solutions to improve coverage of gaps, and avoidance of overlaps both geographically and technically have been critical functions. The cluster members plan to continue to coordinate well after the end of the emergency phase and through into the rehabilitation phase. There is discussion concerning a possible merger with the Livelihoods and Governance Cluster at some stage, though this is not yet finalized.

Other activities

FAO participated in the September 2008 Joint Needs Assessment and plans to contribute to the upcoming Joint FAO/WFP/UNICEF Food Security Assessment. Furthermore, FAO is planning to launch a hydrogeological study of Shida Kartli in view of the urgent irrigation issues that need to be addressed.

Planned activities for February to June 2009:

- The final tranche of 150 MT of feed is expected to be delivered by the last week of March and the last feed is expected to be distributed within the first week of April 2009.
- FAO plans to carry out a second round of de-worming during April 2009.
- Provision and construction of water troughs is expected to be completed during May 2009.
- A project monitoring and evaluation mission is planned for April 2009, after the completion of a first round of evaluations that will be carried out by IPM.
- In February 2008, a Joint FAO/WFP/UNICEF Food Security, Livelihoods, and Nutrition Assessment Mission is scheduled, with the intention of reviewing the situation six months after the conflict and seeking to provide strategic advice from its findings in time for a Donor Meeting before the initial RFA period ends.
- Farmers will receive continued training on livestock management (appropriate feeding, access to water, shed space and mobility, bio security risks, deworming, etc.).

Main challenges encountered and response provided:

Just as the distribution started it was noticed that some villages in and around Shida Kartli were not included in the evaluation, as the main focus was on the most conflict-affected areas. Some of the omitted villages were brought to FAO's attention, by the Ministry of Agriculture and the Governor of Gori. One of the main challenges faced presently is therefore completing the identification of these additional needs and finalization of beneficiary lists.

- **Results and lessons learned as well as recommendations for future similar kind of efforts**

- Early indicators show that the project is meeting its goals as the number of cattle remains uninfected.
- Although claims will be validated through monitoring, the deworming activities in the target areas (entailing visits to all households), suggest that the number of animals has decreased by 10 animals for every 1000 targeted animals.
- At the moment farmers are depleting whatever stocks of fodder they had and it is crucial that they continue using the donated feed.
- Procurement of large volumes of inputs from local suppliers proved to be somewhat of a bottleneck; however the FAO also sees the need to support the local economy as a priority.
- Very cost effective interventions within the animal health system (veterinarians in the target areas) allowed support to the existing service providers as well as an excellent snapshot of the disease condition in the targeted areas.
- A strong requirement to support the reestablishment of the fodder production in the affected areas remain to be a priority, in order for farmers to become self-sufficient in livestock feed provision.

- **Success at accomplishing intermediate results, including a comparison of actual vs. planned accomplishments and an explanation any shortfalls if they occurred**

In order to support the Georgian economy significant levels of inputs was procured from local producers. The limitations of the local companies were immediately noticed, mostly in the form delayed production and delivery of the procured animal feed. The overall delay can be evaluated to 7-10 days as a result of this.

Immediate objectives have nevertheless been reached, despite difficulties encountered due to supplier delivery delays. Suppliers moreover improved their production capacity over time and were able to meet required deadlines with only slight impact on the field operations.

Submit one original of the progress report to:

- 1) Mr. David Gosney, USAID Program Office, Tbilisi, Georgia and
- 2) one original and one copy to David Tsiklauri the the USAID Cognizant Technical Officer and
- 3) one copy to John Lord the USAID Agreement Officer at USAID/Caucasus, 11 George Balanchine Street, Tbilisi 0131 Georgia.