



AGRICULTURE

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Georgia's Agriculture and Rural Development Strategy is consistent with the EU Common Agricultural and Fisheries Policies to tackle climate change and keep the rural economy alive by promoting jobs in farming and the related value chains. The candidate status of Georgia would strengthen the sectoral policy dialogue with the EU to further engage Georgia's contribution to the new Common Agricultural Policy (CAP) reform, to achieve the EU Green Deal objectives and to install a healthy food system for people and nature.

Candidate status in itself does not bring any additional funds, and Georgia will continue to be a beneficiary of the EU's Neighbourhood, Development and International Cooperation Instrument (NDICI). Since 2013, in the framework of the **Deep and Comprehensive Free Trade Agreement (DCFTA)**, the implementation of Georgia's Agriculture and Rural Development Strategy has been receiving direct support from the EU. So far with the **European Neighbourhood Programme for Agriculture and Rural Development (ENPARD)** in Georgia, **EUR 179.5 million** have been allocated of which **EUR 96 million** for direct budget support to the Government and **EUR 83.5 million** for accompanying measures enabling Georgian farmers' and food business operators' investments.

The budget support of the EU to the implementation of the Agriculture and Rural Development Strategy of Georgia contributed to significant progress of the sector. In 2022, the Gross Output of agribusiness products (primary and processed agricultural products) amounted to **GEL 15.2 billion**, which is 14.2% higher than the 2021 figure. The Gross Domestic Product (at current prices) in agriculture, forestry, and fisheries sector was **GEL 4.4 billion**, compared to 2021 and has **increased by 12.6%**.

The rate of rural poverty dropped from 26.6% in 2017 to **21.3% in 2021** and the **rate of unemployment dropped** from 21.6% in 2017 to **17.3% in 2022**.

In the framework of the DCFTA, **the approximation to the EU food safety regulations is gradually enabling greater market access to the EU for diversified Georgian agricultural products. Georgia has now approximated 182 regulations and directives of the 200 EU legal acts on food safety and has started their implementation.** In 2022, the total export value of agri-food products amounted to USD 1,262 million USD, recording an increase by **USD 120 million** (10.5%) compared to 2021. The same trend is observed for the exports of agricultural products to the EU for an amount of **EUR 167 million** in 2022 recording a **55 % growth** from 2019 reaching 16.2 % of the total value of the exports to the EU.

The latest figures provided by the Food and Agriculture Organization of the United Nations (FAO) in the framework of the EU funded **ENPARD III programme** showed that the total amount of grants allocated for farmer's investments reached USD 6,140,743 at the end of 2022 and **these grants have created 375 permanent jobs** (140 female, 235 male) **and 1,181 part-time jobs**. Almost 1 in 4 permanent jobs created are taken up by women, which is striking for a traditionally male-dominated sector. On average, beneficiary **farmers have:**

- ▶ **increased their productivity by 35.8 %**
- ▶ **increased their production by 74.7 %**
- ▶ **increased their income by 106.2 %**



The fourth and latest phase of ENPARD builds on these encouraging results and brings additional funds with EUR 31 million for budget support and EUR 24 million for supporting Georgia's strategies for sustainable food value chains, food safety and rural development.

Moreover, to consolidate additional bilateral cooperation with EU Member States, **the EU will soon co-finance a grant of up to EUR 18 million**, along with the financial support of the European Investment Bank, the French Development Agency and the Asian Development Bank for **the Sustainable and Inclusive Irrigated Agriculture Development Programme in Georgia**. The project will include a pilot area for the revitalising of an irrigated system of 18,000 hectares, where farmers will greatly benefit from enhanced water management with best sustainable agricultural practices, enhancing soil conservation and agro-ecosystems biodiversity.

BACKGROUND

Georgia as an applicant country for European Union membership may be soon be granted Candidate Country status by the European Council on the basis of the favorable recommendation issued by the European Commission on 8 November 2023.

Candidate Country status does not give a right to join the Union automatically but certainly guides the assistance and cooperation in legal systems, economies and societies on the path to EU membership. EU assistance is an investment in the future, making Europe safer and more prosperous by sharing same values, standards and objectives such as peace and stability, sustainable economic growth or combatting climate change.

Along with EU Member States who have already submitted their Common Agricultural Policy (CAP) national strategic action plans, Georgia would develop its own national agricultural policy strategic plan to consolidate the role of agriculture for the future and meet changing economic circumstances and citizen's requirements and needs reflected with the objectives of the European Green Deal.

A national action plan for the sector must be consistent with the "farm to fork" and the "biodiversity" strategies that EU Member States have been implementing since 1st of January 2023, focusing on the 10 CAP specific objectives. In particular, the Member State action plans place a priority on farmers' fair income in the food supply chains and support their sustainable systems of farming and competitiveness, enhancing the economic viability of rural areas, the food safety and quality.

Georgia has different levels of preparation towards full compliance with EU standards, requiring quality policy and control systems be in place to enforce the approximated legal framework. Particular efforts should be directed to agriculture land parcel identification and registration, monitoring systems for farm accountancy data, food safety rules implementation, and surveillance of fishing activities for sustainable fisheries resources management based on scientific advice at national and regional level.