

February 2016

## MARKET OPPORTUNITIES FOR LIVELIHOOD IMPROVEMENT (MOLI) PHASE II

### BACKGROUND

The Kakheti region is one of the leading agricultural regions in Georgia and shows high levels of unemployment and poverty. Its population relies to a large extent on subsistence agriculture. Some eighty percent of the population live in rural areas and are engaged in agriculture, supplying Tbilisi and other regions of Georgia with agricultural products. Although women are



*Population of the Kakheti region rely mainly on subsistence agriculture. PHOTO/FDFA*

actively involved in farm work, their role is often underestimated and they face difficulties in securing land and getting access to extension services, inputs and credits. The region is disaster prone, especially regarding draught and floods. Farmers and local authorities of rural areas are particularly vulnerable, lacking awareness, capacities and resources to tackle these disaster risks, leading to a slowed down economic development in the region.

### FACTS

**Country:** Georgia (Kakheti region)

**Duration:** 1 Dec '15-30 Nov '18

**Total Budget:** CHF 2'500'000

**Project Partner:** HEKS-EPER  
(Switzerland)

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## PROJECT OBJECTIVE

The overall goal of the project is to contribute to the reduction of poverty in the Kakheti region by improving the livestock market system.

The 2<sup>nd</sup> phase is also the project's exit phase, which aims to extract the results from its 1<sup>st</sup> phase and assure the sustainability of its achievements.

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## PROJECT ACTIVITIES

The project continues working in the diary and meat value chains in the municipalities of Sagarejo, Sighnagi and Dedoplistskaro, and, also, extends its geographical coverage embracing the municipalities of Gurjaani, Telavi and Akhmeta. In its third year of implementation, the project will emphasize more on monitoring of the overall results.

The project supports the involvement of the private sector in local governance structures in favour of sustainable livestock development. The project will allow market players to take part in the identification, formulation and advocacy of initiatives during the business working group discussions at municipal and regional levels.

In a nutshell, the project will operate in the following three lines:

- **Market access:** the project will provide technical and financial support to private sector entities
- **Production:** will build up the technical capacity of regional veterinaries and promote practices of livestock breed improvement and nutrition
- **Business enabling environment:** work on gender, DRR and governance issues that are relevant and important for small farmer families, e.g. animal disease control, access to pasture and public participation in decision making processes.

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## PROJECT RESULTS

- 27'000 small farmer families will benefit from increased sales of livestock products and increase their income by 20%
- 19 small and medium size enterprises will get compliant with food safety and hygiene standards imposed by the National Food Agency
- Small and medium enterprises increase their sales by 20%
- 90% of supported input and service suppliers will adopt new business models
- Two business forums will take place in each municipality annually
- Two initiatives will be submitted annually for dialogue on a national level

**Agriculture** is the fourth most important economic sector of Georgia, accounting for approximately 9.2% of GDP but employing roughly half of the labour force. Compared to other sectors, the agricultural sector in Georgia stagnates.

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