

Annex: ENPARD Georgia



European Neighbourhood Program for Agriculture and Rural Development (ENPARD)



What

Launched in 2013, the European Neighbourhood Program for Agriculture and Rural Development (ENPARD) was developed by the European Union to boost the production of food in Georgia and to reduce rural poverty.

When

The duration of the project is three years (March 2013 – March 2016)

Who

the Ministry of Agriculture as well as other line Ministries/Government Agencies, Agricultural Service Providers will be the main partners for the programme. Farmers, farmers associations, rural families as well as other private sector stakeholders will be the ultimate beneficiaries.

How

ENPARD's expected results include the strengthening of co-operation amongst small farmers; improved performance of the institutions engaged in agriculture. The levels of the Georgian food production and the index of rural poverty will be used as the key indicators of progress.

Budget

€ 40 million

Modality

a combination of Budget Support, Grants, Technical Assistance to the Georgian Government, and co-financed projects with International Organisations.

How the ENPARD works?

ENPARD is articulated in different components. The architecture of the programme shows the comprehensive approach agreed between the European Union and the Government of Georgia in the agriculture sector. The programme addresses reforms and the implementation of the Strategy for Agriculture that the Georgian government will carry out in the next ten years. This support will be coupled with technical assistance to national agencies and ministries may need.

At the same time, the programme targets the establishment and the strengthening of small farmers which may become the backbone of the agriculture sector in the country.

The region of Adjara will particularly benefit of a joint programme co-financed with UNDP.

How € 40 million will be used?

€ 18 million for Budget Support. The transfer to the Georgian state budget is allotted in three single tranches, if the general and specific conditions set out in the Financing Agreement are met.

€ 15 million in Grants. It will support the establishment of small farmers' business-oriented organisations. This component foresees a set of grant contracts to be awarded to NGOs through a call for proposals.

€3 million as Contribution Agreement. It is intended as a sub programme in support to agriculture in the Region of Adjara in a joint management with the UNDP.



The activities under this component are the following:

- (1) Increasing and improving services to small farmers (71 demonstration projects will be launched in fields such as gardening, vegetables, animal husbandry and others as well as developing postharvest consolidation centres).
- (2) Development of business oriented small farmers groups, associations and other forms of profit-based collaborative actions between farmers.
- (3) Institutional Development of Ajara regional Ministry of Agriculture (including Agriculture Development Studies, Investment profile and investment promotion study).
- (4) Project Management and Monitoring.

€2 million as Contribution Agreement. The Ministry of Agriculture will benefit from this programme managed jointly with FAO. It will help the ministry to develop the capacity needed in order to carry out the Strategy for Agriculture and its Action Plan. This is a very significant component of the ENPARD, since it will aim to improve the competitiveness of the agriculture sector in Georgia. It will improve both the policy making and the effective implementation of the Strategy for Agricultural Development.

€2 million in Technical Assistance. The technical support will contribute to train institutions engaged in agriculture and will enhance the capacity building process that the European Union is strongly support.

How ENPARD will be managed?

Two main bodies will oversee ENPARD and the way it is carried out: a). The Steering Committee; b). Stakeholders Committee

- a) The Steering Committee (SC) was established in December 2012. The SC's mission is to ensure the oversight and is responsible for the organisation and coordination of meetings at least three times a year, involving the Delegation of the European Union, the Ministry of Agriculture and the State Minister for European and Euro-Atlantic Integration. It assesses the progress made in the implementation of the programme and decides on any modification of the programme.
- b) The ENPARD-Georgia Stakeholders Committee was also established in December 2012. Operating as an advisory body of the programme, it will be composed by the same members as the SC, plus all other entities relevant for the ENPARD's implementation, including the Ministry of Agriculture of the Autonomous region of Adjara, the United Nations Food and Agriculture Organization (FAO), the United Nations Development Programme (UNDP) as well as the grantees to be awarded via the Small Farmers Co-Operation Component of the programme. The Committee will meet at least three times a year, normally back-to-back to the ENPARD Steering Committee meetings.

Background

Nationally, agriculture remains an important yet declining sector in terms of GDP contribution. In 2011, agriculture represented the 8% of GDP, down from 8.4% in 2010 and 9.4% in 2009.

Agricultural output can be broken down into a few major categories: livestock (beef and lamb, pork, chicken), grains, vegetables, fruits, grapes/wine, and nuts. Primary international investments have been with tangerines, mandarins and nuts. In total Georgia is a net importer of food including in wheat and cereals.

The sector provides an important safety net for the rural population, with some 50% of the labour force employed in the sector. 95% of farmers are small farmers, typically cultivating around 1ha of land and owning an average of 2 cows. The slow pace of agricultural modernization, coupled with land abandonment, has also meant that rural poverty has proved persistent.

Development of a Strategy: the support from the European Union.

Priorities

In 2011, agriculture has been announced as a top development priority for Georgia. This new emphasis on the sector was underlined in the 10 Points Plan 2011/2015, which proposes developing commercial agriculture in addition to household production. Further, in 2012, the Government increased the budgetary expenditure on agriculture by 60%.

A strategy of development

An Agriculture Strategy of Georgia for the period 2012-2022 was adopted by the Government in March 2012. Later on, in December 2012, the Agriculture Action Plan of Georgia has been approved.

The European Union has been engaged in the agriculture sector in Georgia since the 1990's, initially via food security budget support programmes, and more recently through projects implemented by International Organizations, and/or NGOs. The current European Neighbourhood Policy (ENP) Action Plan also sees agriculture as a priority for Georgia and specifies, as one of its priority lines for action, sets out the need to enhance agricultural production and rural development. Furthermore, the modernisation of agriculture constitutes the basis for a developed food safety system which is, in turn, a key element in the negotiation of the EU-Georgia Deep and Comprehensive Free Trade Area (DCFTA).

ENPARD-Georgia is the first of a new generation of EU actions in the Neighbourhood actions: the broader ENPARD programme

ENPARD is a new policy initiative launched by the EU in 2012, as part of the EU's commitment to inclusive growth and stability in its Neighbourhood, which recognizes the potential importance of agriculture in terms of food security, sustainable production and rural employment.

