

# Newsletter #30

We seek a world of hope, tolerance and social justice, where poverty has been overcome and people live in dignity and security.

## CARE International in the Caucasus



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# FITTING

## THE GLASS SLIPPER

By Thomas Reynolds, Mission Director,  
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*How to turn Georgia's agriculture from a Cinderella to a princess? What can be done to attract or retain youth in rural areas as part of a rural development strategy? What role do men and women play in rural development? A group of interested stakeholders from government, the private sector, civil society, farmers and non-governmental organizations met together on June 21 in Tbilisi, Georgia to discuss these and related questions and debate how to build a network to take things forward for rural development.*

Georgia has all the natural resources to be prosperous. The excellent soil, bountiful rain, and geographic proximity to large import markets in Europe and the Middle East characterize Georgia's potential to regain a foothold as a significant exporter of agricultural goods. Unfortunately growth rates for Georgia over the past ten years have averaged a meager 0.6%. Productivity per hectare is less than half of neighbouring Armenia when comparing wheat, maize and tomatoes. Productivity per hectare is as little as one seventh the yield in comparison to France and Turkey.

Deputy Minister of Agriculture, Eter Kamarauli, believes that when talking about agriculture both a long-term view and short-term focus should be considered. Many recommendations offered in the meeting looked more to the long-term such as advancing vocational training, fostering the development of capital asset financing, and diversifying the rural economy of Georgia.

Years ago, a truck would stop by every morning at a small farm in Israel to collect flowers from then farmer Eric Livny. An organized network of small farm flower-growers allowed Eric to export his product to Holland. Through his personal story Eric, now Executive Director of ISET, strongly emphasized the power of associations and advised farmers and rural operators to form cooperatives and other forms of associative groups to take advantage of shared expertise and new cooperative-friendly legislation.

For Sante, a large dairy company operating in Georgia, it has been essential to develop a vertically integrated operation in which they source milk directly from small farmers. Erekle Gamkrelidze, Deputy Manager of Sante GMT Products, outlined that the rationale for vertical integration was necessary due to dairy collection centers and middle market operators lacking sufficient capacity to supply Sante. Further they do not assure the minimum standards of quality required by Sante.

Agriculture is a cornerstone of rural life, but does it hold appeal for rural youth? Would the aspirations of young people growing up outside urban centres be more inclined to develop their careers in rural areas if there were more vocational education opportunities? A youth panel looked at employment issues and educational opportunities, among various other topics last week. They discussed how to encourage youth to become active participants and stakeholders in rural development.

Some 30 members of a gender-focused discussion group were interested in migration patterns in rural areas and the implications on rural development. They also reflected on the untapped potential of women's participation in rural development and agricultural production. Summarizing the group discussion Sophia Svanadze, from SDC, noted that the sectoral policy-making practice is gender-blind in Georgia, and should be sensitized.

When Guram gets to the office of Rural Advisory Services in Akhaltsikhe, he begins and ends each day thinking about farmers and their needs. He is a products and services provider in Samtskhe-Javakheti. He runs an agricultural supply company that has grown to occupy five retail outlets. He knows farmers are looking for reliable information, affordable products and a means to get products to market. Rural Advisory Services is a social enterprise, meaning that it offers products in the marketplace as a commercial enterprise, and is also driven by a mission to support a thriving rural society where small farmers can move beyond subsistence living to become economic actors.

For so many reasons, the time is right and the opportunities are available to create a more sustainable and vibrant rural economy in Georgia. Juan Echanove of the EU suggested last week in reference to rural Georgia; "let's work together to turn Cinderella into a Princess."

The problems in the rural economy are fixable. The conference provided space for Eter, Eric, Guram, Erekle and one hundred other participants like them to engage, to contribute their expertise and to explore new ways forward. Dozens of organizations signed up at the conference conclusion of the meeting to work together, to collaborate on finding opportunities for youth, improving gender relations and to tap into the potential of small farmers across the agriculture spectrum of Georgia. For me, this was not just another development conference. The benefits of working together were crystallized with specific examples and a clear call to action emerged. I look forward to seeing more initiatives from the conference participants in the following months and years.

*“Opportunities in Rural Development for Small Farmers”  
Conference in pictures*



Photos: Georgia/Gela

Bedianashvili



Visit <http://rdcgeorgia.org/wordpress>

for speakers' presentations, photos and other materials about the conference.



Like CARE International in the Caucasus on Facebook to see the event's media coverage.

# Agricultural Machinery Transforms Lives



“My hope was justified when the new machinery was used. My land was processed in time. The machinery brought results.”

“I was so happy to just see the new machinery. I had new hope,” explained Sadion, a farmer living in the IDP settlement of Akhalsopeli. In May 2010, Sadion’s community received agricultural machinery through a buy-back scheme set up by CARE’s Stabilization and Integration of IDPS into Mainstream Georgian Society (SIMS) Program. SIMS aims to help IDPs using socio-economic opportunities to reduce poverty and conflict.

Farming was the main occupation of many IDPs before they arrived at the settlements. Siso, a farmer in Karaleti explained that “Our main welfare depends on how we can work the land and what we can harvest from it. That’s the main priority.” However, many IDP settlements did not have farm equipment such as tractors and plows. If they had the equipment, it was usually in poor condition.

Without machinery it was difficult and expensive for IDPs to harvest their land and provide for their families. Often times IDP farmers paid high prices to rent it from elsewhere. Saidon explained that because, “There wasn’t enough machinery, land was processed too late and crops were spoiled.”

The buy-back scheme provides machinery to each IDP settlement’s Agricultural Machinery Group, which is comprised of 4-7 people who have experience using farm equipment. Members of the Machinery Group are responsible for managing the machinery and they process land for a fee. Clients include IDPs and non-IDPs.

Farmers in 3 IDP settlements say the machinery program has been effective and provided them with new economic opportunities. The cost of agriculture has been reduced. Saidon now only needs to pay for a tank of fuel to use the tractor. Other farmers say they now pay 30 lari instead of 100 lari. Consequently farmers have more money and are buying additional livestock and saving to repair old tractors.





Saidon is one of many IDP farmers who is “absolutely happy” with the program. He explained that, “My hope was justified when the machinery was used. My land was processed in time. The machinery brought results.” Saidon now harvests beans, corn, tomatoes and onions on his 2,500 meter plot of land. An additional 100 households of the Akhalsopeli settlement are beneficiaries of the program.

The machinery program has also helped IDP settlements build relations with nearby villages. Dato is a non-IDP farmer who is a client of the Agricultural Machinery Group at Berbuki IDP settlement. He has been using the Machinery Group’s equipment for the past 2 years now. He’s very happy with the machinery program. With access to the equipment, he can grow his corn, potatoes and cabbage and make a profit.

“[the tractors] bring more life to our community, people are working the land.”

Today, you can see the new tractors and plows in use when you drive through IDP settlements of Karaleti, Akhalsopeli and Berbuki. They are well used and covered in fresh dirt. Gocha, an Agricultural Machinery Group member of Akhalsopeli settlement explained that the machines transformed his community, “they bring more life to our community, people are working the land.”



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## Successful Jolt for a Better Life

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For years Miranda Grdzlishvili's two cows, two young bulls and small piece of land generated no income. As a single mother, Miranda found it impossible to support her 13-year-old son and elderly parents. In desperation she decided to find work in Greece. But before Miranda's departure in 2010, "Rural development in the region Racha-Lechkumi" (RDRL) project selected her to benefit from their activities, which strive to create sustainable income opportunities for farmers in the region.

The RDRL project granted Miranda two milking cows, under the notion that only farmers that have three or more milking cows are able to produce surplus for sale on a regular basis and meaningfully enter the beef/dairy market. Miranda also received training in animal husbandry and basics of small-farm finance.

Since Miranda became a beneficiary of RDRL project, her life has changed completely. The two new cows produced enough milk to start up a small cheese business.

These days Miranda's farm produces 120 kg cheese every month from April to October. Compared to 2010, her income has increased by some 100%. Most recently she invested in swine breeding and production of Rachian bacon "lori." By adding new products to the list of her farm's outputs, Miranda will ensure a stable cash-flow in winter, the season when cows produce very little milk.

Miranda's increasing income enables her to make life more comfortable for her and her family. She fixed her house, which was damaged by the earthquake of 1991. In addition, she bought a washing machine, a TV set, and some pieces of furniture. Most important of all, Miranda can now afford to send her son to a better school.



*"Now I look into the future with more confidence."-Miranda Grdzlishvili said about her two new cows*



When asked about what the RDRL project has done for her, Miranda remarked, "Now I look into the future with more confidence. Moreover, I am now in a position to help other women in my village Seva by giving them advice on how to produce more dairy products and sell them better." In the near future, Miranda wants to combine her and her friends' resources, so that they can be more successful in production and marketing.

*"Rural Development in the Region Racha-Lechkumi, Georgia" (RDRL) Project is funded by the Swiss Development Cooperation (SDC).*

# Helping Communities Manage Natural Resources

The intensive crops growing season is fast approaching. Farmers are tilling their land and clearing weeds. However, rural farmers in Upper and Lower Alvani may not have enough irrigation water for their crops to survive. Each summer the demand for irrigation water increases and farmers experience severe shortages. Without water, their land productivity has been reduced by 50%.



The problem is not water scarcity, explains Malkhaz Adeishvili, Project Manager of CARE's Integrated Natural Resources Management in Watersheds of Georgia (INRMW) program. Upper and Lower Alvani are actually located on the left bank of Alazani river, in the Kakheti region. The river itself has a steady flow of water.

After conducting surveys, INRMW found that irrigation shortages occur because the existing Upper and Lower Alvani irrigation system is seriously degraded. For instance, the irrigation canal is not lined and the flow of water is not regulated. Both lead to high losses in the system. From a natural resources perspective, water has been used irrationally.

"The communities desperately need help rehabilitating their irrigation system," explains Malkhaz Adeishvili. Water fees are the sole source of funding to maintain the irrigation system. Those funds have been insufficient and the condition of the irrigation system has worsened.

Beginning this August, Upper and Lower Alvani communities will be one of the first to benefit from a small

grant provided by CARE through Integrated Natural Resource Management in Watersheds of Georgia (INRMW) Program. The INRMW program's primary goal is to improve the current and future lives of people in Georgia by utilizing and managing natural resources more sustainably. CARE provides grants to communities who demonstrate improved management of natural resources. Selection of projects depends on community priorities which range from improved drinking supply, irrigation and draining system, disaster risk reduction and adaption to climate change. Upper and Lower Alvani communities named irrigation their priority.

INRMW program representatives met with Upper and Lower Alvani communities last December to discuss the Irrigation-Draining System Rehabilitation Project. The following project objectives were made 1. Improvement of irrigation water supply to the local population and 2. Improvement of irrigation water use efficiency. There are many activities that are planned under the project. Some of those include the clearing of irrigation channels and installation of regulating gates.

The project has 9,839 direct beneficiaries and it will directly or indirectly benefit the population of 6 villages (Upper Alvani, Lower Alvani, Babaneuli, Magraani, Pichkhovani, Arkhogi). It is expected that 990 hectares of land will be irrigated and 850 hectares protected from bogging. "Land productivity will be increased and this will ultimately improve the livelihoods of the local population," explained Malkhaz Adeishvili. Small farmers will be able to water their crops during the most important growing seasons.

- Six additional small grants projects are expected to start this year to improve potable water supply and reduce natural disasters' risk in selected communities of Racha and Kakheti regions.

*The INRMW program is funded by USAID and it is implemented by a consortium of international and local organizations lead by Florida International University (FIU) in a partnership with, CARE International, Winrock International, Caucasus Environmental NGOs' Network (CENN) and UNESCO-IHE Institute of Water Education.*

# Joining Regional Actors for Local Development

What competitive advantages do the border regions of Georgia and Armenia have? How can they be used to stimulate economic growth in rural areas to benefit the poor? How can government, private sector and civil society cooperate to make that happen?

Join for Inclusive Economic Development and Governance (JOIN), a three year project implemented by CARE International in the Caucasus, is trying to address these questions. JOIN is designed to promote an enabling environment for pro-poor socioeconomic development through participatory planning, improved cooperation and exchange of market relevant information among local governments, civil society organizations and the private sector. The cross-border project covers Kvemo Kartli and Samtskhe-Javakheti regions in Georgia and Lori, Tavush and Shirak in Armenia.

CARE staff members headed to Noemberyan, a municipality in Shirak region, to learn firsthand from the locals what they see as the competitive advantage and potential of their region. One of their first stops was a small bakery which produces bread and confectioneries. The enterprise employs 12 people, mostly women. In one room two women made dough to produce Armenian lavash, and in another, some women baked cakes in a traditional stone-built Armenian oven with an arch-shaped opening, using wood, not electricity.

The owner described to CARE staff how the production process goes, how he manages to stay competitive in the market, and how he collects raw materials for production. "The bakery imports flour and honey from Yerevan while the locals note that honey is the competitive advantage of Noemberyan," commented Mikheil Pakatsoshvili, JOIN project coordinator. "This demonstrates that something is wrong with the value chain. This is precisely our objective: to allow stakeholders to discover the problems that hinder economic growth and to address them collectively."

JOIN seeks to foster socio-economic development and create a better environment for businesses such as the small bakery. The project plans to 1) Work with LGs and local actors to help them understand the importance of effective information flows and planning processes and 2) Establish business development and information centres (BDICs) in target regions to provide trainings and market-relevant information in support of strengthening local value chains.

*JOIN is funded by Austrian Development Agency (ADA) and implemented by CARE Austria and CARE International in the Caucasus together with the partner organizations – Civil Development Agency (CiDA) in Georgia and Center for Agribusiness and Rural Development (CARD) in Armenia.*



“...our objective: to allow stakeholders to discover the problems that hinder economic growth and to address them collectively...”







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# Helping women helps development

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“Women are becoming more confident and more prepared to take risks in the world of business.”

It is to the credit of the countries of the South Caucasus that, largely speaking, men and women have equal access to education at all levels. Indeed, in many cases statistics show higher enrollment rates for women than for men. However, when it comes to working life, we can see that the average salary of women constitutes 60% that of men, women constitute the lower paid sectors of the economy and make up the vast majority of the officially registered unemployed. Women, we can say, are not finding the same opportunities as men to participate in the economic development of their communities.

Participation and opportunity to contribute are the focus of CARE in the Caucasus project, Strengthening women’s capacity for peacebuilding in the South Caucasus region. Funded by the European Union under the European Instrument for Democracy and Human Rights (EIDHR), the project sees the enforcement of women’s rights as the key to unlocking the potential women to make a contribution.

“Men really don’t think that women can run a business”. So says Zhenia Grigoryan, a nurse whose family runs a store selling animal feed in the town of Sisian in Southern Armenia. This was also one of the specific barriers to women’s economic activity identified at a civic forum entitled “Entrepreneurship for women: Opportunities and obstacles”. The forum was organized by the project’s activist group in Sisian – one of 20 such women’s groups across the South Caucasus region, who look to identify their communities needs in order to see what contribution they can make to just and inclusive social, economic and political development. The forum brought together active citizens, local government officials, business people and journalists to see how they can collaborate to create an environment that is more favourable to women’s entrepreneurship.

Dealing with men’s stereotypes of women was one of the things that it was necessary to fight. “Our family business is mainly run by mother-in-law, and she runs it competently, efficiently and in line with the law – without cutting corners”, says Zhenia. At the forum she saw other examples of women who have been successful in business. “The contacts I made at the forum were very useful. We heard from a lady from Sisian who has become very well-known for her successful business, which she has managed to expand. Meeting people like this has an important impact on women’s belief that they, too, can succeed. Women are becoming more confident and more prepared to take risks in the world of business.”

Access to information was also very important. “At the forum I found out about government-run courses, on business skills. Now that I know of such opportunities, I can think more seriously about expanding our family business. I also have ideas to start my own enterprise”.

For economies to grow and communities to flourish, barriers, such as gender stereotypes and low access to information need to be removed. Bringing people into community life can be a critical push to helping make use of their education, their resources and their potential. In Zhenia’s words, “I have the support of my family, and that is the most important thing”.

*Strengthening women’s capacity for peace building in the South Caucasus region is a three year project funded by the European Commission and co-funded by the Austrian Development Agency and CARE International. The total amount of the project is €3 million over three years.*

# Farmers See Future in Seed Potato



The picturesque mountains of southern Georgia surrounded the Akhaltsikhe Potato Association as they inspected their seed potato fields. The Akhaltsikhe Potato Association was supported by CARE International in the Caucasus through the Community Development Initiative project (CDI). CDI sought to enhance positive relations between BP and communities along the BTC/SCP pipeline route by investing in communities that demonstrate a commitment to become models for sustainable community development.

Last month CARE staff members visited with the Association to learn about their work and their hope to produce meristem seed potatoes in Georgia. Growing meristem seed potatoes in Georgia is a challenge, they explained.

Only two laboratories in Georgia have the expertise required to generate meristem tissue cultures and it takes 4 years to produce seeds that can be sold from these cultures. Georgian farmers do not have the capital to purchase tissue cultures let alone have the ability to let their land be nonproductive for 4 years. Hence, Georgian farmers purchase their seed potatoes from Europe.

However, importing high quality seeds is so costly that it actually disadvantages Georgian farmers. An average family on a 1 hectare farm makes roughly 3.5 GEL or 2 USD per person per day. Buying imported seeds constitutes 65-75 percent of farmers' production costs.

Georgian potato farmers must also compete with cheap imported potatoes from Turkey. Unlike Georgian farmers who grow potatoes on small farms, farmers in Turkey grow potatoes on large farms. Turkish farmers can also take advantage of economies of scale, which further drives down the price of potatoes. Turkish potatoes then flood the Georgian markets and force small Georgian farmers towards poverty.

The Akhaltsikhe Potato Association intends to change this inequality. Their seed potatoes are already in their second year. The high elevation and isolation of these fields help prevent the vulnerable seed potatoes from being contaminated by diseases.

If these men succeed in domestically cultivating meristem seed potatoes, the cost of high-quality seeds in Georgia would drop to roughly 3,000 GEL or 1,850 USD per hectare. Cheaper domestically grown potatoes could more readily compete with cheap imports. Cheaper inputs--in the form of cheaper seed potatoes--would mean that farmers can make more, raising their income by an estimated 40 to 50 percent.

The farmers looked forward to the future, thinking about expanding their enterprise by acquiring more land to grow more seed potatoes and building warehouses for storage. Entrepreneurship—with its associated risks—is not an easy concept for these men who have suffered so much instability in their lifetimes. But in banding together and pooling their land, and with CARE International in the Caucasus' support, the Akhaltsikhe Potato Association intends to grow and thrive, changing the economic imbalance of the country while supporting their families and their communities.



“...the Akhaltsikhe Potato Association intends to grow and thrive, changing the economic imbalance of the country while supporting their families and their communities...”

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