



**EC/FAO Food Security Programme - Phase II**  
*'Food Security Information for Action'*

Programme Workplan for the Republic of Georgia

<b>Donor:</b>	European Commission
<b>Implementing Agency:</b>	FAO
<b>Proposed Funding:</b>	€ 308,067 \$ 354,277 (Exchange rate US\$ / EURO = 1.15)
<b>Duration:</b>	3 years
<b>Starting date:</b>	1 April 2005

*Building on the achievements of Phase I, the Programme will continue strengthening national capacity in the collection, analysis and dissemination of food security information necessary for policy formulation. It will assist the Government in a) evaluating and improving the quarterly food security bulletin, b) putting the agricultural survey system onto a sound methodological basis and c) providing assistance in the collection and analysis of food security information. The Programme will focus on the following specific aspects, which were prioritized by the GoG and the EC-FSP:*

- Evaluating and improving the effectiveness of the quarterly bulletin 'Food Security Situation Trends in Figures, with a view to improving its usefulness for policy making.
- Helping the Department of Statistics to meet its EC-FSP conditionalities under the agreement for 2006, in particular those relating to bringing about an improvement in the Agricultural Survey System.
- Developing and including a food security questionnaire into the on-going agricultural sample survey.
- Training in analysis of household budget surveys to determine the extent of under-nourishment.
- Review of the methodology and results of the on-going Household Budget Survey, Food Consumption Survey 2000/01 and the Multi- Indicator Cluster Survey with a view to generating consistent and complementary data.

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## **Background**

Georgia is a low-income food deficit country of 4 million people (48% rural), with considerable agricultural potential. The country was affected by civil strife and as a result there are up to 400 000 Internally Displaced Persons (IDPs).

More than half of the economically active population of Georgia is engaged in agriculture, which accounts for roughly 20-23 percent of GDP, depending on climate conditions. The first round of privatization, with equity as its goal, distributed 700 000 hectares to roughly 1 million households, in the form of 4-5 diversified and non-contiguous plots per household. The government still owns 460 000 ha of land in the form of large farms leased and a second round of privatization is about to begin.

In December 2003 the Government and its priorities changed as a result of the so called “rose revolution.” The major goals of the Economic Development and Poverty Reduction (EDPRP) plan remain, but the new government is drawing up a reduced and more focused set of priorities and a new action plan to achieve these. A Medium Term Expenditure Framework is being prepared although a sound agriculture and rural development strategy document does not exist.

The institutional environment in the Government is in a state of flux, which is likely to continue for some time. The Department of Statistics (DS) has been subordinated to the Ministry of Economic Development (MoED) and its size reduced substantially, though without a change in its workload. The Ministry of Agriculture is about to be downsized to one third of its original size.

## **Ongoing Assistance**

The EC provides budget assistance (\$20 million for 2005 – 2006) to the Government provided that agreed conditionalities are met. (Annex 1). Of particular relevance to the programme are the conditionalities under 4.2 in statistics, which are to be met by the end of 2006. Technical assistance to meet these conditions along with an assessment of the effectiveness of the food security bulletin as a tool in decision making should, in the view of the EC-FSP, be a priority area for EC/FAO programme activities in Georgia. Timely food security bulletins remain a conditionality. In addition, the EC supports a TACIS project whose main aim is to assist the MoA in financial and budget management.

The World Bank has concluded a US\$ 32 million Credit for Agricultural Enterprise programme 2005-2009, under which, with co-financing from other donors, it will set up rural micro-credit organisations, develop agricultural supply systems, facilitate the use of land and machinery as security for credit and generally help to increase the competitiveness of Georgian agriculture. This programme will also give assistance to setting up a food safety capacity.

USAID is providing US\$ 23 million over five years to develop demand-driven market oriented agriculture focussing on export and import substitution produce. This programme, called AgVantage, has ongoing since 2003. In June 2005 a policy component was added to strengthen the policy formulation capacity of the Ministry of Agriculture. The main objective is to formulate a medium and long term agriculture master plan for Georgia and to strengthen the analytical capacity of the Ministry of Agriculture in policy analysis and formulation.

Georgia is one of the 16 countries eligible for the US-financed Millennium Challenge Georgia. (MCG). Under this grant, Georgia has been granted \$ 300 million. Main areas of support will be infrastructure development such as roads (\$150 million) and community grants (\$60 million) in the area of water treatment, irrigation, roads and gasification; gas pipeline rehabilitation (\$45million) and enterprise development. The latter will focus on the provision of equity funds for processing industries (30 million) and the Agriculture Development Component (15million) will provide grants for agriculture and tourism activities.

UNDP focuses mainly on peace building and has limited activities in the agriculture sector. Support is primarily given to the preparation of the Millennium Development Report. They are also represented in the donor group supporting the EDPRP process.

FAO has both ongoing and pipeline TCPs in Georgia. On-going projects address walnut production and support to the fisheries department in the Ministry of Agriculture as well as support to the preparation of the agriculture census in 2004. Technical assistance under Phase II will build on census activities. Pipeline TCP projects focus on agriculture marketing, artificial insemination and support to sericulture development. Trust fund activities foreseen include support to link small scale farmers in production of vegetables and subtropical fruits as well as aquaculture development.

A delegation from United States was in the country during the period of the mission to explore areas of cooperation, particularly in the field of animal trans-boundary diseases. Another delegation of representatives of National Agricultural Statistics Service of USDA will visit the DS towards the end of September, 2005 with the intention of making an assessment of the existing agriculture survey system in Georgia and exploring possible areas of cooperation.

## **Problems to Be Addressed**

Despite the TA provided in understanding the concept of food and nutrition security and how to analyse it, and the subsequent improvement in the food security bulletin, there is still too little analysis in the bulletin and what analysis there is, has become repetitive. The ability of the FSIS to analyse food security remains weak. The bulletin is useful as an instrument to i) facilitate inter-sectoral food security analysis, ii) raise awareness of food security issues and iii) disseminate information. However the bulletin's content, the range and quality of the analysis needs to be improved. The bulletin also needs to become more responsive to decision makers' needs.

At present, communication between the ministries is poor. The DS has very poor responsiveness and linkages to other line ministries and other ministries have very poor knowledge and understanding of the data being collected by the DS. This absence of linkages is not conducive to the analysis and use of data for policy development, programme formulation, and monitoring of outcomes. Under the new law on official statistics, this cooperation between users and producers of statistics is expected to be built-in through a National Statistical Council and a Working Group having representatives of the line ministries. As part of the process of the reconstruction of statistical system of the country, the SD has planned a User Survey to determine the data needs at different levels of administration and requires technical assistance in organizing this survey.

The capacity of statistical agencies to design and undertake surveys, tabulate the survey data and to analyse it to its fullest potential for use in the policy making process is limited. The country has recently carried out an agricultural census (results expected towards the end of 2005), which would provide a basis for the development of a sound system of agricultural statistics to cater to the needs of the policy formulation process for the development of the agricultural sector as also for making policies for improvement of food security situation in the country. Under one of the conditionalities in the EC-FSP agreement with the Government for the years 2005-06, the Government is obliged to develop a sound methodology for the agriculture survey system by the end of the year 2006 and make it operational during 2007 by making adequate budget provisions.

The country has inherited a statistical system which relied heavily on reporting from sakrebulo (communities). In their present form, the agricultural surveys are conducted on a sample basis, and the estimates are prepared at community level. The community level estimates are added up at district and other higher administrative levels. The SD does not receive the primary survey data and is not in a position to check the quality of estimates. The statistical methods to ensure representativeness of the sample are not used. As the survey system is not based on sound statistical principles, the reliability of statistics produced is often questioned. In addition, the downsizing of the ministry of agriculture is

likely to result in reduction in availability of data from administrative channels. Consequently, the DS's role as a provider of timely reliable information will become central.

There is lack of clarity in the in the SD as regarding:

- i) appropriate nutritional requirement norms for the population of Georgia to be used for analysing food consumption survey and household budget surveys (HBS) data. It is argued that these norms differ for different height and weight combinations of persons and by type of activity. The need for development of country specific norms was therefore considered desirable.
- ii) the appropriate caloric scale for Georgia for converting units of Georgian food into dietary energy supplies and into nutrients like carbohydrates, proteins and fats.

Lack of definite knowledge of above factors leaves unexplained inconsistencies in food security data produced from various sources. For this reason, the credibility of data produced through ongoing HBS and consumption surveys is often rated "low" by policy makers.

## **Expected Outcomes at the End of the Programme**

At the end of Programme Phase II, the country will have a methodology to establish a sound system of agricultural surveys, which is crucial to sound food security related policy making and analysis. The system will be capable of meeting key demands for information from various stake holders. The country will also have improved the availability of food security information, an enhanced its capacity to carry out statistical analysis and produce relevant food security bulletins. There would be an understanding and awareness about nature of data produced by different surveys and the reasons for apparent inconsistencies in food security related data would be identified. In particular, the following outcomes are expected:

1. **Improved quality and availability of agricultural and food security statistics** on which to base analysis for policy formulation and monitoring of developments in food security. A calendar and methodological guidelines for the development of a sound system for production of reliable agricultural statistics will be prepared. The agricultural survey system will comprise a series of surveys focusing on key needs of specific areas of agriculture for government intervention. Besides the land use, production, irrigation, input use, community infrastructure etc., the system will have a food security questionnaire as an integral part of survey calendar. The system should be flexible and expandable according to needs of policy makers and other stakeholders as well as budgetary considerations. It is expected that this integrated survey system will offer increased scope of food security analysis. The inconsistencies in food security data coming from different surveys will be reviewed with a view to exploring possibilities of integrating the relevant surveys for producing comparable statistics.
2. **Enhanced capacity to analyse agricultural statistics and food security information.** Selected staff of the food security information system and the Department of Statistics will have been trained in the basic tools for statistical analysis of food security data. The household budget survey statistician will have improved capacity in undertaking food security related analysis of survey data and report writing. As a result, the quarterly FS bulletin will become more analytical in reporting and user oriented, and have better coverage.
3. **Increased awareness about availability of statistics and strengthened user producer interface.** Both national institutions and the stakeholders will be more aware of the food security information sources in the country and their use partly due to the producer-user dialogue at the food security bulletin evaluation workshop as well as through an improvement in the quality and reach of the Food Security Bulletin.

## Objective, Outputs and Activities

The activities envisaged in the present work plan are consistent with the overall logical framework defined in the EC-FAO Food Security Overall Programme Document. Particular emphasis will be given to “**Special Objective 1:** improve availability and quality of relevant food security information” as the shortcomings identified in this area (unrepresentative, inadequate and conflicting data) directly affect the nature of the agricultural and food security policies that need to be formulated. The Government urgently needs answers to questions such as: How many livestock are there? Are the rural poverty and food insecurity indicators in the HBS credible? How much rural land is not being used? How are patterns of land use changing? There are also indirect links to “**Specific Objective 2:** reinforcing capacity in formulating food security policies, strategies and programming based on food insecurity and vulnerability information” and “**Specific Objective 3:** raising awareness of the Government, local actors and international community via a dialogue between users and producers of the bulletin which will result in a better understanding of the needs and nature of FS related analysis sought by the policy makers.

The areas of intervention (AOI) for the EC-FAO Food Security Programme have been identified as follows:

### **1. Evaluate and improve the effectiveness of the quarterly bulletin ‘Food Security Situation Trends in Figures’ with a view to improving its usefulness for policy making.**

The objective is to improve the quality of content, scope and coverage of information, nature of analysis, relevance and outreach of the bulletin by i) carrying out a critical assessment of the food security related data available in the country, ii) holding a workshop where contributors to the bulletin and current and potential users of the bulletin will meet to exchange information on what information is or will become available and what are user needs and how can they best be met; and iii) providing technical assistance both to improve the statistical analysis and presentation in the bulletin and to implement the user requests. Two training sessions of 1-week’s duration in statistical analytic tools will be held in Tbilisi to improve the analytical and presentation skills of selected members of the DS concerned with food security data. TA for the production of the improved bulletin will be provided until the end of 2006, with a view to ensuring that both the editor of and contributors to the bulletin are able to carry on independently in 2007. In addition, the improvements to be made in the agricultural survey system (see below) will enhance the quality and scope of the information available in the bulletin for decision makers. The FSIS section of the DS and the current and/or potential recipients of the improved bulletin will be the beneficiaries.

### **2. Support to the Department of Statistics in the design and development of an agriculture sample survey.**

The aim of this activity is to establish a reliable system for collection of official agricultural statistics based on household surveys. The following sequence of activities will help achieve this objective:

- A comprehensive review of existing methodology for the collection of statistics
- Identification of need for newer types of statistics to feed the policy formulation process through a user survey
- Preparation of an annual survey calendar keeping in view the workload and appropriate timing for collection of statistics on specific areas.
- Methodological development (survey questionnaires and concepts) and pilot testing.
- Making necessary modifications in the existing sampling designs.

The areas of agricultural statistics to be covered would include: land utilization, irrigation and drainage, input use (fertilizer, pesticides, credit, machinery and seeds), production statistics, uses of production and prices received, and inland aquaculture. Keeping the priority needs of the Government in mind, questionnaires will also be developed for the collection of simple but useful

statistics on community infrastructure, sources of household income and food security and integrated into the survey system. The result of the recent agricultural census would provide a basis for planning of surveys to collect such statistics. While some of these statistics would be collected and could be available for use during 2006, for most of statistics, pilot tests would be carried out twice during 2006 and the questionnaires would be finalized for possible use during 2007.

The new survey programme could be implemented on the basis of the existing sampling design and administrative system, with necessary modification to ensure representativeness of the sample. This would leave some scope for further work on development of optimal sampling designs for various data items, which may be undertaken at a later stage keeping in view the new field structure of statistical enumeration areas proposed to be created.

### **3. Develop and include a food security questionnaire into the agricultural sample survey.**

The present FS related information in the country is largely based on poverty indicators. Except for some community based sample surveys carried out by WFP, the information on seasonality, coping mechanism and causality of food insecurity in the country is limited. To fill this gap, a new food security questionnaire will be introduced in the agricultural sample survey system. The questionnaire would rely on simple but robust measures and would not be a substitute for a HBS of Consumption-Expenditure Survey. Its draft will be presented and discussed at the workshop mentioned in the first AOI.

### **4. Training in the analysis of the household budget survey to determine the extent of under-nourishment in the country.**

The HBS is a key source of data for food security and poverty analysis and the contribution of the programme to this activity will build on training received in Phase I. The specific objectives are: (1) to further build the capacity of the HBS team to analyse the data to determine extent of under-nourishment, and (2) to respond to specific requests of the HBS team for development/provision of an appropriate scale of conversion factors to convert units of food into dietary energy supplies, and micronutrients.

To first objective will be met through one week on-the-job training on updated procedures of data processing, statistical estimation and report writing tools. At a later stage representatives of the DS (HBS and FSIS sections) will participate in a regional workshop to be organised by ESSA. This workshop will bring together representatives of producers and users of indicators of food consumption statistics from other CIS programme countries for analytical training in obtaining the maximum amount of food security information from the existing HBSs and will be a forum for inter-country technical discussion. Awareness of the importance, content and use of the HBS information will be raised in the Bulletin evaluation workshop. A mission of a nutrition expert at an appropriate time to look into the appropriateness of calorie scale and norms would contribute to the second objective.

### **5 Review of the methodology and the results of the on-going Household Budget Survey, Food Consumption Survey 2000/01 and the Multi- Indicator Cluster Survey with a view to generating consistent and complementary data.**

The aim of this intervention would be to move towards a system where the statistics generated through the three sources is consistent and complementary rather than conflicting. This activity would particularly aim at studying the results and methodology of these surveys with the objective of identifying sources of discrepancies and making recommendations for generating consistent food security statistics, if possible by integrating sampling designs and harmonizing the concepts used for these surveys.

The table below shows how the above areas of intervention relate to the Programme logical framework:

Specific Global Objectives	Results	Outputs	Areas of Intervention
1 - Improve availability and quality of relevant food security information	A - Collection of food insecurity and vulnerability data and information is improved or strengthened	1.A.1 - Food insecurity and vulnerability data and information are improved	1, 2,3,4,5,
		1.A.2 - Food insecurity and vulnerability data and information management are strengthened	2,3,4,5
	B - Analysis of food insecurity and vulnerability data and information is strengthened	1.B.1 - National and regional capacity to analyze food insecurity and vulnerability data is strengthened	1
		1.B.2 - Capacity of using environmental monitoring tools and data for food security assessment are strengthened	
		1.B.3 - GIEWS Workstation is established at global and national levels and capacity in its use is strengthened	
	1.B.4 - National and regional capacity for food security assessment is reinforced	1,4,5	
2 - Reinforcing capacity in formulating food security policies, strategies and programming based on food insecurity and vulnerability information	A - National and local capacity to produce and use information for policy making are reviewed and updated	2.A.1 - Gaps in national and local capacity to produce and use information for policy making are identified	1,
	B - National and local capacity to produce multi-sector food security information is strengthened	2.B.1 - Response mechanisms to crises and food security policy formation are improved	2
		2.B.2 - National institutional structures and systems are reviewed	2
	C - Dissemination of food insecurity and vulnerability data and information is strengthened	2.C.1 - Integrated food insecurity and vulnerability data and information dissemination systems are strengthened	1
	D - Capacity to formulate appropriate food security policies in different contexts using adequate information is increased	2.D.1 - Methodological approaches for integrated use for household, food insecurity and vulnerability data are strengthened	2,4,5,
		2.D.2 - Guidelines to switch from rehabilitation to development using appropriate data and information are prepared	
		2.D.3 - Awareness to embody gender aspects in policies using gender disaggregated information is increased	
2.D.4 - Capacity to formulate food security and rural development policies in countries with natural resources under pressure is increased			
	2.D.5 - Support to selected countries in preparing strategies and operational plans for food security agricultural and rural development is provided		
3 - Raise awareness of governments, local actors and international community, on impact of food insecurity & poverty	A - Causes of food insecurity and vulnerability are better understood	3.A.1 - National context analysis of food insecurity and vulnerability are better understood	2,3, 5
	B - Good practices in food security, poverty and rural development, institution building and networking are identified, analysed and disseminated	3.B.1 - Good practices in food security, vulnerability, institution building and networking are identified, analyzed and disseminated at national level	
		3.B.2 - Good practices in food security, poverty and rural development are disseminated	
	C - Dialogue and exchange of experience within the international community are improved	3.C.1 - Dialogue and exchange of experience among international community are facilitated	1,4
		3.C.2 - Improved information in qualitative and quantitative terms is provided to the GDPRD	2

## Risks

- The Government is expecting technical assistance for strengthening their agriculture survey system from USDA as well. This is being addressed through AOI 2 under the programme. In the interest of building synergies and complementarities between the

activities of USDA and FAO, it may become necessary to shift FAO assistance to other activities, upon receipt of such a request from the Government.

- Given that FSIS and Agricultural Statistics unit in DS is same and is apparently understaffed, the availability of time of national officers for programme related activities is likely to be a major constraint in implementation of the activities in the stipulated time schedule which is already tight.
- There is a proposal to create a field structure for collection of data by 2007. As the posts of field enumerators in many sakrebulos have fallen vacant and are not being filled due to resource constraint, the full implementation of the survey programme in 2007 depends upon the availability of adequately qualified enumerators. Field structure availability of the Ministry of Agriculture for survey work is not clear at this stage.