Integrating DRR into market system development (MSD)

Case study: DRR in the MOLI in Kakheti project (Georgia)

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Bern

Silvia Frei (HEKS/EPER)

MOLI-Project

MOLI-Project aims at improving the livelihoods of 7,000 livestock farming families in 5 municipalities in the Kakheti region.

The interventions focus on connecting farmers with small businesses, such as dairies, feed mills, veterinary pharmacies and machinery service providers that provide improved inputs, services and advice in order to **increase the dairy and meat production**, **enhance market access** and, together with local government departments, **create a successful business-enabling environment**.

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The project applies several instruments to support the selected market players in the livestock market system in the Kakheti region:

- i) Capacity development of relevant market players to support delivery of improved services and advice to farmers.

- ii) Co-investment grant schemes for specific investments aimed at improving market system functions and increased outreach of target enterprises to farmers, and

- iii) Facilitation of discussion platforms that enable farmers and rural SMEs to interact directly and to coordinate their needs and concerns with local government authorities.

- iv) Facilitative actions at different levels and with different actors, e.g. interactions and consultations with the National Food Agency (NFA)

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MOLI-Project is a rural development project implemented by HEKS/EPER in partnership with HELVETAS Swiss Intercooperation and ABCO (Association of Business Consulting Organisations of Georgia) on behalf of the Swiss Agency for Development and Cooperation (SDC).

- **Project Duration:** November 1st, 2011 to November 30th, 2015, including an inception phase from November 1st, 2011 to June 30th, 2012.
- **Districts:** Sighnaghi, Sagarejo, Dedoplistskaro, Kvareli and Lagodekhi in Kakheti region
- **Budget:** approx. 3.5 Mio CHF (2012 – 2015)
- **Staff:** 9 permanent employees
- **Business Partners:** 40

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DRR in MOLI project: main steps

- DRR asessment during inception phase of MOLI I: workshop and field visit with support of consultant (March 2012)
- DRR training for HEKS/EPER staff and partners (2014)
- Definition of DRR as a transversal theme for MOLI I (2012-2015)

DRR assessment

Participants: MOLI staff, HEKS/EPER staff, local government (agriculture), other NGOs, DRR specialists

- Risk assessment
- Major Impact on the livestock sector
- Value Chain Analysis thorugh the DRR lenses
- Conclusion and recommendation for MOLI

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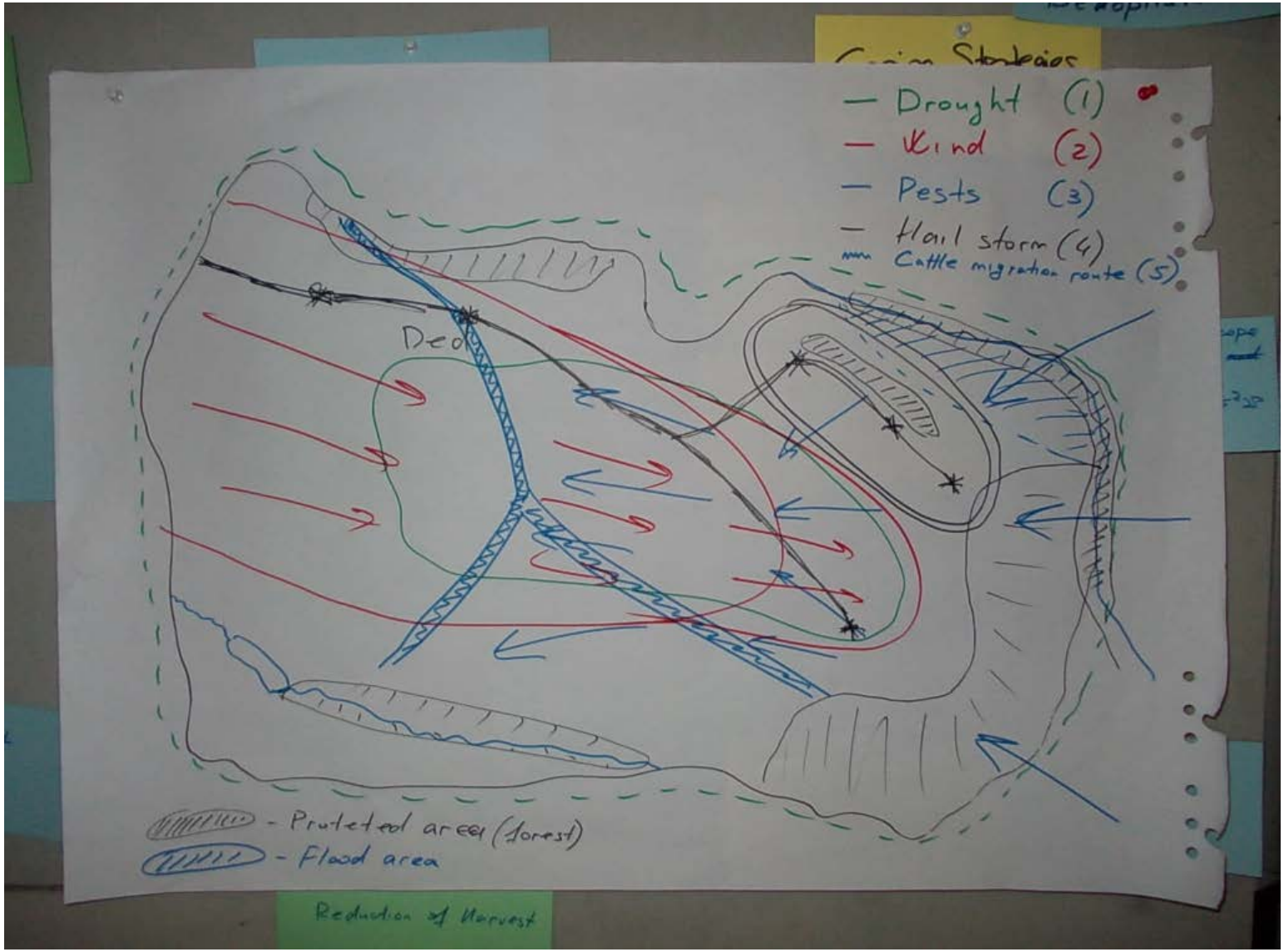

Value Chain	Type of hazard which hamper the activity	Opportunities/Threats
Animal Health		
Embedded veterinary service	Outbreak of diseases caused by (i) cattle migration route and (ii) endemic diseases	Opportunities: - Demand on Vet service increases; - Increase in the attention to animal health
		Threats: - Delay of vaccination or services (companies might be slower to respond than individuals);
Veterinary Service Coordinated by Pharmacies	Outbreak of diseases caused by (i) cattle migration route and (ii) endemic diseases	Opportunities: - Increased coordination and awareness of farmers helps to prevent / reduce impacts of diseases; - Better distribution network increases access of farmers to veterinary inputs, which helps to prevent / reduce impact of diseases
		Threats: - Delay of vaccination or services (pharmacies might be slower to organize a response than individuals);
Animal Nutrition		
Improving Grain Based Feed	Drought, Pests (Wind)	Opportunities: - Marketing of drought, wind or pest resistant varieties; - Marketing of feed additives and concentrated feed that can supplement production affected by localized droughts, pests or wind.
		Threats: - Increased dependence on locally produced grain for feed make farmers more susceptible to decreased yields from drought, wind or pests.
Improved Forage Production	Drought, Pests (Wind)	Opportunities: - Marketing of drought, wind or pest resistant varieties; - Promotion of forage production practices that reduce exposure to hazards; - Higher value forage production may make irrigation economically viable.
		Threats: - Promotion of forage crops that are more susceptible to drought, pests or wind than current feeding practices

A. DRR included in the Governance and Advocacy activity of the project (including support of pilot projects)

B. Incentivizing DRR fields of animal health and nutrition through including it in business plans of enterprises active in this field

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DRR training (HEKS/EPER)

- *HEKS Guideline on Community based Risk Reduction*
- *Identification of shocks and stresses; preparedness, prevention and mitigation measures*
- *Integration of Risk Reduction/Resilience Building into Project Cycle Management*
- *Introduction into Assessment Tools*
- *Data collection in the field* – In groups the different assessment tools
- *Formulation of Action Plans*

DRR in governance and advocacy

- Review of disaster risk reduction related documents and preparation of recommendations for livestock farmers, business partners and authorities in relevant municipalities *(Caucasus Environmental NGO Network CENN)*

Example of concrete recommendation for Dedoplitskaro municipality:

- *Farmers: Measures against soil degradation (crop rotation, selection of seeds, short tillage and seeding period, organic fertilizing, etc.); Pasture management (establish plan, no straw burning practices), etc.*
- *Input suppliers and machinery service providers: Drought resistant crop, Demo plots, Soil labs.*
- *Local government: DRR plan, windbreaks, forest planting, pasture management plan, animal movement roads, land cadaster, soil bank, etc.*

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Pilot project: electric fence in Ninotsminda

- Development of pasture management plan
- Identification of pilot project
- Pasture of 6 ha (in future 15)
- 16 households, one herd
- Rotational grazing for 35 milking cows
- 11’500 CHF (65% MOLI co-financing)

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Demonstration plot – drought resistent crop for animal feeding

- Demo plot @ feed mill owner in Dedoplistskaro
- 2 ha Sainfoin -200 kg seeds -> 4 t yield, 800 kg hey
- Seeds provided by MOLI (GEL 800); planting, cultivation and harvesting activities covered by BP (GEL 900)
- Sainfoin: silage/hay crop that can also be grazed; drought-resistant, no nitrogen fertilizer, no bloat, natural anthelmintic.
- Practice copied by several farmers in Dedoplitskaro

Example of DRR in dairy business plan

Natural disasters occurring in Kakheti district are mainly drought and long winter. Both of them affect livestock production greatly, especially subsistence and semi-subsistence farmers:

- Drought is affecting hay production, and it also reduces the volume and the quality of hay;
- Drought is affecting pastures, that are not fully used anyway, and the used ones become overused.
- Long winter is causing increase of low nutritious value feed usage and accordingly volume of milk produced.

The above mentioned is causing the following:

- The village population (especially the one involved in livestock production) fails to provide the storage of feed (even low nutritious value one) for the whole winter to feed their cattle;
- The shortage of cattle feed towards the end of the winter causes the increase on price of feed (almost tripled), that transforms into financial damage for farmers, who cannot afford the whole winter feed supply for their cattle.
- Towards the end of winter subsistence and semi-subsistence farmers have to slaughter their cattle and this of course is causing milk production reduction.

There are few ways to address these issues, this is mostly related to strengthening the cooperation between service providers and the involvement of Project MOLI, as follows:

- The research conducted by the project showed, that the most important natural disaster risk is non-favourable weather conditions in summer and winter (drought and severe winter) along with epidemic animal diseases.
- The activities the company has planned, like supplying winter feed to farmers, also the prevention of diseases through improved veterinary services by hired veterinarian will facilitate risk reduction process. At the same time the company owner is planning to start winter feed (including beetroot for cattle) production himself, and supply it to farmers.
- The company is planning to cooperate with National milk producers association (NMPA) and vice versa, to promote Loki Bloki (feed additive enriched with vitamins) product, which is especially recommended as a winter feed supplement, because i) it increases the milk productivity (that is vital for MCCs) also ii) it has favourable effect on animal health, especially when cattle is fed with low nutritious value feed. The payment will be settled in milk.

At the initial stage the involvement of project MOLI in Kakheti is desirable, for example in investing into: i) Loki Bloki marketing, and; ii) possibly finance of the Loki Bloki trial samples.

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DRR in MOLI II (2015-2018)

- DRR as topic in Business Development Plans with SME's and/ or memorandums of cooperation with Input/Service/Information providers operating on national level
- Drought tolerant crops and humidity conservation practices
- DRR as integral topic in information and advice dissemination
- DRR as recurring theme of the business forums

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