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Grant Operational Manual

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Support package opportunities

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Acronyms used:

ENPARD - European Neighborhood Program for Agriculture and Rural Development

FAO – Food and Agriculture Organization of the United Nations

FBO – Food Business Operator

IP – Implementing partner

MEPA – Ministry of Environmental Protection and Agriculture of Georgia

PIU – Project Implementation Unit

RDA –Rural Development Agency

SMEs – Small and Medium Enterprises

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: 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 or its implementing partner 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 or its Implementing partner 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 outlines the administrative, technical and financial processes to be used for support packages under the Food and Agriculture Organization (“FAO”) support to the Food Safety and SPS Sector in Georgia under the European Neighborhood Program for Agriculture and Rural Development, phase four (“ENPARD IV”).

FAO support to Georgian food safety and SPS sector under ENPARD IV aims to support producers and Food Business Operators (“FBOs”) through trainings, or support packages, aimed at allowing for the implementation of Sanitary and Phytosanitary (“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 supplier-delivered matching grant for the purchase of equipment directly linked with the implementation of suitable SPS/Food safety standards. In order to become eligible for the matching grants, beneficiaries will have to attend trainings selected by FAO and successfully complete a post test. This test will aim to evaluate the effectiveness of the training and determine if the desired learning outcomes have been achieved.

The project is implementing support packages to respond to specific SPS/food safety risks identified in the inception phase of the project, or to address an opportunity identified during the implementation of the project. These support packages are summarized in concept notes that specifically identify the food safety risks, the targeted populations and the corresponding support measures. These support packages necessarily include a training section, and a matching grant component which is governed by this grant operational manual.

Beneficiaries can be either Primary producers and/or FBOs. For both categories of beneficiaries, the matching grant will be delivered through supplier-delivered awards. This award is defined as the provision of an award from FAO to a beneficiary, via a pre-identified supplier, with utilization governed by a beneficiary grant agreement. Upon signature of the agreement, beneficiaries deposit their matching contribution with the supplier, which issues the goods/asset. FAO confirms issuance and then pays the remainder of the cost to the supplier.

All reviews and field visits foreseen under the selection process will be performed by a team of experts from FAO, and in some cases in partnership with service providers for the provision of food safety audits. The selection of service providers will be done by FAO through a transparent tendering process at the beginning of the program.

It is expected that the project activities will positively impact the food safety condition of Georgian products. The Project is funded under the fourth phase of ENPARD and builds on 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 ENPARD IV envisages the provision of matching grants to targeted selected population of FBOs and primary producers, through support packages detailed in concept notes acknowledged by the steering committee of the project.

ENPARD IV project covers the entirety of Georgia, however individual support packages may be restricted geographically to address specific challenges or support pre-identified population of FBOs and primary producers.

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. As a general rule, the eligibility criteria for every support package will help to define the targeted population of potential beneficiaries, which will then be directly invited to participate in the program.

While some eligibility criteria may be added for every individual support package, all applicants will have to meet the following minimum requirements:

- All future grantees will be asked to have a legal registration, either in the form of individual entrepreneur, SME, Cooperative, or any other legal status related to their commercial activity. In addition, in the case of FBOs, they will be asked to provide proof of the registration with the NFA.
- Primary producers applying to the program must be citizens of Georgia. All applicants must provide appropriate supporting documentation as detailed in the application form.
- Legal entities applying to the program must be majority owned by citizens of Georgia (over 50%).
- Applicants must not be bankrupted, nor be liquidated, nor to 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.
- Applicants must provide proof of their ability (physical, legal) to use capital and/or other assets that are involved in their investment plans, e.g. agricultural land, building, machinery, labor, skills, etc. All lands considered for farming activities must have been owned or leased for at least 3 months before the application's submission date.
- Applicants must attend all Food Safety Trainings required by FAO prior to their matching grant applications, and successfully complete the post-tests. This assessment will ensure the positive change in capacities and knowledge of the training takers.



- FBOs may be requested to go through a food safety audit performed by FAO or its service providers. In the latter case, the assessment report should be provided to FAO.
- 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 personnel 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 awards. The project only supports the purchase of equipment directly linked with the implementation of suitable SPS/Food safety standards, and/or certification costs. The matching grant percentages offered to beneficiaries may vary between the various support packages, but some general principles will be implemented for all support packages:

- In the case of support packages targeting FBOs, grant opportunities will be offered to beneficiaries according to the recommendations and needs identified in the food safety audit report, followed by a successful technical evaluation by FAO. While the applicant will have the opportunity to choose its preferred supplier, investment may only include fixed assets.
The final budget will be approved by FAO and may differentiate between food safety equipment and certification costs on one hand, and complementary accessories for which the matching grant percentage may differ on the other hand. Food safety equipment is defined as a wide range of tools, machinery and devices that are specifically designed and used to help prevent or minimize the risk of food contamination, illness, and other related safety hazards in the food processing, manufacturing, or handling processes. Complementary accessories are fixed assets that are necessary for the proper and effective use of the food safety equipment. The categorization will be done individually for every project by the food safety expert of the FAO.
- In the case of support packages targeting primary producers, the grants will only cover the procurement of pre-selected equipment from pre-selected suppliers. The pre-selection of equipment will be done by FAO prior to the launch of the support package.



Any direct relationship between the applicant and the suppliers shall be clearly disclosed in the grant application. Any failure to do so would lead to the rejection of the application.

2.4 General principles and investment support ceilings:

All proposed investments must be related to food safety, be limited to the equipment and certification costs included in the grant agreement, and be sound from a technical perspective. The program requires beneficiaries to co-invest a minimum of 30% of the total investment. The matching contribution requirements vary between support packages but help to ensure that beneficiaries are committed to the project and are financially capable to implement it.

The program considers only cash made available specifically and directly for the investment plans as eligible forms of matching contribution. 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 only exception to this matching contribution’s single-funding requirement relates to the „preferential agro-credit “program from RDA which subsidizes the related loan’s interest rates and can be used to support the matching contribution paid by the beneficiary.

The total matching grant that can be provided by FAO should not be below 100 USD or above 50,000 USD. While an applicant can receive several grants, the aggregated amount received cannot exceed the maximum ceiling of 50,000 USD. All matching grants should be implemented at least three months before the end of the program. All applicants will be responsible for payment of all relevant taxes/fees according to the Georgian legislation.

3. Application process:

The process for all support packages will follow a sequence of well-defined steps:

Phase 1: Direct invitation

The program will be using direct invitation as the mean to contact and inform selected potential beneficiaries about the support package opportunities. This invitation to participate will come via email and/or phone call, and will also serve to confirm general information (name of the responsible person, address, business activity, contact details...). Contacted potential beneficiaries will be given a specific deadline to express their interest.

Outcome: All targeted beneficiaries, whether FBOs or primary producers, have been directly informed of the support package for which they are eligible.



Phase 2: (Optional) Trainings

Regardless of the specificities of the support package considered, all applicants will have to undergo a dedicated training to become eligible for a matching grant. For some support packages, applicants will be invited to attend trainings before registering their grant application. In that case, FAO will invite the corresponding participants to attend trainings that are tailored to their geographic location and training needs, based on the training needs identified in the support package for which they are eligible. The training component will be organized around a special food safety topic in pre-defined special areas. The mandatory trainings will be delivered either by FAO directly, or through a service provider contracted by FAO. To ensure the proper acquisition of food safety knowledge, participants will be required to successfully pass a post-test.

Outcome: The applicant has successfully completed the mandatory trainings and passed a post-test. The trained beneficiaries are now eligible to fill out a grant application on the program's platform.

Phase 3: Expression of interest and application creation on the grant's management platform

After a targeted beneficiary has confirmed its interest to participate, the applicant will be invited to create his profile on the program's grant management platform.

- All applicants will register on the platform and create their unique account.
- 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 file their applications:

- 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 may be asked to fill the grant forms which contain questions about the strategy and the reasoning for the investment, information about the applicant's business, as well as information about the equipment they may request.
- In the case of support packages where equipment is pre-selected by FAO, the applicant will be asked to choose one or more of the pre-selected equipment and suppliers, based on the support package's specificities. The choice shall be made directly on the grant management platform.



- 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. Application received after the deadline will not be considered.
- 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, all the applications associated with the applicant will be rejected.
- 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.
- Applications from companies or cooperatives must be authorized by the legal representative of the organization.

When filling the application form on the platform, supporting documents will be requested from the participants in order to complete their profiles, namely:

- For companies:

1/ Copy of the passport or national ID of the director/ chairman/ applicant for companies

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/ Reference from the “Revenue Services” on non-existence of indebtedness/tax debts

5/Registration as a Food Business Operator with the NFA (if not available, the applicant will need to provide it before the signature of the grant agreement)

- For Individual Entrepreneurs:

1/ Copy of passport or national ID

2/ IE registration issued by the house of justice of Georgia (if not available, the applicant will need to provide it before the signature of the grant agreement)

3/ Extract from public registry with cadastral map and ownership of agricultural/commercial land, or rental contract if applicable



- For Cooperatives:

- 1/ Copy of passport or national ID of the director/ chairman/ applicant for the cooperative
- 2/ The certificate from the "Agricultural and Rural Development Agency" granting the status of agricultural cooperatives
- 3/ Extract from public registry with cadastral maps/extracts and ownership of agricultural/commercial land, or rental contract if applicable

Outcome: The applicant has expressed interest to participate in the support package opportunity for which he was invited. His/Her profile is created on the program's grant management platform, the application is filled, and all relevant supporting documents are uploaded.

Phase 4: Eligibility review and Zoho profile creation

After the grant application has been submitted, FAO will perform an eligibility review to confirm the compliance of the applicant's profile with the eligibility criteria of a given support package. In parallel, the received documentation will be reviewed by FAO Analyst.

In case some information is missing, the applicant will be contacted by FAO and requested to provide the missing information in a timely manner.

In case the applicant is eligible and his profile is complete, a FAO analyst will create an individual profile form on the Zoho monitoring platform to allow for a precise follow-up of all the activities to be performed through the support package process. The application is then moved to the next stage.

Outcome: The application form has been reviewed against eligibility and completeness by FAO. If eligible and complete, a monitoring profile has been created by FAO on the Zoho platform and the application has moved to the next stage. If not, the application is rejected.

Phase 5: (applicable to FBOs only): Food safety audit

FBOs applying for a matching grant may first be required to undergo a food safety audit. The findings of the audit, and in particular the investment needs identified during the audit as prerequisites to the improvement of the food safety condition of the considered FBO, will form the eligible investments for the matching grant. Depending on the support package specificities, the audit will be conducted either by FAO, or by a service provider contracted by the program. The audit costs will be paid fully by FAO.

The audit report will be provided to FAO and attached to the applicant's profile on the grant management platform.



Outcome: For some FBOs, the food safety audit and investment recommendations have been performed and provided to FAO, and the report is attached to the grant management platform.

Phase 6: (Optional) Trainings

Regardless of the specificities of the support package considered, all applicants will have to undergo a dedicated training to become eligible for a matching grant. For applicants which were not invited to attend a training at earlier stages of the grant process, FAO will invite them to attend trainings that are tailored to their geographic location and training needs, based on the training needs identified in the food safety audit or to the support package for which they are eligible. Each participant will have a maximum of two chances to attend their mandatory trainings. Failure to attend the proposed sessions will result in disqualification from the support packages. The mandatory trainings will be delivered either by FAO directly, or through a service provider contracted by FAO. To ensure the proper acquisition of food safety knowledge, participants will be required to pass a post-test.

Outcome: The applicant has successfully completed the mandatory trainings and took a post-test. The application is moved to the next stage.

Phase 7: (Optional) Budget definition and quotation receipt for non pre-selected equipment

After having completed all the mandatory trainings, the applicant becomes eligible to apply for a matching grant.

For support packages where equipment is not pre-selected by FAO but based on the investment needs assessment done during the quality audit, the applicant will be requested to provide a detailed budget for the equipment he/she is willing to invest in, including quotations indicating prices and suppliers. The detailed budget shall be attached directly on the grant management platform by FAO.

Outcome: For support packages where equipment is not pre-selected by FAO, the proposed budget for the matching grant has been provided by the applicant and the related quotations are attached on the grant management platform.

Phase 8: (optional) Verification field visit

A field visit may be organized by FAO to validate information included in the application.

- Shall minor discrepancies between the application and the findings of the verification visit be found, the content of the application will be adjusted accordingly.
- Shall major discrepancies between the application and the findings of the verification visit be found, FAO might decide to propose the grant application for rejection to the selection



committee. "Major discrepancies" are significant differences or inconsistencies that alter the fundamental nature of a project or are intentionally introduced to influence the reader's understanding in a biased or fraudulent manner.

The correctness and validity of all information provided remains the responsibility of the applicant.

Outcome: The information contained in the matching grant application has been verified by FAO through a verification visit.

Phase 9: 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, 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. 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 differ between support packages. The list of applicable scoring criteria can be found in the Annexes of the Grant Operational Manual.

The applicant will be required to score a minimum of 70 out of 100 points. Applications that do not pass the 70 points threshold will not be further evaluated and proposed for rejection to the selection committee. Applications that pass the 70 points threshold 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 10: 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 alternate budget holder, the FAO Project Coordinator, and a technical officer from FAO Georgia.

- 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 writing with 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 three members. The details of the grant applications as well as the signed minutes will then be shared with the donor and the focal point at the Ministry of Environmental Protection and Agriculture in Georgia for consultation. Both parties will be given a week delay to provide comments or raise concerns about the proposed projects. The questions or concerns raised shall be addressed by the project implementation unit in a timely manner.

If no concerns are raised, 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. Upon request, applicants will be provided with a copy of the written justifications. 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 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 donor and MEPA for consultation. Following the consultation period, the minute is shared with Project Budget Holder for final approval and signature.

Phase 11: 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:
 - the scheme of works and activities to be implemented, including specific milestones to be achieved by the beneficiaries if deemed necessary;*
 - the modality of support (whether matching grants, FAO technical assistance or a combination of the two), based on feasibility, efficiency and effectiveness considerations;*



- c. *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;*
- d. *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.

2. Grant agreement:

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 his/her obligations detailed in the grant agreement within a period of 1 month. 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 his/her premises upon FAO's request. The duties of the grantee also include a participation in FAO's technical assistance activities relating to his field of activity in his/her 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 12: 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.



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.

Except under exceptional circumstances, 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 issued¹.

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 13: (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 during 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 may carry out evaluation follow-up visits to beneficiaries, or any other monitoring activity deemed necessary.

¹ United Nations Operational Rates of Exchange are published at <https://treasury.un.org/operationalrates/OperationalRates.php#>



These activities will be used by FAO as an opportunity to provide support and advices 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' progresses. 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 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: Scoring Criteria for Support package 1: “Support package for existing ENPARD beneficiaries (FBOs) in Georgia”

N	Criteria:	Maximum Score per category:
1	Applicant has more than 5 years experience in his field	3
2	Applicant (or representative) is a woman	2
3	The project is located in a less favorable area	2
4	The applicant was already HACCP compliant before participating in the program	3
5	The applicant is registered as a Food Business Operator	4
6	More than 50% of the production is sold on the local market	3
7	Applicants demonstrate gender, disabled, Internally displaced people, ethnic minority or youth integration	3
8	The applicant has a personel in charge of food safety compliance	3
9	Professional background of personnel/ adequate team	3
10	The applicant already had food safety measures in place before participating in the program	4
11	Well explained and logical business background analysis	3
12	Understanding of the market and its requirements	3
13	Understanding of the product and production challenges	3
14	Good mitigation measures currently in place to address the main risks	3
15	Understanding of the legal food safety requirements	4
16	Good understanding of the food safety risks associated with the business	4
17	Good understanding of the food safety risks associated with the investment project	4
18	The objective of the investment is clearly defined	4
19	The project will improve the sustainability of the company (increase in profitability, knowledge, market access...)	3
20	The project will create social or environmental impact	3
21	The objective of the investment is realistic	4
22	The proposed investment is considered "high impact"	5
23	The project will have a significant indirect impact	4
24	The investment is considered crucial for the conduct of the business	3
25	The company has the capacity to absorb this additional investment/ is at the right development stage	5
26	Strategic fitting with the grant program objectives	7
27	Anticipated impact of the investment on the improvement of food safety in the company	4
28	Anticipated impact of the investment on the improvement of food safety in the value chain	4
	Total Score	100



Annex 2: Concept note for Support package 1: “Support package for existing ENPARD beneficiaries (FBOs) in Georgia”

Concept note for a support package:

“Support package for existing ENPARD beneficiaries (FBOs) in Georgia”

1/ Risk/Opportunity identified and supporting data:

Food safety is a vast topic that applies to all agricultural actors. Interviews and desk research have shown that these stakeholders have a lack a knowledge and understanding of the concept of food safety and of the applicable Georgian legislation. However, the sectorial specificities and individual requirements make it difficult to design a single scheme that would address all needs and allow for a wide impact while ensuring fair treatment and transparency all along the process.

Yet, one of the recommendations of the final external evaluation of the former ENPARD III project is to continue collaborating with existing beneficiaries. Since ENPARD beneficiaries are already familiar with the program’s approach and objectives, they represent an easier and limited population to reach. The continuity in the support is also commonly considered a good practice since it helps ensuring the sustainability of the initial investment supported.

Preliminary phone calls with all former ENPARD beneficiaries have allowed FAO to estimate that 79%² of the total population holding a legal status is still active in agriculture as of today. Furthermore, 95% of the interviewed beneficiaries are still using the supported equipment as of today. Considering some were granted up to 8 years ago, these rates are considered high and indicate sustainability.

Additionally, most of the grants given under the various ENPARD projects had an economic objective and most beneficiaries were introduced to commercial farming and its requirements; of which food safety is a growing component. They therefore represent a population which should be keener to engage into food safety investments.

2/ Target beneficiaries and location

FAO managed to collect information about 711 existing beneficiaries located in ENPARD municipalities throughout the countries. Research has confirmed that a total of 610 hold an active legal status as of date. FAO managed to confirm business activity types for 511 grantees, out of which 365 are primary producers and 146 are FBOs. On this number, 121 confirmed they are still operationally active. The FBOs are the

² Out of 610 ENPARD beneficiaries owning a legal status (from ENPARD I,II, and III), 267 were not granted by FAO between 2020 and 2022 under ENPARD III but earlier (ENPARD I and II). 181 could be reached by phone, and 143 are still active in agriculture, or 79%.



target beneficiaries for this support package. These agro-actors are active in various value chains and are at different development stages, implying that an individualized assessment and approach should be adopted.

3/ Proposed technical solution and methodology

Since the new legislation requires FBOs to be HACCP compliant by June 2023, FBOs which are not yet HACCP compliant will be offered the possibility to undergo a HACCP development process with a service provider. The cost of this process will be covered by FAO.

Once this process is completed, and if the food safety audit done by the service provider identifies some investment needs for the FBO to become compliant, the FBO will be offered to possibility to file a grant application.

On the other hand, in the case of FBOs which are already HACCP compliant, a needs assessment will also be performed by a service provider. They will then be offered the possibility to attend a general food safety training, and later to compete for a matching grant to purchase the food safety related equipment identified during the needs assessment.

For both cases, the matching grant percentage will reach 70% for food safety equipment and 40% for complementary accessories, and limited to a maximum amount of 50,000 USD per beneficiary. The majority of the grant should relate to food safety equipment while the remainder may include complementary related accessories.

Food safety equipment is defined as a wide range of tools, machinery and devices that are specifically designed and used to help prevent or minimize the risk of food contamination, illness, and other related safety hazards in the food processing, manufacturing, or handling processes. Complementary accessories are fixed assets that are necessary for the proper and effective use of the food safety equipment. The food safety expert of FAO will do the categorization individually for every project. The proposed final budget will be technically revised by FAO.

Following the implementation of the support packages, the National Food Agency will be contacted to perform a HACCP audit.

4/ Desired outcome

By the end of this activity, all participating FBOs are expected to comply with HACCP standards and Georgian food safety legal requirements.

5/ Monitoring and evaluation methodology

Every beneficiary will be assigned a value chain analyst to follow the implementation of the support packages. This direct monitoring will include communication about the mandatory training requirements, as well as the review of the matching grant application, and a minimum of one subsequent monitoring visit per year. Baseline data will be collected at the beginning of the activity, and data will be updated at



the end of the project. The monitoring will also include a revision of the HACCP records. When possible, the baseline data will include laboratory tests of the products sold.

6/ Timeframe for the implementation, budget, and responsible person

This activity is expected to start as soon as possible with the launch of a request for proposal for service providers. The call will be designed around the provision of food safety audits to FBOs willing to participate in this support package. The proposals should also include the development of individual HACCP plans, as well as the final reports for every FBOs.

In the meantime, FAO will contact individually all FBOs which are former ENPARD beneficiaries to inform them about the support package opportunity. The beneficiaries interested to participate will be invited to start developing their support package application, and in particular to provide FAO with all required supporting documents.

Upon selection of the service providers, the food safety audits with FBOs will start and the investment recommendations included in the final reports will form the basis for the matching grant applications. The applications will be developed with the support of the value chain analysts, under the manager's supervision.

This activity is expected to include a minimum of 50 FBOs for the support package mechanisms, with an expected budget of 1,5 Million USD for the matching grant part of the support packages.



Annex 3: Scoring Criteria for Support Package 3: “Support package to improve rearing and food safety practices of freshwater fish farmers in Georgia”

N	Criteria	Maximum Score per category:
1	Applicant has relevant experience in his/her field	5
2	Applicant (or representative) is a woman	2
3	The project is located in a less favorable area	3
4	Fish density seems reasonable	5
5	The applicant has access to a reliable source of water	5
6	The applicant has reliable access to electricity	5
7	More than 50% of the production is sold on the local market	5
8	The applicant is registered as a Food Business Operator	7
9	The applicant monitors water conditions	7
10	Fish roe production process is conducted under relevant procedure	3
11	Applicant has implemented relevant fish health monitoring practices	8
12	Documents/Photos attached are in line with the information provided in the application form	5
13	The investment is considered crucial for the conduct of the business	8
14	The company has the capacity to absorb this additional investment/ is at the right development stage	8
15	Strategic fitting with the grant program objectives	8
16	Anticipated impact of the investment on the improvement of food safety in the company	8
17	Anticipated impact of the investment on the improvement of food safety in the value chain	8
	Total Score	<u>100</u>



Annex 4: Concept note for Support package 3: “Support package to improve rearing and food safety practices of freshwater fish farmers in Georgia”

Concept note for a complementary targeted activity:

“Support package to improve rearing and food safety practices of freshwater fish farmers in Georgia”

1/ Risk identified and supporting data:

Freshwater aquaculture is becoming a strategic sector of Georgian agriculture, hoping to further contribute to the country's economy in the coming years. This is particularly true with the upcoming adoption of the aquaculture law by the Georgian government which declared this sector a priority.

Despite abundance of high quality water and favorable climate conditions, aquaculture is still minor at the moment, with a total production reaching around 5,000 tons. It is characterized by the predominance of salmonidae (mostly in Shida Kartli and Adjara) and cyprinidae (mostly in Kakheti), small family farms, and low productivity.

The industry also faces other challenges, including a poorly developed value chain and enabling environment, but also food safety related issues including the use of forbidden pharmaceutical substances (in particular green malachite), or the poor prevention and treatment of diseases. This last point poses a threat to the consumers with possible residues in the fish consumed in the country.

The industry has the potential for further growth and development, but it is crucial to address the challenges in order to promote sustainable and profitable aquaculture practices while ensuring the safety of the food supply. Some initiatives are already underway, including the aquaculture law and strategy, but also the upcoming integration of fish farms into the National Animal Identification Traceability System, or the discussions around the possible future integration of aquaculture products on the list of products authorized for exports to the EU market.

The objective of this support package is to support Primary Producers (“PPs”) improve the food safety condition of their fish farms and to reduce potential risks for the consumers.

2/ Target beneficiaries and location

The target beneficiaries under this activity are the primary producers active in freshwater fish production. The list of potential beneficiaries will be provided by NFA. These PPs are located throughout the country. The program can also become an incentive for non-registered PPs to register with NFA in order to receive the necessary technical and financial assistance.

3/ Proposed technical solution and methodology



As an initial action, FAO will contact all registered fish farmers in Georgia to inform them about the support opportunity. These PPs will be offered the possibility to express their interest to participate in this activity. After confirming their interest, the interested participants will then be invited to participate in a list of food safety trainings provided by FAO. Upon successful completion of the training activities, participants will be offered the possibility to apply for a grant for pre-selected equipment related to food safety in fish farming. The list of eligible equipment includes: water quality monitoring equipment, water filters, high-pressure washers, and aerators. The participants will have the opportunity to apply for one or more of the pre-selected equipment from this list. The grant applications will then be reviewed by FAO grants team against eligibility and technical criteria. FAO will then build a form on the Zoho monitoring platform for all eligible and technically sound applicants. Spot check visits may be organized by FAO. Successful applicants will then be invited to sign a grant agreement with FAO.

FAO will cover up to a 70% of the total cost, while the remainder shall be covered by the beneficiaries. The maximum grant amount shall not exceed 50,000 USD.

4/ Desired outcome

By the end of this activity, all beneficiaries are expected to be trained and equipped with basic food safety equipment for sustainable fish farming.

5/ Sustainability

Under this support package, FAO will support the improvement of the food safety condition of established privately owned businesses. No sustainability risks are therefore foreseen.

6/ Monitoring and evaluation methodology

A value chain analyst will be supervising the satisfactory performance of the support activities. Baseline data will be collected at the beginning of the activity, and data will be updated at the end of the project.

7/ Timeframe for the implementation, budget, and responsible person

This activity is expected to start as soon as possible with a meeting with the National Food Agency to obtain the latest list of registered aquaculture PPs. The project team will also perform the equipment selection from local suppliers.

This activity is expected to include a minimum of 150 registered PPs from NFA, with an expected grant budget of USD 450,000. The proposed budget is indicative only and may be adjusted during the implementation.