**FAO Support to the food safety under the ENPARD IV programme**

GCP/GEO/026/SWE

**Grant Operational Manual**

July 2025

**Support package 7**

“S*upport package for small and medium-sized hazelnut producers*”

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# Acronyms used

ENPARD - European Neighborhood Programme for Agriculture and Rural Development

FAO – Food and Agriculture Organization of the United Nations

FBO – Food Business Operator

GOM – Grant Operational Manual

MEAL- Monitoring Evalution Accountability and Learning

MEPA – Ministry of Environmental Protection and Agriculture of Georgia

NFA – National Food Agency

PIU – Project Implementation Unit

RDA –Rural Development Agency

SMEs – Small and Medium Enterprises

SPS – Sanitary and Phytosanitary

UN – The United Nations

# Definition of key terms used

Matching grant: Investment support provided by FAO to cover part of an investment in equipment.

Matching contribution: Financial contribution provided by the grantee to cover part of an investment in equipment.

Grant application: Application for a matching grant from FAO comprising a grant application form and all related supporting documents.

Grant agreement: Agreement signed between the grantee and FAO outlining the extent of the investment support provided, the grantee’s obligations, and the general provisions of the contract.

Program’s platform: Online platform which serves as the main interface between the applicant and FAO. All grant applications will be directly uploaded on the platform.

Personal file: Secured and individual file on the program’s platform where the applicant can upload his grant application.

Technical review: Technical review of the grant applications performed by FAO analyzing the general vision and coherence of a proposed investment support and its adequacy with the program’s objectives.

Verification field visit: Field visit to the applicant’s premises by FAO to verify on-site the main assumptions included in the grant application.

Investment implementation plan: Detailed timeframe outlining the different milestones to complete the investment support.

# 1. Introduction

This Grant Operational Manual (GOM) outlines the administrative, technical and financial processes to be used for support package 7 “*Support package for small and medium-sized hazelnut producers*” under the Food and Agriculture Organization (FAO) support to the Food Safety and Sanitary and Phytosanitary Sector in Georgia under the European Neighborhood Programme for Agriculture and Rural Development, phase four (ENPARD IV).

FAO support to Georgian food safety and Sanitary and Phytosanitary (SPS) sector under ENPARD IV aims to support producers and Food Business Operators (FBOs) through support packages, aimed at allowing for the implementation of SPS/food safety regulations and requirements. These support packages comprise first a technical assistance provided to beneficiaries, and then a financial support mechanism in the form of a matching grant for the purchase of equipment directly linked with the implementation of SPS/food safety standards.

The programme has already implemented six support packages where the financial support mechanism came in form of supplier-delivered matching grants for which a separate GOM was prepared and approved at the inception phase of the project. Based on the experience and opportunities identified during the implementation of the project over the past two years, the Project Implementation Unit (PIU) has put forward a new support package in the form of a supplier-delviered grant targeting small and medium-sized hazelnut producers. This support package aims at improving post-production food safety issues by addressing the aflatoxin development risk identified in the hazelnut value chain, and in particular at farm-level due to poor post-harvest practices and equipment. Comprising a comprehensive training and an opportunity for a matching grant that will cover the purchase of equipment related to hazelnut drying, the support package also aims at incentivizing due legal registrations among the target beneficiaries.

All reviews and field visits foreseen under the selection process will be performed by a team of experts from FAO, that comprise of national grant analysts, international value chain expert and food safety expert. It is expected that the project activities will positively impact the food safety condition of Georgian hazelnuts and ensure higher compliance with national food safety regulations. The project is funded under the fourth phase of ENPARD and builds upon the results delivered by FAO and other partners through the projects that were implemented under ENPARD I, ENPARD II and ENPARD III.

# 2. Grant component scope, eligibility criteria, and eligible investments

## 2.1 Scope of the grant component

FAO support under this support package of ENPARD IV envisages the provision of matching grants to small and medium-sized hazelnut producers in the five main hazelnut-growing regions of Georgia, namely Samegrelo Zemo Svaneti, Guria, Kakheti, Adjara and Imereti, which account for 98% of the national production.

## 2.2 Eligibility criteria for applicants

The provision of a matching grant will be based on a list of eligibility criteria that will have to be met by all applicants, as well as a technical evaluation of the grant applications. To be eligible, applicants will have to meet the following criteria:

* Have participated in at least one hazelnut food safety training provided by FAO under the ENPARD IV programme.
* Own or manage between 0.5 and 30 hectares of hazelnut groves in the eligible regions.
* Have an active business currently engaged in the production of hazelnuts in Georgia. The business must be majority owned by citizens of Georgia (over 50%) and provide appropriate supporting documentation as detailed in the application form.
* Have available premises deemed suitable to install the equipment.
* All applicants must be duly registered under Georgian law at the Public Registry (National Agency of Public Registry). Applicants will be asked to hold a legal status. Applicants must not be bankrupted, liquidated, nor have their affairs administered by the court.
* Applicants should not have any ongoing dispute with the Revenue Service, National Bureau of Enforcement, or other respective government bodies.
* All applicants must attend hazelnut food safety trainings that will be organized by FAO prior to the grant agreement signature.
* All applicants may be subject to a field visit performed by FAO’s food safety expert to assess the technical adequacy of the proposed investment and ensure alignment with project objectives. The results of the field visits and technical assessment will be outlined in a report.
* Applicants who have already received matching grants under ENPARD IV may apply again only if their initial grants are fully and successfully implemented (including the processing of the last due payment to the supplier), no breach of the first grant agreement has been identified, and the new proposal finances items that were not previously funded by the first grant. However, the sum of all grants awarded to a single beneficiary under the program must not exceed the maximum cumulated ceiling of USD 50,000. If the proposed budget exceeds this ceiling, partial funding may be considered, with budgets adjusted as needed. All grant windows under ENPARD IV are independent, and receiving a grant under one does not guarantee or influence the outcome under another. The eligibility conditions and selection criteria under this window apply equally to all applicants, regardless of whether they have previously received a grant under the program.Applicants must be committed to adherence to high ethical business standards, including transparency in business dealings, disclosing any actual or perceived conflicts of interest, record and book keeping.
* Applicants cannot be involved in UN prohibited activities; have existing defaults on other assistance programs; or be a direct relative (spouse, child, parent or brother/sister) or business associate of FAO or FAO implementing partner organization’s staff.
* The applicant shall take all reasonable precautions to avoid any conflict of interest and shall inform FAO without delay of any situation constituting or likely to entail a conflict of interest including any FAO personnel, any individual or entity involved in the grants process, whether in relation to application, technical review, selection, monitoring, payment or any other component, or any personel from a contracted partner of FAO, having an interest of any kind in the applicant’s activities.
* Any type of fraudulent action will result in immediate termination of the project by FAO.

## 2.3 Eligible investments

The program will be implemented through supplier-delivered matching grants. The list of eligible investments includes:

- vertical hazelnut dryers, multiple capacities

- conveyor belts for hazelnut dryers

- moisture analyzers for hazelnuts

Each equipment is offered by one or more suppliers at conditions pre-selected by FAO through a competitive process prior to the grants’ call for applications. Technical specifications for each of the selected equipment can be found in Annex 1 of the GOM. Applicants will be offered the opportunity to apply for one or more of the equipment in the list above, with a combined grant value lower or equal to USD 50,000. For more details about the equipment and the conditions offered, please refer to the project’s website.

## 2.4 General principles and investment support ceilings

The program requires beneficiaries to co-invest 30% of the total investment in cash. This matching contribution requirement will apply to all applicants with the aim of ensuring that beneficiaries are committed to the project and are financially capable of implementing it.

The program considers cash made available specifically and directly for the investment plans as eligible forms of matching contribution. The matching contribution will have to be paid by the grantee to the supplier following the signature of the grant agreement, and prior to the delivery of the equipment. No in-kind contribution (such as labor, donated land, equipment, etc.), leasing, or other donor funding (“single funding rule”) can be considered as part of the matching contribution.

The total matching grant that can be provided by FAO should not be below USD 1,000 or above USD 50,000. The matching grant will be disbursed directly to the equipment suppliers, following the successful payment of the matching contribution by the beneficiary and the delivery of the equipment by the suppliers. While an applicant can receive several grants, the aggregated amount received under ENPARD IV cannot exceed the maximum ceiling of USD 50,000. All matching grants should be implemented at least three months before the end of the ENPARD IV program. All applicants will be responsible for payment of all relevant taxes/fees according to the Georgian legislation.

# 3. Application process

The process for the support package will follow a sequence of well-defined steps:

## Phase 1: Outreach to potential beneficiaries

The PIU will coordinate with other FAO ENPARD IV project teams, namely communications and extension teams, in order to ensure that the information about the support package has a wide reach of potential beneficiaries across the country. Firstly, existing social media and information channels will be used to announce the opening of the support package and invite potential beneficiaries to apply. The channels used will be FAO Georgia Facebook page and website, as well EU in Georgia Facebook page. The PIU will also liaise with counterparts from MEPA and NFA to inform them about the launch of this funding opportunity. To identify and inform potential eligible applicants, FAO will also rely on the list of roughly 5,000 hazelnut producers that have received technical training under support package 4.

Outcome: Potential beneficiaries have been directly or indirectly informed of the support package opportunity and invited to submit their application through a dedicated platform.

## Phase 2: Application creation on the grant’s management platform

Applicants will need to register on FAO’s grant management platform, accessible through the project’s website. To register, applicants will be required to upload their profile information, including their credentials and contact information. Upon submission of their registration request, the applicants will receive unique identification credentials in order to access their personal file on the platform.

After creating their profile, applicants will be invited to fill in their application form:

* In order to file a grant application, all applicants should log into their personal profile on the platform.
* Applications should be prepared directly on the program’s platform and all necessary supporting documentation should be uploaded electronically. To be considered submitted, an application should contain all requested information and supporting documents.
* The applicant will be asked to provide detailed information about the strategy and the reasoning for the investment, information about the applicant’s business, as well as information about the equipment they are requesting. The application form will also need to include a tentative budget for the proposed investment.
* The applicants may request assistance from FAO in formulating their applications, through phone or email.
* Applicants will be provided with a set deadline to submit their applications. Applications received after the deadline will not be considered eligible.
* Only one application may be submitted by each applicant at a time, whether the applicant is submitting as an individual or a legal entity. If more than one application is submitted, only the largest application associated with the applicant will be kept.
* After submission, the applicant will receive an official confirmation receipt including the unique serial number of their application. The receipt will be electronic (e.g. confirmation email).
* Once submitted, an application cannot be recalled or amended in any way, except if required by FAO.
* Applications that do not include all the items and supporting documents required on the application platform may be rejected.
* In the case of applications by SMEs, applications must either be submitted or authorized by the legal representative of the company.

When filling the application form on the platform, the following supporting documents will be requested from the applicants:

1. Copy of the passport or national ID of the director/chairman/legal representative of the company.
2. Registration extract from the National Agency of Public Registry.
3. Extract from the public registry with cadastral maps/extracts and ownership of agricultural/commercial land, or rental contract if applicable.
4. Pictures of the farm, including of the premises where equipment will be installed
5. Detailed budget for the proposed investment.

Outcome: The applicant’s profile is created on the program’s grant management platform, the application is submitted, and all relevant supporting documents are uploaded.

## Phase 3: Eligibility review

After the grant application has been submitted, FAO will perform an eligibility review to confirm the compliance of the applicant’s profile with the minimum eligibility criteria of the support package, detailed in section 2.2. In parallel, the received documentation and supporting documents will be reviewed. In case some information is missing, the applicant will be contacted by FAO and requested to provide the missing information in a timely manner.

Outcome: The application form has been reviewed against eligibility and completeness by FAO. If eligible and complete, the application is moved to the next stage – first level technical assessment. If the application does not meet minimum eligibility criteria, it will be proposed for rejection.

## Phase 4: Technical evaluation and scoring of the proposed matching grant

At this stage, FAO will technically review and score the proposed matching grant application. The scoring process is composed of an initial review by a FAO grant analyst and then of a peer review by the Grant Manager (Chair of the Technical Review process), in line with the four eyes principle. If deemed necessary from a technical perspective, the grant manager can request the technical opinion of additional members, either internal or external to FAO, and/or decide on a verification field visit to confirm the information included in the grant application form. This double procedure ensures a transparent and independent scoring process.

This technical review aims to ensure the compliance of the application with the scope of the support package considered and the grant operational manual requirements, as well as the soundness of the project from a technical perspective. This verification is limited to the eligibility, completeness, technical and programmatic adequacy, and budget.

Scoring criteria are detailed in Annex 2 of the GOM.

The applicant will be required to score a minimum of 70 out of 100 points. Applications that do not pass the 70 points thresholds will not be further evaluated and proposed for rejection to the selection committee. Applications that pass the 70 points thresholds will be proposed for approval to the selection committee.

A successful technical assessment does not represent, under any circumstances, a commitment by FAO to financially support the applicant for his/her/its project.

Outcome: The matching grant application has been technically revised and scored by FAO and is ready to be proposed for selection.

## Phase 5: Matching grant selection and decision on award

The decision on the award of grant applications will be taken by a selection committee composed of the ENPARD Programme Manager (Chairperson), FAOGE Operations Specialist (Secretary), and FAOGE International Food Safety Expert, and a representative of the co-implementing partner (CzDA).

* The committee may select, reject, request additional supporting documentation, propose modifications, or add conditions to the approval.
* The selection will be documented in the minutes to be prepared by the PIU and include a clear justification for selection or non-selection for each application.
* Applications submitted and any attached documentation will not be returned to the applicants but will not be shared with any other institution without formal approval from the applicant.

The award decisions of the selection committee will be documented in a minute signed by all members. The signed minutes will then be shared with FAO project Budget Holder for final approval. The Budget Holder is responsible for final approval or rejection of the associated grant awards. The grant approval decision by the Budget Holder is final and irreversible. There is no appeal process against the decisions. However, FAO is committed to ensuring the most transparent approach to the grant management process, in line with the organization’s ethical commitments, and will establish a Grievance Review Mechanism accessible from the grant management platform. This will provide applicants or beneficiaries with a transparent, effective and timely mechanism to provide feedback and voice their concerns. More details about the Grievance Review Mechanism can be found on the program’s website.

Outcome: The proposed grant projects were assessed by the project’s selection committee and the outcome of the meetings is documented in a minute signed by all three committee members. The minute is then shared with the Project Budget Holder for final approval and signature.

## Phase 6: Zoho profile creation

In case the applicant has been successful, and their application approved by the selection committee, FAO will create an individual profile form on the Zoho monitoring platform used by the project to allow for a precise follow-up of all the activities to be performed through the support package process and for general record keeping.

Outcome: A monitoring profile has been created by FAO on the Zoho platform.

## Phase 7: Preparation and signature of the grant agreement

1. Investment implementation plan:

Together with the future beneficiary, FAO will review the investment timeframe proposed in the application and will define an investment implementation plan that includes:

* 1. the modality of support, including specific milestones to be achieved by the beneficiaries if deemed necessary.
	2. the approved budget of the matching grant award, including the detailed listing of equipment to be purchased, the details of the financing of the investments (matching grant, matching contribution), and the related suppliers.
	3. the payment schedule, with payments conditioned to the achievement of defined milestones if required. The payment schedule will be tailored for each investment based on the implementation requirements.

The beneficiary is fully responsible for the proper implementation of the approved investments.

1. Grant agreement signature:

The grant agreement, duly prepared and comprising the general conditions, the approved budget, the detailed listing of equipment to be purchased, and the investment implementation plan, will have FAO and the beneficiary as main signatories. Only the initial applicant may sign the grant agreement. Any deviation should be justified by a force majeure case and discussed with FAO prior to the signature.

By signing the grant agreement, the applicant commits on keeping and maintaining the entirety of the supported equipment for a minimum period of five years following the agreement signature date. Following the signature of the agreement, the grantee will have to fulfill their obligations detailed in the grant agreement within a period of 2 months. Shall the obligations not be fulfilled by the grantee within that period of time, FAO reserves the right to terminate the grant agreement unilaterally as expressed in the provisions of the grant agreement.

The applicant will also commit to an open-door policy and to facilitate visits to their premises upon FAO’s request. The duties of the grantee also include a participation in FAO’s technical assistance activities relating to the field of activity in their geographical region.

The investment support will be managed by FAO in compliance with the FAO grant operational manual, the Grant Agreement, and all other applicable FAO rules and regulations.

Outcome: The grant agreement has been prepared in collaboration with the future grantee, including a detailed investment implementation plan, the approved budget, and the detailed listing of equipment to be purchased. Once prepared, the grant agreement is signed by the grantee and FAO.

## Phase 8: Matching grant payment

The matching grant payment will be made directly to the suppliers after the matching contribution has been paid to the supplier by the grantee and the effective delivery of the equipment has taken place. Supporting documents acknowledging the effective delivery of the equipment should be provided to FAO.

Following equipment delivery, FAO may organize an investment verification visit to verify beneficiaries’ compliance with the Grant Agreement and achievement of the milestone objectives, if any. Once the delivery is successfully verified, and if needed once the investment verification visit is conducted, FAO will proceed with the payment to the suppliers within a reasonable delay.

The payments will never be made to the beneficiary but instead to the suppliers directly.

As per FAO regulations, any payment in currency other than USD will be processed at the official United Nations Operational Rates of Exchange applicable when the payment is issued[[1]](#footnote-2).

In the case of multiple tranche payments, the payment of subsequent tranches will be subject to the validation of preceding milestone by FAO during investment implementation visits, as detailed in the following section.

Outcome: Upon confirmation of the matching contribution payment and of the equipment delivery, and if deemed necessary after a successful investment verification visit, FAO releases the first payment directly to the suppliers.

## Phase 9: (optional) Milestones achievements and investment verification visits

In the case of milestones defined in the grant agreement, FAO will perform investment verification visits to verify beneficiaries’ compliance with the Grant Agreement and achievement of milestones objectives before each due payment. The first visit should take place after the delivery of the equipment related to the first payment.

In the case of multiple instalments, FAO will perform one visit after each milestone objective is achieved. Achievement of milestones should be certified in writing by the PIU in the “Milestone Certification Report” before the release of each payment scheduled in the Grant Agreement.

Any possible deviation or anticipated delay relative to the schedule and conditions set out in the Grant Agreement will be reported by the PIU to the budget holder. Any request for modifications from the grantee after the signature of the grant agreement should be formally approved by FAO in written as stated in the provision of the grant agreement.

Outcome: In the case of multiple payments, milestone achievements are certified through a field visit by FAO project implementation unit before each additional payment.

## Phase 14: Monitoring activities

For impact evaluation purposes, FAO Monitoring Evaluation Accountability and Learning (MEAL) team may carry out evaluation follow-up visits to beneficiaries, or any other monitoring activity deemed necessary. These activities will be used by FAO as an opportunity to provide support and advice to the grantees to improve their performance and ensure efficient business operations, as well as to collect updated baseline information. The grantees will also be informed about other existing and expected development program activities.

To follow up on the investment activities and monitoring visits, FAO will collect and store information on the status of each investment individually. All of this data, along with general information about FAO implementation, impediments faced and solutions found, achievements and challenges, will be summarized on the Zoho monitoring platform used by the program. This data will include information on the condition of the beneficiary’s business both before and after disbursement of the grant.

FAO will be responsible for data collection and for monitoring beneficiaries’ progress. If a beneficiary is identified as “high risk” due to poor performance towards the targets, financial problems, inadequate management, or does not conform to the terms and conditions of the award, FAO will inform the beneficiary on the necessary measures, which can include agreement modification, suspension or termination in whole or in part.

Outcome: Monitoring activities are performed by FAO MEAL team to assess the effectiveness of the program and identify new potential needs or challenges at beneficiary level.

*Notice: This grant operational manual is produced in both English and Georgian languages. Shall there be any discrepancy in the translation, the English version shall prevail.*

# Annex 1: Technical specifications of the pre-selected equipment

**Equipment and criteria:**

|  |
| --- |
| **Vertical hazelnut dryers – multiple capacities**  |
|
| **1.0** | **Technical Specifications:** |
| 1.1 | Type: Electrically powered, diesel/LPG-fired vertical batch dryers with forced air circulation and temperature control |
| 1.2 | Drying capacity: * Small model: 700 – 2,000 kg/batch (approximately 1.2 – 5 m3), and/or
* Medium model: 3,000 – 6,000 kg/batch (approximately 6 – 14 m3), and/or
* Large model: 8,000 – 12,000 kg/batch (approximately 16 – 25 m3)

*(Suppliers are invited to offer dryers of multiple capacities)* |
| 1.3 | Drying chamber: Cylindrical drying chamber with perforated base and insulated walls to ensure even air flow and thermal efficiency. |
| 1.4 | Structure material: Steel S235JR  |
| 1.5 | Drying temperature range: Adjustable from 30°C to 60°C |
| 1.6 | Heating system: Integrated hot air generator using diesel or LPG.  |
| 1.7 | Air flow system: Forced air via axial or centrifugal fan |
| 1.8 | Mixing system: Integrated rotating with central handling auger for uniform drying |
| 1.9 | Fuel consumption:* Small: Approximately 3-8.5 kg/h
* Medium: Approximately 7-14,8 kg/h
* Large: 16-30 kg/h

*(May vary depending on fuel type)* |
| 1.10 | Drying time: Typically 12-24 hours, depending on moisture content. |
| 1.11 | Control panel: Analog or digital control panel including: * Temperature regulation
* Timer
* Fan and burner operation
* Emergency stop
* Optional programmable cycles
 |
| 1.12 | Moisture control: Manual sampling port standard with external moisture meter. |
| 1.13 | Power supply: * Small models: 220-230 V, single phase
* Medium and large models: 380 V, three-phase
 |
| 1.14 | Estimated power requirement: * Small: 2.3-4.0 kW
* Medium: 4.0-10 kW
* Large: 20.0 kW
 |
| 1.15 | Safety features: * Emergency stop switch
* Over-temperature protection
* Heat shielding on burner and fan compartments
* CE-compliant guarding and electrical safety measures
 |
| **2.0** | **Compliance with International Standards:** |
| 2.1 | All hot or moving components must be safely enclosed and comply with international machinery safety standards (e.g. CE marking, ISO 12100 or equivalent). |
| **3.0** | **Manuals** |
| 3.1 | Instruction manual must be provided in either English or Georgian with each unit. |
| 3.2 | Costs of manuals must be included in the overall equipment price. |
| 3.3 | Each dryer must include a basic tool kit for maintenance and standard adjustments. |
| **4.0** | **After sales service** |
| 4.1 | Supplier must have a local representative or authorized service provider network in Georgia. A list of agents, with contact information, must be included in the offer. |
| **5.0** | **Warranty** |
| 5.1 | Minimum two-year warranty required for all major components: burner, fan, control panel, and structural frame. |
| 5.2 | The warranty must be transferable to the final beneficiary receiving the equipment. |

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| **Conveyor belts for hazelnut dryers**  |
|
| **1.0** | **Technical Specifications:** |
| 1.1 | Type: Motorized conveyor belt for loading or unloading in-shell hazelnuts to/from dryers, storage bins, or trucks. |
| 1.2 | Compatible dryers: Must interface with dryers from 700 kg up to 6 ton batch capacity. For dryers of 12 ton, a bucket elevator of 6.5-7 meters is necessary. |
| 1.3 | Dimensions: * Belt width:200-400 mm
* Belt length: 2-7 m
 |
| 1.4 | Structure material: Steel S235JR. Adjustable height support legs. Mobility via wheels. |
| 1.5 | Belt material: Rubber |
| 1.6 | Motor: Electric motor with belt or chain drive. |
| 1.7 | Power supply: * 220-230 V, single-phase for small conveyors
* 380 V, three-phase for larger conveyors
* Estimated power: 0.55-2 kW
 |
| 1.8 | Loading/unloading end: Equipped with deflectors or guides. Adjustable drop height. |
| 1.9 | Safety features: * Emergency stop switch
* Protective guards over drive system
* CE-compliant electrical panel
 |
| 1.10 | Integration with dryers: Conveyor belts should be compatible with the intake height and output system of the corresponding dryer model.  |
| **2.0** | **Compliance with international standards:** |
| 2.1 | All components must be safely enclosed and comply with international machinery safety standards (e.g. CE marking, ISO 12100 or equivalent). |
| **3.0** | **Manuals** |
| 3.1 | Instruction manual must be provided in either English or Georgian with each unit. |
| 3.2 | Costs of manuals must be included in the overall equipment price. |
| 3.3 | Each conveyor must include a basic tool kit for maintenance and standard adjustments. |
| **4.0** | **After sales service** |
| 4.1 | Supplier must have a local representative or authorized service provider network in Georgia. A list of agents, with contact information, must be included in the offer. |
| **5.0** | **Warranty** |
| 5.1 | Minimum two-year warranty required for all major components.  |
| 5.2 | The warranty must be transferable to the final beneficiary receiving the equipment. |

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| **Moisture analyser for hazelnut**  |
|
| **1.0** | **Technical Specifications:** |
| 1.1 | Types: Handheld, battery-powered or benchtop moisture analyser for rapid testing of moisture content in hazelnuts |
| 1.2 | Moisture measurement Range: 4% – 22% (at minimum) |
| 1.3 | Measurement resolution: 0.1% moisture or better |
| 1.4 | Measurement accuracy: ±0.2% or better (under standard conditions) |
| 1.5 | Sample size: Suitable for 5–30 g or equivalent in volume (whole or shelled nuts) |
| 1.6 | Measurement time: Maximum 120 seconds per sample |
| 1.7 | Measurement principle:* Electrical resistance/capacitance (for portable units)
* Gravimetric with halogen or infrared heating (for benchtop units)

*Both methods must be supported by calibration against known standards* |
| 1.8 | Power supply:* Handheld models: 9V battery or rechargeable internal battery
* Benchtop models: 220–230 V
 |
| 1.9 | Display: Digital or analog scale display with backlight or high-contrast screen; shows % moisture content clearly |
| 1.10 | User interface: Simple controls (e.g., Start/Stop, Product selection, Calibration) |
| 1.11 | Calibration: Factory-calibrated for hazelnuts; user adjustment or offset correction possible |
| **2.0** | **Compliance with international standards:** |
| 2.1 | All components must be safely enclosed and comply with international machinery safety standards (e.g. CE marking, ISO 12100 or equivalent).  |
| **3.0** | **Manuals** |
| 3.1 | A user manual or basic product sheet must be provided in either English or Georgian with each unit. |
| **4.0** | **After sales service** |
| 4.1 | Supplier must have a local representative or authorized service provider network in Georgia. A list of agents, with contact information, must be included in the offer. |
| **5.0** | **Warranty** |
| 5.1 | Minimum one-year warranty required for all major components.  |
| 5.2 | The warranty must be transferable to the final beneficiary receiving the equipment. |

Interested companies are requested to submit an Expression of Interest (EOI) outlining their capacity, experience, and commitment to meeting the specified criteria. The EOI should include the following:

Company Profile: Overview of the company's history, expertise, and relevant experience in supplying similar equipment.

Product Portfolio: Details of the proposed equipment, including specifications, features, and any selling points across the country.

Warranty and After-Sales Support: Information about warranty terms and the availability of technical support.

Price Structure: Estimated pricing for the equipment (Including VAT), considering factors such as quantity and any bundled offerings. The quantity requested is still not determined, so please provide a price structure based on quantity.

*Company selection criteria:*

1. Reputation and Experience:

Demonstrated experience in supplying hazelnut/post-harvest equipment, in particular through governmental or non-governmental tenders.

Positive track record of delivering quality products and exceptional customer service.

1. Product Quality and Compliance:

Ability to provide equipment that meets or exceeds the specified technical criteria.

Compliance with relevant industry standards and regulations for hazelnut equipment.

1. Technical Support and Training:

Availability of comprehensive technical support for troubleshooting, equipment setup, and ongoing assistance.

Suppliers will be asked to deliver and fully install the equipment, as well as provide training to beneficiaries on the usage of the equipment.

Provision of training resources and materials to educate users on equipment installation, operation, and maintenance.

1. Warranty and After-Sales Service:

Offering competitive warranty terms that provide peace of mind to users regarding the durability and functionality of the equipment.

Availability of responsive after-sales service for addressing any issues or inquiries that may arise.

1. Value Proposition and Pricing:

A clear and transparent pricing structure that reflects the quality of the equipment and the value it brings to the organization.

Consideration of factors such as volume discounts and bundled offerings for cost-effective solutions.

1. Ethical Business Practices:

Adherence to ethical business practices, including transparency, honesty, and fair dealings with clients

# Annex 2: Scoring Criteria for Support package 7: “Support package for small and medium-sized hazelnut producers”

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Score** | **Total score** |
| **Applicant profile** |  |  | 15 |
|  | The applicant has been operating for more than a year. | 5 |  |
|  | The applicant is a member of an association, or other formal or informal group.  | 3 |  |
|  | The applicant is a woman or employs at least 40% women. | 2 |  |
|  | The applicant has received technical assistance lately (in the last 2 years).  | 1 |  |
|  | The applicant has an accounting system/ records his expenses. | 2 |  |
|  | The applicant demonstrates a strong professional background of personnel/ adequate team. | 2 |  |
|  |  |  |  |
| **Application profile** |  |  | 15 |
|  | Background and situation analysis | 2 |  |
|  | Applicant's experience and skills in relation with the project  | 2 |  |
|  | Target product, market, and selling strategy | 2 |  |
|  | Investment strategy and relevance | 5 |  |
|  | Risk assessment - understanding and mitigation measures | 2 |  |
|  | Public interest of the project for the community | 2 |  |
|  |  |  |  |
| **Economic aspect** |  |  | 10 |
|  | Does the project have the potential to create or retain jobs? | 2 |  |
|  | How likely is it that the project will increase the applicant's revenue? | 2 |  |
|  | Will the project enable the applicant to access new markets or scale existing operations? | 2 |  |
|  | Does the project demonstrate efficient use of funds relative to expected economic benefits? | 4 |  |
|  |  |  |  |
| **Social aspect** |  |  | 8 |
|  | Will the project positively impact local communities, such as improving access to safe food or enhancing livelihoods? | 2 |  |
|  | Does the project promote gender equality, minority representation, or inclusion of underserved populations? | 2 |  |
|  | Will the project contribute to healthier food consumption patterns or reduced health risks for the local population? | 4 |  |
|  |  |  |  |
| **Environmental aspect** |  |  | 8 |
|  | Does the project incorporate eco-friendly practices, such as waste reduction, energy efficiency, or use of renewable resources? | 2 |  |
|  | Will the project significantly post-harvest losses of the business? | 2 |  |
|  | Does the project optimize the use of resources like water, energy, or raw materials? | 2 |  |
|  | Does the project contribute to protecting ecosystems or enhancing biodiversity? | 2 |  |
|  |  |  |  |
| **Food safety aspect** |  |  | 14 |
|  | Will the project help the applicant meet or exceed national food safety standards? | 4 |  |
|  | Does the project mitigate specific food safety risks? | 5 |  |
|  | Is the project introducing new technologies or methods to improve food safety? | 2 |  |
|  | Will the project enhance the traceability and transparency of the food supply chain? | 2 |  |
|  | Has the applicant made Food Safety related investments already? | 1 |  |
|  |  |  |  |
| **Alignment with project objectives** |  |  | 20 |
|  | Does the project clearly align with the overall goals of the grant program? | 8 |  |
|  | Is the project realistic in scope, timeline, and execution? | 4 |  |
|  | Would the project likely happen without the help of a matching grant? | 8 |  |
|  |  |  |  |
| **Sustainability of the investment** |  |  | 10 |
|  | Is the project designed to deliver lasting benefits beyond the grant funding period? | 2 |  |
|  | Can the project be expanded or replicated to benefit more stakeholders in the future? | 2 |  |
|  | Does the project have a clear path to becoming self-funded or attracting additional investments? | 4 |  |
|  | Does the project include a solid plan for measuring outcomes and ensuring accountability over time? | 2 |  |
|  |  | **TOTAL** | **100** |

# Annex 3: Concept note for Support package 7: “Support package for small and medium-sized hazelnut producers”

**Concept note for a complementary targeted activity (approved by SIDA, and MEPA):**

“Support package for small and medium-sized hazelnut producers”

**1. Risks identified and supporting data**

Hazelnuts are a key crop in Georgia, supporting rural livelihoods and contributing significantly to the country’s agricultural economy. According to official statistics, Georgia produced approximately 36,900 tonnes of hazelnut in 2023 (*Figure 1*), with up to 70% of this volume exported primarily to the European Union (GeoStat). In terms of value, the hazelnut exports amounted to around USD 80 million in 2023 (FAO estimate). Georgia accounts for about 4% of global hazelnut production, ranking fifth after Turkey (64%), Italy (8%), the United States (7%), and Azerbaijan (6%) (FAOSTAT, 2023).



*Figure 1. Production of hazelnut, 2015-2023 (GeoStat)*

The primary hazelnut-producing regions are Samegrelo (42%), Guria (21%), Kakheti (13%), Adjara (12%) and Imereti (10%). Other regions account for the remaining 2% of hazelnut production in the country. Internal data from the AgriGeorgia, a subsidiary of Ferrero, indicates that there are nearly 58,000 hectares under cultivation and around 72,000 farmers involved in the hazelnut sector (*Figure 2*).

|  |  |
| --- | --- |
| **Region** | ***AgriGeorgia database*** |
| *0.1-3 ha*  | *Number of farmers*  | *3-10 ha*  | *Number of farmers*  | *>10 ha*  | *Number of farmers*  |
| **Samegrelo** | 25,113  | 33,672  | 1,720  | 260  | 6,503  | 131  |
| **Guria** | 9,321  | 15,846  |   |   | 67  | 3  |
| **Imereti** | 3,757  | 8,630  | 110  | 12  | 279  | 12  |
| **Adjara** | 3,910  | 7,776  |   |   |   |   |
| **Kakheti** | 3,876  | 5,369  | 810  | 98  | 2,458  | 139  |
| **Others** | 73  |   |   |   |   |   |
| **TOTAL** | 46,050  | 71,293  | 2,640  | 370  | 9,307  | 285  |
| ***Total ha: 57,997*** | ***Total number of all farmers: 71,948***  |

*Figure 2. Regional distribution of hazelnut farmers and their orchard size (AgriGeorgia 2024)*

Yet, despite its strong export orientation and economic importance, Georgia’s hazelnut sector faces persistent food safety and quality challenges, primarily due to aflatoxin contamination. A 10-year analysis of the Rapid Alert System for Food and Feed (RASFF) notifications for aflatoxin in hazelnuts (2011–2021) shows that Georgian-origin consignments triggered 73 alerts, accounting for approximately 24% of the 309 notifications recorded for the five main exporting countries during that period1. The issue peaked in 2020–21 marketing years, prompting the EU to impose 50% physical and identity checks on all Georgian hazelnut shipments from December 2019, an indication of the severity of this issue.

While the situation has improved since 2021, with alerts dropping to five per year in 2023 and 2024, challenges persist2 (Figure 3). Georgia continues to record the highest number of aflatoxin-related RASFF notifications among hazelnut-exporting countries, despite producing far lower volumes than major exporters such as Turkey. This suggests that systemic issues in post-harvest handling and quality control remain and continue to undermine Georgia’s export performance and market reputation.


*Figure 3. Number of RASFF alerts/border rejections for hazelnut by country of origin (RASFF portal)*

Moreover, data from private sector-level checks further indicates the scale of aflatoxin contamination. AgriGeorgia, a subsidiary of Ferrero Hazelnut Company in Georgia, buys hazelnut directly from farmers and regularly monitors received batches. Approximately 18% of hazelnut batches tested in 2023 and 2024 showed the presence of aflatoxin, with 4% exceeding EU safety limits (Figure 3). It is important to note that Ferrero purchases only premium quality hazelnuts, suggesting that contamination rates may be significantly higher across the broader farmer base and in non-premium supply.

|  |  |  |
| --- | --- | --- |
|  | **2023** | **2024** |
| **Month** | **Total checked batch**  | **Aflatoxin case**  | **Rejected case *Exceeds the limit***  | **Total checked batch**  | **Aflatoxin case**  | **Rejected case *Exceeds the limit***  |
| **August** | 42  | 6  | 1  | 5  | 0  | 0  |
| **September** | 24  | 6  | 2  | 39  | 7  | 3  |
| **October** | 21  | 6  | 0  | 11  | 3  | 0  |
| **November** |    |    |    | 22  | 1  | 0  |

*Figure 3. AgriGeorgia monitoring of aflatoxin contamination in premium hazelnut batches received from farmers*

Aflatoxin contamination poses not only a serious food safety risk but also carries significant economic consequences. Georgian hazelnuts are consistently exported at prices below the global average, largely due to quality concerns. Shipments that are rejected because of contamination are typically returned at the exporter’s expense, and the recurring issues undermine the reputation and competitiveness of Georgian hazelnuts on international markets—ultimately affecting farmers’ incomes and profitability.

Aflatoxins are produced by *Aspergillus* fungi, which develop and thrive in warm, humid conditions – especially when nuts are damaged, harvested late, improperly dried, or stored under poor conditions. In Georgia, the most critical contributors to aflatoxin contamination are delays in harvesting and inadequate post-harvest practices, and the problem is especially pronounced among small and medium-sized farmers.

Many hazelnut farmers still rely on manual harvesting, which in itself is not problematic. However, due to a shortage of available labour, especially during peak harvest season, farmers are often forced to leave nuts on the ground for extended periods of time. Additionally, compounding this issue is the nature of Georgian hazelnut varieties, which remain on trees for extended periods, ripen in a gradual manner and once the fruits detach from the tree, the nut tends to remain enclosed within the husk. This further raise moisture levels creating ideal conditions for aflatoxin contamination.

When it comes to post-harvest management, once collected, hazelnuts must be de-husked, cleaned, sorted, dried, and stored immediately and properly. Many smallholder farmers rely primarily on sun drying, which does not allow for appropriate management and control of the moisture content in the hazelnut. When harvest periods coincide with intermittent rainfall and high temperatures (which is quite often the case, in particular in Western Georgia), such practice becomes ideal for aflatoxin development and fungal proliferation. For farmers producing larger volumes of hazelnut, the problem becomes even more critical with access to mechanized cleaners and driers being crucial to ensure adequate drying without delays and prevent aflatoxin development and quality losses.

The existing drying and storage facilities that operate as standalone businesses or service providers are predominantly geared towards large-scale producers. These facilities have strong incentives to work with bigger volumes of hazelnut, as this ensures efficiency, profitability, minimizes handling costs, and reduces the risk of cross-contamination between multiple smaller batches of different quality and moisture levels. With no available alternatives, small and medium sized farmers are left to rely on basic, weather-dependent drying methods, such as sun-drying in open air and storage in poorly ventilated sheds, which are insufficient means to meet food safety standards.

**2. Target beneficiaries and location**

Considering these challenges, this intervention targets small and medium-sized hazelnut producers in Georgia, specifically, farmers owning and managing 0.5 to 30 hectares of hazelnut orchards. These farmers play a critical role in the country’s hazelnut sector but remain underserved when it comes to mechanical harvesting and post-harvest infrastructure. With the existing drying and storage facilities in the country typically accepting only larger volumes of hazelnut from bigger producers, many small and medium-sized farmers continue to use basic, weather dependent drying methods which are inadequate for achieving the conditions required to prevent aflatoxin contamination.

The proposed support package will prioritize these underserved producers, enabling them to adopt improved on-farm drying and storage practices. The geographic reach of the support package will include the five main hazelnut-growing regions of Georgia, namely Samegrelo Zemo Svaneti, Guria, Kakheti, Adjara and Imereti, which account for 98% of the national production.

**3. Proposed technical solution and methodology**

To address the challenges of inadequate post-harvest handling among small and medium-sized hazelnut producers, the support package will focus on improving both **technical capacity** and **access to essential on-farm equipment**. The approach includes two key components:

1. **Training program for hazelnut producers:** A comprehensive series of training sessions will be delivered to hazelnut producers on sustainable hazelnut orchard management; orchard floor management and mechanization; integrated pest management (IPM); organic and regenerative hazelnut production; alternatives to conventional practices in the EU, post-harvest handling and storage; food safety risks and practices, with a focus on aflatoxin prevention.
2. **Matching grant component:** Following the completion of the training program, producers will be eligible to apply for a matching grant to support purchase of on-farm  hot-air dryers and complementary equipment essential for timely post-harvest operations, namely:
* Hot-air dryers (with various capacity options) and complementary conveyor belts;
* Moisture analyser;

The selection of eligible equipment is based on field visits, consultations with hazelnut producers and data collected through farmer survey. It reflects recommendations from FAO technical staff, international hazelnut expert and Georgian sector stakeholders actively involved in hazelnut production and processing. In addition, while mechanical harvesters have also been found to be essential for timely harvest and prevention of aflatoxin development, for the time being this support package will not support the purchase of hazelnut harvesters to avoid potential overlap with the upcoming RDA programme specifically supporting farmers in purchasing mechanical harvesters. Along the process of the implementation of the support package, FAO may decide to readjust the list of eligible equipment based on needs and results and include additional relevant equipment related to hazelnut harvest and post-harvest activities.

The FAO team will pre-select suppliers and equipment capacity through a public call for Expression of Interest. The pre-selection process includes technical and financial evaluation by the country office team and validation by relevant officer in FAO regional and HQ offices. The applicants will then be able to apply for the desired equipment offered by the pre-selected suppliers. FAO will cover up to 70% of the total cost, while the remainder shall be covered by the applicants. The maximum grant amount shall not exceed USD 50,000.

During the application review process, the grant management team will conduct appropriate data verification activities which may include field visits to the applicants to ensure that the requested equipment and capacity is suitable to farm’s size and needs.

**4. Desired outcome**

The support package will ensure that selected small and medium-sized hazelnut farmers in Georgia are both trained and equipped to carry out the post-harvest handling operations on their farms. Selected value chain actors will comprise small and medium-sized hazelnut farmers in Samegrelo Zemo Svaneti, Guria, Kakheti, Imereti and Adjara regions, owning 0.5 to 30 ha. In addition, successful technical training completion will be regarded as mandatory eligibility criteria. The technical selection criteria and scoring will be defined in the Grants Operational Manual.

By promoting decentralized, farm-level solutions, the package supports a more inclusive and resilient hazelnut sector, especially for farmers currently underserved by existing large scale drying and storage facilities. Specifically, the program aims to:

* Raise awareness among farmers about the critical importance of timely harvesting, prompt drying, and proper storage in preventing aflatoxin contamination through a series of trainings that will be offered during the spring and harvest season of 2025.
* Enable farmers to independently manage the minimum post-harvest process by equipping them with simple, standalone tools suitable for on-farm use.
* Significantly prevent and reduce the aflatoxin contamination by ensuring that nuts are no longer left exposed, poorly dried, or stored under inadequate conditions, and ultimately improve the quality and safety of Georgian hazelnuts. This will further translate in farmers obtaining better prices for their produce.

**5. Sustainability**

The proposed support package will build the capacity of smallholders to independently manage critical post-harvest operations on their own farms. By combining comprehensive training with access to simple and easy-to-maintain equipment, the intervention reduces dependency on centralized infrastructure and external service providers. The matching grant model ensures farmer ownership and financial commitment, while the focus on smaller equipment supports cost-effective solution to the issue of aflatoxin contamination. Over time, this approach will foster more resilient hazelnut producers, capable of producing high-quality, aflatoxin-free hazelnuts and adapting to evolving market and food safety demands.

**6. Monitoring, Evaluation, Accountability and Learning**

The project monitoring and evaluation plan adheres to FAO’s programmatic monitoring, evaluation, accountability and learning (MEAL) approach, ensuring consistency and coherence. The impact and outcome level results will be tracked through adopting an impact assessment/evaluation approach as an integral part of the FAO MEAL framework. A Logical Framework Matrix (LFM) will be developed for project planning, monitoring and evaluation to measure progress against pre-set specific and measurable indicators. The indicator’s baseline and target values will be set during the inception phase after completing the baseline study. The MEAL framework will focus on impact assessment/evaluation thus measuring the impact and outcome level indicators at baseline and the endline adopting the quasi-experimental design to assess the impact of the project on the target beneficiaries while comparing with the non-beneficiaries. The impact/outcome results will be measured through the following indicators:

* Percentage reduction in the share of rotten hazelnut (mould, decay, insect damage) in 1 kg sample from supported farmers at selling time (baseline vs. endline)
* Percentage reduction in sale price gap between supported farmers and average EU import price (baseline vs. endline)
* % of granted equipment that is actively used and remains fully functional 12 months after installation

The output level indicators will be monitored through an online platform (ZOHO) for regular data collection and analysis. Progress achieved on each indicator will be tracked against targets to guide programming and determine successes and areas of improvement. Accountability will be ensured at all phases of the project cycle through regular verification missions and post distribution monitoring lead by the MEAL Team. This MEAL approach will promote the concept of generating evidence from M&E and accountability studies that will feed into learning for course correction and adaptive management.

**7. Timeframe for the implementation and budget**

While the training sessions have already started in March 2025 and will continue through summer and harvest season of the same year, the matching grant component is expected to start as soon as the concept note is approved, and after the successful launch of a call for expression of interest to select equipment and suppliers. The activity is expected to support around 100 hazelnut producers with an average individual grant budget of around USD 12,000. The proposed budget is indicative only and may be adjusted during the implementation.

1. United Nations Operational Rates of Exchange are published at https://treasury.un.org/operationalrates/OperationalRates.php#I [↑](#footnote-ref-2)