EC Rehabilitation Programme for Abkhazia / Georgia
PROGRAMME I

Interim Narrative Report Third Quarter 2006

1. Name of Lead Partner of grant agreement and of legal representative:
United Nations Development Programme (UNDP,) Georgia

2. Name and title of the person responsible for the project:
Mitchell L. Carlson, Chief Technical Advisor (CTA)
United Nations Development Programme (UNDP), Georgia

3. Name of partners in the project: UNDP is working closely with UNOMIG and the infrastructure components of Phase I. UNDP has identified SAVE THE CHILDREN (SAVE) as a partner for the Health Training Component. ATINATI NGO in Zugdidi and OCHAMCHIRA YOUTH HOUSE NGO in Abkhazia are identified as two local partners for part of the agriculture component.

4. Title of the project:
The European Commission Rehabilitation Programme for Abkhazia Phase I

5. Contract number of the project: TACIS/2005/111-166

6. Start date of the reporting period: July 1, 2006

7. End date of the reporting period: September 30, 2006

8. Target country(ies) or region(s): Abkhazia, Georgia

9. Target groups: vulnerable population of districts of Ochamchira, Tkvarcheli and Gali in Abkhazia, and Zugdidi.

A. Compliance with the Grant Agreement:

1. Has the project been carried out as foreseen in the methodology? If not, please explain how and why the original proposal was modified, including the dates that any addenda were requested and received.

The project has been carried out using the methodology outlined in the original proposal.

2. Was the provisional budget of the project respected? If not, please explain any changes that occurred.

There were not deviations during the reporting period. As noted in earlier reports we hired the International Civil Engineer on a United Nations Volunteers (UNV) contract, thus saving almost half on the amount allocated in the budget for the position. The plan is to use the savings to cover national staff costs and keep the engineer for an additional 6-12 months depending on the overall savings.

B. Project Objectives:

1. Please list all project objectives, and indicate if they were modified.

The overall goal of the Project is to improve livelihoods and the environment for peace in Abkhazia/Georgia through integrated rehabilitation and recovery activities. Specific objectives of this project are:

(1) To improve infrastructure through the rehabilitation of the water systems, the capacity building of water system and electrical system staff.

(2) To enhance the delivery of and the access to social services through the provision of equipment to hospitals and the training and capacity building of hospital and district healthcare staff.

(3) To reduce the vulnerability of the rural population through the delivery of agricultural inputs, improved technical skills in agriculture and support to farmer groups.

The Goal and objectives have not been modified

C. Project Activities

1. Please list all the activities in line with Annex I of the Contract since the beginning of the project, e.g.

Activity 1 Provision of Hospital Support and Capacity Building (Non-infrastructure) will be implemented by the selected International NGO, SAVE THE CHILDREN in cooperation with UNDP and in consultation with UNOMIG.

Title of the activities:

a) Provision of essential equipment and training of staff in its use

b) Training and capacity building:
   1. *Hospital administration;*
   2. *Service Delivery;*
   3. *Sanitation and waste management;*
   4. *Infrastructure maintenance and sustainability.*

c) Development and support of a working referral system

d) Information campaign and advocacy work

Please elaborate on the activities covered:
UNDP has received the proposal and budget from SAVE the CHILDREN for the health training component. The agreement between SAVE and UNDP will be signed in October. The training can then start in November and continue for one year.

Your assessment of the results of this activity:
Although there was some delay in approving the project with the implementing partner, the project is on track. The training will be linked with the rehabilitation of the hospitals, done by UNOMIG, which has started in at least two locations.

Activity 1.2 Improvement of Water and Sanitation

Title of the activity i) Rehabilitation of the drinking water systems in Gali, Ochamchira and Tkvarcheli:

Please elaborate on the activities covered: the Contractor " Samurzakan- K" Ltd is implementing successfully the construction work for two sub-projects in Gali – Rehabilitation of water intake system and Rehabilitation of trunk pipeline from water supply point from Rechkhi village to Gali town in accordance with the timetable. The Contractor has properly reported on the first expenditures and is waiting for the second installment for continuation of the work. The request for the second installment has been submitted to UNDP. In addition the Project Monitoring system has been established in Gali district.

Two Contracts for Civil Work were signed between UNDP and "Gidrospetztonelstroi" Company for the rehabilitation of water distribution pipelines of Gali town and the purchase of building materials to Gali town. A request for payment of the first installments for both sub-projects has been submitted to UNDP.

The rehabilitation work for the "Rehabilitation of the trunk pipeline from Mokva village to Ochamchira town" is ongoing. Good cooperation has been established with the local district authorities. A Bid Opening Committee

recommended the local construction company "Garry" Ltd for the rehabilitation work of water distribution pipelines within Ochamchira town. The work started in September.

A tender process was undertaken for the implementation of two sub-projects in Tkvarcheli town; the rehabilitation of water intake of water supply system, and the rehabilitation of the roof at waste- water treatment facilities. The results of the bidding process were sent for approval. An Initiative group was created in Tkvarcheli town, and a technical assessment of the town's water system has been carried out. Meetings with local authorities have been held and local participation in project implementation has been agreed.

A Note for the Record was prepared outlining the need to develop a Water Quality Monitoring system, rehabilitate the laboratory and conduct an Information Campaign on the importance of Water Quality in the 3 Rehabilitated Water Supply Systems of Gali, Ochamchira and Tkvarcheli. Once the budget is finalized the necessary paperwork will be sent for approval.

The UNDP Engineering Unit announced a Tender for a Health Sanitation and Hygiene Awareness Campaign among NGOs in Gali and Ochamchira town. The selection will be finalized in October.

Reason for modification for the planned activity (if applicable): N/A

Your assessment of the results of this activity: Activities are ongoing.

Title of the activity ii) Capacity building and training:

Please elaborate on the activities covered: As a part of the project on capacity building, the Engineering Unit has assisted in strengthening the local water supply system operators in Gali and Ochamchira towns. This included the identification of office facilities, and the repair or replacement of essential equipment. The number of operator staff was increased as well. The operator staff participated in several management and financial training during this reporting period.

Reason for modification for the planned activity (if applicable): N/A

Your assessment of the results of this activity: local participation is key to the success of the project. Local stakeholders have participated in every stage of the project and are pleased with the project activities and achievements to date.

Title of the activity iii) Primary health awareness campaign:

Please elaborate on the activities covered: The Engineering Unit together with Capacity Building and Governance Specialist, announced a competition

among schoolchildren and youth for the best fliers, slogans and posters as part of a primary health awareness campaign related to water and sanitation issues in Gali and Ochamchira. The Terms of Reference for the Implementing Partner for Primary health awareness campaign was prepared. The Ochamchira Branch of the Union of Businesswomen of Abkhazia (OBUBA) was identified as the implementing Partner (IP) and the Contract for services will be finalized in October.

Reason for modification for the planned activity (if applicable): N/A

Your assessment of the results of this activity: **The activity is in the early stages of development.**

Activity 2 **Electricity Supply (Non-Infrastructure)**

Title of the activity 2.1: **Provision of essential tools, supplies and equipment to the electricity company in Gali:**

Please elaborate on the activities covered: **The Engineering Unit has met with the Gali Electric Company and assessed the capacity building needs of the staff with them. This activity will be implemented in close consultation with UNOMIG who is responsible for the actual rehabilitation of the electricity system in Gali.**

Reason for modification for the planned activity (if applicable): N/A

Your assessment of the results of this activity: **The activity is in the very early stages of development. UNDP will liaise closely with UNOMIG once the electricity engineer has been recruited by UNOMIG.**

Title of the activity 2.2: **The provision of training in management and technical issues:**

Please elaborate on the activities covered: **Not Started - The plan is to begin in the February 2007, however as noted above, this activity will be implemented in close consultation with the UNOMIG electrical engineer and will depend on when the actual repair work begins.**

Reason for modification for the planned activity (if applicable): N/A

Your assessment of the results of this activity: **only initial discussions have been held. Once the UNOMIG engineer is available the project activity will proceed.**

Title of the activity 2.3: **Public information campaign and lobbying:**

Please elaborate on the activities covered: **Not Started - This activity will begin in the 12th month of the project.**

Reason for modification for the planned activity (if applicable): **N/A**

Your assessment of the results of this activity: **N/A**

Activity **3 Assistance for Income Generating Activities – Local Agricultural Development**

Title of the activity 3.1: **Provision of agricultural inputs:**

Please elaborate on the activities covered: **The Agriculture Team continued to monitor the harvest of the vegetable crops produced by all 22 groups involved in vegetable growing. A number of consultations and trainings on vegetable fertilization and cultivation methods were held for the participating farmers' groups. The groups started to harvest vegetable crops and sell them at the markets of Abkhazia as well as to some hotels in Gagra District. They are still harvesting maize and even pepper and have not yet calculated their income. In a few groups where beneficiaries were growing water melons, white cabbage, sweet pepper, aubergine, tomatoes and cucumbers a preliminary income was 331,290 RUR (~ $12,992 USD at the rate of: $1=RUR 25.50.)**

Receipt Vouchers for tillage expenses were signed by beneficiaries and sent to the UNDP Country Office as a request for payment. The process of reimbursement of tillage expenses to 22 Groups took place in August. Payment for tillage expenses was completed for all the groups.

The delivery of motor cultivators and sprayers to 22 Groups was completed in September. The delivery process was accompanied by training on usage and maintenance of the equipment. The International NGO "Premiere Urgence" (PU) was identified as the partner for conducting the required trainings. Preliminary negotiations with PU were held and training was done at no cost to UNDP. Mr. Astamur Trapsh, the PU Logistics officer together with the UNDP Agriculture team conducted the training. Stickers describing the donor still need to be placed on the equipment.

A Draft Internal Rules was prepared as part of the group formation.

In addition, Partnership Agreements were signed. Paragraphs of the Partnership Agreement were explained to the beneficiaries to ensure that they fully understand the meaning of the document. These documents the basic procedures of each group and can be used if the group wants to register as a Community Based Organization (CBO) in the future.

Meetings were held to identify the groups involved in livestock breeding. The results are as follows: 2 groups will be engaged in Goats; one group in Pig breeding; 2 groups will work in Beekeeping. Three groups who want to work on a greenhouse project were formed.

The tender for the purchase of livestock was announced in the newspapers and on local TV. The Bid opening is expected to take place in October.

ATINATI, UNDP's Implementing Partner NGO for the "Agrarian Youth Clubs" in Zugdidi reported that August was a quiet month. Schools were closed for summer holidays; so ATINATI spent most of its time planning the project activities for the start of the new school year which began on the 18th of September.

With the start of the new school year, ATINATI conducted trainings on proposal writing, budgeting and strategic planning as well as issues on personal development in each of the eight youth clubs. About 25 members from each club participated in the training. As a result of the discussions and training the clubs identified their priority projects as follows: Bee-keeping at two clubs of Rukhi and Octomberi, Vegetable growing at two clubs of Chitatskari and Ingiri, Cattle-breeding at two clubs of Kakhati and Odishi, and Pig-breeding at two clubs of Urta and Narazeni villages.

The final version of each youth club's business-plans were submitted to the Evaluation Committee at the end of September. Two issues of the project newsletter "Nergebi," providing information about the agrarian youth clubs, their plans as well as a description of the ATINATI project were published in September (Copies are included as an annex to this report.)

An agriculture expert working with the target clubs conducted several meetings and discussed the agriculture related topics. Based on these discussions, she prepared four programs which were broadcast on ATINATI radio covering the following topics:

- The importance of agriculture, its role in economic development;
- Fields of agriculture, farming, cattle-breeding and other activities;
- Crop-farming, greenhouse keeping; and
- Food production.

For a similar project in Abkhazia, UNDP also identified Ochamchira Youth House, a local NGO based in Ochamchira to organize nine agriculture youth clubs in three districts of Gali, Ochamchira and Tkvarcheli aimed to develop agricultural skills among youth living in the three eastern districts of Abkhazia. The assessment of selected schools was finalized. The Kvemo Bargebi school was included in the list instead of one in Mziuri (Shashikvara) due to the lack of proper land for agricultural activities. Now all three selected schools are located in Lower Gali.

On August 4 at the OYH premises the Youth House conducted a general conference to introduce the project. 4-5 youth representatives from the 9 village

schools and school principals well as the Club Leaders, Club Assistants participated in the one-day conference and shared their ideas and areas of interest and discussed possible agricultural projects.

Training for the nine clubs in team building, team work and strategic planning, volunteering, project management and reporting were conducted for Club Leaders (teachers) and young Assistants, as well as 3 the most active Club members from each community. The training for representatives of Gali district was held on August 25, for Tkvarcheli on August 29, and Ochamchira on August 31.

The Youth House also conducted training on proposal writing and business plan development and announced a competition for the best business plan among the clubs. The Selection Committee was established and the selection of the best proposal will be finished by the end of October. Each Club submitted two proposals for consideration and only one would be funded. The project proposals are summarized by district below:

In Ochamchira District:
Djgerda village – green housing and poultry;
Kutol village – pig breeding and planting hazelnuts;
Tamysh village – pig breeding and planting hazelnuts.

In Tkvarcheli district:
Agu Bedia village – green housing and planting hazelnuts;
Bedia village – beekeeping and Fruit trees planting;
Chkhortol village – beekeeping and goat breeding.

In Gali District:
Nabakevi village – beekeeping and fish farming;
Zemo Bargebi – beekeeping and planting hazelnuts;
Kvemo Bargebi – beekeeping and planting hazelnuts.

Reason for modification for the planned activity (if applicable): N/A

Your assessment of the results of this activity: The activity is being successfully implemented, groups have been formed, delivery of agricultural inputs has been completed as outlined in the proposal.

Title of the activity 3.2: Provision of collective support to the groups:

Please elaborate on the activities covered: The delivery of motor cultivators with additional equipment (carriage cart and coal oil) and the knapsack sprayers to 22 groups together with training on usage and maintenance took place in September. The identification of heavy equipment for the Micro-Projects on beekeeping, livestock breeding and greenhouses is ongoing. A market study of the required inputs is ongoing.

Reason for modification for the planned activity (if applicable): N/A

Your assessment of the results of this activity: **This part of the activity is in its early stages of development with groups engaged with beekeeping, livestock breeding and greenhouses established during the reporting period. The inputs will be provided in the 4th quarter or early next year.**

Title of the activity **3.3: Provision of access to extension services:**

Please elaborate on the activities covered: **The process to establish veterinary points in three villages of the targeted districts has started, based on the assessment of Extension Services needs. A range of meetings with the groups involved in livestock breeding were held. The veterinarians from the mentioned groups were identified. It is expected that they will be the staff of the future vet points. The identification of office space and their rehabilitation is ongoing.**

Reason for modification for the planned activity (if applicable): N/A

Your assessment of the results of this activity: **The activity is in the early stages of development.**

Title of the activity **3.4: Farmer exchanges:**

Please elaborate on the activities covered: **The implementation of this activity is planned during the last three months of the project.**

Reason for modification for the planned activity (if applicable): N/A

Your assessment of the results of this activity: N/A

1. Please list all materials and publications (and no. of copies) produced during the project to date and include one copy of each item in the report.

None during the third quarter of the project.

Please state how your publications are being distributed and to whom.

N/A

2. What problems have arisen and how have these been addressed?

There were no significant problems in the Health, Water and Sanitation, and Electricity Supply components of the Programme at that stage. Within the Agricultural component, the vegetable growing groups faced a pest management problem at the beginning of August; the butterflies and

caterpillars season started at this time and they were eating the leaves of the crops. There is a need to implement a safe pest management system to address the problem. The need for pest management is obvious in the three target Districts. UNDP will work closely with other partner to train the stakeholders in the in the correct use of pesticides and crop protection.

3. Please outline any activities and publications foreseen in the agreement that have not taken place and any other changes to the foreseen activities or timetable, explaining the reasons for these. N/A

4. Please give a plan of activities for the financial period between this interim report and the next report on the basis of an updated action plan (Annex C). There are no changes in the initial work plan for the fourth quarter of the project. A budget revision is required; this will be discussed with UNDP and the EC.

D. Results, Impact, Multiplier effect, and Evaluation

1. What results have been achieved during the reporting period (based on the results anticipated in your project application)? Please quantify these results, where possible.

Four Tender process have been commissioned by the Engineering Unit and Implementation Partners (IP) have been identified for Tkvarcheli water systems rehabilitation. Contracts for Civil Work for Gali and Ochamchira water system rehabilitation to implement six Sub-project have been signed and the work started. TORs for the IP for the Primary health awareness campaign have been prepared.

5 groups out of the 22 groups engaged in vegetable growing activity have completed harvesting and generated income after selling their agricultural production. 17 groups which have grown corn, beans and hot pepper were harvesting these crops at the end of the reporting period. At the same time they had generated some income from the sale of earlier harvested vegetable crops.

2. What is your assessment of the results of the project so far? Include observations on the extent to which foreseen goals are being met and whether the project has had any unforeseen positive or negative results (see Indicators in Log frame).

Within Water and Sanitation component of the Programme, the population of target districts as well as local authorities are actively involved in the entire project cycle through the formation of the initiative groups. This local participation of the population and the authorities increases the sustainability of the project. Local contractors were identified to perform the work, thus providing income to the population of the area.

For the agriculture, income generating component local stakeholders participated in the planting, harvesting and marketing of their crops. Most of the groups saved part of their income for their agricultural activities next year.

3. What has been the impact on both the beneficiaries &/or target group (if different) and the situation in the target country population or target region which the project addressed?

The water projects serve as a link between the local authorities and the local population thus building confidence and increasing participation in community affairs. Several other districts have requested UNDP to become involved in the rehabilitation of their water and sanitation systems because of the success of the ongoing water projects.

The same is true for the agriculture activities. Once the results of the harvest were known, more and more people came to UNDP to ask to form groups and participate in the project. Unfortunately, funds are limited and therefore very little expansion can take place.

4. How and by whom have activities been monitored/evaluated? Please summarise the results of the feedback received, including from the beneficiaries.

UNDP ALIR Specialists monitor the activities in close cooperation with local communities and authorities. The UNDP Resident Representative visited the project sites in September. The feed-back provided by the district and village authorities, initiative groups and agricultural groups indicates positive feedback about the overall project and its implementation to date.

5. What impact is the project having on your organisation and on your partners?

As noted above, the programme activities have encouraged other districts and local people to contact the UNDP ALIR to participate in the project. At the same time, through the field monitoring visits and in discussion with local partners, ALIR Staff have identified additional priority projects. Some of these have already been drawn up as possible project proposals and sent to interested donors for funding. In general the UNDP has received a very positive reception in the districts and has established good working relations with partners, authorities and other international organizations.

6. How is your organisation ensuring that the results obtained/the lessons learned from the project, are being made public?

The project results are shared with the EC and UNOMIG through the regular working group meetings. At the monthly UNOMIG Information Sharing meetings in Gali the ALIR Staff provides updated information on project implementation. Another forum for information sharing is the bi-monthly Co-ordination meetings held at the UNDP Information Centre established in Sukhumi. The information on Programme implementation is available for local NGOs and stakeholders on the recently established web-site and at the library in the Information Centre. There is a similar information sharing meeting held in Tbilisi where project activities, problems, lessons learned can be raised.

7. Please outline any links you have developed with other programme/other donor projects.

Taking into consideration the fact that water supply component is a major issue which requires additional attention, it was decided to organize a Water/Sanitation ("WATSAN") Group and invite all interested stakeholders to share as much information as possible regarding the water/sanitation situation in Abkhazia. The main aim of Water Group is to:

- coordinate activity of different agencies in the sphere of water/sanitation;
- exchange information and update the results of similar projects;
- identify priority activities; and
- avoid duplication of activities.

As noted above, the information sharing meetings also provide a link with programme activities, and other donor projects. The offices of UNICEF, UNHCR, WFP, UNIFEM and UNDP have all established offices in the same corridor in the UNOMIG compound. This facilitates information exchange, coordination, and increases the areas where collaboration between agencies and projects can be developed. Discussions have taken place for example on the use of WFP food in some of the infrastructure projects, joint training seminars, joint infrastructure rehabilitation projects with UNHCR, the school survey with UNICEF, etc.

8. The success of the project depended on various assumptions (see log frame). Have these influenced the results so far?

Although security remains a major concern, particularly in lower Gali, it has not adversely affected the implementation of the project.

E. Partners and other Co-operation:

1. How do you assess the relationship between the formal partners of this project (i.e. those partners which have signed a partnership statement)? Give details about the division of responsibilities, transfer of expertise, and overall co-ordination of the partnership(s).

UNDP signed agreements with two local NGOs for part of the agriculture component and will sign soon with an international NGO for the Health training component. All of the water projects involve contracts with local contractors. As noted above the working group established between the EC, UNOMIG and UNDP has proven to be an excellent forum to share information, review project implementation and iron out any problems. The Health training component is expected to start in November.

2. How would you assess the relationship between your organisation and state authorities in the project countries?

UNDP meets regularly with local authorities in Abkhazia to update project progress. This is particularly true at the district level where regular meetings are held to review each project activity.

3. How has this relationship affected the project?

In general the relationship has had a very positive effect on the project. For example, the Ochamchira District Administration agreed to support the repair of the Sanitary Epidemiological Station Laboratory premises and found its own resources to recruit staff. The Laboratory will control the water quality and will keep records on water-born diseases. Local authorities have also provided additional pipes to some of the water projects, thus extending the supply system beyond what was originally planned. In agriculture, the authorities have agreed to provide land or facilities to support the project activities.

4. Where applicable, describe your relationship with any other organisations involved in implementing the project, e.g. associated partners or sub-contractors.

As noted above, relationships with partners, local contractors, authorities, water user groups, and local CBOs have been very positive. Another example of participation in the projects is that the CIS PKF staff in Gali assisted the local contracting company in digging trenches in Gali town to accelerate the rehabilitation of the water supply system; they provided this work free of charge and will benefit from having a regular supply of clean water.

5. How do you evaluate co-operation with the European Commission services?

Cooperation with the EC has been excellent. Not only through the regular working group meetings, but also field visits and informal meetings both in Tbilisi and Sukhumi.

F. Other

1. How is the visibility of the EU contribution being ensured in the project?

The creation of a joint EC-UNDP logo for stickers and sign boards is still a pending. Drafts have been prepared and sent to the EC for approval. These should be finalized in the 4th quarter.

2. Has the grant so far helped secure new sources of funding for the project? Please give details.

The grant from Government of Norway was received just prior to the approval of the funds from the EC. Additional proposals have been sent to other donors; their decisions to date are still pending.

3. Please add any further information that would help the Commission to make a balanced assessment of the project to date.

As noted above, the project has generated additional interest in the EC funded programme. For example, A new project proposal for the rehabilitation of the water supply systems and improvement of health and sanitation conditions in other districts was prepared, based on written requests from local authorities of Gali, Sukhumi, Gudauta and Gagra districts. The idea would be to undertake similar infrastructure rehabilitation projects in these new geographic areas.

Another example, is assessment of the Gali Canal with UNOMIG to look at the environmental problems at Primorsk, possibilities for irrigation, and the potential for micro-hydro electric stations as possible new projects.

Finally, although it was meant to be part of Phase II of the EC Programme, given the work the local authorities did to stabilize the banks of the Kodori river, the UNDP Engineering Unit together with Swiss Development (SDC) Expert visited villages along the Kodori river and met with the affected population, local companies and authorities to obtain information for a technical evaluation of the river. UNDP expressed its readiness and capability to work with the EC, UNOMIG, local authorities and other partner to implement the Kodori river project.

4. Do you have any objection to this report being published? If so, please state your objections here.

UNDP has no objection to the report being published, but would appreciate discussing the content with the EC before distribution.

Name of the person responsible for the project:

Signature: _____ Location: Tbilisi, Georgia

Robert Watkins
UNDP Resident Representative

Date foreseen for report: Third Quarter 2006

Date report submitted: 13 November 2006