



**RESTRUCTURING ASSISTANCE AND POLICY ADVICE FOR THE
MINISTRY OF AGRICULTURE AND FOOD OF GEORGIA**

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**PHASE II
THIRD REPORT
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DRAFT REPORT

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Because preparation of this report overlapped with work on a new work plan for a possible Phase III, it covers a longer than normal period

Mission

To assist the transformation of the Ministry of Agriculture and Food of Georgia into an effective, honest agency that more effectively facilitates increasing the welfare of the country's agri-food producers and consumers.

Major Achievements During the Reporting Period

In March-June, 2002, the Restructuring Assistance and Policy Advice Project:

- Assisted the Minister of Agriculture and Food to develop and present a new set of strategic priorities and policies for the agriculture and food sector of Georgia
- Assisted the Ministry to complete disposition of 88 parastatal agencies, including the privatization or liquidation of 79
- Supported the Ministry in the removal of an entrenched Agency head whom a recent audit had shown to be unfit for his position
- Helped the Ministry to consider more seriously the implications of WTO membership for Georgia's agriculture
- Introduced a Georgian-language computerized bookkeeping system in the Ministry's Central Apparatus and trained several staff members in its use
- Assisted the Ministry in analyzing and developing a plan to reorganize its several "inspection" and regulatory agencies
- Provided continuing policy advice to Minister and his deputies on a wide variety of issues
- Carried out extensive legal drafting assistance to Ministry
- Continued development of the Ministry's public information activities, including a daily survey of the local press on agricultural-related issues and periodic surveys of new agricultural-related legislation
- Provided information, translation assistance, advice and "good offices" for Ministry in dealing with many international donors and programs

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Project Background

The present Ministry of Agriculture and Food of Georgia (MAF), chartered by a Presidential decree of November 17, 1997, is the latest incarnation of an institution which has existed, in one form or another, throughout almost the whole Soviet and post-Soviet period, and which has always been primarily concerned with directing agricultural production. The Ministry is organized hierarchically with smaller versions of its major departments located in each district of the country. As a consequence of the breakup of the Soviet Union and, in Georgia, the extensive civil conflicts that accompanied and followed that disintegration, however, the Ministry has largely lost control of “its” subordinated units.

The USAID-supported “Restructuring Assistance and Policy Advice for the Ministry of Agriculture and Food of Georgia Project” (RAPA) responds to Georgian Minister of Agriculture and Food David Kirvalidze’s October 2000 letter requesting donor support for a “temporary agricultural policy analysis group.”

The Ministry of Agriculture and Food also requested assistance from donors, including USAID and the World Bank, in carrying out an inventory and audit of its assets, many of which had been partially privatized or otherwise distanced from its control in the 1990s. In response to a letter from Minister of Agriculture and Food David Kirvalidze to Mr. Iain Shuker of the Bank of January 10, 2001, and subsequent discussions at a working level between the Ministry Activity and World Bank personnel, the Bank has agreed to provide a second group, to be funded from its Agricultural Development Project loan, to carry out a “Risk Assessment Exercise” (RAE) over an eight-month period.

The RAPA project, organized as a task order under the USAID BASIS indefinite quantity contract, began in December 2000, when the USAID mission arranged an initial two-week visit to Georgia for Dr. Van Atta and began full operations February 3, 2001, when Dr. Van Atta returned to Georgia for the duration of phase I. The contract modification for Phase II of the activity extending through August 28, 2002, was completed by USAID on August 27, 2001.

On April 25, 2002, Minister of Agriculture and Food Kirvalidze, in a letter to the USAID Caucasus Mission Director, requested that USAID extend support for the project for a further two years. As a result, the Mission began preparation of a new Scope of Work for Phase III of the activity. This Scope of Work was expected to be released in July, 2002 and to cover a period of approximately eighteen months.

The Role of an Agricultural Policy Unit

The Minister’s original request to donors asked for help in establishing an agricultural policy analysis unit of a sort that have been funded by various donors in many of the transition economies of Central Europe and the former Soviet Union.¹

¹ The most successful APU and the model for others is the Agricultural Policy Analysis Unit of the Foundation for Assistance Programs to Agriculture (SAEPR) in Poland which is supported by the World Bank, the European Union PHARE program and the Polish government. APUs are also functioning in Ukraine, Latvia and Bulgaria. Attempts to establish them were made, unsuccessfully, in the Russian Federation by the EBRD and in Uzbekistan by Tacis, and efforts to establish one are reportedly underway now in Romania. One of the three principal recommendations for advancing agricultural sector reform in

Agricultural Policy Units:

- help develop and implement market-oriented agricultural policy;
- train their staff in Western analytic techniques and approaches;
- serve as points of contact between donors and recipients; and
- act as catalysts in transforming the structure and functions of government agencies concerned with agricultural policy.

Successful agricultural policy units such as the Polish SAEPR drive overall agricultural reform in their country. Like all public policy activities, they blend quality research, data collection and analysis with policy advice and advocacy that flows organically from their attempts to carefully and critically understand the real situation and issues in the sector, to develop policy alternatives to address those issues, and to dispassionately present the costs and benefits of those alternatives to policy-makers. Although initiated and supported by donors, APUs are locally-run and managed, and do not work if they do not eventually acquire value and importance in the eyes of the country's agricultural policy-makers.

As it has become clear that the transformation of former Soviet-type economies is neither so quick nor so easy as seemed to be in the euphoric period of the "end of history" of the early 1990s, policy prescriptions have come to be more and more distrusted among donors and recipients in the region. No longer does anyone expect that a simple "stroke of the pen" can transform economies and societies that developed over several generations. Attempts simply to translate Western market institutions and laws have too often failed or led to serious unintended consequences. Moreover, consultants and policy-makers have tended to push for the institutional framework with which they are most familiar, leading to situations where different donors push various, often incompatible, institutional solutions to a transitional problem or even come into conflict with one another over the "right" institutional and policy framework.

The current fashion among donors seems to be to argue that such overall policy prescriptions—including, classically, those of the International Monetary Fund—are of very limited use, especially when imposed by "wise men" on regular "missions" to the recipient country. Instead, it is suggested, policy change should be purely "demand-driven," based on the expressed needs of individual economic actors in the emerging civil society of the transition country.

There is no doubt that people in the recipient country know better than foreigners how their own system works, and still less question that large-scale policy changes which lack political support from either the national leadership or a significant mass of citizens will not be successfully implemented or achieve their intended purposes. However, this model of policy reform assumes that the government institutions which are to aggregate and act on demands from civil society are in fact capable of "policy-making."² In the case of Georgia, at least, this is a truly heroic assumption.

Georgia made by the Polish analysts led by Leczek Balcerowicz in the spring of 2001 was for the establishment of such a unit in the Georgian MAF.

² Following the public policy literature, this argument assumes that "policy-making" includes the following steps: 1) defining a problem facing society; 2) formulating possible courses of action to ameliorate the

Those Georgian national political and administrative institutions with which this project has worked, at least, are uniformly incapable of policy-making. In fact, their senior managements have great difficulty even grasping the concept of what “policy-making” is, let alone doing it. There are several reasons for this failure to understand the fundamental task of government. The most important is probably the evil trinity of legacies from the Soviet system: the notion that government institutions act simply as “conveyor belts” for orders from the top; the refusal to accept responsibility because accepting responsibility is physically dangerous; and the extreme difficulty of firing government employees, which prevents delegation of responsibility, development of competent staffs working for a principal or policy-maker, and acceptance of the idea that government employees are there to serve the citizenry, not themselves. Add to these inherited difficulties the usual pressures of working in any government, where day-to-day work can be all-consuming and some higher official is always demanding something yesterday, and one has a recipe for a failed state. It should be added that this failure is not, by and large, the fault of the individuals now in power in Georgia. However, they are the ones who are must try to do something about it.

Those who should be policy-makers will not be able to do so until the institutions of government begin to function as they should. Making the particular institution of the Ministry of Agriculture and Food of Georgia function as a policy-making and policy-implementing agency is a way of describing the RAPA project’s purpose. Policy reform within the Ministry cannot work without pressure from outside, from the Ministry’s various constituencies, for change. However, pressure from society will become mere lobbying of special interests unless the Ministry is systematically reformed. Thus the RAPA project is one part of a broader effort to reform both the economic sector of agriculture and food and Georgian public administration.

Strategy for Ministry Reform

Because this is a sectoral Ministry, not a functional one, its difficulties can only be resolved by many coordinated actions. No single change or remedy can fundamentally reform the Ministry in the way that a similar drastic alteration can affect the operations of a functional agency such as the Ministry of Tax Revenues or the Customs Service. Ill-considered or hasty reforms could make the situation much worse, since some of the Ministry’s missions, such as monitoring of food safety and animal disease, are fundamental to maintaining the polity and society. For instance, failure to carry out reported vaccinations against anthrax or dishonest monitoring of cattle for signs of BSE or other diseases can have effects far beyond the immediate ones of enrichment of particular corrupt individuals.

Many of the Ministry’s problems are structural, resulting from the Soviet system, and as such must be common to all Ministries in Georgia and the other states of the former Soviet Union. They are more obvious here simply because a minister from a new political generation has called attention to them and asked for help in resolving them.

problem; 3) judging, on some set of explicit criteria, the costs and benefits of each possible course of action; 4) adopting a decision on which course of action to pursue; 5) implementing that course of action; 6) monitoring results; and 7) adjusting policy (beginning the cycle over again) based on the results. In functioning democracies, most policy issues become issues because groups in civil society bring them to the attention of policy-makers.

The Ministry of Agriculture and Food of Georgia suffers from a number of underlying problems.

1. The Ministry has been a Soviet-style organization operating in a Soviet-type government. That is, missions, procedures and mindsets have remained those of the Soviet command economy. Moreover, employees have continued to behave in Soviet ways, hoarding information, failing to report fully and truthfully to their superiors, and generally not acting as a cohesive organization with a common mission—and common threats and possible penalties (i.e., unemployment) if the organization's core missions have not been reasonably well fulfilled.
2. The Ministry has had no effective internal control or management procedures, both because the Ministry has continued to operate as part of a single command-economy structure in which organization boundaries are fluid and have little meaning, and perhaps because those management checks and balances used to be provided by the parallel organization of the Communist Party, and no new procedures or institutions have yet evolved.
3. The Ministry has been almost entirely irrelevant to the political, administrative, and governmental needs of a successful market economy. Most of the work the MAF has done is not done at all, or is performed by the private sector or other political bodies, in developed market economies. Much of the basic work of ministries of agriculture in OECD countries, particularly market development, general research and data collection and dissemination, and agricultural extension, has not been done at all by the present MAF.
4. Despite its origins in the command economy, the MAF possesses little systematic information about its sector. In this regard, it is probably worse off than any other FSU Ministry of Agriculture. Nor does it possess a culture which values systematic, consistent and careful data or the research skills needed to generate such data and draw policy conclusions. As a result, it is very poorly equipped to serve its clients, whether agricultural producers or consumers in ways that they would be likely to see as valuable.
5. The MAF's capacity to absorb donor assistance usefully, or even to track it properly, has been overwhelmed. With the possible exception of World Bank efforts, every donor project that has been implemented in cooperation with the MAF since Georgia regained its independence has been under- or mis-managed in such a way that the present Ministry leadership identifies it as a problem, in some cases involving significant legal and financial liabilities for the MAF and the Government of Georgia.
6. As a result of these conditions, until recently the present Ministry leadership has been almost entirely occupied in trying to understand the dimensions of the mess they had inherited, and so unable to concentrate on thinking about what they should be doing, redesigning the Ministry's institutions, or providing better service to their clients.

The assistance provided seeks to help the Minister define what the MAF should do and how it fits into government and the society as a whole, how the MAF should look as an institution at the end of the process of reform and how to achieve that institutional transformation.³ The restructuring is being done in a way that maintains Georgian “ownership” of the activities and their results. Maintaining and increasing the Georgian side’s commitment requires adjusting to a complex and shifting political and economic situation. Successfully defining new structures also requires that new functions be formulated and understood by the Georgian side. Thus Ministry restructuring, to be effective, must be accompanied by policy analysis and advice.

The project’s strategy has been to rely principally on local employees to do the restructuring work. No outside consultant, no matter how skilled, can match intelligent, motivated Georgian citizens’ knowledge of, and ability to work with, the MAF. Transforming and strengthening the MAF institution requires day-to-day work with and within it. The alternative to such day-to-day work is simply to create another pile of reports explaining how things ought to be done. There are very many, often very good, such documents already and the project collection of them continues to grow. But none of those reports can answer the inevitable objection from even the most thoughtful and committed Georgian policy-makers: “Yes, I know it would be better to do things as you recommend, but how can I become capable of doing things that way?” The RAPA project seeks to help the MAF answer that question. In doing so, it builds the capacity both of the institution and of its own local staff.

Relying on local staff has great benefits, but also some dangers. Staff with training in the west are generally either the best or the worst employees in a policy project, and finding staff who have had appropriate substantive training in agriculture economics and/or public administration is a priority. But western training is much more than just knowledge of English. Many of the most effective and competent local staff may not be those persons who speak the best English, and so they may have difficulty dealing with foreign advisors and managers. Even if most staff do have good English, they are unlikely to fully grasp the fundamental concepts expressed in those words. In the RAPA project, this difficulty consistently shows itself in the problem of translation: most project documents are written in Georgian. They are translated for the project chief of party and, ultimately, for USAID. However, the translations are often poor because they are done by Georgians out of their own language. Although they are generally comprehensible, a reader used to good English writing and pressed for time is unlikely to finish, or fully grasp the meaning, of most such documents. There are three solutions to this problem: find better translators (which seems, after repeated searches, to be impossible: if most Georgians understood the concepts of Western economics and administration thoroughly, there would be no need for technical assistance to get Georgia through the transition); don’t bother to translate (in which case neither project management nor USAID can

³ As manifold donor studies, and the review of comparative experience commission for this project, make clear, there are many ways of organizing and structuring a Ministry to get the basic tasks done reasonably well. Institutional details are usually the results of particular history. The transformation of the MAF is equally path-dependent, and therefore there is no reason to think that what emerges will look just like any particular OECD-country model. However, it is clear that the basic functions of a Ministry of Agriculture in a market economy are common throughout the developed, democratic market economies. Those functions were summarized in the project’s very first short policy note. See Don Van Atta, “Schematic Functions of a Ministry of Agriculture in a Market Economy” (March 22, 2001).

manage and evaluate the project) or have the chief of party devote considerable time to editing and revising poor translations.

A related difficulty is that local staff, by definition, do not have the level of training or experience in market economies that outsiders do. Therefore, they will not always grasp the issues, or explain them to the MAF or outsiders, in ways that make the key issues plain. And they are less likely to understand the goals of technical assistance than foreigners. There is no solution to this problem beyond a combination of constant training and instruction on the job and careful questioning, by all concerned, of what it is they are trying to do and how well they are doing it. However, experience still indicates that local staff will be more effective, in results and cost, than a large number of foreign advisors for the kind of detailed policy work that the RAPA project is engaged in.

A third difficulty that arises from the strategy of relying on local staff to do most of the work is that they may be sucked into the day-to-day work of the institution further than they should be precisely because they are competent, work hard, and understand how the existing institutions try to function. This difficulty is, of course, typical of policy projects in general: the chances of acquiring the influence needed to bring about real change are very slim if the project is not seen by the recipients as providing help with some immediate goals, but too much focus on the current activities of the institution subverts the transformational intent of the assistance. Again, there is no single recipe for avoiding this danger, but constant awareness and discussion of it seems the best preventive.

Activities during the Reporting Period

The following sections of this report describes principal activities during the reporting period in more detail. The order of presentation follows the organization of the current work plan (Annex 2 summarizes the status of the work plan as of June 30, 2002).

Resolve “legacy” problems of the Ministry

As noted above, one major reason that Minister Kirvalidze asked the donors for assistance was to deal with the mess of legal and accounting problems he found when he was appointed. This work was needed in order to gain the maneuvering room, and credibility to do more fundamental restructuring, although much of it was, by agreement with the World Bank, shifted to the Bank-financed Risk Assessment Exercise once that activity began.

Analysis of liabilities from “Counterpart Fund”

As explained in the last quarterly report, this principally involved work to understand the tangled misuse of funds from the TACIS RARP-I and RARP-2 projects that had been deposited in the Ministry of Finance “special account” for the “Counterpart Fund” controlled by the MAF. This work was completed last quarter. The lengthy analysis of the Counterpart Fund produced by Mamuka Matiashvili, Eka Otarashvili and Otari Chigladze is still being translated and edited. Aside from the translation work and following current legal developments related to the cases stemming from the Counterpart Fund, the project is now doing relatively little to handle old Ministry liabilities. In that sense, this part of the work plan is essentially completed.

Cooperation with World Bank “Risk Assessment Exercise”

The World Bank is funding a group of consultants as the “Risk Assessment Exercise” unit. The unit was established to mop up any other old liabilities and legal cases,

completely inventory and identify Ministry property, and make recommendations on systemic and structural changes to improve MAF management and reduce the chances of similar problems occurring in the future. The final terms of reference for the RAE unit were rewritten by the RAPA project chief of party, and the World Bank activity and the RAPA project chief of party agreed on cooperation to achieve these tasks. The unit finally began full operation at about the New Year.

Unfortunately, cooperation between the RAPA project and the RAE group was not as close as might have been desired. The direct counterpart of the RAPA is the Minister himself, but direct responsibility for the RAE was assigned in the terms of reference to a deputy minister.⁴ Since the tasks and structure of the RAE had been agreed by the Bank, the RAPA project and the Minister, the person directly responsible for the RAE from the Ministry side had not participated in developing the project and its terms of reference. This difficulty was compounded by a delay in getting USAID approval to hire the coordinator of the RAE unit, whom, it had been earlier agreed, would be a RAPA staff member, in order to ensure day-to-day coordination with the RAPA project. Unfortunately, the project staff member initially assigned to that role left to accept a fellowship and her replacement, although identified when the RAE began operations in December and given technical approval by the RAPA CTO in early January, 2002, was not finally approved by the USAID/Caucasus Regional Contracts Office until May 2002. In any event, he, too, was not familiar with the history of the exercise. As a result of these organizational difficulties, the local staff hired to work with the RAE took longer to master their tasks than they should have.

The RAE unit has, despite these initial hitches, now performed almost all of its tasks. However, it now seems unlikely that the group will be continued beyond its original shut-down date of August 1, 2002. Although the work they had to do will be successfully completed, there a number of lessons about interdonor coordination here for all sides.

Policy Advice and Analysis

Policy advice and analysis involves two activities: the development of systematic knowledge about public policy issues, and the provision of advice, often on an urgent basis, on particular matters. While the advice function is very difficult to plan in advance, it is essential for the credibility of any effort to assist public officials and build institutional capacity, since it responds to the recipients' immediate needs. A sense of this ad hoc advice can be gotten by an examination of the papers and translations produced by the project during the quarter (Annex 14 and Annex 15).

Markets are, at bottom, mechanisms for the transfer of information. In an article published in 2000, a US Department of Agriculture staff member, discussing the USDA's role in creating agricultural markets in the United States, pointed to two things that USDA had done: first, standardizing product grades and standards and backstopping a system of warehouse receipts so agricultural products could be bought and sold with confidence at a great distance from the physical location of the commodities, and, second, providing information and training about technology, management and markets to farmers.⁵ These public goods are essential to make markets operate.

⁴ The choice of a deputy minister as the direct contact for the RAE seemed obvious at the time, but in retrospect it was a mistake. The mistake was mine.—DVA.

⁵ *Choices*,

Georgia, however, despite its long history, does not have easily available and systematic information either about its own agriculture or about world markets. Nor does it have time or resources to engage in academic research. However, in order to deal with current policy issues, a base of knowledge must be built. Therefore, the policy research component of the work plan has two aims: to handle immediate matters that must be examined either for the Ministry or in order to inform the donor community; and the accumulation of systematic, public knowledge that can make future policy choices better informed.

Development of Ministry Strategy/PREGP

Georgia is, regrettably, at present dependent on the Bretton Woods institutions for much of its current budget support and major capital investment. The “Poverty Reduction and Economic Growth Program” is the country’s fundamental document laying out the actions it will take to qualify for IMF support and to use World Bank funding. That is, it lays out the conditions that Georgia promises to meet in order to qualify for continued portions of agreed loans and grants. Failure by Georgia to meet those conditions may lead to cancellation of promised financial support by the IMF and World Bank, and could then cascade into a withdrawal of support by other donors. A country which is in trouble with the IMF is also unlikely to be attractive to private investors.

Much of the disquiet about policy conditions imposed from above surely relates to the way that IMF programs have been drawn up in the FSU in the recent past. Experience indicates that in all the FSU countries national officials generally have had little real understanding of market economies and democracy and so fail to understand the fit of the various conditions proposed by the donors. Moreover, since they will be judged by whether or not they got the money for the immediate purpose of plugging holes in a chronically leaky budget, national officials have every incentive to shade the truth in discussing conditions and promising/reporting fulfillment. These problems are sometimes made worse because the IMF operates with a small resident staff and the incentives for IMF and World Bank staff are generally to make the loans or grants.

The PREGP attempts to move away from this flawed model of conditionality imposed by the international financial institutions. In Georgia, a broad coalition of donors coordinated by the UNDP has been working with a variety of Georgian government agencies and NGOs to develop the document. Since the RAPA project employs two of the most senior agricultural economists in Georgia, it has been indirectly involved in the PREGP process for some time.

That involvement became more direct when Presidential advisor for economic matters Temur Basilia presented the PREGP strategy to the MAF management and RAPA analysts on April 15, 2002. The Ministry was then requested to develop the agricultural part of the program.

That request fit with the desire of the Minister to develop a stronger policy orientation for the Ministry. He had long since requested Sandro Didebulidze of the RAPA project to begin developing answers to a series of his policy questions. On the basis of Didebulidze’s papers, the MAF then began more serious attempts to develop a policy that would set priorities and emphasize positive directions rather than simply reciting the (all-too-familiar) laundry list of the country’s agricultural difficulties. The requirement to

make the PREGP presentation provided a useful opportunity to develop a more positive policy stance for the MAF.

Following intensive discussions with the Minister, within the project and with the Ministry's Foreign Relations Department, a presentation was developed reflecting the Minister's principal policy priorities. As finally presented by the Minister to a gathering of donor representatives on May 30, 2002, the Ministry's policy priorities are:

- To protect the rights of consumers and producers by ensuring products are genuine and of good quality
- To rehabilitate infrastructure
- To improve access to financing and optimize tax system
- To create an agricultural extension system, upgrade farmers' technical and management skills
- To ensure transparent governance
- To strengthen the processing industry and expand non-farm employment in rural areas
- To improve access to markets
- To complete agricultural land reform, establish a national cadastral system and develop the land market
- To improve access to quality inputs and equipment

This is, of course, still essentially a "laundry list," but because it has an order and a logic, it represents a set of priorities that can be discussed, debated, and improved upon. Although a small step, this presentation and the internal debates that preceded it mark a very important transformation in the MAF from an agency which simply carries out orders to one which actually develops policy.

The Ministry has also requested project assistance in developing a three-year strategy for the Ministry's activities. This work, which fits naturally with attempts to make the MAF work plan and budget cohere more tightly, began in June 2002.

Georgia's agricultural-related WTO obligations

Georgia has been a member of the World Trade Organization since 1999. However, it has become increasingly clear that its agricultural sector did not know or consider very hard the implications of WTO membership for the sector. In particular, it appears that Georgia accepted agricultural obligations that amounted, at best, to the status quo in the sector. Those obligations would, if strictly observed, probably rule out much of the support for the sector now being provided or demanded. For instance, it appears, as project analyst Rati Shavgulidze pointed out in a paper on tea subsidies, that the Presidential program of subsidies for the tea sector is probably not allowed under Georgia's WTO obligations, since the tea program amounts to export subsidies and subsidizes the tea subsector not to rehabilitate lost tea plantations, but for other purposes. Moreover, as Shavgulidze also pointed out, even those Georgians most closely connected with the WTO negotiations seem not to be very careful about observing the country's obligations.⁶

⁶ As Mr. Shavgulidze pointed out in a note forwarding WTO materials to Ruso Kacharava of USAID Caucasus and the project chief of party in April 2002, Deputy Foreign Minister Beruchasvili's speech at the recent WTO Doha ministerial meeting "is pretty inconsistent with Georgia's obligations."

It is clear that Georgia's WTO difficulties, such as the disappearance of the Phytosanitary information point that was set up in the Phyto-sanitary quarantine inspection in 1999, are common to many countries of the former Soviet Union. That is not surprising: since all of them suffer from limited understanding of market mechanisms and market economies, there is no reason to think that they would suddenly have a surfeit of specialists who understand international free trade. Nor, given the general institutional weakness of the Georgian government and its lack of institutional memory, is it surprising that such things as information centers tend to disappear quickly. In fact, although Georgia is already a WTO member, the comments project analyst Jeko Mchedlishvili noted in his report on the WTO Conference at Ministerial level for the Central Asian and Caucasus countries that met in Tbilisi on May 21-22 of this year would seem to apply to Georgia about as well:

I attended the WTO Ministerial Trade Conference for Central Asia and Caucasus Countries. Actually there is not much to say about the conference. The representatives of the participant countries raised the issues that are the most problematic for them in collaboration with WTO. The main problems for countries that are not members of WTO yet are:

1. Too complicated admission procedures;
2. Lack of technical assistance;
3. Coordination of technical assistance;
4. Personnel training;
5. Harmonization of legislation with WTO requirements;
6. Setting up of Information centers.

Whether the obligations accepted were good or bad for the country's agricultural sector, however, Georgia will now have to live with most of them. It is urgent, as the MAF tries to expand its exports, that the WTO rules and obligations become better known and understood. To this end, RAPA analysts Shavgulidze and Alexander Didebulidze have spent considerable time collecting and analyzing the relevant materials, as well as consulting with the principal specialists on WTO matters in the Ministry's Foreign Relations Department and the Minister himself. As a result, the issue of the implications of WTO membership for Georgian agriculture is now understood to be important within the MAF.

Commodity Markets

In mid-May, project analyst Rati Shavgulidze completed an econometric study of the seasonality of various agricultural commodities on Tbilisi markets.

Land policy

Although the local Administrations of Agriculture and Food are responsible for land leasing, and the Ministry once approved the standard form for land leases, the MAF is not responsible for land policy, which is the task of the State Department of Land Management. During the period under review, project staff worked with the Terra Institute/Association for the Protection of Landowners' Rights on development of a strategy and law for privatization of remaining state-owned agricultural land. A report on the seminar and reflections on land policy issues by project analysts Jemal Mchedlishvili and Rati Shavgulidze are included with this report (Annex 3). The Project also paid for Minister Kirvalidze to attend the World Bank-GTZ-USAID Land Policy Workshop in Budapest, Hungary, in early April.

“Investment needs”

In early April 2002, the Minister asked the project’s assistance in determining “how much investment Georgian agriculture needs.” The work was to be done with Tamaz Kunchulia, head of the Department of Strategic Development and Policy of the MAF. The formulation of the question is, and was immediately recognized by the project to be, economically senseless: in a market economy, investors will put their money where they see the best returns. If in their judgment the opportunities in agriculture are better, agriculture gets more investment; if not, not.

The question was prompted by a request from the Ministries of Economy and Finance for the MAF’s input to the annual “indicative planning” exercise. In that regard, the request represents a continuation of Soviet-era “economic” analysis and planning, and demonstrates the extent to which neither policy-makers nor civil servants understand market economies. Because this request seemed to offer a useful opportunity to discuss some basic economic concepts, Mr. Rati Shavgulidze of the project did provide notes on the issue for the Policy and Strategy Department and met with that department twice, on April 30 and May 13. The discussion was, reportedly, useful, although it later led to a complaint from Mr. Kunchulia that the kind of work Mr. Shavgulidze does is difficult to understand and will never be grasped by the average peasant. Since the purpose of agrarian reform is to create a class of educated, entrepreneurial farmers, that comment should be taken as evidence of how far Georgia still is from having the human resources it needs to succeed in a market system. A great deal of training, and a great many more discussions such as those occasioned by this MAF request, will be needed.

Ministry Restructuring

The past four months have been a time of transition for the project’s approach to restructuring of the Ministry. The Ministry continues to lop off the odd unit with project assistance, as Annex 4 shows. Since the New Year, the project has essentially completed its work with the Ministry’s legacy liabilities in the Counterpart Fund. Painstaking work to assemble financial and other information on the Ministry’s large collection of parastatals was completed and almost all the parastatals were transferred to the Ministry of State Property Management with recommendations that they be wound up or privatized. The intensive audit of the Phytosanitary Quarantine Inspection led to the removal of its long-time head. , The RAE and the Internal Control Department have developed a great deal of information about Ministry property, and the RAE should be finished with the full inventory of the Ministry’s assets before the end of August. With the initial ground-clearing largely done, an understanding is growing among all project staff that it is time to tackle the basic systems of the Ministry, to improve and systematize the structures and routines that hold any organization together and enable it to keep operating.

Budget, Accounting and Work plan

An organization’s work plan is a statement of what it intends to do and when. Its budget assigns the finances to make the work possible. The two documents should, conceptually, be part of one whole. It was, therefore, not a pleasant discovery when two project staff members, one of whom had been asked to revise the Ministry’s quarterly work plan while the other was working on improving budgeting procedures, realized that the documents they had from the Ministry not only came from different departments but were quite different. The comparison Ms. Sophie Kemkhadze and Ms. Keti Shengelia produced indicates that there is no money budgeted for most items in the work plan, and no work planned on most items for which a budget has been provided. Although it is extremely

likely that this situation is precisely similar to that in most or all other Georgian government agencies, and it is likely that little can be done about it in the short run—because much of the discrepancy arises because either MAF staff or individuals elsewhere in the government believe that the MAF must continue to do certain things (such as provide an indicative plan for the whole agricultural sector, a demand of the Ministry of Economy)—in the medium term this problem will have to be addressed. One way to improve the situation would be for the Minister to adopt a suggestion made by both the European Commission Food Security Program’s advisor before he left in 2001 and the RAPA project to create a powerful policy planning and budgeting unit either within the “Apparatus of the Ministry” or, given that the apparatus has more service than policy functions as presently arranged in the MAF, as part of the Minister’s own “private office.”⁷

During this reporting period, Otar Chigladze has overseen the installation and customization in the Ministry Central Apparatus Bookkeeping Department of a Georgian-language accounting package which is locally written and supported and so can be changed as the Ministry of Finance’s requirements shift. He has also trained two employees of the bookkeeping office in the new system’s use, as well as providing continuing consultation for that staff. Although the transition is still not far enough advanced to be certain that, if project support were removed tomorrow, the Bookkeeping Department would not return to its hand-written ledgers and abacuses, with luck the tipping point is now very close.

If accounting software can help track expenditures and avoid errors, however, a more comprehensive management information system can do a great deal more for a Ministry management that is chronically short of funds. Few MAF staff have any experience with the uses of a budget as a forecasting and expenditure-control tool. However, during the reporting period, substantial progress has been made in developing a more coherent accounting and budgeting system for the Ministry. This work builds on what had already been done by the European Commission Food Security Program.

In particular, Ms. Sophie Kemkhadze and Mr. Jeko Mchedlishvili have:

1. Prepared formats for operational budgets
2. Developed a set of Standard Unit Costs and Norms to be applied in operational budget (reviewed with Administration for Financial Policy)
3. Developed formats for activity-based budgets of budget-funded special programs (16 programs, which because they are funded by the FSP, are the greater part of the MAF’s entire budget)
4. Prepared a description of budget system
5. Developed formats for monitoring (operational and programming); and
6. Participated in preparation of special programs (monitoring and control program).

⁷ Many OECD countries’ governments have both an “apparatus of the Ministry,” which includes service functions for the entire organization such as accounting, legal department, personnel management, purchasing, archives, libraries, maintenance, etc., but also a “private office of the Minister” or “Minister’s personal staff.” Such a “private office” is generally paid for by the budget, but composed of political appointees who change with each new minister. While the Ministry apparatus serves the institution, the “private office” serves the Minister. A policy-planning staff is likely to be part of the Minister’s private office, therefore.

In addition, following considerable discussion with the program's authors, the Project will shortly purchase a locally-written MIS software package, "Oris Manager," and assist the MAF in installing it in its central apparatus. In preparation for this change, they have also been developing specifications for the customization of the program in order to comply with the Treasury's new requirements for tracking commitments as well as already-made expenditures as well as a detailed description of Economic classifiers in the budget. Within the next three months this system should be in operation in the Ministry's central apparatus.

RAPA staff members have also closely followed developments in the recent past as the Ministry of Finance and the Anti-Corruption Bureau have looked ever more sharply at so-called "special funds," revenues generated by commercial activities, user fees, or donor support within individual ministries. Although there are serious conceptual and practical questions about many of these funds, they are also the only obvious source for the funds needed to increase salaries in some areas of the MAF to a level where quality employees can be hired and retained.

Ministry-managed joint-stock companies

As has been noted in previous reports, the Ministry has held management rights over many state owned "limited-liability companies" and "joint-stock companies." These entities, generally formed from structural units of the Ministry, have mostly in practice been either polite fictions with no real activity or, as in the case of the Ltd "State Regulatory Board" which handles the country's grain supplies before its management was changed with project support in the spring of 2001, devices for stripping assets from the ministry and national budget in favor of the few individuals who control the particular company. When the project began this activity, the MAF admitted that it did not even have a full list of these companies, much less knowledge of their activities or financial condition.

During this reporting period, based on work done by the RAPA project, in particular Otar Chigladze, and staff of the World Bank-supported RAE unit, the Ministry completed an analysis of all its parastatals. As required by the law governing the management of state-owned companies, and as required of all ministries by a presidential decree adopted in the spring of this year, almost all the parastatals have now been handed back to the Ministry of State Property Management with full information on them and recommendations for their disposal (Annex 5). This solution is not entirely satisfactory, since it leaves the final disposition of the parastatals in the hands of another Georgian government agency, and some concern has been expressed that the Ministry of State Property may in fact fail to either sell off or wind up the ex-MAF parastatals which it has been given. However, under Georgian law, what has been done is the legal requirement for privatization, and it is all that the MAF can do under the law.

The MAF wishes to retain management of, or has not yet determined what to do with, nine parastatals as shown in Annex 5. The most important of the organizations it wishes to retain is the "State Regulatory Board," which handles receipt and sale of humanitarian aid grain. The MAF has already fought for control of this agency once, replacing the management put in by the previous Minister with a less avaricious leadership in 2001. The Ministry's reasons for wishing to retain control of the SRB are both practical—the MAF is the logical agency to handle intergovernmental grain shipments if any government agency must be involved—and financial, since so long as the SRB is a parastatal it is at least potentially a profit center for the agency which manages it. The

Minister is currently discussing the possibility of using the SRB as the basis for something like the US Commodity Credit Corporation. This may not be an unreasonable idea, but will need to be developed and pushed through the government rapidly.

Changes in Phytosanitary Quarantine Inspection

As the last project report noted, following an intensive audit of the unit by the Chamber of Control and the MAF's Internal Control Department in conjunction with project staff, the Minister issued an order removing the head of the Phytosanitary Quarantine Inspection, Robert Gurchiani, on February 25, 2002. (Annex 6 provides more detail about the events in this case, while Annex 7 is the text of an official MAF reply to an inquiry from the Parliamentary Agrarian Affairs Committee occasioned by Gurchiani's letter of complaint to that committee.) In March, 2002, Gurchiani brought suit against the MAF for violation of the Administrative Code of Georgia in ordering his removal. The Tbilisi Krtsanisi-Mtatsminda district court, Judge Zaur Mebonia presiding, ruled on June 17, 2002, that the MAF order was illegal and required that he be restored to his previous position. As of this writing, the official legal opinion and trial transcript have not been released. The MAF has thirty days from the time it receives these documents to file an appeal, and apparently intends to do so.

However, during the period the audit was being concluded and Gurchiani was taking legal action demanding reinstatement, an initial reorganization of the Phytosanitary Quarantine Inspection took place. This reorganization was an initial step in the more general effort to streamline and unify the MAF's regulatory/inspection services described above. It was also, and more immediately, intended to eliminate the organizational duplication by which the Phytosanitary Quarantine Inspection was an independent subagency of the Plant Protection Department. On May 17, 2002, the Minister issued order 2-74 canceling the agency statute of the PSQI, and on May 21, 2002, Ministerial order 2-75 formally eliminated the position of head of the (no longer existing) separate PSQI. A presidential decree changing the charter of the Ministry to eliminate the PSQI as a separate department was prepared and signed on May 23, 2002. A new charter for the Plant Protection Service of the Ministry went into force by order of the Minister on June 19, 2002. RAPA project staff attorneys Mamuka Matiashvili and Giorgi Misheladze prepared all these documents in cooperation with the Ministry's legal department. Annex 8 shows the new organization chart of the Plant Protection Service.

This reorganization is intended as an interim measure. The Phytosanitary services are likely to end up in the unified inspection discussed earlier. The production functions remaining in the Plant Protection Service (actual application of chemicals, etc) are very likely to be privatized, leaving the service with only the functions of maintaining the register of pesticides required by law. Even so, however, the removal of one set of administrative barriers by reuniting the PSQI in the Plant Protection Department (the two were split only in the late 1990s) is likely to reduce some overhead. It also may make easier the more comprehensive reorganization of the PSQI that will be needed to ensure that the MAF provides competent, effective safeguards against the spread of harmful plants and plant diseases in Georgia.

Once the legal work to unify the Plant Protection Service was completed, the next step under Georgian law was to reappoint the staff to their new/old positions. The Chamber of Control audit of the PSQI indicates that many staff members in that unit are at best of highly suspect competence. It seemed logical to use the reorganization in order to remove them wholesale from their positions, rather than relying on the mechanism of

personnel reviews (“attestation”) under Georgian legislation. Therefore, the RAPA project insisted that the reappointments be delayed until the possibility of not reappointing the staff of the former PSQI could be considered more carefully. The MAF did delay reappointing former staff members of the merged Plant Protection Service for several days at the project’s request. However, intensive legal research eventually indicated that there was little choice but to proceed to reappoint everyone. Therefore, the project chief of party eventually withdrew his request that reappointments be delayed. It is expected that the Plant Protection Service will undergo a full personnel review beginning in about two weeks.

Why the PSQI staff had to be reappointed following reorganization⁸

The reasons which led the MAF to immediately reappoint all staff in the new Plant Protection Service deserve specific consideration, since they emphasize some difficulties of reorganizing a Georgian government agency and suggest gaps and difficulties in existing law that should be addressed and corrected as soon as possible both to smooth the process of reform in the MAF and to ease administrative reform throughout the government of Georgia.

Every Georgian government agency has a legally-set staff size, expressed in full-time equivalent employees (“staff units”). It is normally expected that all employees work on a full-time basis, and one problem found in the Chamber of Control/MAF Internal Control Department audit of the Phytosanitary Quarantine Inspection Service was that a number of staff units had been split among two or more persons without obtaining the appropriate approval. Procedures for eliminating employees vary depending on whether or not the staff size of the agency is to be reduced.

Georgian law may be said to consider six cases for ending the employment of individuals with civil servant status:

1. Voluntary resignation by the employee;
2. Retirement upon reaching pension age;
3. Termination following the legally-mandated regular annual personnel review;
4. Termination following liquidation of the agency for which the individual had worked;
5. Refusal to accept an equivalent position following reorganization of the agency for which the individual had worked when the legal staff size of the agency is not changed; and
6. Termination following reorganization of the agency for which the individual had worked when the legal staff size of the agency is reduced.

Cases 1 and 2 are of only limited interest in attempting to resolve the problems of the Phytosanitary Quarantine Inspection, although it should be noted that individuals who have reached pension age may be kept on if the agency so desires, and the MAF still has a substantial number of such “pensioners” working. The Plant Protection Service staff does include several individuals who are past retirement age and so their employment may be ended without going through the personnel review procedure(s).

⁸ This section is based on the legal research and advice of project staff attorneys Eka Otarashvili, Mamuka Matiashvili and Avtandil Iakobidze. However, they are not responsible for the conclusions drawn.

Cases 3-6 are more directly applicable to the current situation in the MAF. Each of them requires that written notice of the forthcoming event be given to all employees affected a month in advance of its occurrence, so that the decision about reorganizing with or without a reduction in staff size (reduction in force, RIF) must be made before the reorganization process begins. The next four sections of this report considers each of these more interesting cases in turn.

Personnel Review (Attestation)

Article 81 of the Law of Georgia “On Civil Service” requires that all civil-service personnel should undergo regular review (attestation) to evaluate their professional skills and encourage them to improve their qualifications. A personnel review is also required as part of promotion, and procedures like those of a review are to be used as part of the open competition mechanism to fill vacancies from outside the existing staff. A negative evaluation by the Review Commission is grounds for a staff member to be dismissed. According to the law, civil servants are subject to review once each year. Persons being considered for promotion, candidates for positions to be filled through open competition, and persons in the “reserve” for hiring when a vacancy opens are subject to personnel review as part of the change in their employment status.

A staff member who has been employed for less than six months when the regular review period begins is not subject to review at that time, but only at the next annual personnel review.

Every government agency must have a commission to handle personnel reviews and competitions for vacancies. The head of the agency determines, in agreement with the commission chairman, the date of the annual personnel review.

Liquidation of the agency

An agency of the Georgian government is established for a specific purpose (to regulate some particular matters of concern to society). An agency can be eliminated when that purpose no longer exists. Legally, an agency is eliminated when its founding document ceases to be in effect. Staff members may be dismissed if the agency for which they had worked is eliminated. They must be informed that they are subject to termination one month in advance. They should be offered equivalent positions elsewhere. Transfer to such new positions does not require attestation of their fitness for the substitute post at the time it is accepted, although employees may be terminated from the “substitute” position as a result of a subsequent attestation. Therefore, liquidation of an agency does not directly imply that its staff are terminated.

Reorganization without RIF

A reorganization is the merger of several parts of an agency or the splitting of one unit into several parts can be carried out. According to clause 2 of article 96 of the Georgian Law “On Civil Service,” a reorganization as such cannot be the basis for the dismissal of civil servants. However, the head of the agency may define additional or new qualifications for staff and in that case a review of staff may take place. A staff member may not be discharged during the period of reorganization if he or she accepts an offer of an appropriate position.

Reorganization with RIF

If the reorganization process is accompanied by a reduction in the authorized staff level of the agency, then a civil servant may be dismissed from his position on the bases of articles 97 and 108 of the Law of Georgia “On Civil Service.” However, doing this again requires that the civil servant receive a month’s warning of dismissal.

Next steps in the Plant Protection Service

So, Ministry did not dismiss staff from the united Plant Protection Service for at least three reasons. First, as has been argued privately by some officials in the MAF, it seemed politically unwise, when trying to bring a “rogue” department back under control, to reinforce possible support for the agency head who was already fighting his removal by openly warning his subordinates of their impending dismissal. Second, there was opposition to reorganizing the single PSQI with a RIF, on the grounds that although MAF staff are clearly misallocated, the total number of staff allowed the MAF is far from too many for the work to be done. At a time when the national government has mandated across-the-board staff cuts and seems likely to do so again, the argument that staff units should not be given up for nothing was difficult to dispute. Third, even though the reunification of the PSQI and the Plant Protection Service was recommended and planned before the removal of Gurchiani, had that unification been accompanied by reorganization and a RIF with the requirement for one month’s warning, it is possible that rather than an equivalent position, Gurchiani’s old job might not yet have been abolished. Although he would still have lost that position when the reorganization was completed, it seems likely it would have been much harder to remove him had he succeeded, even for a short period, in returning to his old post.

Similarly, it turned out that delaying all reappointments was not advisable. First, the Plant Protection Service could not legally operate without properly appointed staff, and any actions it might have taken during an interregnum would have been subject to challenge. Secondly, it was the unanimous opinion of all project attorneys and the Ministry legal department that delaying reappointment would provide any staff who might later be terminated as a result of a personnel review a powerful additional arguments for reinstatement.

Given these realities, there seemed to be little choice but to proceed with reappointment of the existing staff, while preparing both a reorganization with a reduction in force and a general personnel review in the Plant Protection Service. To this end, a new charter for the Ministry’s competition-attestation commission has already been approved by MAF order 2-81 (May 29, 2002), changing the composition of the commission to make it more demanding of employees. Several project staff members are also in the process of working through all the procedure to identify likely objections in order that they can be resolved before the next round of reorganization of the Plant Protection Service starts. Although there are deeper legal issues about when and why agencies can be eliminated or reorganized that probably should be addressed, it appears that greater activism on the part of the RAPA project, and clearer direction on the part of the MAF should allow the attestation process to eventually solve most of the personnel difficulties in the Plant Protection Service. A project staff member is just completing a detailed examination of the personnel files of all employees in the Plant Protection Service, in order to better understand the characteristics of the staff. It is anticipated that a new round of reorganization and personnel review will begin in the Plant Protection Service about August 1 of this year.

Unification of Inspections

In order to improve the health and safety of producers and consumers and in response to general Government of Georgia attempts to reduce excessive and duplicative regulation, the MAF began, in January of this year, to work out a simplification of its several inspections dealing with commodity and food standards, quality and safety. Minister Kirvalidze emphasized this activity during his presentation at the UN FAO “World Food Summit—Five Years After” meeting in Rome in June 2002.

Ministry bodies involved with some aspect of these issues include at least:

1. State Inspection of Seeds and Planting Materials
2. Main Administration of “Georgian Farm Equipment Supervision” (*Saktekzedamkhedveloba*) Inspection;
3. Plant Protection Service (pesticide registration)

4. Veterinary Department (animal health, border controls for live animals and livestock products, inspection of city markets)
5. External and Internal Phyto-sanitary Inspections of the Plant Protection Service (border controls of live plants and plant products)
6. Quality Inspection of Agricultural Products and Flour;
7. Food Product Analysis and Monitoring Service;

8. State Grape-growing and Wine-making Department “Samtresti”
9. State Regulation Department “Sakminkhiltskali” (Georgian Mineral Water)

10. Examination and Protection Commission of Selection Achievements;

Of these many agencies, 1-3 are primarily concerned with the quality and safety of inputs for agricultural production, 4-7 are primarily concerned with public and environmental safety and consumer protection, the wine and water agencies (8-9) deal with quality and consumer protection as well as trademarks and controlled designations, while the Commission on Selection is principally concerned to protect intellectual property.

The list of inspection agencies given above is already shorter than it was two years ago, since several inspections have been combined and, as described earlier, the PSQI has just been merged into the Plant Protection Service. A first cut at further rationalization might merge agencies 1-3, 4-7, and 8-9, leaving the Commission on Selection Achievements aside. Even this fairly mechanical merging, however, would also require moving some subunits of these agencies from one to another.

There are many obstacles to rationalizing these inspections. First of all, the MAF itself does not speak with one voice on inspection rationalization and reorganization. The Veterinary Department has developed a plan for its own reorganization which would do little but change its organization chart. The Food Product Analysis and Monitoring Service, recently created by the merger of two previous agencies of the MAF, is moving aggressively to assert its claim to a continued independent existence. Other conflicts between subagencies of the MAF proper, and between MAF and the various semi-autonomous departments also exist.

One of the most important is that many of these agencies are as they are because of requirements in various Laws of Georgia. Fundamentally altering them will require amendments not only to the MAF Statute and the Statutes of the departments involved, which must be done by Presidential Decrees, but also Parliament will have to amend, at a minimum:

- The Law of Georgia “On Plant Protection From Pests”;
- The Law of Georgia “On Agricultural Quarantine”;
- The Law of Georgia “On Veterinary Medicine”; and
- The Law of Georgia “On Food and Tobacco.”

It is also likely that the Laws of Georgia “On Certification of Products and Services” and “On Standardization” may need amendment to streamline these MAF agencies.

The complex conflicts between various Georgian Ministries and other agencies pose a second obstacle to rationalization of these agencies. The Georgian Department of Standards, Certification and Metrology (“Sakstandarti”) has asserted its jurisdiction over all issues of quality control and safety and has established food quality monitoring services and, most recently, a border control service. This proposal seems theoretically misguided because it means that the agency that sets the standards also will enforce them. It also is likely to be seen by other agencies as a naked power grab, and unlikely to succeed for that reason. The Customs Service has proposed unifying the parts of all agencies that have responsibility for border monitoring (the External PSQI, border Veterinary Department units, the Sanitary Inspection of the Ministry of Health, the Vehicle Inspection, and perhaps others) under its jurisdiction. The Ministries of Health and Labor and Social Welfare, as well as the Anti-Monopoly Committee, also play important roles in consumer protection and enforcement of standards in certain areas.

Further, there is a serious argument for creating a free-standing food (and perhaps drug) safety agency, as the European Union did earlier this year—largely in response to the BSE crisis—and as the United States has been discussing doing since the terrorist attacks of September 11, 2001. This would mean taking food quality and health issues away from the Ministry. At first glance, that alternative is highly tempting, since it is clear that there is an inherent conflict of interest in having the same agency that acts to promote producers’ interests also monitor the quality and safety of what they produce. Even if that conflict—which led to the dismantling of the UK Ministry of Agriculture, Food and Fisheries in 2000—is rejected, it is still unclear that the MAF should both set standards and enforce them. This argument parallels the one for why Sakstandarti should not enforce the standards it sets.

However, what is best from a theoretical point of view is likely to impede improving the current situation. The MAF’s record in enforcing standards of any sort in the past ten years is poor, but as it grows in capability under its present leadership and with donor assistance it is probably more advisable to have it continue to deal with enforcement of quality standards than to give the function to another, likely less capable, agency. Moreover, clear, enforced, internationally-compatible grades, standards and intellectual property protection are needed if the MAF is to succeed in its self-imposed task of increasing the exports of Georgian agrifood products.

At present, one plan for unification of inspections, worked out primarily by Giorgi Dangadze, Mamuka Matiashvili and Sandro Didebulidze of the RAPA staff, which would merge the Veterinary Department the Plant Protection Service and the Quality Inspection of Agricultural Products and Flour into a single body provisionally named the “Plant and Animal Safety and Protection Service” has been developed to a stage where it has gained preliminary approval from Ministry Management and, apparently, from the Anti-corruption Commission, which has been independently developing plans for administrative and regulatory rationalization. A proposal for this new Service’s structure is shown in Annex 9.

While this proposal would be an improvement over the existing situation, it would still be, at best, an interim solution. However, given the number of organizational issues within the Ministry and between the MAF and other Georgian government bodies that must be resolved to get even this structure established, it may be the best available option at present. During the summer, the RAPA project will continue intensive discussion of these reforms. For part of that period, the former head of the Veterinary Service of the Ministry of Agriculture of the Netherlands will also be working with the project on reform of that service in that particular.

Interagency Commissions

At the request of the Minister, Ms. Keti Shengelia of the project staff undertook a complete inventory and analysis of his responsibilities as a member of various interagency commissions and working groups in March of this year. While there is nothing surprising about a Minister being asked to find someone to sit on a wide variety of interagency groups, the variety of these groups is interesting, as is the fact that many of them appear to have been set up at the behest of donors. It may perhaps be asked how much real work many of these task forces do and to what extent they could be dispensed with

Local MAF assets

In February, 2002, the World Bank RAE staff began a complete inventory of MAF assets and organizations, checking the existing situation against pre-1991 records of MAF holdings. The RAE staff continued this work during March-May 2002 and have now substantially completed it.

Legal assistance

During the quarter the project also continued legal analysis and legal drafting assistance. Mamuka Matiashvili drafted a large number of legal documents related to the work of the project, as well as providing the Minister with a legal opinion on the status of the Agrobusiness Bank of Georgia. The ABG, formed from the TACIS RARP projects involved in the Counterpart Fund, has been an object of some controversy in Georgia as the Minister and some others had lost confidence in the expatriate management of the Bank and its commitment to assisting agriculture. The Minister realized, however, that his actions needed to be done taking full account of the murkiness of Georgian law, which led him to request the legal opinion from Mr. Matiashvili, who, as a result of his work on the Counterpart Fund, is perhaps the most knowledgeable person available about those issues. Giorgi Dangadze continued work on the Law on Organic Agricultural Production which would among other things set standards for “organic” produce in Georgia. On June 5, 2002, the draft law was discussed at a regular meeting of the Georgian government and approved by President Shevardnadze for submission to Parliament. Giorgi Misheladze did legal work to support the Internal Control Department, while

Giorgi Managadze continued to assemble documents relating to the Ministry's tangled legal affairs as well as other legal research for the project management.

Internal Control Department

The Ministry's Internal Control Department now has two full-time Ministry employees, including the Department head, Mr. Gia Kobakhidze. At the end of the reporting period, five project staff members (Irakli Inashvili, Giorgi Misheladze, Levan Khundadze, Vasili Chigladze, and Irakli Donjashvili) were working with the Department on various projects. When RAPA project staff work with the Internal Control Department they are assigned to a task by an Order of the Ministry of Agriculture and Food, are accompanied by line employees of the MAF, and are considered to be MAF representatives. Misheladze and Khundadze spent almost a month each working in the PSQI attempting to bring order to its records during this reporting period. Misheladze also provided legal assistance to the Ministry in its defense against former PSQI head Gurchiani's suit for reinstatement.

In addition to continuing work on the PSQI, the RAPA staff working with the Internal Control Department carried out intensive examinations of the condition of the beekeeping trusts subordinate to the Ministry (incidentally helping to prepare them for privatization), the storage of wine and spirits by various wineries under contract to the Wine department of the Ministry "Samtrest," and checks on the distribution of humanitarian aid in West and East Georgia (their trips are summarized in Annex 18). As a result of their work during the reporting period several managers of beekeeping enterprises resigned, the MAF has referred at least one case involving misappropriation of stored wine to the prosecutor's office, and considerable Ministry property was identified.

RAPA support of the Internal Control Department has been critical in dealing with some of the major difficulties Minister Kirvalidze has faced in trying to get control over his own agency, especially including the problems of the PSQI. Although the work done by the controllers during this period may sound less exciting, it continues to be very important in simply understanding what, after a decade of war and decay, remains to the Ministry. Together with the inventory being done by the World Bank RAE unit, this knowledge is essential if the MAF is to successfully reorganize itself. Moreover, the work of the controllers has been critical in changing popular perceptions of the Ministry and helping it to improve its image. The MAF, and the Internal Control Department in particular, have begun to re-establish a reputation for fairness and impartiality in their work, as the letters requesting assistance the Internal Control Department has begun to receive indicate. (One such letter is given in Annex 12; this one was not followed up by the ICD, although the Minister referred it to the Prosecutor's office for investigation and possible action.) Relatively small questions can point to bigger problems, such as how well the Veterinary Department handles its part of the control of Georgian borders (Annex 13). However, it is also clear that it is time to discuss whether or not the controllers' activities continue to require a commitment of scarce project resources at this relatively high level. As the most pressing problems facing the Minister and his Ministry are now largely under control, it is clearly time to put much of the detailed knowledge the control group has acquired to work designing systems and procedures to strengthen the MAF as an organization so that eventually a group no longer supported by the donors descended from them can take on more of the everyday functions of an internal audit service and less of the "fire-fighting" the controllers have sometimes been involved in.

Statistics

In March 2002, the project hired Ms. Natia Lipartiani specifically to assemble reasonable statistical series from the scattered materials the project and its analysts have collected. The RAPA project provided statistical information on request to students, Mr. Chuck Johnson, a consultant working for USAID Caucasus OERS, and missions from UNDP and DFID, among others, during this reporting period.

Other activities

Ministry computer network

During the reporting period, the project's computer systems manager, Vasili Bibiluri, essentially completed installing a large-scale network in the Ministry using equipment given to the RAPA project from the Georgia Enterprise Support Project. Although the windfall of equipment should greatly improve the Ministry's capacities, as it already has in some regards, substantial work to make the network installation more permanent, as well a great deal of training and user support remains to be done. For instance, it develops that the MAF's word-processing department, which has computers which are not powerful enough to run modern software and not upgradeable at a reasonable price, uses Georgian fonts which are different from those standard not only on RAPA machines but in most of the rest of the Ministry. There is therefore a real threat that many Ministry documents which exist only on those machines will be lost as they fail and are scrapped. Meanwhile, the danger of creating ever more incompatible documents remains. This problem will have to be addressed by Ministry management, but the solution to it is not immediately obvious.

Cooperation with Other Donors

As the list in Annex 16 indicates, the project maintains contact with a wide variety of other projects and institutions. At the end of the reporting period, the project was also pleased to support Minister Kirvalidze's suggestion to begin convening a regular meeting of foreign specialists working in Georgia to discuss and advise him on agricultural policy matters. Although this initiative has had somewhat mixed results so far, it not only provides the Minister with access to a broader range of views than he would otherwise hear, it also may offer an approach to the creation of a regular donor coordination group on agriculture, something which could be extremely valuable but which no single project or bilateral donor can directly institute.

Information and Outreach

During the reporting period the project continued to prepare a daily Georgian-language survey of press coverage of agriculture-related issues. This bulletin is distributed widely within the Ministry, and an unedited English translation is also available. Project outreach coordinator Giga Kurdovanidze has also worked closely with the MAF press office in preparing materials on agriculture for President Shevardnadze's weekly radio interviews, regular press conferences by Ministry senior management, and other actions aimed at developing a dialogue about agricultural policy and informing the interested public about the Ministry's activities.

Project work plan revision

In mid-March USAID approved a revised work plan for Phase II of the project. In addition to formally adding the MAF budget work that had been being done by the Food Security Program and clarifying work on inspections, grades and standards, the major change in the revision was explicit permission to use the windfall of computer equipment from the GESP to create a Ministry computer network, an activity which was always

desirable, but for which there had not been funds in the budget. The transfer of property made it possible to accomplish this purpose at a cost that could be borne within the existing budget constraints.

Project budget revision

At the request of the Regional Contracts Office, a revision of the phase II budget was completed by the chief of party and the DAI home office in January-February 2002. Although the overall total committed to the project remains fixed and the summary budget lines changed little, the exercise created a budget that much better reflects actual spending patterns (much less expatriate labor, much more local labor) and also permits much closer tracking of project spending, which had been difficult because of the phased budgets for the effort. Negotiations between the contractor and the RCO in Tbilisi continued intermittently throughout the quarter, and approval was eventually received on June 8, 2002.

Outstanding issues

Basic information

It is evident from discussion with other donors, many MAF staff, and USAID Caucasus that despite the efforts of many donor projects and many committed Georgians, much basic information needed for the formation of a reasonable agricultural policy in Georgia is still lacking. The RAPA project's phase II addressed this vacuum in a several ways, including preparation of a daily press service, systematic collection of previous studies, and work to systematize and improve statistics. However, closer acquaintance with the work of other donors also suggests that the need for a regularly repeated large-scale field survey similar to those done by the World Bank remains acute. The RAPA project's Phase II work plan also included this activity, and design will be completed—although, because of financial caution resulting from the debate on project extension the survey will probably not be fielded—by the end of phase II. More than this effort, however, it is increasingly clear that the donors need to find a way to better coordinate their efforts and information in agriculture. Minister Kirvalidze's new international advisory council is a small step in the right direction. However, over and above the design of a specific survey, it would seem timely for all donors to consider how they can better coordinate their efforts in agriculture. The MAF will need to take a leading role in this effort, but as a coordinator and equal partner, not as a commander, evaluator or supplicant.

Cooperation with FSP

The expatriate staff of the European Commission Food Security Program has entirely changed in the last six months, and until mid-July no expatriate resident or regularly visiting was apparently concerned with it full-time. The FSP is now seeking a new advisor for the MAF and attempting to redesign both its specific conditionalities and its program procedures. RAPA management and staff will need to pay close attention as this rebuilding process unfolds in order to ensure that assistance is well coordinated.

Organization building

The initial strategy of the RAPA project aimed both to handle the most immediate severe problems faced by the MAF in order to enable more systematic work to begin and sought "targets of opportunity," tasks that could be done relatively quickly as the project was gaining experience and knowledge. As a result, the project has now achieved several solid results, including the Counterpart Fund and related issues, rooting out entrenched

leaders with highly questionable ethics in the State Regulatory Board and the PSQI, resolving the status of most MAF parastatals and providing an impetus to the discussion of policy issues and the development of effective policy.

However, it is clear that this strategy has now been almost exhausted. Further progress in restructuring the Ministry requires systemic change in the whole organization, not piecemeal changes as circumstances allow and require. The MAF organization is still fundamentally weak. It can be strengthened only by undertaking real organization-building, including designing and implementing structures that among other things

- Clarify lines of authority and responsibility
- Substantially improve the flow of information within the MAF and between it and the outside world
- Centralize policy-making and management authority in the Minister and his deputies
- Standardize and make more transparent personnel management and purchasing
- Clarify the MAF budget and eliminate duplicative accounts, bookkeeping, and funding
- Clearer lines of authority
- Better document and information circulation
- Centralized bookkeeping, personnel and other service functions

Such institution-wide changes will be the focus of the RAPA project's activities for some time to come. Even though most of what the MAF's activities should be can be specified fairly simply, designing and implementing organizational changes to allow it to do them will involve severe organizational and political conflicts as many entrenched interests in and around the Ministry are challenged.

Need for closer liaison with other Georgian government agencies

Achieving institution-wide changes requires allies both inside and outside the institution to be transformed. Implementing a budget system requires close liaison with the Ministry of Finance. Improving the work of Ministry officials in border and quarantine work calls for collaboration with Customs. The Ministry of Finance, the Anti-Corruption Commission, and other government agencies are now pursuing plans for government-wide administrative changes that may, if all parties are not aware of each others' activities and plans, make effective restructuring of the MAF much more difficult if not impossible. There is, therefore, a growing need to improve coordination between the RAPA project and similar endeavors elsewhere in the Georgian government, Georgian society and the donor community. Achieving this will require assistance and counsel from USAID Caucasus as well as the Minister and the MAF senior management.

Government legal entities (a.k.a. "Legal entities of public law")

Several of the "subordinate" agencies of the MAF, including the Veterinary Department, DAWE and the Plant Protection Service have very substantial autonomy because they are so-called "Government legal entities." This is an odd legal category apparently invented to ensure that Georgian government agencies had enough autonomy to function as effective organizations. However, this odd legal status continuously fragments the government and increases interagency friction. In order to make the MAF more effective, its "subordinate" agencies will have to be stripped of this special status. That can almost

certainly only be done by considering the broader question of the division of responsibilities among Georgian government agencies implicit in the status itself. Again, this broader issue is one that will have to be dealt with not only by the RAPA project for the MAF but more generally if any real reform of the Georgian government is to occur.

Need for liaison with Parliament

As already noted, many of the impediments to systemic structural reform of the MAF are codified in Laws of Georgia. In order to overcome them, changes in the law will be unavoidable. Such changes will also be difficult and their timing highly uncertain. To minimize this problem, the RAPA project will need to develop much closer relations with the Georgian parliament. Just how this can and should be done—whether by project support to the MAF's own parliamentary liaison unit, work with other donor projects, directly by creating a parliamentary liaison or by some combination of these approaches is, again, an issue on which the assistance and counsel of USAID Caucasus will be needed.

Future of the World Bank RAE

The World Bank RAE has largely accomplished the tasks it was created to do. However, it is important to insure that it closes out cleanly so that the MAF can cite the experience as a good precedent when next it approaches the World Bank for particular help. It is likely that some RAPA project staff will be asked to assist in preparing the final report. It is even more important that the work done by the RAE be systematically preserved and followed up on where appropriate. These tasks are also likely to fall to the RAPA project. Such assistance is only fair, since the RAE has done at least one thing which RAPA could not, taking a complete inventory of MAF property. It is unfortunate that past MAF management was so poor that this became necessary, but since it had to be done, the RAE has done it well.

Project extension

The USAID Regional Contract Office has unofficially requested DAI not to begin closing the RAPA project, as it should have already been doing in the absence of an assured commitment to continue the activity. However, as of the time this report was completed, DAI has not yet received any sort of RFP or Scope of Work for activity after August 28, 2002. This uncertainty has already adversely affected staff morale. Because, on certain matters such as the cleanup of the PSQI, the activity of USAID and DAI in supporting the MAF has become widely known (largely through comments from Gurchiani's lawyer), withdrawing support from the MAF before that matter, at least, is fully resolved would be likely to have adverse consequences for future assistance activities.

Planned activities for next period

Until the end of Phase II, the project will concentrate on dealing with the consequences of the Gurchiani affair and the former PSQI, intensive discussion and design of inspection reform, and informational activities, including more work on WTO obligations, completing and distributing more of the backlog of analytic materials already produced, and designing the major survey research effort discussed above.

In addition to that work, project staff will need to complete the design and agreement with interested parties of the Phase III project work plan. Some of the most immediate challenges facing the MAF have been controlled. A good many incremental

improvements have been made in the MAF structure. However, it is clear that little more can be done without mastering systematic challenges: greatly reducing the autonomy of many MAF subunits, putting in place unified personnel, purchasing, and budgeting systems, considerably reducing the overall number of MAF units, and greatly clarifying the lines of authority and responsibility in the MAF as a whole. These are very serious issues and they are still far from fully resolved. However, in continued close cooperation with the Ministry management, very substantial progress in this systematic restructuring should be achieved during the next twelve to twenty-four months.

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Annex 2. Summary of Work Plan Status as of June 30, 2002

RESOLVE “LEGACY” ISSUES	
Liabilities from “Counterpart Fund”	Essentially completed, as Ministry is now dealing with these issues. Translation and editing of long legal opinion on Counterpart Fund continues.
Risk Assessment Exercise	Cooperation continues. RAE is developing full inventory of MAF property
POLICY ADVICE AND ANALYSIS	
Comparative study of agricultural ministries	Completed
MAF [Food Security] strategy (condition of EC Food Security Program)	Completed except for editing of English translation
Ministry PGREP Strategy	Presented by Minister to donors
Ministry 3-year strategy	continuing
Regularly updated briefing paper on agriculture in Georgia	continuing
Baseline study	Under discussion with Ministry
Georgia’s agricultural related WTO obligations	Several studies written. Ministry has established work group on issue, is now seriously concerned with them
Grain market	continues
Land policy	Project representative(s) participated in WB/GTZ/USAID Budapest seminar, APLR seminar on land privatization
collection of previous studies	continuing
legal monitoring	continuing
Food quality, standards and safety	continuing.
Staff analysis	Continuing
MINISTRY RESTRUCTURING	
Central apparatus	number of units reduced
Ltd “State Regulatory Board	Completed
Other Ministry-managed Ltds	Completed
State-subordinated Departments	continuing
Local MAF assets	Being inventoried and assessed by World Bank RAE
regional agricultural administrations	Not planned for phase II, not yet begun
Legal drafting assistance	Continues
STATISTICS AND GIS	
Statistics	continuing
OTHER ACTIVITIES	
Activity coordination	continuing
MAF website	Not yet begun
Registration of DAI in Georgia	completed
Ministry computer network	Hardware installed, training beginning

This table follows the order of the Phase II work plan but item numbers have been deleted due to changes in the work plan since it was approved.

Annex 3: Comments on APLR Draft Land Privatization Law and Land Privatization Issues



RESTRUCTURING ASSISTANCE AND POLICY ADVICE FOR THE MINISTRY OF AGRICULTURE AND FOOD OF GEORGIA

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Comments on the Draft Law on Land Privatization Discussed at APLR seminar, March 8, 2002

Jeko Mchedlishvili, Rati Shavgulidze

March 14, 2002

Views expressed in this note are those of the authors alone

This note reviews comments made at the seminar and then outlines our own views on the draft law.

In summary, opponents of the draft law are concerned that adoption of this law would legalize illegitimate rights of politically connected renters, whereas proponents argue that any system would be better than the existing corrupted and fraudulent one.

Association for Protection of Landowners Rights

Although it is a good idea to privatize state owned land, current situation hardly allows fair and effective implementation of this Proposal.

According to the proposal Sakrebulo have to play a major role in privatization process. Presumably the underlying reason for the authors' emphasis on Sakrebulo is that the latter are elected on local level and represent people's interests, would be fair during privatization process, etc. The drawback of this presumption is the uncertainty related to the extent of the amount of freedom Sakrebulo exercise in their decision-making process.

An additional drawback of this draft law is that its argument seem not to be based on through analysis of land tenure, production practices and costs, etc. APLR could have obtained invaluable information given opportunity of assessments in districts, yet the content of the questionnaire presented is rather poor. For instance, APLR reports the number of agreements terminated due to high land tax, yet does not provide corresponding information on the area of land, category of land, etc. that would have been

more informative indicators of prevailing trend. William Thiesenhusen's report (see below) should be seriously taken into consideration in this regard.

ACDI/VOCA

Rusty Schultz's ideas are similar to those of APLR, yet are more market oriented, since he proposes the establishment of a Land Bank responsible for management of proceeds and issuance of loans to purchase land backed by mortgage bonds. This Land Bank idea is more from a banker's perspective of running quasi-commercial credit facility. It is more attractive than the financial management ideas of APLP, which allow Sakrebulo to manage the revenues generated. But given the current financial infrastructure and lack of familiarity with this concept [of a land bank], there is high probability of the abuse.

Independent Consultant

William Bateson's argument during the roundtable was that any system would be better than the current one, and people should not wait until the land elite gives up its rights voluntarily. A difficulty with this position is that elite renters have more political power than others, are able to adjust legal provisions to their own interests, and influence government decision-making. Hope that market forces will take care of these problems is I. Market forces often result in negative externalities that have to be removed by government, yet the Ministry of Agriculture and Food's very limited influence in the districts and lack of strong will to step up for the rights of those abused might further exacerbate the existing situation.

Ministry of Agriculture and Food

The Ministry of Agriculture and Food was asked by Parliament's Agricultural Committee to review this proposal. The Ministry of Agriculture and Food gave a negative appraisal. According to its report, the Ministry of Agriculture and Food's main concerns are the limited involvement of the State in the privatization process, privatization of different research farms, and land fragmentation. It seems to be biased toward control rather than toward facilitating the process and decision-making.

Terra Institute

Report by William Thiesenhusen seems to be most useful. Thiesenhusen emphasizes the lack of information about and the need to understand agricultural markets, issues of small versus large farms, land markets, and other relevant data on trends in land tenure. Thiesenhusen argues that small farms should be more productive than the larger ones given access to markets and farm inputs. But that is not the case in Georgia. In addition to limited access to the markets and lack of working capital another underlying factor might be fragmentation. To test the effect of fragmentation, Thiesenhusen proposes a pilot project to consolidate existing land parcels in several districts of Georgia. Overall, Thiesenhusen proposes a careful approach to any changes based on a thorough analysis of the existing situation.

Summary

The major arguments of proponents of fast-track privatization of agricultural lands under state ownership are (1) to replace the existing obscure land lease system, (2) to establish a land market, (3) to enable farmers to use land as collateral, and (4) to enhance farm productivity.

The difficulty with this position is not whether or not the arguments are acceptable, but whether it is possible to implement privatization effectively and fairly given the existing environment in Georgia, and the lack of basic information on land distribution and ownership, production practice, farm types, obstacles encountered by small farmers, etc.

All necessary information should be obtained and analyzed, knowledge gained, problems fixed, and only after that it might be more viable to discuss the pros and cons of alternative approaches to privatization. There is a danger that agricultural land privatization will be implemented in a way similar to what was done in the case of factories and plants.

There are two most trendy and modish topics under discussion among those involved in agriculture: (1) the limited access of Georgian produce to export markets and (2) corruption. Rather than worrying so much about access to export markets, the Ministry of Agriculture and Food should rather concentrate on removing artificial and illegal barriers faced by small farmers in reaching the local market, and analyze why during certain periods local markets are supplied with imported commodities in greater quantities and at lower prices than those of local produce. There has been so much talk and no action on corruption, that the issue is losing credibility. People are sick and tired of this word. The Ministry of Agriculture and Food must lead anti-corruption effort by targeting obscure lease arrangements, the abuse of small farmers by local officials and traffic police, rent seeking among customs officials, etc.

William Thiesenhausen's proposal for a land consolidation pilot project in several districts where private land parcels are most severely fragmented is worth serious consideration. The targeted farmers must also be provided with adequate inputs and fair access to the markets. It would be interesting to see the outcome. There is a high probability the results will show that it is possible to farm even on small plots and have marketable outputs, not just enough for subsistence.

Estimated potential break-even prices and production volumes, and gross margin at farm gate for several vegetables may be used as rough justification to what was said earlier. The calculations were done exclusive of land and other taxes, and it was assumed that risk was zero. The major cost is labor. Given family units operating on small parcels and using family labor, estimates would be improved.

	Unit	Onion	Eggplant	Cucumber	Tomato	Potato	Garlic	Greens
Breakeven Price	gel/kg	.04	.04	.03	.02	.06	.04	.33
Breakeven Output	kg/ha	7,752	7,512	3,302	2,970	9,906	5,756	403
Gross Margin	ratio	.19	.21	.08	.05	.2	.14	.11

Remarks on the Draft Law

Although the English translation of the draft law is poor, its content is consistent with the Georgian one except in a couple of places we have noted below.

Article 2.4.

According to this clause any agricultural land is subject to privatization except the land defined in Article 2.1, yet the latter does not include any definition (the Georgian and English versions are the same on this point).

Article 4.1.

Clause “movable property,” that is listed in Article 1, is missing.

Article 4.2.

(i) Wording, i.e. “the first” and “the next” should be changed, since it leaves impression that if buyer applies to buy 100 hectares he has to pay twice the tax rate for the first 20 hectares, 10 times the tax for the next 20-50 hectares, etc., whereas in reality hectares indicate categories;

(ii) Why were 2, 10, and 20 chosen as multipliers? What is the rationale for the categories used?

(iii) Categories of land areas should be defined more precisely. It is vague whether the category 20-50 ha is inclusive or exclusive of the 20th or 50th hectare. The same comment applies to the first and third categories.

(iv) The word “hectares” on line 4 seems to be a typo, and should be deleted.

(v) Why is the buyer of land falling under the first category (< 20 hectares land) allowed to pay in three installments, and not, say, four or five? Time period between installments is missing.

Article 4.4.

(i) It is vague which agricultural land rent tax is used to determine sales price for pasture.

(ii) Why are categories and respective multipliers not defined for pasture-land?

Article 4.5.

(i) What is the rationale for proposing different categories and correspondingly different multipliers for lands under perennial crops than those proposed for arable lands?

Article 5.1.

Why does this clause propose a six-month period between the adoption of the law and the deadline for privatization? Why not 8, 9 or 12 months? What is the rationale?

Article 6.2

A shorter time period for the election/selection of Privatization Commission might be a more viable option for renter to meet the six-month requirement to privatize rented land.

Article 6.3

(i) Why should the number of members comprising privatization commission be 7? Why not 5, 9, or 11?

(ii) What is the rationale for requiring that 5 persons out of the total seven should be Sakrebulo members and 2 persons Sakrebulo residents?

(iii) It is vague whether authors overlooked or purposefully did not indicate the criteria for selection of commission members from Sakrebulo members and residents (we understand how difficult it is to develop any valid criteria).

(iii) Who elects/selects sakrebulo members and residents? The population registered in that Sakrebulo?

Article 6.4

What is the rationale for establishing 20 hectare and 100 hectare ceilings for auctioning arable land and pastures respectively?

Article 6.7

- (i) Why would the Privatization Commission decide to invite a private legal entity to carry out the auctions and share the generated proceeds with it?
- (ii) Is it not necessary to mention the criteria for selection of the private legal entity responsible to conduct auctions?
- (iii) Who would oversee the operation of this private legal entity?

Article 6.9

- (i) What is the rationale for the fixed and *ad valorem* deductions from the proceeds generated through the sales of land parcels are payable to the private legal entity for services rendered?
- (ii) What is the rationale for choosing GEL 10 and 2 percent of the value of land sold? Why not GEL 20 or 1 percent, etc?
- (iii) How was the 5 percent *ad valorem* deduction from the proceeds generated through the sales of land parcels and payable to the Privatization Commission to cover operational expenses set? Why not 4 percent or 6 percent?
- (iv) Have The authors considered remuneration for the members of the privatization commission? If yes, why it is not included, and if not, why not?

Article 7.1

What is the rationale for specifically establishing an 18-month period to auction land parcels which were not privatized by their renters?

Article 7.3

Why is the deposit fee GEL 20? Why not GEL 10 or GEL 30? Why does the participant have to pay a deposit if in case he does not purchase the land the deposit will be returned?

Article 7.5

Clause omits movable property, which is mentioned in Article 1.

Article 7.11

Is it rational to allow the buyer to purchase land for less than the starting price? And why must the minimum price be not less than the amount of the deposit (GEL 20)?

Article 7.12

What is the rationale for conducting auctions on a semi-annual basis?

Article 8.1

Word “refuses” on the line 2 should be replaced by “fails”.

Article 10.2

It seems the Academy of Agricultural Sciences should be included.

Article 11.2

- (i) Is there not a conflict of interests here?

(ii) Do the members have skills and training to appraise assets?

Article 11.4

There is a slight difference between the Georgian and English versions. The Georgian version says "...within 10 years", whereas the English version says "...at least during 10 years."

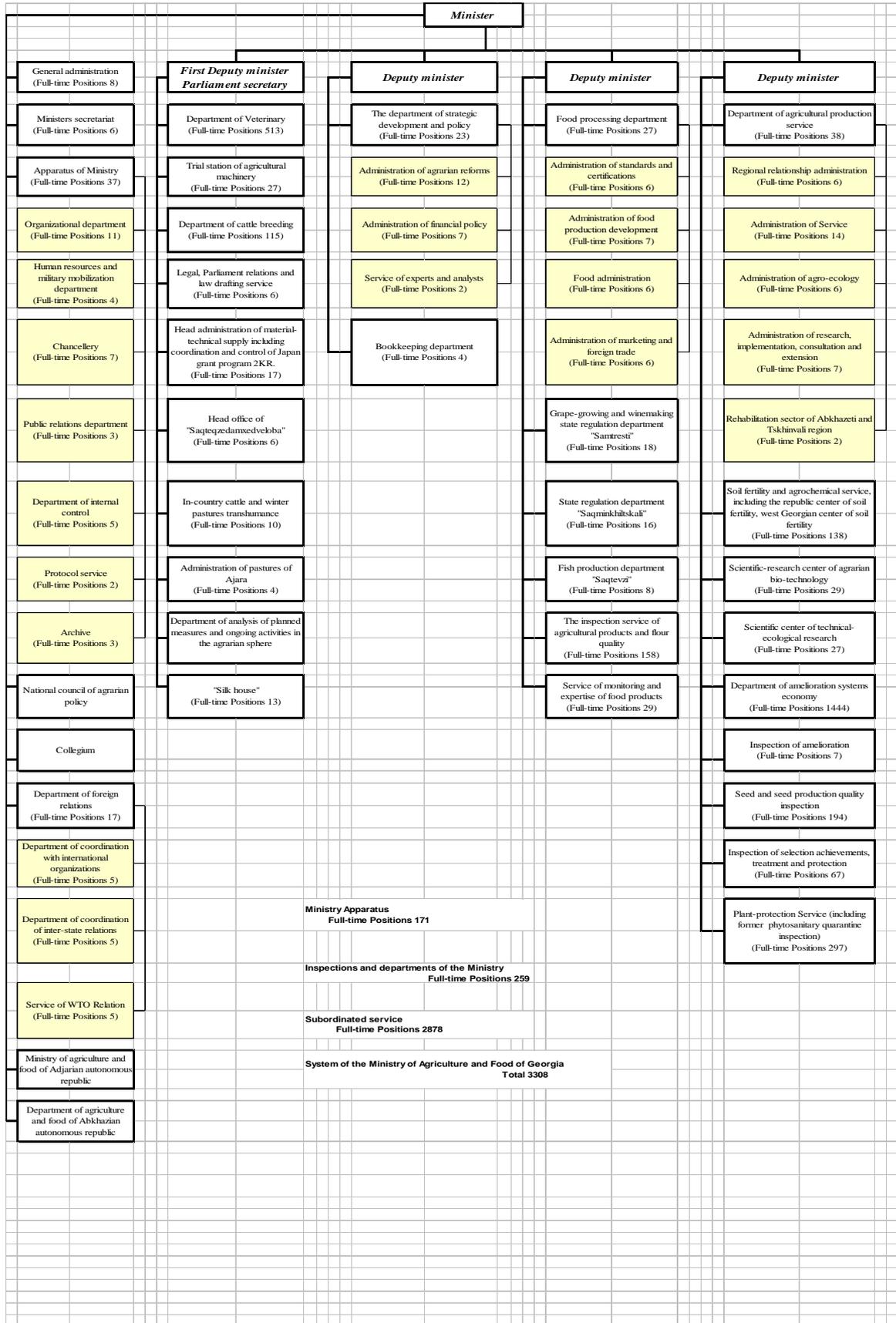
Article 11.5

It is unclear what the consequences would be if members fail to pay the remaining 50 percent within the 6 months.

Article 12.2

This clause omits borders of infrastructure appropriate to pipelines.

Annex 4. MAF organization chart as of June 30, 2002



**Annex 5. Disposition of Parastatals (Ltds and JSCs) Managed by the Ministry and Agriculture and Food
As Determined by the MAF “Balance Commission,” April 8-May 3, 2002**

	Name	Date and Number of Ministry of State Property Order Including Organization in Privatization List	Proposal	Principal line of business	Date and Number of MAF Decision
1	State Regulatory Board		remain under MAF management	Import and sale of grain	
2	Economic Service		remain under MAF management	Service of the Ministry apparatus	
3	Seedling (former Tbilisi nursery)		remain under MAF management	Perennial seedling production	
4	Kumisi		remain under MAF management	Fish breeding and production	
5	Examination and Protection Inspection of Selection Achievements Gardabani Station		remain under MAF management	Seed corn production	
6	Examination of Selection Achievements Asureti Station		remain under MAF management	Seed corn production	
7	JSC “SakAgroBioMretsvi” Tabakhmela Bio-industrial complex		remain under MAF management	Vaccination production	
8	Saltvisi-2 (Gori)		remain under MAF management	Breeding and production of agricultural crops	
9	Bebnisi Nursery (Kareli)		remain under MAF management	Fruit trees seedling production	
10	International Educational Center for Management and Agro-business		not yet determined	Continuing education	

11	“Georgian Subtropics”		Full information sent to Ministry of State Property Management	activities in tea sector	26.02.02 - #5-1/435
12	“Ieri”	24.04.2000; #1-3/284		Construction and Remodeling	
13	“Kimia”	07.08.95; #303		Disinfection of bread product facilities	
14	“Arili 2000”	16.07.99; #1-3/389		Transportation Services for the Ministry	
15	“Agromshenservice”	26.12.2000; #1-3/855		Construction and Remodeling	
16	“Food Technician” (“Kvebis Teknologi”)		Proposed for privatization	Preparation of technical documentation for food enterprises	
17	“Georgia”		Proposed to merge with “Agroinformi”	Printing	
18	Journal <i>Kvali</i>		Proposed to merge with “Agroinformi”	Journal publishing	
19	“Tagi”	31.03.99; #1-3/155		Construction and remodeling	
20	Donor		Privatized	Supply of JSC “Sakagrobiomretsvi” with rabbits in order to produce vaccines.	
21	“Mshenebeli 80”		Proposed for privatization	Construction and remodeling of irrigation and melioration facilities	03.05.02-#5-1/1079

22	Design-Technological Bureau		Privatized	Elaboration of design and accounting documents	
23	“Mshenebeli 21”		Proposed for privatization	Construction and remodeling of irrigation and melioration facilities	
24	“Gamartva”		Proposed for privatization	Work related to putting into service of irrigation and melioration facilities	
25	Japanese Grant Management Center		Proposed for liquidation	Maintenance of technical facilities obtained from abroad	
26	“Mtkvari”		Proposed for privatization	Construction and remodeling of irrigation and melioration facilities	
27	Tbilisi Poultry Breeding Reproducor	03.08.2001; #1-3/546	Privatized	Poultry Breeding	
28	“Samtrest-XXI”		Proposed for privatization	Supply of wine industry	
29	“Tbilisi”		Incorporated in Quality Inspection of Agricultural Products and Flour (Getsadze)	Quality Control of Agricultural products and flour	
30	Cattle Breeding Reproduction Enterprise “Gldani”		Proposed for privatization	Livestock production	26.02.02; #5-1/437
31	JSC “Saksoflteknika”		Proposed for privatization	Agricultural equipment services	26.02.02-#5-1/432
32	JSC “Sakabreshumi”		Raised Case for Bankruptcy	Assistance to Production of Silk Cocoons	
33	JSC “Iveriamsheni”		Proposal on Acceleration of Privatization Process	Construction and Remodeling	

34	JSC “Business Center Agromontazhi”		Proposal on Acceleration of Privatization Process	Construction and Remodeling	
35	JSC “Saktskalmsheni”		Proposed for privatization	Construction of irrigation and melioration facilities	
36	“Khariskhi” (Quality Control Service of Agricultural Products of Mtskheta)		Proposal on Liquidation	Quality control of agricultural products	
37	“Ksani Bread” (Mtskheta)		Proposed for privatization	Seed grain storage	26.02.02; #5-1/435
38	Varketili wine factory		Proposed for privatization	Winery	
39	“Bostantesli”(Gardabani)		Proposed for privatization	Seed production of vegetable crops	
40	“Nazarlo Seed Production” (Gardabani)		Proposed for privatization	vegetable-seed production	
41	Gardabani District Albumen Food		Proposed for privatization	Production of fertilizers for seed production	26.02.02; #5-1/435
42	“Gazatsia”		Proposed for privatization	Production of Bread Product Enterprises	26.02.02; #5-1/435
43	Poultry Scientific Base		Proposed for privatization	Poultry breeding and production	
44	“Rustavi Expert”		Merge into Quality Inspection of Agricultural Products and Flour (Getsadze)	Quality Control of Agricultural products	
45	“Chapala-2000” (Bolnisi)		Proposed for privatization	Seed grain production	

46	“Nergi-21” (Marneuli)		Proposed for privatization	Perennial seedling production	
47	“Alget – Milk”		Proposed for privatization	Dairy Production	30.01.02; #5-1/178
48	JSC “Broileri” (Gamarjveba Poultry factory)	25.02.99; #1-3/76	Proposal on Acceleration of Privatization Process	Poultry products	
49	JSC “Glekhuri Ezo”		Proposal on Acceleration of Privatization Process	Poultry products	
50	“Martsvali” (Kaspi Reception Point)		Proposed for privatization	Grain storage	26.02.02; #5-1/435
51	“Doesi” (Kaspi)		Proposed for privatization	Seed grain production	
52	Kaspi Broiler Reproduction	25.09.98; #1-3/672	Liquidated	Poultry products	
53	Shindisi (Gori)		Proposed for privatization	Agricultural Production	
54	“Nacharmagevi” (Gori)		Proposed for privatization	Agricultural Production	
55	“Dzevera” (Gori)	05.03.01; #1-3/127		Agricultural Production	
56	Michael Koblianidze (Gori)		Proposed for privatization	Agricultural Production	26.02.02; #5-1/435
57	“Iakobi” (Gori)		Proposed for privatization	Agricultural Production	

58	“Garejvari” (Gori)		Proposed for privatization	Agricultural Production	
59	“Kelktseuli” (Gori)		Proposed for privatization	Seed grain production	
60	“Khorbali” (Khashuri)	07.08.95; Presidential Decree 303		Grain storage	
61	Plevi Seed Production (Khashuri)		Proposed for liquidation	Seed grain production	09.10.01; #5-1/2164
62	“Geguti” (Tskhaltubo)		Proposed for privatization	Seed grain production	26.02.02; #5-1/435
63	“Sanerge” (Lagodekhi)			Seedling production	
64	Ujarma nursery (Sagarejo)		Proposed for privatization	Seedling production	25.02.02; #5-1/1143
65	“Tulari Production of Grain Crop Seeds”		Proposed for privatization	Seed grain production	
66	“Giorgitsminda Production of Grain Crops” (Sagarejo)		Proposed for privatization	Seed grain production	
67	“Gerani” (Experimental Station of Sokhumi Ester oils; Kvareli branch)		Proposal on Liquidation	Estrous-oils experimental station	
68	Abibo Nekreseli (Former Vareli Bee Breeding Reproducing Center)		Property has been sequestered	Bee breeding	
69	“Rioni”		Proposed for privatization	Services to irrigation and melioration facilities	

70	Quality (“Khariskhi” – Kutaisi)		Proposal on Liquidation	Quality Control of Agricultural Products	
71	“Kakheti 2000”		Proposal on Liquidation	Quality Control of Agricultural Products	
72	Telavi Poultry Breeding Reproducer		Proposed for privatization	Poultry products	26.02.02; #5-1/435
73	“Seed” (Zestafoni)	(01.04.98; #1-3/220)	Proposed for privatization	Grain storage	
74	“JSC “Kachreti Bread Products Combinat”		Opened Case for Bankruptcy	Grain Processing	
75	“Jejili” (Telavi)		Proposed for privatization	Grain storage	
76	“Kevri” (Chkhorotsku district)		Proposed for privatization	Laboratory testing of grain, grain products and non-alcoholic beverages	26.02.02; #5-1/435
77	“Nosiri-2”	(23.06.98; 1-3/433)		Poultry products	
78	“Kolkheti”		Proposed for privatization	Services to irrigation and melioration facilities	26.02.02; #5-1/434
79	“Poti-2000”		Proposal on Liquidation	Quality Control of Agricultural products and flour	
80	“Tekhuri” (Senaki)		Proposed for privatization	Seed grain production	

81	“Nana-99”		Incorporate in Quality Inspection of Agricultural Products and Flour	Quality Control of Agricultural Products and Flour	
82	Samegrelo Expert		Incorporate in Quality Inspection of Agricultural Products and Flour (Getsadze)	Quality Control of Agricultural Products and Flour	
83	JSC “Ajara Bread”		Proposed the Ministry of State Property Management to transfer it to Ajara	Grain Processing	
84	JSC “Khelvachauri Citrus Processing”		Proposed the Ministry of State Property Management to transfer it to Ajara	Citrus Processing	
85	“Batumi Meat Combinat”		Proposed the Ministry of State Property Management to transfer it to Ajara	Processing of Meat Products	
86	JSC “Khorshi Esteroils”		Proposal on Acceleration of Privatization Process	Production of Estrous Oils	
87	JSC “Lesichine Tea Industry”		Proposal on Acceleration of Privatization Process	Tea Production	
88	JSC “Abasha Estrous Oils and Medicinal Plants”		Proposal on Acceleration of Privatization Process	Production of estrous oils and medicinal herbs	

Annex 6. Statement on Gurchiani case

Giga Kurdovanidze
June 13, 2002

This memorandum summarizes the events of the removal of Robert Gurchiani, former head of the Phyto-Sanitary Quarantine Inspection of the Ministry of Agriculture and Food of Georgia. It is based on events I witnessed and interviews with the principals mentioned, excluding, of course, Mr. Gurchiani.

At the request of the Ministry of Agriculture and Food, two staff members of the RAPA project, Irakli Inashvili and Giorgi Misheladze, were assigned to work with the Ministry's Internal Control Department and employees of the Georgian Chamber of Control on an audit of the Phytosanitary Quarantine Inspection. They were officially asked and authorized to participate in this activity by Order of the Ministry of Agriculture and Food number 2-161 of October 11, 2001.

On October 12, 2001, RAPA project employee Irakli Inashvili, accompanied by staff members from the Chamber of Control, held an introductory meeting with Robert Gurchiani, head of the PSQI, in Gurchiani's office. During that meeting Gurchiani drew and flourished at Inashvili a large Caucasian dagger (*kinzhal*), while making threatening and insulting comments. Gurchiani reportedly asserted that the Ministry of Agriculture and Food had no right to send its representatives as part of the audit team, indicating an interesting understanding of his lines of responsibility and the subordination of his agency. The threatening behavior was enough that Inashvili seriously considered filing charges for criminal assault. Chamber of Control inspectors Soso Chikobava and Aleko Tskhovrebashvili as well as Gogi Sadagashvili, deputy head of the Quarantine Inspection Service, witnessed this incident.

Senior Ministry managers report that Gurchiani repeatedly made phone calls to their offices threatening dire consequences unless the audit ended with no problems found.

On November 7, 2001, the newspaper *Akhali taoba* reported:

On November 5, at approximately 11 PM, two as yet unidentified persons attacked Minister of Agriculture and Food David Kirvalidze's home (at that time, in accordance with a Presidential Decree, the entire government had been temporarily removed). The two unknown persons broke the glass in the apartment's windows and fled. At the time of the incident David Kirvalidze was not at home. An investigative group from the Vake-Saburtalo Police Station immediately went to the place where the attack occurred. Witnesses stated the assailants were young men aged 20 to 22.

It is difficult to judge whether this was just simple hooliganism or an attempt to threaten the Minister. It is also difficult to blame someone or to say for sure who it was. The Minister himself did not comment, although the reforms initiated in the Ministry have reduced the enjoyment of those bosses who have been used to sit in "comfy chairs." This tension is also indicated by the fact that some time ago a joint group of Ministry and Chamber of Control representatives assigned to carry out an examination of the Phyto-Sanitary Quarantine Inspection Service were "welcomed" and "run off" by Gurchiani's threats with a *kinzhal*, facts also confirmed by the Ministry Press Service.

On November 30, 2001, the Chamber of Control staff officially completed the audit. As required by the Chamber's procedure, Robert Gurchiani signed the official copy

indicating that he had read it, and the copy on file in the MAF also bears his handwritten notation that he does not agree with the findings. On December 28, 2001, Mr. Gurchiani sent a formal letter of explanation to the chairman of the Chamber of Control.

On February 6, 2002, the Ministry of Agriculture and Food formally received the final audit results from the Chamber of Control. On February 11, 2002, the Ministry sent Gurchiani Ministry letter number 3-1-296 requesting him to provide a written response to the issues discussed in the Chamber of Control report. No reply was received by the Ministry. On February 19, 2002, a second letter was sent to Mr. Gurchiani with the same request. On February 20, 2002, Gurchiani submitted a letter of explanation.

On February 25, Gurchiani received a notice from Deputy Minister David Shervashidze requesting that he attend a discussion of the Chamber of Control report at 4:00 PM that day. Gurchiani signed for the invitation and noted the time he received it, 10:30 AM, on the letter. However, he did not attend the meeting, later explaining that he had not had time to familiarize himself with the documents.

On February 25, 2002, on the basis of Shervashidze's report of the meeting's discussion and the report of the Chamber of Control, Ministerial Order number 15-k was prepared removing Gurchiani from his position. The Order was signed the same day.

On February 27, 2002, Levan Kanchaveli was appointed the Head of the Phyto-Sanitary Quarantine Inspection Service.

On February 28, 2002, First Deputy Minister Nugzar Mamaladze, Deputy Minister David Shervashidze, several department heads, the head of the Ministry Apparatus and other MAF management went to the Phyto-Sanitary Quarantine Inspection Service building to present the new Head of the Service, Levan Kanchaveli to the assembled employees. Gurchiani and his relatives obstructed the meeting. The former head of the PSQI hurled coarse invectives at the group and threatened to take physical revenge on Minister David Kirvalidze. He and his relatives repeatedly insulted the deputy ministers and the newly appointed PSQI head and attempted to prevent them from meeting with the staff. The situation became so tense that the Ministry authorities were forced to call the Ministry guard service and police officers from the Vake-Saburtalo District Police Station. Only after they arrived did the situation calm down.

Although the new Head of the Service had been introduced to the staff and met with staff members, Gurchiani flatly refused to move out of his former office or to hand over the PSQI seal. Nor would he leave the office building. This obstructed the regular work of the Phyto-Sanitary Quarantine Inspection Service.

While Gurchiani himself was loudly and profanely protesting his removal, a group of approximately fifty of his relatives, including persons employed in the PSQI, gathered in front of the Inspection building. The building security noted that some people in the crowd had knives and firearms.

Deputy Minister Shervashidze made a detailed report of these events. On that basis, Minister David Kirvalidze requested Minister of Internal Affairs Koba Narchemashvili to provide additional police to help maintain public order and ensure the safety of government employees.

By the evening of February 28, the Head of the Main Police Administration of Tbilisi, Kakha Bakuradze, had ordered the police to take action. Several vehicles suspected of transporting armed supporters of Gurchiani were identified and investigated. In order to ensure the safety of the staff, the Inspection Service building was put under increased protection.

On that same day, February 28, 2002, at approximately 4:00 PM, unidentified persons fired several shots from a Makarov pistol into the Ministry building on Kostava Street in Tbilisi. The Mtatsminda-Krtsanisi Police department conducted a criminal investigation as a result. Several witnesses stated that they saw a white Zhiguli stop in front of the Ministry building. The driver got out of the car and shot at the Ministry building, then got back in his vehicle and drove away. Three bullets from a Makarov pistol were taken from the building and sent for ballistics tests.

In spite of the strengthened building security, on March 1 Robert Gurchiani and some of his supporters, relatives and coworkers, met the new management in the building when, they arrived in the morning for work. Gurchiani again created a disturbance, cursing and calling for physical violence against his enemies. He threatened his former staff members, demanded they strike in his support and insisted they disobey the new management. This tumult again severely disrupted the PSQI's regular work.

On Gurchiani's direct orders, a group of aggressive individuals again gathered in front of the building to physically and psychologically threaten the staff members. This time their transportation was more organized, however; they arrived in vans instead of passenger cars.

Vake-Saburtalo Police Department Head Jemal Bagaturia and officers from the criminal investigation squad attempted to calm the situation. After long negotiations between the police and Gurchiani, including a warning that a criminal case could be opened against him, Gurchiani finally handed over the PSQI seal. Although he continued to make loud threats, he then left the building accompanied by his relatives and supporters. Regular work then resumed in the inspection building.

Since March 2, 2002, Gurchiani has continued to terrorize his former staff members. He has repeatedly threatened physical harm to the new management of the PSQI and the Ministry leadership. He also attempted to force his former subordinates to sign blank pieces of paper, which presumably could then be filled in with depositions or other claims against the MAF.

At midnight on Sunday, April 21, 2002, four armed, masked men broke into the house of Leila Jikuri, Inspection Service chief accountant. They made no specific demands as robbers might have, but attempted to rape Ms. Jikuri and her daughter. Her screams for help attracted the neighbors, and the criminals fled. The Vake-Saburtalo Police Department have opened a criminal case concerning this assault. The next day Leila Jikuri returned to work and reported the assault to the PSQI management. In private conversation she also noted that the strangers spoke with a Svanetian accent (Gurchiani is from Svanetia).

On May 1, 2002, the PSQI accountant, Ms. Jikuri, and the cashier were due to withdraw 16,000 lari in cash from the bank to pay three months' wages for the PSQI.⁹ Ms. Jikuri came to work that day very agitated for reasons she has not been willing to discuss and flatly refused to go to the bank. The Inspection management took strong security measures, including sending two vehicles, a Toyota and a Niva, on the errand. Two other employees accompanied the cashier. The Niva, which belongs to the PSQI, was the car usually used for these regular trips to the bank. Therefore, it was arranged that this time the other car would transport the money.

After making the withdrawal, both vehicles and their passengers left the bank to return to the PSQI. The Toyota with the payroll was followed by a silver Mitsubishi Pajero with military license plate AG0027. The Pajero purposely rammed the back of the Toyota several times, obviously trying to make the Toyota driver stop. Near Vake Park the Toyota driver was able to get away from the Pajero and drove to the Inspection building.

At Bagebi Street, where one turns toward the PSQI building, the Niva driver saw a waiting red VAZ 21-06 Zhiguli, license RBJ279, in which Robert Gurchiani and some other persons were seated. Obviously on the assumption that it was carrying the payroll, Gurchiani's vehicle forced the Niva to stop. When he discovered his mistake, Gurchiani began to loudly curse the cashier and the other persons in the Niva. The Niva passengers refuse to say why Gurchiani acted in this way.

Police investigation revealed that the license number on the Mitsubishi Pajero did not belong to that vehicle. That license number is assigned to Colonel Lomauro, commander of the "Shiraki" military unit. However, his official vehicle is not a Mitsubishi Pajero. A Zhiguli with the license number given above is registered to a resident of Gurjaani district, but the vehicle registration records indicate that car is green, not red. The same red Zhiguli had also been seen at the PSQI during the earlier disturbances.

Meanwhile, in March, 2002, Robert Gurchiani had filed suit in Mtatsminda-Krtsanisi District Court in Tbilisi demanding reinstatement in his previous position.

The first hearing in the case was held on May 2, 2002 at the Mtatsminda-Krtsanisi District Court building. Judge Zaur Mebonia presided. Guliko Gabaidze represented the plaintiff. Givi Merabishvili, head of the MAF legal department, represented the Ministry as defendant. He was assisted in preparing the case by Giorgi Misheladze, staff attorney of the USAID-supported Restructuring Assistance and Policy Advice to the Ministry of Agriculture and Food Project.

RAPA Project staff members Giga Kurdovanidze (outreach coordinator) Giorgi Misheladze, and Vasili Bibiluri (computer systems manager), who was videotaping the proceedings, were present. Tsitsia Mamulashvili, GEA news agency correspondent, also attended the hearing. Mr. Gurchiani was accompanied in the courtroom by a number of his relatives and former subordinates.

While we were in the courtroom waiting for the judge to enter and the hearing to begin, Mr. Gurchiani and his attorney, Ms. Gabaidze, expressed their great displeasure that the

⁹ It is customary for salaries to be paid in cash, since checks are not common in Georgia and the FSU. This was, therefore, a scheduled, or at least regular, errand for the PSQI accountant and cashier.--DVA

hearing was to be videotaped. Gurchiani swore at me and attempted to provoke me to make a physical response.

Once the hearing began, Gabaidze made a statement requesting that the project staff members involved in videotaping and the GEA correspondent be removed from the courtroom on the grounds that we had not been summoned by the court. She suggested, without any evidence, that we had a tendentious purpose in making a videotape record and that the correspondent would be biased. Georgian Law places no restrictions on taking still pictures or film/videotape of any hearing either by journalists or private parties, unless the court decides to the contrary in order to avoid revealing state or private secrets or sexual matters. Since our presence was perfectly lawful, the judge rejected the plaintiff's claim and allowed us to videotape the proceedings.

Mr. Gurchiani, not being satisfied with the Judge's decision, asked his former deputy, Mr. Sadagashvili, who was also present at the hearing, to summon the "people" — although I do not know just what "people" he had in mind. Considering the experience of the Ministry, and some of our project staff, with Mr. Gurchiani and his relatives, we interpreted this statement as a threat of physical violence against us. Our concern was deepened by the fact that Sadagashvili immediately left the courtroom and did not return. The hearing ended shortly thereafter and we did not see him in the street outside the court building either, although Robert Gurchiani and his party waited for Sadagashvili and "the people" for some time out in the street. We called project security guard Mr. Koba Tsirekidze, who met us in the street outside the courtroom at the end of the hearing and accompanied us back to the Ministry.

After the hearing ended and the Judge had left the courtroom, Mr. Gurchiani again began to attempt to intimidate me. In particular, he told me that I would "regret" my actions.

On May 14, 2002 the trial proper began. The session itself was uneventful. However, after the judge and Don Van Atta, RAPA chief of party, had left the courtroom, Gurchiani grabbed Giga Kurdovanidze by his shirt at the door to the courtroom. Gurchiani's brother-in-law pinioned Kurdovanidze's arms, and, had not a RAPA project security guard who was present intervened, would obviously have been assaulted by Gurchiani. Gurchiani then turned to RAPA staff member Giorgi Misheladze and grabbed him as well. The project security guard again intervened and the situation cooled down, although Gurchiani continued to curse at the defense counsel and the Ministry management.

Following these events, Gurchiani's attorney, Ms. Guliko Gabaidze, approached Mr. Van Atta outside the courtroom and told him, in Russian, that her client's actions were the result of the strong medications he had been taking. She implied, although she did not say, that he was therefore not responsible for his actions. Ms. Lika Margania of the RAPA project and others with Mr. Van Atta heard Ms. Gabaidze's comment.

From his behavior, it appears that Gurchiani is indeed constantly medicated and "high." Therefore his behavior in public is frequently a threat to others.

Translated by Lika Margania, May 3, 29, 2002

**Annex 7. Official MAF reply to Inquiry from Parliamentary Committee on
Agrarian Issues about Gurchiani Case**

July 10, 2002

On February 25, 2002, order number 15-k of the Minister of Agriculture and Food dismissed Robert Gurchiani, from the position of head of the State Inspection of Phytosanitary Quarantine of the Plant Protection Service. The order was based on the results of an audit of the Phytosanitary Quarantine Inspection by the Chamber of Control of Georgia covering the period January 1, 1999 through October 1, 2001.

Robert Gurchiani filed a suit in Tbilisi Mtatsminda-Krtsanisi District Court demanding annulment of this order of the Minister and reinstatement in his previous position.

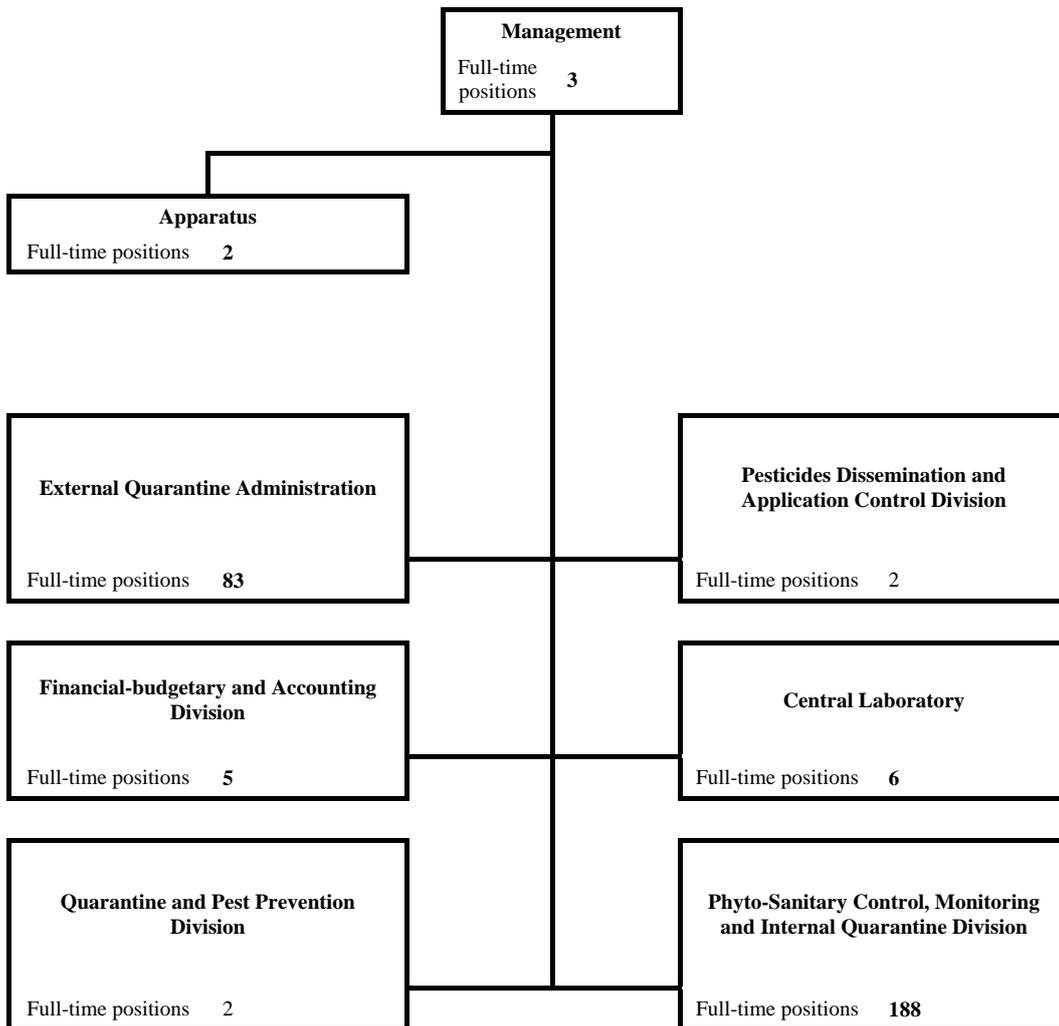
On June 17, 2002, Tbilisi Mtatsminda-Krtsanisi District Court ruled in favor of the plaintiff, thereby annulling order number 15-k of the Minister and restoring the plaintiff to his previous position.

Presidential decree number 255 of May 23, 2002, reorganized the Plant Protection Service. The post of the Head of the State Inspection of Phytosanitary Quarantine was eliminated.

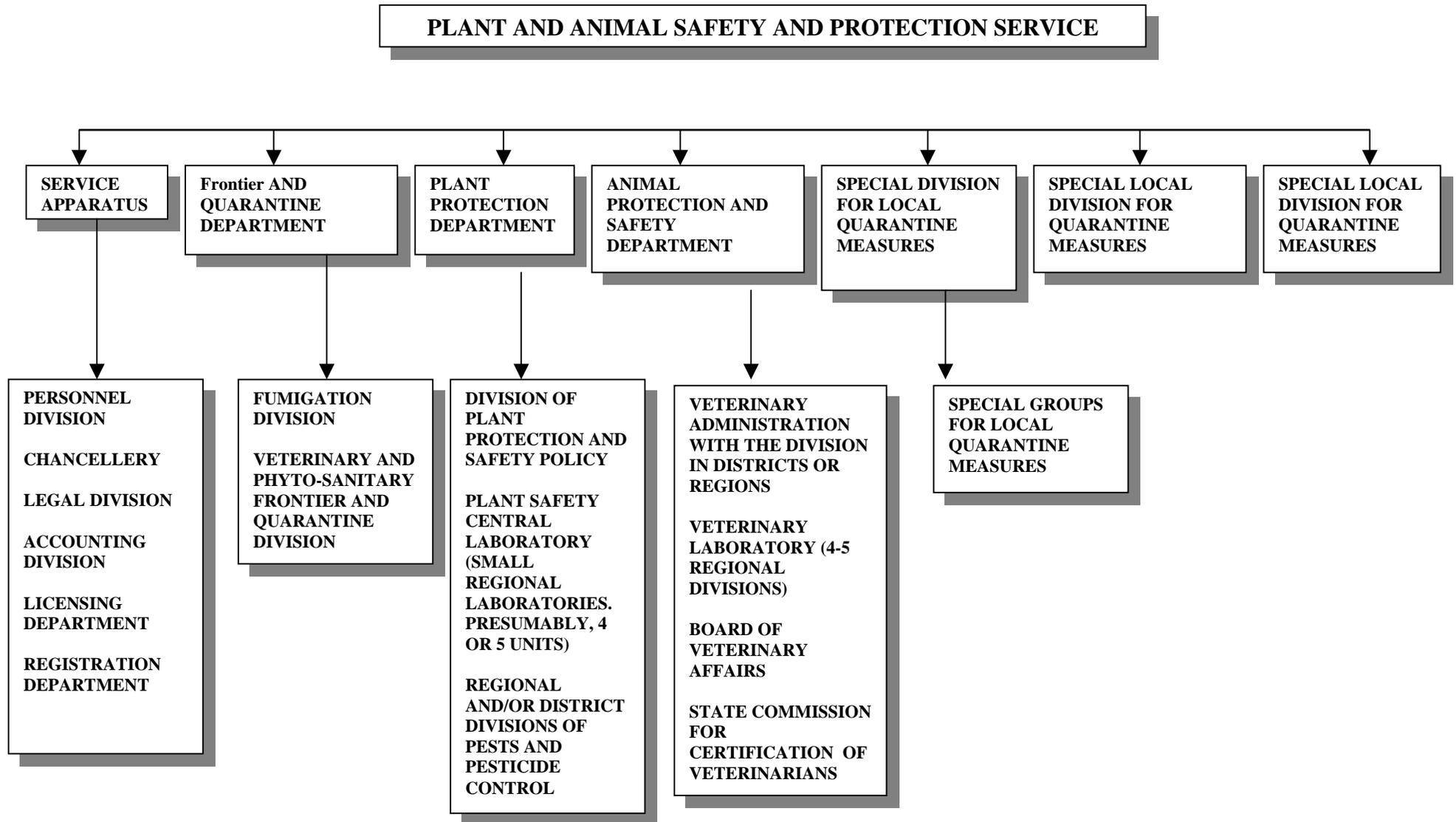
Since at the time the court rendered its verdict his previous post no longer existed, Robert Gurchiani was offered another post as the Head of the Department of Phytosanitary Control, Monitoring and Internal Quarantine. Robert Gurchiani refused this offer in writing.

As provided in paragraph 5 of Article 127 of the Law of Georgia “Concerning Public Service,” since Robert Gurchiani refused the equivalent post offered him, the court decision has not yet been implemented.

Annex 8. Interim Structure of the Plant Protection Department



Annex 9: A proposed structure for a unified agricultural inspectorate
 (Mamuka Matiashvili, May 25, 2002)



Annex 10. Legal matters involving the Ministry of Agriculture and Food as of July 1, 2002

Giorgi Managadze

Many of the outstanding legal matters involving the Ministry derive from the misadventures of the “Counterpart Fund,” a special account set up by the MAF to handle the proceeds from commodity monetization and other donor aid, particularly from the TACIS RARP I and RARP II assistance projects. At the request of the MAF, RAPA project lawyers Eka Otarashvili and Mamuka Matiashvili and project account Otar Chigladze, prepared a thorough memorandum examining all the cases arising developing from the Counterpart Fund. That document has been accepted by the MAF and is being translated and edited. Resolution of most of these cases has been pursued by the MAF with legal assistance from the RAPA project.

Ltd. “Georgian Railway”

On September 23, 2001 Ltd. “Georgian Railway” sued the MAF and asked the Tbilisi Krtsanisi-Mtatsminda District Court to require the Ministry to pay 26,359 lari for the transport of 1000 tons of diesel fuel that had been granted to the MAF by Azerbaijan as humanitarian aid.

Since the decree of the president of Georgia number 1234, issued on November 22, 2000, ordered the Ministry of Finance to pay the transport costs, the Ministry of Finance was a third party to the suit.

The court ruled on February 22, 2002, that the Ministry of Finance must pay the debt.

The Ministry of Finance has appealed in the Tbilisi Court of Appeals.

Ltd. “Infoauditi”

In 1998 the MAF contracted with Ltd. “Infoauditi.” The Ministry was to pay 500 lari for the work. The Ministry failed to pay. Current MAF management cannot locate the contract or any other documents on the case.

In 1998, Ltd. “Infoauditi” initiated legal proceedings, but the hearing was scheduled only on March 28, 2002. At that time, the Tbilisi Krtsanisi-Mtatsminda District Court could not locate the plaintiff and so the court dismissed the case on March 28, 2002.

Joint-Stock Company “The Institute of Informatics and Telecommunications”

In 1998 the MAF contracted with JSC “The Institute of Informatics and Telecommunications,” for work to develop “AGRONET.” The contract estimated that the cost of the work would be 19,300 lari.

The JSC actually billed for 18,760 lari. 9,650 lari were transferred into the JSC’s account by the MAF, but the balance, 9,110 lari, was never paid.

On December 21 2001, JSC “The Institute of Informatics and Telecommunications” brought suit against the MAF in Tbilisi Krtsanisi-Mtatsminda District Court demanding payment of the outstanding 9,110 lari. At the hearing the plaintiff presented the documents showing that the work had been done signed by Nugzar Duchidze, then

Deputy Minister of Agriculture and Food. When called to testify at the hearing, Duchidze confirmed that the Ministry had promised to pay the amount in question.

The court ruled on January 25, 2002, that the MAF must pay 9,110 to the JSC. The Ministry of Finance has accepted that the sum should be included in the “executive fund” line in the 2003 budget, and, assuming that budget line is funded, the debt will be paid.

Joint-Stock Company “Spageti 94”

In 1998 the MAF contracted with JSC “Spageti 94” to supply macaroni products to internally displaced persons from Gali district. The JSC did so.

Once the work was performed, the MAF was to pay by a bank transfer of 12,500 lari to the account of “Spageti 94” through Tbilinterbank. This amount was debited from the MAF account but was not transferred to the account of “Spageti 94” because Tbilinterbank went bankrupt while the transfer was in progress. Tbilinterbank is still in liquidation and so the MAF has been unable to recover the funds.

On April 22, 2002, the Tbilisi Court of Appeals ruled in favor of “Spageti 94” and required the MAF to pay the 12,500 lari. The Ministry of Finance has accepted that the sum should be included in the “executive fund” line in the 2003 budget, and, assuming that budget line is funded, the debt will be paid.

Nodar Tsurkava

In 2001 the MAF Grain and Flour Quality Control Inspection and State Inspection of Agricultural Product Quality were merged into a single Agricultural Products and Grain Quality Inspection.

Nodar Tsurkava had been employed by the Grain and Flour Quality Control Inspection as the deputy director of its Poti office. After the reorganization he was offered a position as a leading specialist in the Poti office of the successor agency, where he would retain his previous salary as required by law.

Tsurkava believed that his transfer was illegal because he had not been informed of the planned merger and possible staff reduction a month in advance as required by law. He filed suit in Tbilisi Krtsanisi-Mtatsminda District Court demanding that he be restored to his former position. The Tbilisi Krtsanisi-Mtatsminda District Court ruled against him.

He appealed the decision to the Tbilisi Court of Appeals, which ruled in his favor and ordered that he be restored to his old job. Since that job no longer exists, he should, under law, be offered a different equivalent post. Whether or not the head of the inspectorate has done so already is not known.

Pavle Tetrauli

The 2001 budget law required all Ministries to reduce their authorized staff size by ten percent. On February 8, 2001, order of the of the Minister of Agriculture and Food of Georgia number 2-16 accordingly reduced the staff of the ministry. Subsequently, order number 10-k of February 12, 2001 dismissed Pavle Tetrauli, who had been employed as a leading specialist in the Subdepartment of investments and production in the Department of agrarian reforms as part of this reduction in force.

Tetrauli filed suit to regain his position. On August 15, 2001, Judge Zaur Mebonia of the Tbilisi Krtsanisi-Mtatsminda District Court ruled in his favor.

The Ministry of Agriculture and Food appealed to the Tbilisi Court of Appeals. The Tbilisi Court of Appeals ruled in favor of Tetrauli in June, 2002. He has returned to work as a leading specialist in the Ministry's Food-processing Department.

Joint-Stock Company “Kareli Machine-Tractor Park”

Since the mid-1990s, Japan has been assisting Georgia with agricultural equipment through its “2KR” grant program. In 1998, Ltd. “Imedi” acted as intermediary in arranging for equipment sales on time payments, and was to receive four percent of the value of the equipment sold for its services. JSC “Kareli MTP” purchased agricultural equipment supplied from the Japanese 2KR grant through Imedi. According to a contract signed by Imedi and JSC “Kareli MTP” in 1998, the joint-stock company was obliged to pay 12,300 lari for equipment to the account of the Counterpart Fund by November 1, 1998.

“Kareli MTP” failed to fulfill this obligation. On December 28, 2001, MAF filed suit for payment with the Kareli District Court. At the trial of the case on March 20, 2002, the JSC's president testified that his firm did, indeed, owe the money. The court ruled in favor of the Ministry and ordered JSC “Kareli MTP” to pay the 12,300 lari. Collection was placed in the hands of the Legal Executive Service of the Ministry of Justice. JSC “Kareli MTP” has no apparent assets at this time.

Ltd. “Sursati”

In 1997 the MAF and Ltd. “Sursati” (Food) signed a contract by which the Counterpart Fund lent the company 75,000 lari at 9 percent annual interest. The firm was to purchase agricultural products produced by internally-displaced persons from Abkhazia (presumably farmers who continue to work land in the Gali district), as well as to purchase additional foodstuffs for sale to IDPs. The Ltd. “Sursati” was obligated to repay the principal and interest by February 1, 1998.

It is unclear that Ltd. “Sursati” ever procured any agricultural products from any source. The firm failed to make repayment to the MAF as required in its contract, and on December 28, 2001, the Ministry filed suit in Tbilisi Krtsanisi-Mtatsminda District Court demanding that Ltd. “Sursati” pay it 100,391 lari in principal and accumulated interest.

On June 12, 2002, the court ruled in favor of the Ministry and required the Company to pay the debt. Collection was placed in the hands of the Legal Executive Service of the Ministry of Justice. Ltd. “Sursati” has no apparent assets at this time and is reportedly in the process of liquidation.

Ltd. “Detective”

In 1998 the Ministry lent Ltd. “Detective” 12,900 lari for the purchase of equipment provided under the 2KR grant. The debt was to be repaid to the Counterpart Fund by August 15, 1998. The company offered as collateral for the loan two refrigerated freight cars which it owned. The contract stipulated that if the Company failed to make repayment it would be in breach of contract and the collateral it had provided would be used to repay the debt. However, the collateral pledge was never properly notarized.

Ltd. “Detective” failed to fulfill its obligations, and, since the collateral pledge was not legally correct, on December 28, 2001, the MAF filed suit in the Tbilisi Krtsanisi-Mtatsminda District Court to force repayment. At the court hearing the defendant acknowledged that it had breached the contract and agreed that the amount should be repaid from the collateral it had posted. Collection was placed in the hands of the Legal Executive Service of the Ministry of Justice.

Tsitsana Kankava

In 1992 Ms. Kankava illegally entered and began to live in dacha number 3 at 41 Saakadze Street, Tskneti, which was then owned by the Ministry of Agriculture and Food. She continues to reside there. The dacha is now the property of Ltd. “Economic Services,” formerly the property and maintenance department of the Ministry of Agriculture and Food. This Limited-liability company remains 100 percent state-owned and was, until a month or two ago, managed by the Ministry of Agriculture and Food. In 2001 Kankava petitioned the Vake-Saburtalo District Court for recognition of her ownership of the dacha. On July 9, 2001, the court ruled in favor of his petition.

Ltd “Economic Services” appealed this decision to the Tbilisi Court of Appeals. However, because management of Ltd. “Economic Services” has now been transferred to the Ministry of State Property Management as required by a Presidential decree earlier this year, the status of the case is uncertain. Presumably any further action will have to be taken by the Ministry of State Property Management.

JSC “Sakagroservice”

“Sakchaisubtropiki” was a government organization involved in intergovernmental barter of tea for natural gas from Turkmenistan in the mid-1990s. On July 8, 1997, President Shevardnadze issued instruction 267 about clearing arrears with Turkmenistan for natural gas. On the basis of that Presidential order, then Minister of Agriculture and Food Bakur Gulua issued Ministerial order 2-57 on January 30, 1998 liquidating “Sakchaisubtropiki”. Paragraph five of Gulua’s order transferred all outstanding assets and liabilities of “Sakchaisubtropiki” to the Joint-Stock Company “Sakagroservice.” These obligations included receivables outstanding of 2,067,458 lari and debts owed of 2,044,113 lari.

In 2000, JSC “Sakagroservice” filed suit to abrogate paragraph five of order 2-57 of 1998. The court of first instance found in favor of the plaintiff and the Ministry of Agriculture and Food appealed.

On April 15, 2002, the Tbilisi Court of Appeals found against JSC “Sakagroservice” and left paragraph five of the Minister’s Order number 2-57 of January 30, 1998, in force.

The JSC has appealed this decision to the Supreme Court of Georgia. No hearing date has yet been set.

Ltd. “Kevri”

In 1996 ACDI (now ACDI/VOCA) distributed seed aid in Georgia. One of their intermediaries was the private Ltd. “Chemi mamuli” (my homeland). Ltd. “Kevri” received some of this seed corn. Ltd. “Kevri” did not produce a crop. So Ltd. “Kevri” sued the Ministry of Agriculture and Food, Ltd. “Chemi Mamuli” and ACDI/VOCA for 160,000 lari in compensation of the claimed actual damage from what it asserts was defective seed corn. The court of first instance ruled against the plaintiff.

Ltd. “Kevri” has appealed to the Tbilisi Court of Appeals. No hearing date has yet been scheduled.

It is not clear why the MAF was named as a respondent in this suit. Apparently the plaintiff argues that the Ministry’s Seed Quality Inspection was negligent because it did not determine that the seed was defective.

“Agroinformi”

Ministry of Agriculture and Food order number 2-315 of September 26, 1996, allocated 130,000 lari to Ltd. “Agroinformi,” a parastatal managed by the MAF, from the Counterpart Fund. According to the Minister’s order, “Agroinformi” was then to transfer the funds to Ltd. “TV-7” to produce television shows to provide information to agriculture. This amount was said in the order to be for the “first phase of activities” described in the business plan of Ltd. “TV-7.”

On the basis of Minister Gulua’s order, the Ministry and Ltd. “Agroinformi” signed their contract number 2, on September 27, 1997. Under this agreement, the MAF granted 130,000 lari to Ltd. “Agroinformi” for TV-7 to implement the “first phase” activities. The MAF was obliged to monitor that the money was being spent for the specified purpose. Should the MAF discover misuse of the funds, “Agroinformi” would be required to repay the Counterpart Fund and the contract would be voided. Otherwise, no repayment was required or expected.

Based on this contract, “Agroinformi” and TV-7 concluded a contract on October 1, 1997 under which “Agroinformi” granted to TV-7 130,000 lari for first phase activities. According to the agreement “TV-7” was to spend the funds only for the contracted purpose, and in case of any misuse “Agroinformi” was authorized to annul the contract. Should either party fail to fulfill the terms of the contract, the other party was released from its obligation to perform.

On March 24, 1998, Ministry employees inspected the expenditure of the 130,000 lari and found that they had been improperly used. As a result, the MAF declared the contract null and void. TV-7 disputed this claim. On April 6, 1999, Agroinformi sued TV-7 for repayment of the 130,000 lari which had been misspent by TV-7. For reasons which are unclear, the court of first instance did not hear this case until July 13, 2000.

Meanwhile, the television company countersued Agroinformi and the MAF claiming that those parties should pay it the balance of the funds called for in its original business plan for agricultural broadcasting, a total of 1,743,000 lari. On August 16, 1999, Tbilisi District Court decided in favor of the Ministry of Agriculture and Food against TV-7 in the case of TV-7’s claim for the 1,743,000 lari “balance.” TV-7 appealed and the Tbilisi appeals court again upheld the Ministry. TV-7 then appealed to the Supreme Court. On March 9, 2000, the Supreme Court remanded the case to the appeals court for a rehearing. The court found that the lower courts’ reasoning had been faulty, in particular because the result of this case depends on the outcome of the Agroinformi-TV 7 dispute. If the original 130,000 lari were in fact misused, then TV-7’s suit for the supposed balance is moot since the Ministerial Order and contracts promising the balance were conditional on performance with the first tranche.

Agroinformi's claim against TV-7 has now been upheld in the lower courts. TV-7 has appealed the decision to the Supreme Court. No hearing date has been set.

Robert Gurchiani

On February 25, 2002, order number 15-k of the Minister of Agriculture and Food dismissed Robert Gurchiani from his position as head of the State Inspection of Phytosanitary Quarantine of the Plant Protection Service. The order was based on the results of an audit of the Phytosanitary Quarantine Inspection by the Chamber of Control of Georgia covering the period January 1, 1999 through October 1, 2001. At the request of the Minister of Agriculture and Food, three employees of the RAPA project participated in this audit together with colleagues from the Internal Control Department of the Ministry of Agriculture and Food and the Control Chamber.

Gurchiani filed suit in Tbilisi Mtatsminda-Krtsanisi District Court demanding abrogation of this order of the Minister and restoration to his previous position. Hearings before Judge Zaur Mebonia began on May 2, 2002. On June 17, the judge found in favor of the plaintiff and ordered him reinstated. The MAF is awaiting delivery of the official written decision and will then appeal the matter. (Details of this case are described further in the text of this report and in Annex 6 above.)

As part of the ongoing restructuring of the Ministry, the Phytosanitary Inspection has been dissolved. On June 21, 2002, Gurchiani refused in writing the position offered to him by the MAF in lieu of the one from which he had been terminated. Gurchiani subsequently sent an appeal to the head of the Committee on Agrarian Issues of the Georgian Parliament claiming wrongful termination and requesting a parliamentary investigation (see Annex 6 and Annex 7).

Annex 11. Governmental Commissions headed by the Minister of Agriculture and Food of Georgia

No.	Name	Number and Date of the Decree (Ordinance) Establishing Commission	Responsible	Date Kirvalidze appointed
1	Governmental commission on the agricultural research, extension and training system [World Bank]	Presidential Decree No.357 28.05.98	D. Nakani, manager of the agricultural research, extension and training project	No.312 (21.07.2000)
2	Governmental coordination commission on the development of the mountain regions [IFAD]	Presidential Decree No.449 19.07.99	R. Kakulia, MAF Foreign Relations Department head	No.359 (10.08.2000)
3	National Commission on Food Security [European Commission]	Presidential Decree No.895 26.07.99	R. Kakulia, MAF Foreign Relations Department head	No.987 (12.09.2000)
4	The Georgian Commission of the Food and Agriculture Organization under the UN Organizations [UN FAO]	Presidential Decree No.217 13.09.96	M. Gachechiladze, Head UN Cooperation Division, MAF Foreign Relations Department	No.1353 (17.12.2000)
5	Commission on intergovernmental economic relations with Turkey	State Minister's instruction No. 344	O. Maisuradze, Head of the international cooperation Division, MAF Foreign Relations Department	No.84 (26.10.2000)
6	The special investment fund for agriculture and food industry development	Presidential Decree No.431 (08.09.99)	D.Grigolia, Deputy Minister of Agriculture and Food	No.425 (28.09.2000)
7	National Commission on agrarian policy [TACIS, European Commission]	Presidential Decree No.505 (11.08.96)	K. Khutsaidze, Head, Agricultural Production Service, MAF	No.46 (10.02.01)
8	Special State Commission on anti-epizootic measures	Georgian Presidential Decree No.465 (26.08.97)	V. Gvardjaladze, Head, MAF Veterinary Department	No.39 (03.02.01)
9	Commission on the Economic and Social Rehabilitation of Abkhazeti, First Stage-Gali	Presidential Decree No.644 (17.12.97)	A. Moskalenko, Head of the Abkhaz and Tskhinvali department, MAF	No.1227 (20.11.2000)
10	Governmental Commission of the development and implementation of agro-tourism	Presidential Decree no.627 (21.11.99)	L. Phalavandrishvili, head of the Public Center	No.7 (13.01.2001)
11	Coordination Center of state support for the development of hazelnut and other nut crops	Presidential Decree No.1059 (10.10.99)	B. Sarjveladze	No.1059 (10.10.2000)

Annex 12. Letter requesting assistance from the MAF Internal Control Department

**To Minister of Agriculture and Food David Kirvalidze
From Spasovka Village, Ninotsminda district**

Statement

We would like to inform you that on the basis of Georgian resolution No.07-285 of 1999, the population of Ghorjomi village, Khulo district, has been sheltered in houses in Spasovka Village, Ninotsminda district, purchased with the support of the Merab Kostava Foundation. Through this Foundation, the former administration helped us to occupy without charge to us houses left behind by previous residents who had returned to Russia.

Mr. Kirvalidze, we were promised that we would obtain land and water, as well as the houses, but this issue has not been resolved yet. We, the Georgian population there, have no chance to obtain plots of land through leasing agreements.

Each Georgian household received 2 hectares of arable and 0.7 hectare of. Natural meadows. Spasovka Village occupies 1100 hectares of arable. Of this amount, 130 households have 500 hectares including farmsteads and leased lands. The head of the rural farm cooperative uses 600 hectares, but makes almost no payment. The village occupies 1,150 hectares of pasture, of which the population uses only 400 hectares, while the head of the cooperative, who has 80 head of cattle, uses 750 hectares.

In April 1999 the cooperative received 178 head of livestock. Yet after three years, not even one calf from 117 cows has been included in the records. So during this period the number of cattle has not increased. So it is clear that the head of the cooperative—and at the same time the “Gangebeli” of the village—is just grabbing state property.

Since we settled here in 1990, 1,300 head of cattle, 6,000 sheep and 50 horses owned by the state have just disappeared. The population of this village suffers from this idler who is the main cause of the corruption.

Mr. Minister, we are not able to elect a Georgian to this position. Of course in that case we would have no difficulties, but after living here for twelve years, we have not been able to get “our” village head.

Mr. minister, on behalf of the Georgian population of Spasovka Village, we appeal to you to examine the situation in this Village, to abolish the cooperative and to transfer the land and water to our population (80% Georgians).

Since you are the Minister of Agriculture and Food and our village is convinced that you will be happy having the farms rehabilitated in Spasovka Village and the Georgian countryside strengthened, we appeal to you to assign a Georgian man as the village head.

Mr. Minister, this village has excellent conditions for potato raising. It is 2,050 meters above sea level and all climatic conditions gives us the opportunity to raise 40 to 50 tons of potatoes per hectare and to become a leading village in this regard in Europe.

Unfortunately, despite having wonderful opportunities to raise 30 to 40 tons of potatoes we do not know what kind of varieties we are planting.

Mr. Minister, last year our renters received potato seed. No Georgian had the same opportunity thus we are applying to you to provide us with support.

Mr. Kirvalidze, we are sick of this. Having no idea to whom to apply, we have heard about the internal control group within the ministry. It is said that this unit is staffed with “good guys.” Could you please send them to our Village to examine the general situation there? Other issues we take under our responsibility.

Mr. Minister, we would like to thank you in advance. You may be sure that our village trusts you. The planting season will come soon. Please support us. We assure you that we are eager to work and we do our best in order to reach success.

The population of the village Spasovka [49 signatures]

[received by the Ministry April 18, 2002]

Translated by Natia Gabelia 1.V.2002

Annex 13. MAF ICD examines cattle movements, veterinary control on the Georgian border with Azerbaijan

To H.E. Eduard Shevardnadze,
President of Georgia

Copy: To Mr. Levan Kistauri, Head of Customs Department

Copy: To Mr. David Kirvalidze, Minister of Agriculture and Food of Georgia

S t a t e m e n t

From

The citizens of Tsikhisdziri village, Mtskheta district

We are citizens of Georgia and we live in Georgia. Like all citizens of Georgia, we are concerned about the present and the future destiny of our country. As you might have heard a smart man will not cut off the branch on which he sits and will not rock the boat in which he is sailing.

The purpose of our joint statement is to raise our voice against corruption, bribery and violence. It is obvious, that some agricultural products daily go up in price, in particular, meat.

As you know, livestock and small-animal markets are held on Sundays in every district and village in Georgia. A large meat market is held in Akhaltsikhe. The major part of the livestock traders are Azerbaijanis. They take approximately 1,000 head of livestock and small animals every Sunday from Akhaltsikhe. At one sight, there is no crime – somebody sells and somebody buys. The crime and problem emerge when the cattle is carried by trucks out of Georgia, in particular to Azerbaijan.

We know nothing about the reaction of the Custom Office in this respect. One fact is really obvious: very soon the meat price will take a jump to an inconceivably high level for poor people in Georgia. We demand strengthened control in Customs in order to avoid illegal movement of a single gram of the load through the frontiers.

We do not want to accuse anyone. Simply, it is strange that the Customs Officers are unable to control the movement of 1000 head of cattle. Perhaps the activities are conducted avoiding the Customs Officers, or perhaps it is very convenient for somebody. We leave comments to those who consider themselves patriots.

We support good-neighborly relations, especially, with the Republic of Azerbaijan, but we all live in Georgia and we have a deep interest in the future of Georgia. We wish to avoid such a shortage that meat and cattle will become the subjects of dreams.

We believe you fight for truth and struggle against corruption. We hope that you will respond attentively to our statements in order to relieve the ordinary disorderliness that finally may become a most painful problem for the country.

27.05.2002

translated by Tiko Janashvili

Ministry of Agriculture and Food
Order N 69-M

Tbilisi

June 6, 2002

Business Trip

In order to study the matters raised in joint statement N kl-44 by the citizens of Tsikhisdziri village, Mtskheta district, dated May 31, 2002,

I order:

1. To establish an investigation group to examine the matters raised in joint statement N kl-44 by the citizens of Tsikhisdziri village, Mtskheta district, dated May 31, 2002, including:

Gia Kobakhidze	Head of the Internal Control Department of the Ministry of Agriculture and Food;
Vasil Chigladze	financial analyst of the “Restructuring Assistance and Policy Advice for the Ministry of Agriculture and Food of Georgia” Project;
Irakli Inashvili	financial analyst of the “Restructuring Assistance and Policy Advice for the Ministry of Agriculture and Food of Georgia” Project;
Irakli Donjashvili	lawyer of the “Restructuring Assistance and Policy Advice for the Ministry of Agriculture and Food of Georgia” Project.

2. To assign the listed staff to business trip to village Tsikhisdziri, to investigate the matters raised in joint statement N kl-44 by the citizens of village Tsikhisdziri dated May 31, 2002 and to submit the information about it.
3. To set a one-day business trip for June 7, 2002.
4. to instruct the Chief of the Accounting Department R. Lomidze to reimburse the cost of the business trip.
5. To assign Deputy Minister G. Tkeshelashvili to monitor implementation of this Order.

Basis: Joint statement number kl-44 by the citizens of village Tsikhisdziri (Mtskheta district), dated May 31, 2002 and the report dated June 4, 2002, signed by G. Kobakhidze, Head of the Internal Control Department of the Ministry of Agriculture and Food.

/signed/ D. Kirvalidze

[June 8, 2002]

To the Minister of Agriculture and Food of Georgia
Mr. D. Kirvalidze

Report

In accordance with decree number 69 issued on June 6 of this year, I was sent for a field visit to Tsikhisdziri village, Mtskheta district to examine on the spot the issues mentioned in letter number kol-44, from local residents dated May 31 2002.

I would like to inform you that we have met local people J. Mamedovi, A. Nasibovi, T. Mamedovi, M. Akhmedovi and P. Mamedovi. After talking with them, it became clear that Azerbaijanis are coming into Georgian territory, purchasing great numbers of cattle and transporting them to Azerbaijan by Red Bridge without customs and veterinary inspection. The cattle are purchased mostly in Akhaltsikhe, Zestafoni, Sachkhere, Ninotsminda and Ambrolauri districts. According to Georgian Legislation, the Veterinary Service must issue the health assurance note (form number 2) for cattle. Moreover, as said in the letter of the residents of Tsikhisdziri village, each purchase of cattle causes a significant increase in meat prices because, as a rule, the purchase price is too high.

We believe that if this issue were regulated in accordance with present Georgian law the State Budget of Georgia would receive additional revenues.

Given what has been said above, we consider it advisable to verify that the procedure and fact of issuance of health certificates by the Veterinary Service is in accordance with Georgian law in the above-listed districts.

We would ask you to please consider this matter.

Yours Respectfully

Head of Internal Control Department of the Ministry of Agriculture and Food of Georgia

/signed/ G. Kobakhidze

*Translated by
Lisa Basishvili
13.06.2002*

Annex 14. Documents Prepared by the Project during the Reporting Period

Date	Type	Title	Author	Language(s)
3/18/2002	Audit Report	Results of inspection implemented in Borough Zahesi of Mtskheta district in Apiculture Breeding Department by the group of inspectors of Division of Internal Control	Irakli Inashvili, Levan Khundadze, Giorgi Misheladze	Georgian
3/7/2002	Draft Law or Regulation	Law of Georgia “On Amendments to the Law of Georgia ‘About Land Improvement’” (with explanatory memo)	Mamuka Matiashvili	Georgian
3/7/2002	Draft Law or Regulation	Law of Georgia “On the Amount, Structure and Rules of Use of Special Revenues from Melioration Service Fees” (with explanatory memo)	Mamuka Matiashvili	Georgian
3/7/2002	Draft Law or Regulation	Draft Law of Georgia “On Amendments to the Law of Georgia ‘On Fees’” (with explanatory memo)	Mamuka Matiashvili	Georgian
3/8/2002	Draft Law or Regulation	MAF order on International Women’s Day	Giorgi Managadze	Georgian
3/8/2002	Draft Law or Regulation	Law of Georgia “About Amendments to the Tax Code of Georgia”	Mamuka Matiashvili	Georgian
3/11/2002	Draft Law or Regulation	MAF order on inspection of storage for 416(b) grain	Giorgi Managadze	Georgian
3/11/2002	Draft Law or Regulation	MAF order 30b on attaching project specialists to bee-keeping audit	Giorgi Misheladze	Georgian, English
3/15/2002	Draft Law or Regulation	Law of Georgia on “Additions to the Law of Georgia “On Agricultural Quarantine”	Mamuka Matiashvili	Georgian
3/15/2002	Draft Law or Regulation	Law of Georgia “On the Amount, Structure and Rules of Use of Special Revenues from Quarantine Service Fees”	Mamuka Matiashvili	Georgian
3/19/2002	Draft Law or Regulation	Presidential Decree Amending Charter of Ministry of Agriculture and Food	Mamuka Matiashvili	Georgian
3/22/2002	Draft Law or Regulation	Amendments to instruction number 18-M (February 12, 2002) of Minister of Agriculture and Food	Mamuka Matiashvili	Georgian
4/23/2002	Draft Law or Regulation	Charter of MAF Attestation Commission	Akaki Gikoshvili, Mamuka Matiashvili	Georgian, English

4/23/2002	Draft Law or Regulation	MAF order number 2-62a of April 23, 2002 “About approval of 2002 staff schedule of the Phytosanitary quarantine State inspection of the Plant protection service of the Ministry of Agriculture and Food of Georgia.”	Giorgi Misheladze	Georgian, English
5/17/2002	Draft Law or Regulation	MAF Order number 2-74 “About amendments in the Order of Minister of Agriculture and Food of Georgia number 2-274 of December 11, 2000 ‘About approval of the charter of the State inspection of Phytosanitary Quarantine of the Plant Protection Service of the Ministry of Agriculture and Food of Georgia’”	Giorgi Misheladze	Georgian
5/21/2002	Draft Law or Regulation	MAF Order number 2-75 “About amendments in the staff schedule of the Phytosanitary quarantine State inspection approved by the Order of Minister of Agriculture and Food of Georgia number 2-62a of April 23, 2002.”	Giorgi Misheladze	Georgian
6/10/2002	Draft Law or Regulation	Law “About implementation of biological agro-production and certification”	Giorgi Dangadze, Mamuka Matiashvili, Marika Gelashvili	Georgian
6/13/2002	Draft Law or Regulation	MAF Order number 70-M “On establishing a group to monitor the receipt, distribution and timely repayment of winter wheat assistance that was distributed in West Georgia in 2000-2001”	Giorgi Misheladze	Georgian
6/14/2002	Draft Law or Regulation	Law of Georgia “On biological agro-production and certification”	Giorgi Dangadze, et al.	English
6/19/2002	Draft Law or Regulation	MAF order number 2-88 “About approval of charter of Plant protection service of Ministry of Agriculture and Food of Georgia.”	Giorgi Misheladze	English
3/5/2002	Legal Monitoring Report	List of Presidential decrees and Ordinances in the agricultural sector	Giorgi Dangadze	English
4/27/2002	Legal Monitoring Report	Orders of Ministry of Agriculture and Food of Georgia approved in March 2002	Giorgi Dangadze	English
4/27/2002	Legal Monitoring Report	Orders of Ministry of Agriculture and Food of Georgia approved in April 2002	Giorgi Dangadze	English
5/16/2002	Legal Monitoring Report	List of Presidential decrees and ordinances in the agricultural sector	Giorgi Dangadze	English
5/20/2002	Legal Monitoring Report	Orders of Ministry of Agriculture and Food of Georgia approved in April and May 2002	Giorgi Dangadze	English
6/10/2002	Legal Monitoring Report	Orders of Ministry of Agriculture and Food of Georgia approved in May 2002	Giorgi Dangadze	English
6/19/2002	Legal Monitoring Report	Orders of Ministry of Agriculture and Food of Georgia approved in June 2002	Giorgi Dangadze	English

	Report			
3/22/2002	Legal Opinion	On the Ministry of State property management's draft presidential decree "About establishment of agency for development of part-state owned enterprises"	Giorgi Dangadze	English
3/23/2002	Legal Opinion	Georgian draft law "On Georgian Investment Agency for Industrial Development"	Mamuka Matiashvili	Georgian
4/10/2002	Legal Opinion	Legal opinion about explanatory note of Roman Kakulia	Mamuka Matiashvili	Georgian
5/13/2002	Legal Opinion	Legal analysis of situation in Agro-business bank of Georgia	Mamuka Matiashvili	Georgian, English
5/14/2002	Legal Opinion	About the model of the food safety inspection, which shall exercise the competence of the Ministry of Agriculture and Food of Georgia concerning Animal and Plant health, and quality control of food and agricultural products.	Giorgi Dangadze	English
5/22/2002	Legal Opinion	Legal Arguments For Merger of Veterinary, Plant Protection, Agricultural Raw Materials and Food Inspections	Mamuka Matiashvili	Georgian, English
6/11/2002	Legal Opinion	Memorandum on Attestation, Reorganization and Personnel Reduction	Avtandil Iakobidze	English
6/19/2002	Legal Opinion	About Elimination of Regional Administrations	Avtandil Iakobidze	Georgian
3/14/2002	Letter	Brief overview of the accreditation system of organic products certification bodies	Giorgi Dangadze	Georgian
4/3/2002	Letter	Letter to the Minister of Labor, health and social affairs of Georgia concerning further steps for receiving the full approval letter (No obstacle to the draft-law) for presenting on the governmental meeting in the State Chancellery of Georgia	Giorgi Dangadze	Georgian
4/8/2002	Letter	Comments on draft Presidential decree "About some measures to improve State control and increase efficiency in the movement of commodities, transport facilities and passengers at the State border of Georgia."	Giorgi Dangadze	Georgian
4/11/2002	Letter	Answer on letter of head of Department of Standardization, Certification and Accreditation	Mamuka Matiashvili	Georgian
4/17/2002	Letter	Letter To Minister of State Property of Georgia	Mamuka Matiashvili	Georgian
4/25/2002	Letter	Letter to the deputy State Minister Akaki Zoidze	Giorgi Dangadze	Georgian
4/27/2002	Letter	MAF letter to the Sakstandarti Head Badri Shoshitaishvili	Giorgi Dangadze	Georgian
5/15/2002	Letter	Minister of Finance to Mirian Gogiashvili	Mamuka Matiashvili	
5/20/2002	Letter	Draft letter to the Anticorruption Bureau of Georgia for DM Shervashidze	Giorgi Dangadze	Georgian
3/4/2002	Other	comments on MAF Order establishing WTO obligations commission	Rati Shavgulidze	English
3/5/2002	Other	Project description	Don Van Atta	English
3/19/2002	Other	MAF Budget execution 2001	Sophie Kemkhadze	English
4/20/2002	Other	Economic Classifiers in the Budget	Sophie Kemkhadze, Jemal Mchedlishvili	Georgian

4/24/2002	Other	Brief description of the budgeting system	Sophie Kemkhadze	English
4/29/2002	Other	Comments on MAF work plan	Sophie Kemkhadze, Keti Shengelia	Georgian
5/3/2002	Other	Suggested disposition of MAF parastatals	Otar Chigladze, et al.	Georgian, English
5/17/2002	Other	Draft talking points for possible meeting with US Ambassador Miles	Don Van Atta	English
5/27/2002	Other	ToR for foreign consultant for RAE	Don Van Atta	English
5/30/2002	Other	Rebuilding Georgian Agriculture: Power Point presentation for David Kirvalidze	Alexander Didebulidze, Sophie Kemkhadze, Don Van Atta	English
6/1/2002	Other	Notes on Restructuring Section of Phase III Work Plan	Don Van Atta	Georgian, English
3/1/2002	Policy Study	HACCP System of Food Quality Control (for DM Shervashidze)	Alexander Didebulidze	English
3/1/2002	Policy Study	Grades, standards and inspections	Don Van Atta	English
3/14/2002	Policy Study	Comments on the Draft Law on Land Privatization Discussed at APLR Seminar, March 8, 2002	Jeko Mchedlishvili, Rati Shavgulidze	English
3/19/2002	Policy Study	Poverty Reduction and Economic Growth in Georgia	Bidzina Korakhashvili	Georgian
3/19/2002	Policy Study	Memo on Wind Erosion	Bidzina Korakhashvili	Georgian
4/9/2002	Policy Study	Recommendation on food quality inspection in Georgia	Alexander Didebulidze	Georgian
4/10/2002	Policy Study	Swiss Veterinary Service border veterinary controls	Giorgi Dangadze	Georgian
4/15/2002	Policy Study	Description of condition of Veterinarian services in the foreign countries	Mamuka Matiashvili	Georgian
4/16/2002	Policy Study	Working fields and duties, connected and related institutions, commissions and organizational structure of General directorate of protection and control of Ministry of Agriculture and rural affairs of Republic of Turkey	Giorgi Dangadze	Georgian
4/19/2002	Policy Study	Training of Farmers and raising of the level of skill of Managers in Georgian Agriculture (presentation at Georgian Academy of Agricultural Sciences)	Alexander Didebulidze	Georgian
4/19/2002	Policy Study	Methodology for Determination of the Volume of Investments/Credit Resources in Georgia	Rati Shavgulidze	English
4/22/2002	Policy Study	Comments on Tea Subsidy Program	Rati Shavgulidze	English
4/24/2002	Policy Study	Some questions of standardization, metrology and certification in Georgia	Alexander Didebulidze, Timur Chelidze	Georgian
4/25/2002	Policy Study	Notes on "Presidential Program for Economic Development and Poverty Reduction in Georgia"	Alexander Didebulidze	Georgian
May 3, 2002	Policy Study	Commodity Seasonal Analysis	Rati Shavgulidze	English

5/4/2002	Policy Study	Poverty Reduction Strategy	Bidzina Korakhashvili	Georgian
5/4/2002	Policy Study	Conceptions of West Georgia Development	Bidzina Korakhashvili	Georgian
5/27/2002	Policy Study	Accreditation system of organic farming certification bodies in European countries	Giorgi Dangadze	Georgian
6/4/2002	Policy Study	Agro Risk Factors and Insurance in Agriculture of Georgia	Bidzina Korakhashvili	Georgian
6/5/2002	Policy Study	World Wine Market Analysis	Alexander Didebulidze	Georgian
6/7/2002	Policy Study	Short analysis of new US farm bill (requested by DM Grigolia	Alexander Didebulidze	Georgian
6/11/2002	Policy Study	Restructuring organizations subordinated to the Ministry of Agriculture and Food of Georgia	Bidzina Korakhashvili	Georgian
6/12/2002	Policy Study	Recommendations concerning merger of Inspection services of Ministry of Agriculture and Food of Georgia	Avtandil Giorgadze	Georgian
6/14/2002	Policy Study	Obligatory indicators of the chemical structure and energy value on domestically produced foodstuffs	Alexander Didebulidze	Georgian
6/19/2002	Policy Study	Sustainable development strategy of Georgian agrarian sector	Alexander Didebulidze	Georgian
3/21/2002	Quarterly Report	Phase II Quarter II (December 2001-February 2002) Quarterly Report	Don Van Atta	English

Annex 15. Project Translations during the Reporting Period

Date	Title	Author	Translator	Source Language	Target Language
3/2/2002	Food Safety		Natia Gabelia	English	Georgian
3/4/2002	Chelidze Letter to Shervashidze	Temur Chelidze	Natia Gabelia	Georgian	English
3/5/2002	Tread Carefully in the Caucasus	<i>New York Times</i>	Natia Gabelia	English	Georgian
3/5/2002	Memo	Temur Chelidze	Lika Margania	Georgian	English
3/6/2002	Letter by Lance Clark, UN Resident Coordinator	Lance Clark	Lika Margania	English	Georgian
3/7/2002	Separatists In Georgia Seek “Association” with Russia	Patrick E. Tyler	Lisa Basishvili	English	Georgian
3/9/2002	Letter to Al Williams	Don Van Atta	Natia Gabelia	English	Georgian
3/11/2002	Chigladze EBD		Natia Gabelia	Georgian	English
3/11/2002	Governmental Commissions, headed by D. Kirvalidze	Keti Shengelia	Natia Gabelia	Georgian	English
3/11/2002	MAF weekly planning meeting report		Rusudan Arveladze	Georgian	English
3/12/2002	Agenda		Natia Gabelia	Georgian	English
3/12/2002	MAF Order N30-b issued on March 11, 2002, about creation of group of specialists	Giorgi Misheladze	Lisa Basishvili	Georgian	English
3/12/2002	2002 Performance Management Form; General Instructions for Completing 2002 Performance Management Form	DAI	Lika Margania	English	Georgian
3/12/2002	RAE Work plan	Vazha Tabatadze	Lisa Basishvili	Georgian	English
3/13/2002	Explanatory Note	Genadi Kerdzevadze, D. Shervashidze, L Kanchaveli	Lisa Basishvili	Georgian	English
3/13/2002	MAF weekly planning meeting report		Rusudan Arveladze	Georgian	English
3/13/2002	Tread Carefully in the Caucasus	The New York Times	Lisa Basishvili	English	Georgian
3/14/2002	Mamaladze Letter	Mamaladze	Natia Gabelia	Georgian	English
3/14/2002	Letter of Approval	Don Van Atta	Lika Margania	Georgian	English
3/15/2002	Letter for Mamaladze		Natia Gabelia	English	Georgian
3/15/2002	notes on MAF collegium 3/14/2002	Bidzina Korakhashvili	Natia Gabelia	Georgian	English
3/15/2002	Government Committees	Keti Shengelia	Lika Margania	Georgian	English
3/16/2002	Order on 2002 budget approval		Natia Gabelia	Georgian	English

3/16/2002	Article from <i>dilis gazeti</i>		Lika Margania	Georgian	English
3/18/2002	Results of inspection implemented in Borough Zahesi of Mtskheta district in Apiculture Breeding Department by the group of inspectors of Division of Internal Control	I. Inashvili, L. Khundadze, G. Misheladze	Lisa Basishvili	Georgian	English
3/18/2002	Ministry Work Plan 2002		Lika Margania	Georgian	English
3/19/2002	Function distribution		Natia Gabelia	Georgian	English
3/19/2002	“The initiative of Pavliashvili was accepted,” <i>alia</i> (March 12, 2002)		Lisa Basishvili	Georgian	English
3/20/2002	Decree No18		Natia Gabelia	Georgian	English
3/20/2002	MAF weekly planning meeting report		Rusudan Arveladze	Georgian	English
3/20/2002	MAF order number 2-207 of December 28, 2001 “About some measures due eradicating violations discovered by chamber of control of Georgia from April 1, 1996 to January 1, 2000	MAF apparatus	Giorgi Dangadze	Georgian	English
3/21/2002	Official protocol of Ministry collegium meeting, 3/14/2002	Keti Shengelia	Rusudan Arveladze	Georgian	English
3/22/2002	Trip report	Giga Kurdovanidze	Natia Lipartiani	Georgian	English
3/23/2002	Report about the activities to be undertaken for workshop implementation	Giga Kurdovanidze	Lisa Basishvili	Georgian	English
3/25/2002	Conception agrarian sector	Alexander Didebulidze	Natia Gabelia	Georgian	English
3/25/2002	“Staff reduction,” <i>akhali taoba</i>	Shorena Kotsotsashvili	Rusudan Arveladze	Georgian	English
3/25/2002	“Who interferes roughly in the functions of “Sakstandarti”?!” <i>akhali taoba</i>	“Sakstandarti”	Rusudan Arveladze	Georgian	English
3/25/2002	On dismissal of R. Gurchiani from his position		Rusudan Arveladze	Georgian	English
3/27/2002	Analysis of the seminar of defining the plan of fulfillment and future prolongation of reform		Rusudan Arveladze	Georgian	English
3/28/2002	Most Significant Problems of agrarian sector of Georgia	Alexander Didebulidze	Lisa Basishvili	Georgian	English
3/28/2002	About fulfillment of 2001 budget of the Ministry of Agriculture and Food		Rusudan Arveladze	Georgian	English
3/28/2002	Order number 2-43 of the MAF “about providing reforms in the state veterinary service”		Rusudan Arveladze	Georgian	English
3/29/2002	Major activity plan of development of agrarian	Alexander Didebulidze	Lisa Basishvili	Georgian	English

	sector of Georgia				
4/1/2002	“Georgian Agri-Bio Production” JSC		Lika Margania		
4/1/2002	Quarterly Report of RAE Team		Natia Gabelia	Georgian	English
4/2/2002	Land and Property Tax under Decentralized Regulation		Lika Margania	Georgian	English
4/3/2002	Vacancy Announcement		Lika Margania	Georgian	English
4/3/2002	Foreign MAF-s	DAI HO staff	Natia Gabelia	English	Georgian
4/5/2002	Foreign MAF-s (Extract-from document)	DAI HO staff	Lisa Basishvili	English	Georgian
4/6/2002	Organizational Structures and Functions of the Ministries Agriculture in Foreign Countries	Jeko Mchedlishvili	Rusudan Arveladze, Nutsa Amirejibi	English	Georgian
4/6/2002	Codex Alimentarius		Natia Gabelia	English	Georgian
4/6/2002	Chapter five		Lika Margania	English	Georgian
4/6/2002	Foreign MAF-s		Natia Gabelia	English	Georgian
4/8/2002	Irrigation equipment inventory form		Natia Gabelia	Georgian	English
4/8/2002	Foreign MAFs		Nino Beradze	English	Georgian
4/8/2002	Codex Alimentarius		Lika Margania	English	Georgian
4/11/2002	Problems of the Agrarian Sector	Alexander Didebulidze	Nutsa Amirejibi, Lisa Basishvili, Nino Beradze	Georgian	English
4/15/2002	Absorption of funds envisaged by the State Budget 2002 of the Ministry of Agriculture and Food of Georgia by the time 20 March, 2002		Lisa Basishvili	Georgian	English
4/15/2002	Absorption of funds of EC FSP envisaged by the State Budget 2001 of the Ministry of agriculture and Food of Georgia		Lisa Basishvili	Georgian	English
4/15/2002	EC Food Security Program		Nino Beradze	Georgian	English
4/15/2002	EC Food Security Program		Nino Beradze	Georgian	English
4/15/2002	Letter of gratitude about the Seminar	Genadi Kerdzevadze	Natia Lipartiani	Georgian	English
4/15/2002	State Department of Land Management		Rusudan Arveladze	Georgian	English
4/15/2002	MAF Order: About ratification of typical form of lease agreement of state owned agricultural lands, August 20, 1998		Lisa Basishvili	Georgian	English

4/16/2002	Budget of the Ministry of Agriculture and Food of Georgia, 2002		Nutsa Amirejibi	Georgian	English
4/16/2002	USA-Israel Joint Research program		Lisa Basishvili	Georgian	English
4/16/2002	About the Seminar	Tamaz Kunchulia; Shota Kikalishvili	Natia Lipartiani	Georgian	English
4/16/2002	State Department of Land Management		Nino Beradze	Georgian	English
4/16/2002	State Department of Land Management		Nutsa Amirejibi	Georgian	E`
4/17/2002	Telephone Message	David Shervashidze	Natia Lipartiani	Georgian	English
4/19/2002	Cattle Breeding Department		Nino Beradze	Georgian	English
4/19/2002	Cattle breeding Dep. (half part)		Natia Gabelia	Georgian	English
4/19/2002	Livestock husbandry department		Nutsa Amirejibi	Georgian	English
4/19/2002	Decree No.2-59		Natia Gabelia	Georgian	English
4/22/2002	Timetable of Activities		Nutsa Amirejibi	Georgian	English
4/22/2002	Ridge Proposes Food Safety Merger (AP report)	Philip Brasher	Nutsa Amirejibi	English	Georgian
4/22/2002	Budget – PR Service	Giga Kurdovanidze	Nutsa Amirejibi	Georgian	English
4/22/2002	Order #179 of the President of Georgia About the Charter of State Department of Standardization, Metrology and Certification		Lisa Basishvili	Georgian	English
4/23/2002	Development of Agriculture and Food Industry		Nino Beradze	Georgian	English
4/24/2002	Amendments to the charter of the competition-attestation commission		Natia Gabelia		
4/24/2002	Industry’s Resistance Stalls Bill to Protect Food (NYT)	Robert Pear	Nutsa Amirejibi	English	Georgian
4/25/2002	Report of Tsinandali seminar		Rusudan Arveladze	Georgian	English
4/25/2002	Amendments to the draft law on biological production		Natia Gabelia	Georgian	English
4/25/2002	Legal opinion about draft ordinance from the Ministry of Tax Revenues about the delegation of authority of border points of the Phyto-Sanitary and Veterinary Services of the MAF to the Custom Department of the Ministry of Tax Revenues	Mamuka Matiashvili	Lisa Basishvili	Georgian	English
4/29/2002	Report on Seminar in Tsinandali		Lika Margania	Georgian	English

4/29/2002	Letter to the President of the National Bank of Georgia		Nutsa Amirejibi	Georgian	English
4/29/2002	New report		Natia Gabelia	Georgian	English
4/30/2002	Subsidies Boosted In Farm Bill Deal (<i>Washington Post</i>)	Dan Morgan	Lika Margania	English	Georgian
4/30/2002	Letter to Torben Holtze	David Kirvalidze	Nutsa Amirejibi	Georgian	English
5/1/2002	Letter to Beruchashvili	DM Giorgi Tkeshelashvili	Nutsa Amirejibi	Georgian	English
5/1/2002	MAF weekly planning meeting report		Rusudan Arveladze	Georgian	English
5/1/2002	Statement from Spasovka Village		Natia Gabelia	Georgian	English
5/1/2002	Presidential Decree on Development of the Tea Industry		Nutsa Amirejibi	Georgian	English
5/2/2002	Letter to Ambassador of the United States		Nutsa Amirejibi	Georgian	English
5/3/2002	“Reverse Course on Farm Policy”		Nino Beradze	English	Georgian
5/3/2002	Report on Gurchiani case	Giga Kurdovanidze	Lika Margania	Georgian	English
5/3/2002	2-KR		Lika Margania	Georgian	English
5/3/2002	Article “State is obliged to launch leverages of regulation of economy” (Sakartvelos respublika)	Paata Koguashvili	Rusudan Arveladze	Georgian	English
5/4/2002	Plaintiff’s brief, Gurchiani v MAF	Guliko T. Gabaidze	Nutsa Amirejibi, Nino Beradze, Lika Margania	Georgian	English
5/10/2002	Codex Alimentarius CAC/GL 27-1997		Nino Beradze	English	Georgian
5/13/2002	Letter to Mr. Andersen		Lika Margania	Georgian	English
5/13/2002	Letter to Mr. Stouten	Minister	Lika Margania	Georgian	English
5/15/2002	“Old wines in new wineskins,” Newspaper Sakartvelos Respublika, May 9, 2002	Bondo Guliashvili	Natia Gabelia	Georgian	English
5/15/2002	Stop the Farm Bill	<i>Washington Post</i> editorial	Nino Beradze, Tiko Janashvili	English	Georgian
5/15/2002	Comments on the MAF Work Plan	Sophie Kemkhadze; Ketii Shengelia	Nutsa Amirejibi	Georgian	English
5/16/2002	The Most Important Problems in the Agricultural sector, Conception	Alexander Didebulidze	Nino Beradze	Georgian	English
5/16/2002	Act by the group of controllers, April 12 2002		Lisa Basishvili	Georgian	Georgian
5/17/2002	Legal opinion on Agro-Business Bank of Georgia	Mamuka Matiashvili	Natia Gabelia	Georgian	English
5/18/2002	Conclusions about court case		Natia Gabelia	Georgian	English

5/20/2002	Letter by Deputy Minister of Foreign Affairs on proposed SAVE letter of agreement	Shota Dogonadze	Lika Margania	Georgian	English
5/20/2002	Suggested disposition of MAF parastatals		Nutsa Amirejibi	Georgian	English
5/21/2002	Extract from the Letter to Mr. Stouten		Lika Margania	English	Georgian
5/21/2002	Development of the Agri-sector		Lika Margania	Georgian	English
5/22/2002	Legal Arguments For Merger of Veterinary, Plant Protection, Agricultural Raw Materials and Food Inspections	Mamuka Matiashvili	Nutsa Amirejibi	Georgian	English
5/24/2002	Big changes in customs department (“Dilis gazeti” 22.05.02)	Maka Kharazishvili	Rusudan Arveladze	Georgian	English
5/24/2002	ToR for the Audit of Project Financial Statements		Lika Margania	English	Georgian
5/26/2002	ToR for the Agricultural Research Specialist		Lika Margania	English	Georgian
5/27/2002	Big changes expected in the customs department (<i>Dilis gazeti</i> , 22.05.02)	Maka Kharazishvili	Rusudan Arveladze	Georgian	English
5/28/2002	About Work plan	Don Van Ata	Tiko Janashvili	English	Georgian
5/29/2002	Gudaauri Workshop – Agenda		Nutsa Amirejibi	Georgian	English
5/29/2002	Gurchiani case	Giga Kurdovanidze	Lika Margania	Georgian	English
5/29/2002	Memo about the events in Phyto-sanitary quarantine inspection	Giga Kurdovanidze	Lika Margania	Georgian	English
5/30/2002	Preliminary notes on Work Plan Phase III	Don Van Atta	Tiko Janashvili	English	Georgian
5/30/2002	Legal Opinion on counterpart fund, pages: 1-15	Mamuka Matiashvili	Tiko Janashvili	Georgian	English
6/1/2002	Functions of a Ministry of Agriculture in a Market Economy	Don Van Atta	Lika Margania	English	Georgian
6/1/2002	Notes on Restructuring Section of Phase III Work Plan	Don Van Atta	Tiko Janashvili	English	Georgian
6/3/2002	Letter to Zurab Bigvava	Don Van Atta	Lika Margania	English	Georgian
6/3/2002	Memorandum Report	Gulnara Tavartkhiladze	Natia Lipartiani	Georgian	English
6/4/2002	Memo on per diems, currency exchange	Don Van Atta	Lika Margania	English	Georgian
6/4/2002	Two reminders about translations	Don Van Atta	Lika Margania	English	Georgian
6/5/2002	PR plan for the III phase of the Project	Giga Kurdovanidze	Lika Margania	Georgian	English
6/5/2002	EC Food Security Program	Sophie Kemkhadze	Nino Beradze	Georgian	English
6/6/2002	The Key Activities Plan of Development of Georgia Agrarian Sector	Sandro Didebulidze	Nino Beradze	Georgian	English
6/6/2002	Letter	Ruso Kacharava	Lika Margania	English	Georgian

6/6/2002	Letter to Minister	Don Van Atta	Tiko Janashvili	Georgian	English
6/6/2002	Working Hours	Don Van Atta	Lika Margania	English	Georgian
6/7/2002	Order of Kirvalidze and statement of Tsikhisdziri's citizens	D. Kirvalidze and citizens of Tsikhisdziri	Tiko Janashvili	Georgian	English
6/11/2002	Certificate of Acceptance		Lika Margania	English	Georgian
6/11/2002	Restructuring organizations subordinated to the Ministry of Agriculture and Food of Georgia	Bidzina Korakhashvili	Tiko Janashvili	Georgian	English
6/12/2002	Draft law of Georgia "About the Biological agro-production and certification."	G. Dangadze, M. Matiashvili, M. Gelashvili	Natia Gabelia, Giorgi Dangadze	Georgian	English
6/12/2002	MAF weekly planning meeting report		Rusudan Arveladze	Georgian	English
6/12/2002	Attestation and reorganization and liquidation of the agency	Avtandil Iakobidze	Nutsa Amirejibi	Georgian	English
6/13/2002	Letter	Avtandil Iakobidze	Lika Margania	Georgian	English
6/13/2002	MAF weekly planning meeting report		Rusudan Arveladze	Georgian	English
6/13/2002	Livestock Breeding Department	Shukri Devnozashvili	Nutsa Amirejibi	Georgian	English
6/13/2002	MAF Order #70-M "On establishing a group to monitor the receipt, distribution and timely repayment of winter wheat assistance that was distributed in West Georgia in 2000-2001"	Giorgi Misheladze	Lisa Basishvili	Georgian	English
6/14/2002	Ministerial Order	FDM Nugzar Mamaladze	Lika Margania	Georgian	English
6/14/2002	Explanatory Note		Lisa Basishvili	Georgian	English
6/15/2002	Third EU-Georgia Cooperation Committee		Lika Margania	English	Georgian
6/15/2002	Plant Protection Service Regulations		Natia Gabelia	Georgian	English
6/18/2002	FAO World Food Summit		Tiko Janashvili	English	Georgian
6/19/2002	Sustainable Development Strategy of Georgia Agrarian Sector		Nino Beradze	Georgian	English
6/19/2002	"110 million Taken Away from the Officials" (<i>alia</i>)	Mary Tsikelashvili	Lika Margania	Georgian	English
6/19/2002	Kidnapping of Peter Shaw	Jacques Vantomme	Lika Margania	English	Georgian
6/19/2002	About Cancellation of Regional Administrations	Avtandil Iakobidze	Nino Beradze	Georgian	English
6/19/2002	Sustainable development strategy of Georgian agrarian sector	Sandro Didebulidze	Nutsa Amirejibi	Georgian	English
6/19/2002	Hand written explanatory notes to D. Kirvalidze		Lisa Basishvili	Georgian	English
6/19/2002	Recommendations on restructuring (merger) of	Avtandil Giorgadze	Nutsa Amirejibi	Georgian	English

	the MAF inspection services				
6/19/2002	MAF Order On Approving the Regulations of the Plant Protection Service of the Ministry of Agriculture and Food of Georgia	Giorgi Misheladze	Natia Gabelia	Georgian	English
6/20/2002	About the EC Food Security Program in the MAF	DM Giorgi Tkeshelashvili	Nutsa Amirejibi, Lika Margania	Georgian	English
6/21/2002	ToR for head of division of quarantine and struggle against harmful organisms of plant protection service of the MAF	Mamuka Matiashvili	Nutsa Amirejibi	Georgian	English
6/21/2002	EU: New wine labeling rules imposed by EC		Nutsa Amirejibi	English	Georgian
6/24/2002	Legal opinion on Counterpart Fund, pages 46-60	Mamuka Matiashvili	Tiko Janashvili	Georgian	English
6/24/2002	Receipt for delivery		Nutsa Amirejibi	Georgian	English
6/24/2002	Shevardnadze decree on 2KR program		Nutsa Amirejibi	Georgian	English
6/24/2002	Green Berets Land in Georgia for 2-Year Training Program	CNN	Nutsa Amirejibi	English	Georgian
6/24/2002	MAF Order number 58-M, May 20, 2002 "On creation of a group to monitor implementation of partial compensation to land users hurt by the drought"	Gia Kobakhidze, V. Lomidze	Lisa Basishvili	Georgian	English
6/24/2002	The Rule of Agricultural Grant Absorption Received through Japanese Program 2KR		Nino Beradze	Georgian	English
6/26/2002	About Mission		Nutsa Amirejibi	Georgian	English
6/27/2002	Letter to Don Van Atta	Irakli Dvali	Lika Margania	Georgian	English
6/27/2002	"Whose Track Did the Dog Find? <i>Dilis gazeti</i> , June 24, 2002	Inga Jabanishvili	Nutsa Amirejibi	Georgian	English
6/27/2002	General Prosecutor's Office of Georgia		Nino Beradze	Georgian	English
6/28/2002	Explanatory Note		Nino Beradze	Georgian	English
6/28/2002	Explanatory Note on Draft Program of "Necessary Measures For Increase of Food Quality and Adulteration Eradication"		Nutsa Amirejibi	Georgian	English
6/28/2002	USAID-ten years in Georgia	Rick Swanson, et al.	Rusudan Arveladze	English	Georgian
6/30/2002	Legal opinion about Personnel Administration issues of Civil service	Mamuka Matiashvili	Lisa Basishvili	Georgian	English

Annex 16. Major Meetings and Travel during the Reporting Period

Note: travel by Internal Control Department is listed in text.

Date	Title/Description	Location	Staff participants
3/4/2002	Georgia's WTO obligations	MAF foreign department	Rati Shavgulidze
3/8/2002	APLR Round Table on Draft Law of Georgia "On Further Privatization of State-owned Agricultural Lands"	APLR office	Mamuka Matiashvili, Rati Shavgulidze
3/8/2002	Discussion about implementation of RAE group work plan and the issue of special revenues	MAF	Otar Chigladze
3/9/2002	visit to Alazani valley, Kindzmarauli winery, local veterinary department	Kvareli	Don Van Atta, David Beridze, Lika Margania, Giga Kurdovanidze
3/11/2002	Conference "Food Security in the Russian Federation"	Moscow	Alexander Didebulidze
3/12/2002	Discussion about proposals of approved and received of special incomes	MAF	Otar Chigladze
3/14/2002	Conference "Economic Development in Mountain Regions – Pyrenees/Alps/Caucasus"	Venice, Italy	Sandro Didebulidze
3/14/2002	MAF collegium	MAF	Keti Shengelia, Bidzina Korakhashvili
3/14/2002	presentation of report on NGOs in eight Georgian cities	UN House, Tbilisi	Giorgi Dangadze
3/19/2002	Review of Standard Sheet for operational budget	MAF Administration for Financial Policy	Sophie Kemkhadze, Jeko Mchedlishvili
3/22/2002	initial meeting of Veterinary Department reform commission	David Shervashidze's office	Bidzina Korakhashvili
3/22/2002	meeting with the head of the sectoral economy service of State Chancellery of Georgia concerning draft-law "About implementation of biological agro-production and certification."	State Chancellery	Giorgi Dangadze
3/25/2002	Review of Standard Unit Costs and Norms in operational budget	MAF Administration for Financial Policy	Sophie Kemkhadze, Jeko Mchedlishvili
3/28/2002	visit to Gori cannery, apple-juice plant	Gori	Don Van Atta, Giga Kurdovanidze, Nino Beradze, Max Goldensohn (DAI)
3/30-31/2002	MAF senior management planning workshop	MAF	Don Van Atta, Alexander Didebulidze, Bidzina Korakhashvili, Giga Kurdovanidze, Tinatin Tivadze
4/3-5/2002	USAID-World Bank-GTZ Land Policy Workshop	Budapest, Hungary	Don Van Atta
4/8-12/2002	DAI Annual Staff Conference	Bethesda	Don Van Atta

4/15/2002	Poverty Reduction and Economic Growth Program	MAF board room	Bidzina Korakhashvili, Alexander Didebulidze
4/18/2002	Preliminary Meeting to assess ORIS MANAGER software	LTD ORIS – Software Development Company	Sophie Kemkhadze
4/19/2002	Review of budget formats for special programs	MAF Administration for Financial Policy	Sophie Kemkhadze, Jeko Mchedlishvili
4/24/2002	Development of organic farming in Georgia and division of functions between the State agencies of Georgia in this field	State chancellery of Georgia	Giorgi Dangadze
4/24/2002	discussion of proposal about merger of veterinary and plant protection services	DM Shervashidze’s office	Giorgi Dangadze, Alexander Didebulidze
4/24/2002	DuPont seminar “Current problems of Georgian wine production”	Tsinandali	Giga Kurdovanidze, Tinatin Tivadze, Bidzina Korakhashvili
4/24/2002	Meeting with the representatives of GEPLAC	GEPLAC office	Giorgi Dangadze
4/24/2002	Merger of Agricultural Inspections	DM Shervashidze’s office	Mamuka Matiashvili , Alexander Didebulidze, Giorgi Dangadze
4/24/2002	Review of budget formats for special programs	MAF Administration for Financial Policy	Sophie Kemkhadze, Jeko Mchedlishvili
4/26/2002	Review of budget formats for special programs	MAF Administration for Financial Policy	Sophie Kemkhadze, Jeko Mchedlishvili
4/30/2002	Assessing Georgian agriculture’s investment needs	Department of Policy and Strategy, MAF	Rati Shavgulidze
4/30/2002	review of situation in Georgia, DFID projects, ARET support	Project office	Don Van Atta
5/10/2002	Conference “Forest degradation and deforestation in Georgia”	Georgian Agrarian University	Alexander Didebulidze
5/13/2002	Assessing Georgian agriculture’s investment needs	Department of Policy and Strategy, MAF	Rati Shavgulidze
5/15/2002	quarterly meeting with RCO	AID Caucasus 5th-floor conference room	Don Van Atta
5/20/2002	Discussion around the merger of inspections subordinated to MAF for creation of unified and one Food Safety, Phytosanitary and Veterinary inspection (Short: Food safety inspection)	Ministry of Agriculture and Food of Georgia	Giorgi Dangadze, Alexander Didebulidze, Mamuka Matiashvili, Bidzina Korakhashvili, Ketu Shengelia, Sophie Kemkhadze
5/20/2002	Preliminary Meeting for Assessing the Capacity of ORIS MANAGER Software – Model Building	LTD ORIS – Software Development Company	Sophie Kemkhadze
5/21/2002	Discussion of regulatory issues in the draft law “About implementation of organic agricultural production and Certification.”	State Chancellery of Georgia	Giorgi Dangadze

5/21/2002	Meeting with the staff lawyer of Anticorruption bureau of Georgia Mr. Koba Chekurishvili	Anticorruption Bureau of Georgia	Giorgi Dangadze, Mamuka Matiashvili
5/21-22/2002	WTO Ministerial Meeting for the South Caucasus	Sheraton Metekhi Hotel	Jemal Mchedlishvili
5/23/2002	Appointment of Competition-Attestation committee	MAF	Bidzina Korakhashvili
5/23/2002	briefing Ellen van de Vrugt, Dutch agricultural attaché, on Veterinary reform, other topics	project office	Don Van Atta, Bidzina Korakhashvili, Mamuka Matiashvili
5/23/2002	visit to Lagodekhi to survey hail damage	Lagodekhi	Giga Kurdovanidze
5/24/2002	Discussing the possibilities of reflecting the new requirements of the treasury in the developing software package	LTD ORIS – Software Development Company	Sophie Kemkhadze
5/24/2002	Review of new instruction issued by the treasury regarding the new procedures for allocating and paying budgetary funds	MAF Administration for Financial Policy	Sophie Kemkhadze
5/24/2002	Conference “The role of Japan in the mechanization of Georgian agriculture”	Tbilisi	Alexander Didebulidze, Bidzina Korakhashvili
5/24/2002	Update information regarding the possible changes in the official budget format for the year 2003	MoF Budget Department	Sophie Kemkhadze
5/24/2002	visit to Imereti to examine drought relief distribution	Imereti	Giga Kurdovanidze
5/29/2002	GTZ-MAF-SDLM conference “Cadastre and Land Register Project”		Alexander Didebulidze, Jemal Mchedlishvili
5/29/2002	Session of Presidium of the Academy of Sciences of Georgia on problems of restoring forest shelter belts	Tbilisi	Alexander Didebulidze, Bidzina Korakhashvili
5/30/2002	Presentation of MAF strategy, contribution to IMF/WB PREGP	Hotel “Simpatia,” Tbilisi	Don Van Atta, Sophie Kemkhadze, Giga Kurdovanidze
5/30/2002	planning for conflict-reduction program in Samtskhe-Jakhavetia	project office	Don Van Atta
5/30/2002-6/1/2002	Staff Retreat in Gudauri	Gudauri, Georgia	
6/3-7/2002	“Protected Areas of Germany”	Georgian Agrarian Univ	Alexander Didebulidze
6/4/2002	Preparatory meeting on issues to be discussed by regular Georgian government meeting on June 5, 2002		Giorgi Dangadze
6/5/2002	MAF committee on agricultural technology	MAF	Alexander Didebulidze
6/7/2002	inaugural meeting of Minister’s Policy Advisory Council	MAF fourth-floor conference room	Don Van Atta, Bidzina Korakhashvili, Alexander Didebulidze
6/7/2002	Presentation of IFAD Mountain Agriculture Project	Ajara	Giga Kurdovanidze
6/11/2002	MAF Collegium meeting	MAF	Bidzina Korakhashvili, Ketii Shengelia
6/24/2002	MAF Technical Committee on Japanese Grants 2KR-6 and 2KR-7	MAF	Alexander Didebulidze
6/28/2002	agricultural inspection unification	DM Shervashidze’s office, MAF	Giorgi Dangadze, Mamuka Matiashvili

Annex 17. Project-supported workshops during the reporting period

Date	Title	Location	Staff Participants	Description
3/30-31/2002	MAF senior management planning workshop	MAF	Didebulidze, Korakhashvili, Van Atta	“retreat”-style workshop intended to strengthen MAF senior management, develop better understanding of common issues.
5/30/2002	Presentation of MAF policy, contribution to IMF/WB PREGP	Hotel “Simpatia,” Tbilisi	Kemkhadze, Tivadze, Van Atta. Presentation prepared by group from MAF and project.	Part of the government’s PREGP preparation process. Also an opportunity for the Minister to present a positive strategy for the Ministry to the assembled donors.
5/30/2002-6/1/2002	Staff Retreat	Hotel “Cross Pass,” Gudauri, Georgia	All project staff	Team-building and development of main points of restructuring part of Phase III work plan

Annex 18. Travel by project staff members working with the MAF Internal Control Department during the reporting period

Date trip began	Date trip ended	Project staff	Places visited	purpose
2/13/2002	3/13/2002	Inashvili, Misheladze, Khundadze	Samtredia, Chkorotsku, Kharagauli, Mtsketa, Kvareli	Beekeeping trusts
3/14/2002	4/1/2002	Inashvili, Chigladze	Samtredia, Chkorotsku, Kharagauli, Mtsketa	Beekeeping trusts
4/5/2002	4/8/2002	Misheladze, Khundadze	Sadakhlo, Armenian border, Azerbaijan border, Kazbegi border	Phytosanitary department
4/15/2002	4/21/2002	Inashvili, Chigladze, Khundadze	Sagarejo, Kvareli, Telavi, Lagodekhi, Dedoplistskaro, Gurjaani	wineries
4/22/2002	4/28/2002	Inashvili, Chigladze, Khundadze	Vani, Kharagauli, Kutaisi, Zestafoni, Chokhatauri, Sachkhere, Chkorotsku	wineries
5/20/2002	5/26/2002	Inashvili, Chigladze, Khundadze	Vani, Kharagauli, Kutaisi, Zestafoni, Chokhatauri, Sachkhere, Chkorotsku, Chiatura, Khoni, Tskaltubo, Bagdati, Terjola, Samtredia	Drought aid
6/7/2002	6/8/2002	Inashvili, Chigladze, Donjashvili	Tsikhisdziri	Livestock smuggling
6/12/2002	7/2/2002	Inashvili, Chigladze	Sagarejo, Kvareli, Telavi, Lagodekhi, Dedoplistskaro, Gurjaani, Signagi, Gardabani, Marneuli, Bolnisi, Dmanisi	Drought aid

Annex 19. Abbreviations

AAF	Administration of Agriculture and Food
APLR	Association for the Protection of Landowners' Rights
CAP	Common Agricultural Policy
DAI	Development Alternatives, Inc.
DAWE	Department of Amelioration and Water Economy
DM	Deputy Minister
EBD	employee biodata form (USAID)
EC	European Commission
EU	European Union
FAO	United Nations Food and Agriculture Organization
FDM	First Deputy Minister
FSP	EC Food Security Program
FSU	Former Soviet Union
GEL	Georgian lari (national currency)
GSP	Generalized System of Preferences (US tariffs)
GESP	Georgia Enterprise Support Project
IDP	Internally-displaced person
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
JSC	Joint-stock Company
Ltd.	Limited-liability Company
MAF	Ministry of Agriculture and Food of Georgia
OECD	Organisation for Economic Co-operation and Development
PSQI	Phytosanitary Quarantine Inspection (MAF)
PREGP	Poverty Reduction and Economic Growth Program (IMF/WB)
RAE	Risk Assessment Exercise (WB project)
RAPA	Restructuring Assistance and Policy Advice for the Ministry of Agriculture and Food of Georgia Project
RFE/RL	Radio Free Europe/Radio Liberty
RIF	Reduction in force (cut in staff size)
SAVE	Support for Added-Value Enterprises (USAID agribusiness development project implemented by ACIDI/VOCA)
ToR	terms of reference
USAID	United States Agency for International Development
UNDP	United Nations Development Program
UNEP	United Nations Environmental Program
USDA	United States Department of Agriculture
WB	World Bank
WTO	World Trade Organization