



ევროკავშირი
საქართველოსთვის

ENPARD: სოფლისა და სოფლის მეურნეობის
განვითარების ხელშეწყობა



Evaluation of the State Policy on Support of Farmers' Cooperation in Georgia

In respect of Farmers' needs



ASSOCIATION OF YOUNG
ECONOMISTS OF GEORGIA

2017



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Executive Summary

The research was conducted in 2017 by Association of Young Economists of Georgia in cooperation with “People in Need”, Humanitarian Charity Organization. The present research is an evaluation of State Policy aimed at support of cooperatives in Imereti and Racha regions and is based on farmers’ point of view.

Research findings cover issues like evaluation of present state of development of cooperatives, farmers’ attitudes towards cooperatives and existing needs, assessment of impact of the Agency for Development of Agricultural Cooperatives and its projects, etc.

An important step in view of the state policy on cooperatives was made in 2013 when the Agricultural Cooperatives Development Agency was established. At the same time, Law on Agricultural Cooperatives (adopted on July 12, 2013) regulates functioning of cooperatives and other related processes. Therefore, in 2013 an important institutional basis was established to support development of cooperatives. It has to be mentioned that an international sector has been actively working on development of cooperatives for many years now, hence creating a solid ground for implementation of state policy in this regard.

More than a half of the interviewed respondents mentioned that they have created their cooperative to receive grants or participate in a relevant state programme. A better result achieved through joint production was the main incentive only for a comparatively small part of the respondents. At the same time, it has to be noted that the cooperatives established “for better results” are small- a tiny neighbourhood, circle of relatives or friends – a formal unity of people who have had positive experience of joint work before. Quite a large number of farmers still question the idea of cooperation and still associate it with the notion of collective farms (kolkhozes).

According to farmers, positive sides of cooperatives are: merger of resources, an opportunity to receive grants/assistance, availability of relevant state programs, decreasing of costs, and expansion opportunity. While the negative sides are complexity of management; attraction of new members; intensive bureaucracy /vast number of different forms to fill; other state programs are not fit to cooperatives; it is difficult to make decisions rapidly; association with the soviet collective farms.

The survey results showed that one-window principle is actually in place in the form of local extension services, as everybody in case of any question addresses the latter in the first place. Therefore, strengthening of the mentioned services in terms of the numbers of human resource, improved quality of services and information should be on the agenda.

Beneficiary and non-beneficiary cooperatives praised the motor-block provision and beekeeping support programmes as positive and necessary. In Racha, motor-block provision part is especially appreciated. Absolute majority of cooperative members believe that the beekeeping support programme is a very important and necessary initiative. Participation in the mentioned program for them was not associated with any obstacles at all.

Dairy and viticulture programmes received comparatively lower scores. Majority of respondents mentioned that this programme is not adopted to their local needs and does not consider geographic peculiarities. However, we have to mention that cooperatives involved in this initiative were not interviewed due to geographic limitations of the survey.

The survey revealed that these programmes as well as grant components of international programmes motivate local farmers to establish cooperatives. Unification with the purpose of obtaining this type of benefit may not be the best method for facilitation of cooperatives, however, at the current stage of development of cooperatives even this result is quite important.

At this point of time, programmes implemented by the agency can be considered as a good start, however, it is important to make sure that based on the specific indicators of those programs long term strategic planning is made and covers not only current challenges but defines strategic goals.

The most frequently raised issues concerning a better program planning included consideration of regional specificities, introduction of similar programs for other sectors (mainly horticulture) and support in terms of implementation of technologies.

In case of implementation of relevant programs, all cooperatives are ready to provide co-financing. It is noteworthy that those cooperatives have already received some grant financing from international organizations are prepared to provide about 20-25 % of financing while others are ready to contribute 10-15%.

Most often farmers raised problems related to understanding and proper implementation of legal requirements. In this regards, they have mentioned that in general their problem is “working with papers” as they do not have any knowledge or experience of it. The issue is so relevant that all farmers, with no exceptions, have mentioned the difficulties related to understanding of law and bureaucracy. Accordingly, elaboration of practical guidelines for cooperatives, on one hand covering explanations to the law and instructions on how to

fill in the required forms, as well as offering practical advice in terms of management and functioning, would be a great contribution.

Members of cooperatives also named the following important problems: attraction of new members, lack of knowledge and skills, access to market/sales, access to financing.

According to farmers, such assistance programmes to cooperatives bear less risks and the main risk factor for them is that characteristic for agricultural activities in general, like natural disasters (mainly drought, wind and hail); low prices of agricultural output; falsified chemicals; falsified goods (especially in case of honey). However, other stakeholders see rather different risks: a high probability that big part of programme beneficiaries (cooperatives) shall not achieve due development, access to markets, decreased sense of responsibility and reluctance.

The survey shows that local extension services serve as a main source of information for cooperatives. That is where they receive information about the programmes implemented by the Agency for Development of Cooperatives as well as other opportunities offered by the state or international organizations. In this regard, the issue of continuous trainings and updating of knowledge and information of relevant personnel of extension services is especially relevant.

Farmers as well as stakeholders believe that awareness campaigns in media, be it the radio or television, are very important. This communication tool is especially pertinent when it comes to demonstration of positive sides of cooperatives. They repeatedly mentioned that there is a need to broadcast information about successful cooperatives to set a good example. It would significantly change the attitude and increase farmers' motivation. At the same time, such an approach may be used to boost interest among younger people as well.

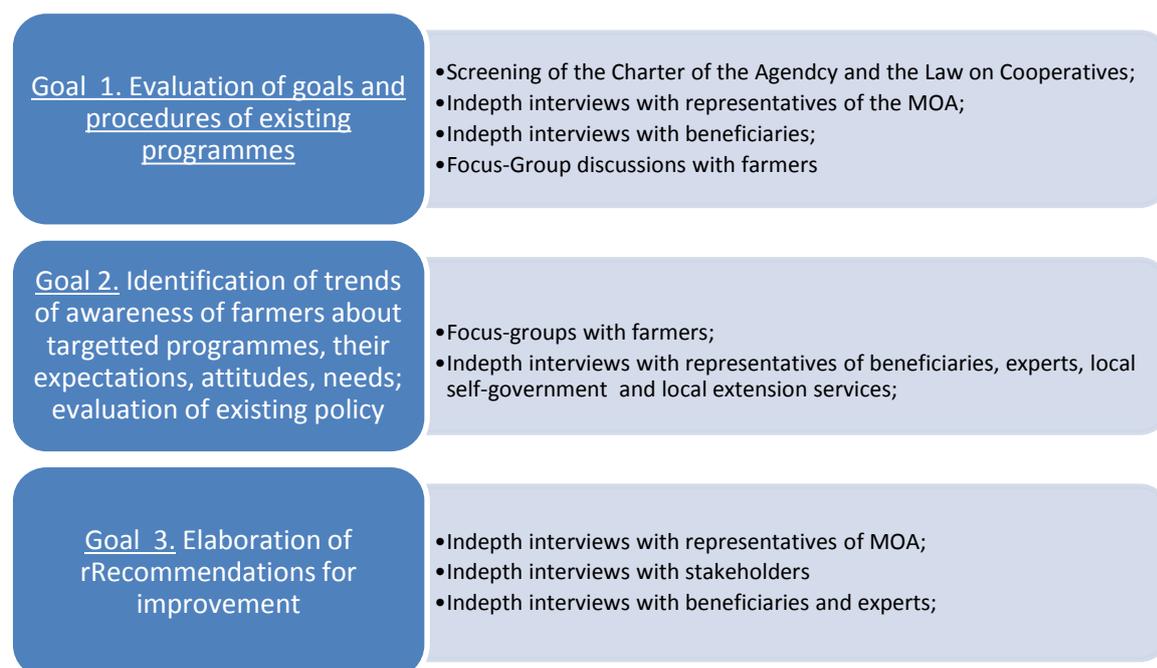
Existence of the Agency for Development of Cooperatives as of an institution is exceptionally important and now it is time to put its capacity building, expansion of mandate and empowerment on the agenda so that it could implement various programs and initiatives including programmes aimed at continuous trainings of cooperative members, access to financing and implementation of marketing related activities.

The research was implemented with support of the European Union, with the help of European Neighbourhood Programme for Agriculture and Rural Development in the framework of the "Strengthening of Productivity of Small Farmer Cooperatives in Imereti and Racha Regions" project.

Research Methodology

Purpose of the research: Evaluation of state policy aimed at support of farmer cooperatives and relevant targeted programmes by farmers; exploration of trends in terms of their expectations, attitudes; elaboration of relevant recommendations.

Research goals and tools



Two directions identified as a research tool:

(1) Focus-group discussions with farmers

Ten focus groups were conducted in the framework of the research: one group in each targeted municipality (a total of nine) and one joint regional meeting with beekeeping cooperatives. On average, there were 10-12 farmers in each focus-group meeting. Selection of farmers was made with due consideration of their sectorial and geographic differentiation. At the same time, at least half of participants were active cooperative members. Proportions between sectors correlated to the profiles of cooperatives in municipalities. Maximum half of focus group members were medium size farmers who (1) plan to unite in cooperatives and/or (2) do not wish or do not plan to unite into cooperatives.

Focus groups were conducted as per questionnaires prepared in advance (Attachment 1); audio records were made and corresponding transcripts prepared. Results were analysed and certain trends requiring some improvements and/or significant modifications were revealed.

(2) In-depth Stakeholder Interviews

Category	Number	Goal N
Cooperatives-beneficiaries of targeted programmes	14	1, 2,3
Non-beneficiary Cooperatives	8	1, 2,3
MOA, Agency for Development of Cooperatives	3	1,3
Representatives of Local Extension Services	9	1,2,3
International and local organizations working on issues related to cooperatives	16	3

Framework guidelines were prepared for in-depth interviews (Attachment 2) and adopted to the competence and profile of respondents. For the purposes of recommendations on improvements to the state policy, interviews were conducted with the Agency for Development of Cooperatives in two stages: (1) at the first stage of the research to define more precisely research questions related to the state policy and vision and (2) subsequent interviews by the end of research when farmers' attitudes and position is already established and the representatives of the agency could have a chance to state their vision concerning specific challenges.

Overview of state programmes in support of cooperatives

Legal Entity of Public Law- Agency for Development of Agricultural Cooperatives- was established on September 20, 2013. The goal of the agency is to facilitate rehabilitation of agriculture through development of agricultural cooperatives; ensure social and economic development of rural areas; improvement of agricultural productivity and competitiveness, increase efficiency of production and develop national economy; implement state support measures for agricultural cooperatives; issue grants to agricultural cooperatives to facilitate the process of implementation of state support measures.

The agency is implementing the following support programmes aimed at development of agricultural cooperatives:

“Provision of Motor-blocks and Manual Drill-machines to Agricultural Cooperatives” Programme

“Provision of Motor-blocks and Manual Drill-machines to Agricultural Cooperatives” Programme implies provision of small-sized agricultural equipment at preferential price of 900 GEL (only 24% of the cost) to cooperatives. Each set includes a motor-block aggregate with a cropper, plough, cultivator and hand sower. Cooperatives established by IDPs and eco-migrants as well as high mountainous, bordering and villages along the occupation line receive one additional manual sower for one GEL per each purchased set.

Programme implementation started on September 1, 2014. According to the data of December 2016, a total of 684 cooperatives with the status of agricultural cooperative received 1539 agricultural sets and additional 201 manual sowers. As a result, agricultural cooperatives were equipped with small-sized agro-equipment helping them to work on small land plots of difficult landscape and participate in economic activities. At the moment, the programme is not implemented any longer.

„Development of Hazelnut Production through Support to Agricultural Cooperation”

Governmental Decree # 252 of June 4, 2015 approves the state programme “On Development of Hazelnut Production through Support to Agricultural Cooperatives” that aims at establishment of the whole cycle of production, processing and realization of hazelnut, decrease of cost and increase of export potential.

Hazelnut dryer with a capacity of 24 tons and storage infrastructure with a capacity of up to 500 tons were built and properly equipped in the village of Darcheli of Zugdidi municipality. The mentioned infrastructure was issued under a 5-year lease to agricultural

cooperative “Darcheli hazelnut” that united more than 500 shareholders and satisfied all programme requirements. If the cooperative satisfies programme requirements, it will have a right to request a buy-out of this infrastructure.

„State Support Programme to Beekeeping Agricultural Cooperatives”

The goal of this state programme is to improve the material and technical basis of beekeeping agricultural cooperatives, increase the quality and volume of production of honey and other bee products, make capital investments in agricultural cooperatives and increase qualification of shareholders. In the framework of the state programme beekeeping cooperatives receive beehives, honey strainers (brace) and 2200-liter capacity honey storing vessel at 70% financing.

Cooperatives participating in the programme receive technical assistance related to implementation of main requirements of “No 714 Government of Georgia Degree of December 26, 2014 on Approval of Technical Regulations on Honey; programme participants also have a right to submit one sample of honey to the laboratory of the Ministry of Agriculture free of charge. In 2016, State programme of support to agricultural cooperatives handed over a total of 13936 hives to 164 agricultural cooperatives; 28 agricultural cooperatives received 28 units of honey strainers (brace) and 27 agricultural cooperatives received honey storing vessels (total storing capacity of 61 400 litres).

Support to milk producing agricultural cooperatives programme. In the framework of the programme nine agricultural cooperatives selected as a result of announced registration received milk collection and processing equipment of different capacity. Cooperatives also received mobile raw milk control laboratory devices and equipment required for artificial insemination in order to improve cattle breed and increase productivity.

Technical Assistance to Cooperatives. In 2015, practical trainings on Tax Code were conducted for the agricultural cooperatives in up to 30 municipalities of different regions of Georgia. A total of 387 representatives of 233 agricultural cooperatives participated in the training cycle.

In the process trainings, the Agency for Development of Agricultural Cooperatives focused at sectorial issues: representatives of up to 35 cooperatives participated in trainings on modern technologies of cultivation of vegetable crops conducted by the scientific centre of the Ministry of Agriculture and China, Agricultural group of “Hunan” Ltd; representatives of 11 beekeeping and grain oil cooperatives participated in a three month training in People’s Republic of China; representatives of 10 milk producing cooperatives got

acquainted with modern methods of production of dairy products at Tsnisi Dairy Factory, representatives of 11 cooperatives went on a study tour to Estonia, representatives of two cooperatives went to the United States of America to see local agricultural cooperatives and learn from their experience.

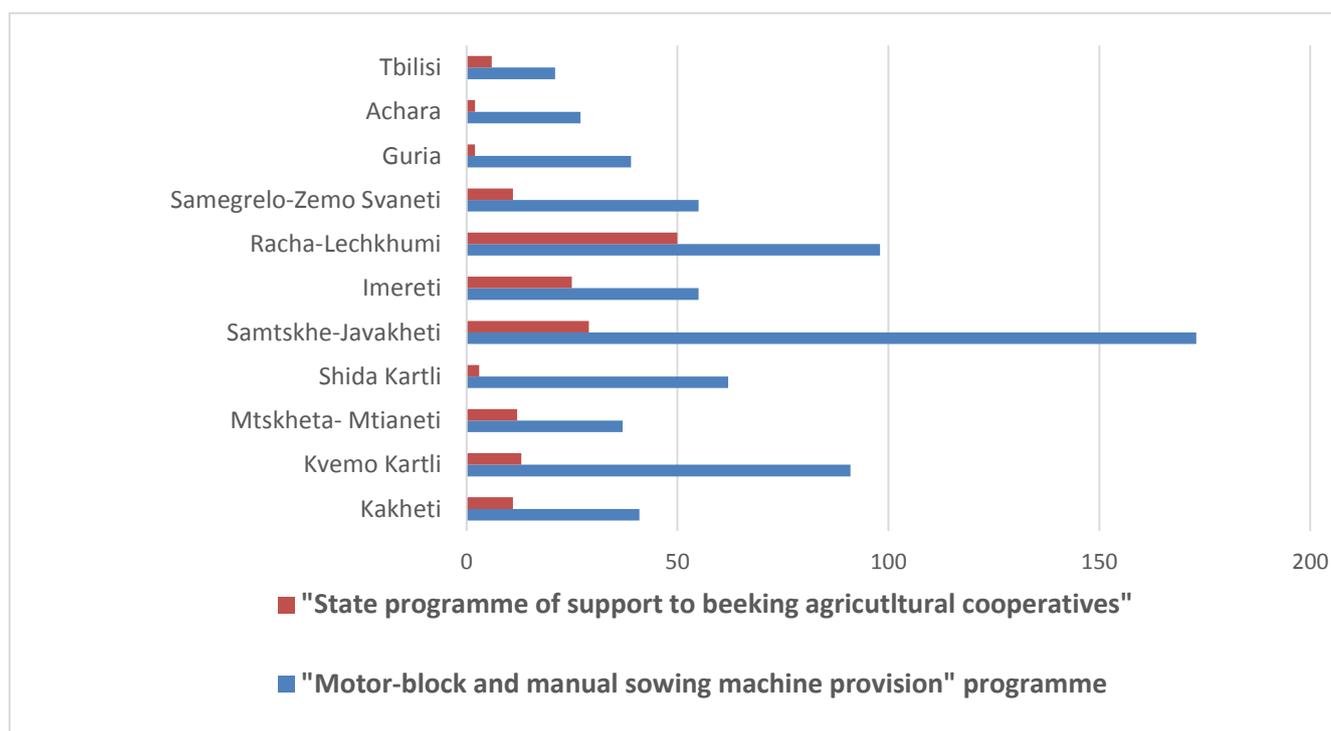
It has to be mentioned that “Capacity Building of the Agency for Development of Cooperatives” project of the EU/ENPARD Programme in the framework of which more than 1600 representatives from some 800 agricultural cooperatives were trained by EVOLUXER S.L on the following modules: introduction to agricultural cooperatives, organizational development cycle of agricultural cooperatives, organizational audit methodology, legal regulations and intra-organizational relationship rules, business planning. More than 400 representatives from 224 cooperatives participated in the training on basics of financial and tax accounting in the framework of the same programme.

There are 1586 cooperatives with the status of agricultural cooperative throughout the country (as of 31.12.2016). Cooperatives with the agricultural status are distributed amongst the regions as follows: Kakheti- 156, Kvemo Kartli-224; Mtskheta-Mtianeti-86; Shida Kartli-119; Samegrelo-Zemo Svaneti-127; Guria-53; Achara-155; Samtskhe-Javakheti-358; Imereti-124; Racha-Lechkhumi-132; Tbilisi-52.

Motor-block and manual sowers programme as well as beekeeping support programme were the most popular ones amongst those listed above (please see # 1 Diagram). Motor-block program in Samtskhe-Javakheti had the highest number of beneficiaries, whilst beekeeping programme was the most popular in Racha-Lechkhumi. The biggest share of beneficiary cooperatives of the programme is in Samtskhe-Javakheti region (24%), followed by Racha-Lechkhumi (17%) and Kvemo Kartli (12%). Share of other regions is more or less similar (from 3% to 8%). Herein, it is important to mention that the programmes covered all regions of the country¹.

¹ Except for the occupied territories

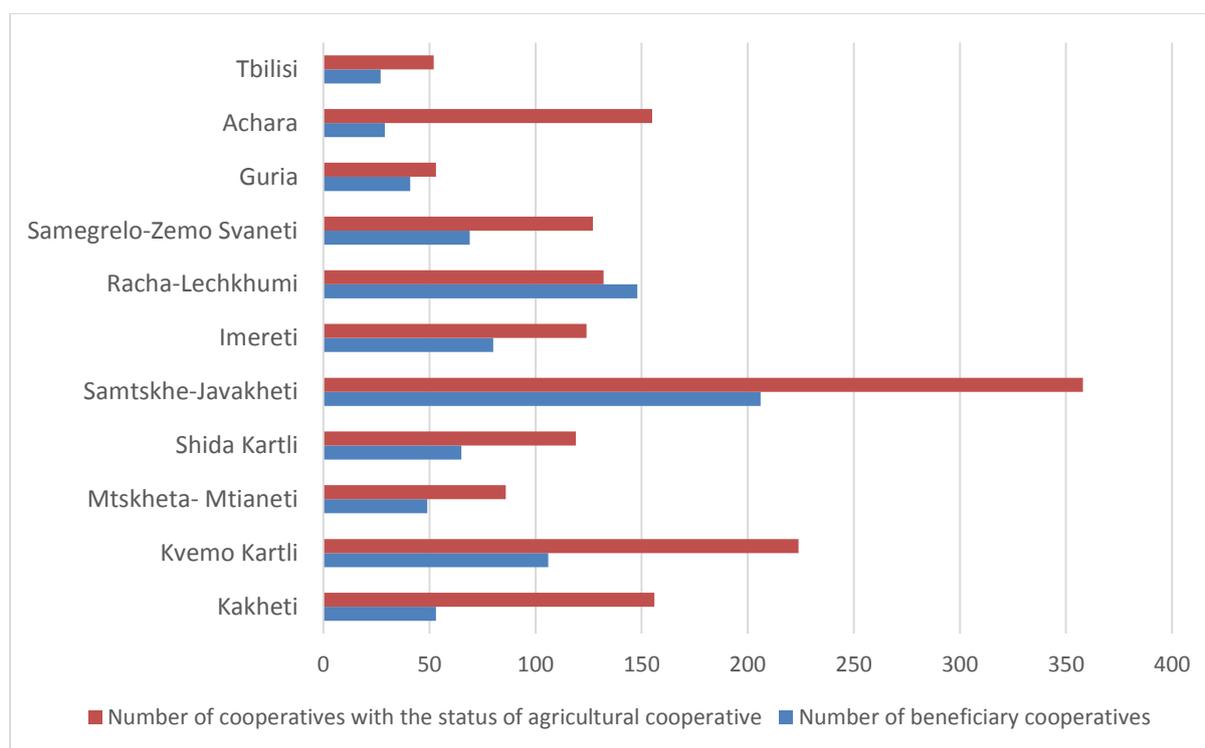
Diagram 1. Numbers of beneficiary-cooperatives of the targeted programmes by regions



Source: Cooperatives Development Agency

About 55% of registered cooperatives benefited from at least one of the state programme. (Diagram 2). However, the analysis of the regional situation shows that cooperatives in Guria (77% of registered cooperatives) and Samtskhe-Javakheti (58% of registered cooperatives) were the most active. Racha-Lechkhumi region is worth mentioning in a separate chapter as it seems that majority of cooperatives there benefited from more than one state programme. The lowest activity was witnessed in Achara (19%) and Kakheti (34%), however, the overall picture will change significantly when the viticulture programme enters its active phase.

Diagram 2. Numbers of cooperatives with the status of agricultural cooperatives and cooperatives-beneficiaries of targeted programmes by regions.



Source: Agency for Development of Cooperatives

National Office of Statistics of Georgia publishes different data on cooperatives (as of legal entity). (Table 1). The data shows that cooperatives (regardless of their status) are not demonstrating development parameters. The only data that shows significant growth rate is the average monthly remuneration of the employed.

Table 1. Information about the data on cooperatives

	Turnover, mln GEL	Number of employed in thousand persons	Production of output in mln. GEL	Average monthly remuneration of employed, GEL
2006	4.1	1.3	3.7	79
2007	1.4	0.5	1.1	66
2008	1.5	0.7	1.6	129
2009	1.1	0.6	1.3	118
2010	0.8	0.2	0.7	103
2011	1.2	0.5	1.1	161
2012	0.7	0.2	0.7	104
2013	2.4	0.1	0.6	161
2014	0.5	0.1	0.5	190
2015	3.0	0.2	3.0	350

Source: National Office of Statistics of Georgia

Attitude toward agricultural cooperatives and evaluation of existing state programmes

Attitudes toward agricultural cooperatives

Modern concept of cooperation with no hesitation can be described as a novelty for rural farmers. However, an important progress is also in place in terms of attitudes and implemented activities as well. The idea of cooperation in some cases (especially for non-beneficiary farmers) is still associated with the soviet collective farms (“kolkhozes”) and overcoming of this stereotype is quite difficult, as it required change in mentality and thinking.

An important step in terms of state policy towards cooperatives was made in 2013 when the Agency for Development of Cooperatives was established. At the same time, the Law of Georgia “On Agricultural Cooperatives” (adopted on July 12, 2013) establishes regulations and other procedures related to functioning of cooperatives. Accordingly, since 2013, an important institutional framework required to provide actual support to development of cooperatives is in place.

It has to be noticed that for many years now an international sector is very actively working on development of cooperatives, hence creating a ground for implementation of effective state policy.

The research showed that important changes in terms of attitudes towards cooperatives, including the motivation to establish the latter, took place lately. However, the number of people with indifferent or/and negative attitudes is still high.

More than a half of interviewed cooperatives state that they have created their cooperative in order to receive a grant and/or participate in a relevant state programme. Comparatively small part of the interviewed cooperatives was inspired to achieve better results through joint production. These farmers used to compare the cooperatives with a more traditional approach called “Nadi”². It also has to be mentioned that cooperatives established on the grounds of “better results” are of a smaller size, mainly a union of small neighbourhood, circle of relatives or friends that used to have some experience of working together in the past.

² A rural tradition when villagers help each other during harvesting or other activities free of charge.

Quite a big number of farmers is still quite pessimistic about the idea of cooperatives and still associates it with the soviet kolkhozes. Very often, we can hear the same argument from those members who would like to attract others but cannot convince them as those potential members have this stance on cooperatives.

The positions concerning the above are divided as follows:

„The idea of creating cooperatives is a very good idea in general as it is possible to get better results compared to individual efforts especially when government and non-governmental organizations support cooperatives so much and there are so many opportunities for a person who pursues it consciously and diligently“(a cooperative member).

“Cooperatives have always been there. That is how it has always been: whatever you do you have to call your neighbour, we call it a Nadi. Nadi is the same as a cooperative. You go together, you plant together, you have one transport, we only form it differently, and if you apply it to all peasant- even better...” (A cooperative member).

“Our friendship has united us... nothing to hide: we also wanted to get a grant but we wanted to add more members too. I don't know if we would really manage to stay likeminded but still” (a cooperative member).

„Our main goal was to obtain a grant: this was the only reason why we have established our cooperative. Others also do it for the same reason of getting a grant, and does not matter what they say. Otherwise, they would not get together. An opportunity to receive a grant brought them together –this is the reality. “

„The reason for uniting is in the hardships that peasants face. We got the grant. Now all our members are guaranteed that their activities and goods are safeguarded and will always sell.”

“We established the cooperative consisting of some friends and likeminded people without a problem but now it seems to be a good time to get new members but it is difficult to find such people as they have lived in this past of soviet kolkhozes and cannot think differently, while it would be probably also not easy for us as well, I mean dealing with new members...”

“Cooperative is good as it mobilises resources: human resources as well as technologies. Nevertheless, we understand that some twenty and not only two or three persons should establish a cooperative. The idea of cooperatives is still not quite fully understood here...”

“... In our country, peasants want to make their own wine in their own cellars. Therefore, it is difficult to bring them together and make them produce wine together. They would unite for a grant and for any other benefit but not for business.”

“Cooperatives are developing little by little. Situation is better than it was some years ago. With regards to people’s attitudes, we can say that some people still believe that cooperation is an old Soviet model and we could not make them understand as to what this model really means. Probably, young people should be more interested in cooperatives” (local extension service).

“I would rate the process of development of cooperatives as positive. It is developing gradually. In the beginning, they were pessimistic, as cooperatives were perceived as kolkhozes. These perceptions are changing and more people are expressing a desire of forming a cooperative.” (Local extension service).

Attitude towards cooperatives is inhomogeneous, however, there are obvious pioneers who have realized the perspectives for development and are actively involved in cooperative activities. The majority of the interviewed farmers were inspired by a possibility to get a grant. Regardless of the nature of “inspiration”, majority of them had realized other opportunities and challenges related to the management of cooperatives.

In the process of research of attitudes towards cooperatives, we have discovered the main positive and negative sides that farmers see in cooperatives. Management of cooperatives, attraction of new members and “bureaucracy” were mentioned as a difficulty most often.

Positive sides	Merger of resources;
	Opportunity to receive a grant /assistance;
	Access to state programmes;
	Decreasing of costs;
	Joint sales;
	Opportunities for expansion;
Negative sides	Complicated management;
	Attraction of new members;
	Increased bureaucracy/ a lot of forms
	Complicated accounting
	State programs are not adjusted to cooperatives too;
	Difficult to make decisions quickly;
	Reminds them of soviet kolkhozes

This non-uniform attitude towards cooperatives is confirmed by international and local non-governmental organizations as well. A decade of experience of working with cooperative shows that attitude is obviously changing in a positive way. There is another important circumstance: nobody should create an expectation that the whole village population will become members of cooperative and everybody will properly understand the meaning of cooperation. It is important that cooperatives that have been established remain sustainable in the end and find their place in the value-added chain.

„The inheritance of kolkhozes damages the attitude. We deal with the category of people who do not have any farming skills: just kolkhoz hired workers, without any share in the kolkhoz, and they have not got any perception of ownership and responsibility over the business- and we have to overcome this problem now. This is even natural and we have not had any expectations that it could be an easy thing to do. Changing of this attitude depends on economic factors: if business is successful, confidence will increase.”

„In fact, these cooperatives started with a purely Georgian approach. If I need a grant, I need to establish a cooperative. Establishment of 1600 cooperatives within a year and a half is just another proof of this fact. Some of them have developed, some of

them have not, some have gone back... Difficult to speak about development but stability is more or less maintained.”

„In the beginning, attitude towards cooperatives was very sceptical as everybody thought that it was an old kolkhoz union and during our information meetings we used to hear this negative attitude. However, when people actively started to form and register cooperatives, and participate in competition for grants, communities showed more interest towards cooperatives. However, in a short period of time I cannot say that miracles have happened as development of cooperatives takes years, however, if we look back at European experience, they have more than a hundred years of experience and the results that we have in such a short period of time are quite good”.

“... The attitude is not homogeneous; however, this is quite understandable: not everybody shall join or form cooperatives. I think that in Georgia some part of people can form cooperatives but it is difficult to predict the percentage exactly but the fact is that individual farming will not disappear as it is also linked to cultural mentality. There are countries with well-developed cooperatives, but also countries with less developed cooperatives and I think this is not a problem. A certain critical mass of cooperatives has to be established and then it will influence production and improve the quality of goods produced in Georgia.”

Farmers attitudes and evaluation of the programmes

The research revealed that farmers have difficulties in terms of differentiation of international and state programs and at the same time, they often do not distinguish between programs offered by the agency for development of cooperatives and other programs aimed at agricultural development. This is probably caused by the fact that information about all available opportunities reaches them through local information and extension centres. A question regarding their assessment of the state cooperative supporting programs was answered meaning “ENPARD” grants and “AGROCREDIT” state programme, etc.

Of course, this fact is not a problem in itself; however, in a number of cases for the purposes of correct evaluation and assessment of attitudes, it would be better if farmers knew which initiative belonged to which agency. There is an important opportunity in this regards as well. As of today, there is a one-window principle in the form of information and extension

services, however, capacity building of this service should be on the agenda: in terms of human resource, provided services and quality of information as well.

In terms of the programmes implemented by the Agency itself, programme beneficiary-cooperatives are covered by the present research in two spheres: provision of motor-blocks and support to beekeeping.

Beneficiaries and beneficiary-cooperatives gave positive evaluation of both programmes. Motor-block initiative in Racha region was especially appreciated. Other surveys also showed that the need for such equipment in mountainous regions was especially acute, local landscape and small size of land plots makes application of big-sized equipment impossible. At the same time, the interviewed farmers believe that it would be good to continue a similar programme, even if not at the same scale. People who have just established or plan to form their own cooperative expressed this idea.

„People need to cultivate their lands and these motor-blocks are in high demand. This programme was very productive and popular in our municipality.” (Focus-group participant);

„ Motor-block programme turned out to be a real success, but it did not continue. Would be good if they continue this programme as there is a big demand for it. It was the best programme of all as it was in people’s interest”. (In-depth interview respondent farmer).

Concerning a beekeeping support programme, absolute majority of cooperative members believe it was especially important and useful initiative. Participation in this programme was not associated with any specific obstacles. The only criticism was about the quality of beehives. However, we have to mention herein that the agency responded to the beehive issue timely and adequately and now, the given problem is resolved. At the same time an important role was played by the fact the beekeeping is a growing sector as well as cooperative formation itself.

„With regards to the beekeeping: we had about 4000 bee-families but old hives and the project that helped with the provision of new hives was a great help”.

„I am from a beekeeping sector. We established a cooperative one year ago and still work together. We registered with 100 families and now reached some 400 families. We participated in a new programme and got some new hives. If they are going to offer us some assistance, we need a vessel and equipment which is

difficult to buy: if they give us half we would add another half, or if they could give us a long term loan”.

„Assistance to beekeepers was timely and duly, we hope it will continue as well as other programmes for cooperatives.”

Statistical data shows that motor-block and beekeeping programmes have the biggest number of beneficiaries. Comparatively lower evaluation was given to dairy and wine-growing programmes. Majority of respondents believes that these programmes are not fit to local needs and do not take geographic peculiarities into account. However, we also have to mention that due to limitation in terms of geographic coverage of the survey, the cooperatives involved in these sectors were not covered by the present research.

„This is for Kakheti and the East (speaking about viticulture). We want a similar programme but for tea rehabilitation. We would participate but there is one difficulty: one needs to have at least 5 hectares of land or lease it from the state. In this case, privatization of tea plantations in Tkibuli municipality did not take place and no one owes these lands”.

„Viticulture is good for Kakheti, however, there are prospects for development of viticulture here too (meaning Racha) however, the programme here should be in a different form and on different conditions”.

In general, everyone- farmers, non-governmental organizations and public sector- agrees that these programmes are useful and facilitate development of cooperatives.

The research reveals that such programmes, as well as grant components of international organizations, motivate local farmers to create cooperatives. Formation of a cooperative with the aim of getting these benefits might not seem to be the best method of facilitating cooperation, but at current stage of development, even these results are quite significant. In the process of survey, we have revealed several cases when a number of informal unions got registered as cooperatives by virtue of these programmes.

„We were working together for the last three or four years anyway, and then some others have joined later. However, we decided to be registered officially when this programme was launched so that we could enjoy additional benefits of the programme. This was very important as we were planning to do it anyway but probably after five or six years from now”.

Representatives of international and local organizations assess the work of the Agency for Development of Cooperatives positively. They believe that the Agency has an incremental role as an institution and, therefore, it is time to put its capacity building, expansion of mandate and institutional strengthening on the agenda so that it could independently implement various programmes and initiatives including programmes for continuous trainings for members of cooperatives.

„The agency is the main patron of cooperatives and does a lot of good things indeed, but the Agency is also new and learning now, they have implemented so many programmes including beekeeping support programme, distribution of bee-hives and braces, they have organized study tours to share experience, now they are going to start the wine support programme; the agency has conducted very good and important trainings, they permanently supply cooperatives with information regarding changes in the legal framework, and these amendments are made as the Agency is lobbying them. (Representative of a non-governmental organization).

„In fact the agency is a solid institution with a dedicated team. It has a good and active leader and a team consisting of 30 persons. But if you have to cover the whole country- it is not enough”.

Now, programmes implemented by the Agency can be assessed as a good start however; it is important to implement programmes with specific indicators and based on a long-term strategic planning and taking into account existing challenges as well as strategic goals.

The research analysed farmers' position and their needs in terms of support programmes and their vision in terms of improvement of existing ones.

Respondents mentioned the following issues most often: consideration of local peculiarities; implementation of similar programmes for other sectors (mainly plant growing) and support in terms of technologies. Experts expressed an opinion that a value added chain should be strengthened through involvement of cooperatives. Representatives of local extension centres and other stakeholders believe that their involvement in the programme planning would make programmes more efficient as all region specific needs would be considered in this case.

„I think that the programmes should consider regional specificities. Our country is very small, but Kakheti, Imereti, Achara and Samegrelo are very different from each other and that's why when the project is drafted for the whole country it does not fit all regions equally” (Extension service).

„Horticulture also needs programmes and I think that it would be good if tea growing is also supported in terms of creation of cooperatives. There is a lot of interest around hazelnut growing as well.”

„I think that before programmes are elaborated, they should meet beneficiaries and discuss the problems together with them: what and how to do to develop agriculture in that region. I believe that beneficiaries know the situation better. Alternatively, discuss it with a local government, as they know who is who there and who is capable of what their district. This is needed to make sure that the programme does not remain on paper only and people benefit from these programmes.”

“I think that each ring of the value chain should be investigated indepth and find the sector in the value chain where the cooperative will be the most successful”

The research also analysed readiness of cooperatives in terms of co-financing. The results showed that all cooperatives are ready to come in with a co-financing in case of implementation of relevant programmes. It is noteworthy that those cooperatives that have received grants from international organizations are ready to contribute 20-25%, some comparatively big cooperatives are prepared to co-finance up to 50%. The research also covers those respondents that have not had any grant experience before. They have also expressed the readiness for co-financing, however, around 10-15 % only. Accordingly, it is clear that: (1) programmes implemented by international organizations made a significant change at the level of mentality and attitudes and actually prepared farmers for the issues related to co-financing as they now understand the role and importance of the latter. (2). Farmers in general, including cooperative members, realize that they also need to make their contribution, including financial contribution, for development of their economic activities.

Current level of development of cooperatives: achievements and problems

Farmers had big difficulties in terms of evaluation of state programmes separately as they could not differentiate between programmes implemented by international organizations and the state sector. However, this factor is not so important when it comes to identification of needs and assessment of challenges faced by cooperatives (see. Table #1). At the same time, it is clear that cooperation of international and state sectors in supporting cooperatives is exemplary.

According to the interviewed farmers and stakeholders, increased motivation of local farmers and significant changes in their mentality and attitudes is the biggest achievement in terms of development of cooperatives. Undoubtedly, this is only the beginning of the long road of development and there are still big challenges ahead, however, the fact that farmers realize that they need capacity building and improvement of management skills is another proof of the change in mentality.

Table #1. Assessment of current development of cooperatives- achievements and problems

Achievement
<ul style="list-style-type: none"> •Interest and attitude towards cooperatives has changed; •Development of specific sectors (especially, beekeeping); •Resource mobilization and ability to create more capital; •Technically equipped cooperatives; •Development of agricultural cooperatives as a sector; •Legal framework and the Agency is in place; •Cooperatives became a priority of state policy.
Problem
<ul style="list-style-type: none"> •Limited access to financial resources (banks, other state programmes, including "agrocredit"); •Difficult to understand legal framework; •Limited access to market/poor marketing skills and knowledge • Difficulties related to management of cooperatives, especially in terms of procedures and burocracy; •Attraction of new memebers; •Poor access to acricultural equipment and machinery; •Problems related to small size of land plots and land registration/lease from the state; •Insuffecient level of skills and knowledge (procedures and marketing especially) •Low level of involvement and interest from younger people

Significant part of farmers believes that, as the number of solid, properly equipped cooperatives is quite high it is already a good achievement and example motivating others. Representatives of international and local non-governmental organizations as well as extension centres believe that existence of institutions like the legal framework and the Agency is the most important. Although assessment of legal framework as such is not the goal of the present research it needs to be mentioned that its revision and improvement

should be on the agenda based on accumulated knowledge and experience and cover the following: introduction of amendments to the Charter and procedures of reinstatement of cooperatives after suspension of the status (not regulated anyhow), etc.

„I think that when it comes to the legal framework, at this stage some things should be simplified. For example, when there are 20-30 members and there is a need to make changes to the charter and you need to bring 20-30 people to the public registry ... - we are speaking about changes where a notarized attestations needed” (Focus-group participant)

„The law did not regulate as to what should happen if the cooperative’s status is suspended, but three months later it decides to restart its operations. It turns out that it has to start the registration process from the scratch. We see a question mark here: if the status was revoked for a major violation, then the option of new registration should not be there. While in the situation when we deal with a minor error the status should not be revoked but only suspended until this error is corrected” (In-depth interview respondents).

Concerning the listed problems, some of them are outside of the scope of the Agency for Development of Agricultural Cooperatives, however, it would be important to discuss these issues and plan relevant activities. **The problem of understanding the legal issues and implementation of relevant procedures was mentioned by farmers most often.** In this regards they mention that in general the problem is in “working with papers” as the farmers do not know how to do it and have no expertise.

„ In the beginning, we thought it would be easy, we only need to establish it. But then it turned out to be difficult: a lot of forms, law, accounting, management... we will slowly learn but it is not that easy.”

„The law and the norms are written by lawyers, but they should be written so that peasants could understand something at least”.

„We know how to work on land, but not on “papers”. Help is needed: they should either reduce the number of papers or to teach us”.

„Let them make this law easier somehow so that an ordinary peasant could understand it and there was no need for interpreting it for us. “

„Peasants in general are not used to work with papers. In terms of management, our experience is also limited. Development of relevant skills takes time. Only learning is not enough. It is also about confidence factor amongst cooperatives.”

Often this issue is so acute that with no exceptions all farmers mention the difficulties related to **understanding of the law and bureaucratic difficulties**. Accordingly, elaboration of practical guidelines for cooperatives would be of great help: on one side, it would explain the law and give practical advice on management and operations.

The problem of accountability is related to the same issue. In addition, it is not only about financial accounting but relates to documenting managerial processes. “The problem of accountability is huge. It is not in peasants’ mentality. They have never kept any records in their life. Now we want them to maintain records on how many grams of pesticides they have introduced to each field at what time, etc. (Representative of an international organization). “The monitoring department sent us the list of accounting documents the cooperative has to maintain. The list is such that not only a cooperative, but even very experience accountants have difficulties understanding it”. (Representative of a cooperative)

Representatives of cooperatives have mentioned a problem of attracting new members many times. This is caused by the fact that most of the cooperatives are based on friendship, neighbourly or personal relations. “*Attracting of new members is extremely difficult, as everyone is opinionated and it is difficult to bring so many people to one opinion*”, - says one member of a focus-group. “*Members of cooperative like and accept the idea of cooperation as they, according to the charter, have equal voting rights as well as the right to have an opinion, but I would like to note that in Georgia in general as well as in our municipality, joining of new members is taking place very slowly.* (Representative of a local extension service).

Another **frequently mentioned issue is related to trainings and activities with regards to development of skills**. The fact that they understand the importance of the issue can be considered as a great achievement in itself. Other stakeholder mentioned the need of long-term capacity building programme as well. The research shows that there is a demand for quite a wide range of issues, however, the most frequently mentioned ones are the following:

- ✓ Accounting and finance;
- ✓ Legal issues;
- ✓ Management of cooperative;

- ✓ Documenting
- ✓ Application of modern technologies (sector appropriate);
- ✓ Marketing issues;
- ✓ Preparation of business plans;
- ✓ Sectorial trainings (for example: berry growing, dairy, tea, hazelnut, etc.)

It is noteworthy that some part of cooperative members mentioned trainings on marketing and management. They have realized that sales and access to markets is a precondition for success and accordingly, there is a demand for improvement of these skills.

In terms of improvement of skills, respondents believe that there is a need to elaborate very practical trainings tailored to the needs of a specific sector and their cooperatives. Herein, it is important to elaborate training programmes that will help relevant stakeholders to get new knowledge and skills continuously and not one-off short lectures.

Access to market/sales as a current problem of cooperatives. Beekeeping cooperatives have told us about some success stories.

„I would like to say one thing with regards to support: cooperatives need more exhibition-sales to promote goods produced by these people”.

„People who buy our honey today are the people we have met at such exhibitions. They liked our honey and that is how we sell it now. Our honey is sold even in Azerbaijan. “

That is why it would be good if the Agency could expand their activities in this direction and help cooperatives in organization of their sales better.

Representatives of international and local non-governmental organizations working on cooperatives believe that in order to improve sales cooperatives need some help in **branding and promotion of their products**.

„Branded products have a greater potential: in wine, for example, Qvevri wine has a great potential. Speaking about mountainous products, there are many goods with potential, like Rachvelian Ham, Tushetian Gouda, Svanetian Suluguni, Khevsuretian potatoes, Tianetian potatoes. The approach should not be a countrywide but zonal. Our country is quite diverse; it is not homogenous, neither in its climate nor in production patterns. Approach should be diversified and based on the potential which is quite multifarious.”
(Representative of an international organization).

We have to mention herein that according to existing information Agency for Development of Agricultural Cooperatives actively works on branding and this issue is currently under consideration.

Access to financing is a big obstacle not only for cooperatives but also for any farmer involved in agriculture. At the same time, as agrocredit state project has opened some opportunities to farming households, this programme in fact was not available for cooperatives. Moreover, the research discovered several cooperatives who were eager to get a bank loan at a regular interest rate; however, they could not get it. They solved this problem through getting loans individually. Similar situation was witnessed in “Produce in Georgia” project aimed at support to micro and small enterprises, where small grants were available but only to individual entrepreneurs (who later united into partnerships, in case of more than one applicant). Accordingly, the mentioned programme is an indirect way for cooperative members to obtain additional finances, however, does not create development opportunities to cooperatives as a sector.

„ The banking sector or cooperatives are not ready yet. That’s why this gap should be filled in by the state or a donor.”

„Access to financing is our main problem. Something similar to agrocredit, but for cooperatives, is needed so that we could also have access to low-rate long-term loans.”

“We wanted to take a bank loan but they refused to give the loan to us. They even did not consider our case properly. However, later one of our members arranged an individual loan, but this is another thing.”

“Increased access to finances, at the same time accompanied by more knowledge.”

It is clear that access to financing, including capital, is connected to quite big financial resources and proper administration. However, the fact is that this direction is worth thinking of as well as the idea of small grants and preferential loans targeted at cooperatives.

[Risks related to implementation of support programmes for cooperatives](#)

In the framework of this research, we have analysed ideas of cooperative members as well as different stakeholders involved in the sector as to what the possible risks related to implementation of such programmes are.

According to farmers, similar programmes are not related to any risks; they think that main risk factors are connected to factors characteristic for agriculture in general:

- ✓ Natural disasters (mainly, drought, wind, hail);
- ✓ Low prices on agricultural output;
- ✓ Falsified pesticides/chemicals;
- ✓ Falsified products (especially in case of honey);

However, stakeholder interviews revealed a number of important and primary issues that could be partly prevented/mitigated as a result of relevant measures, while the rest is considered a natural concomitant process of such measures:

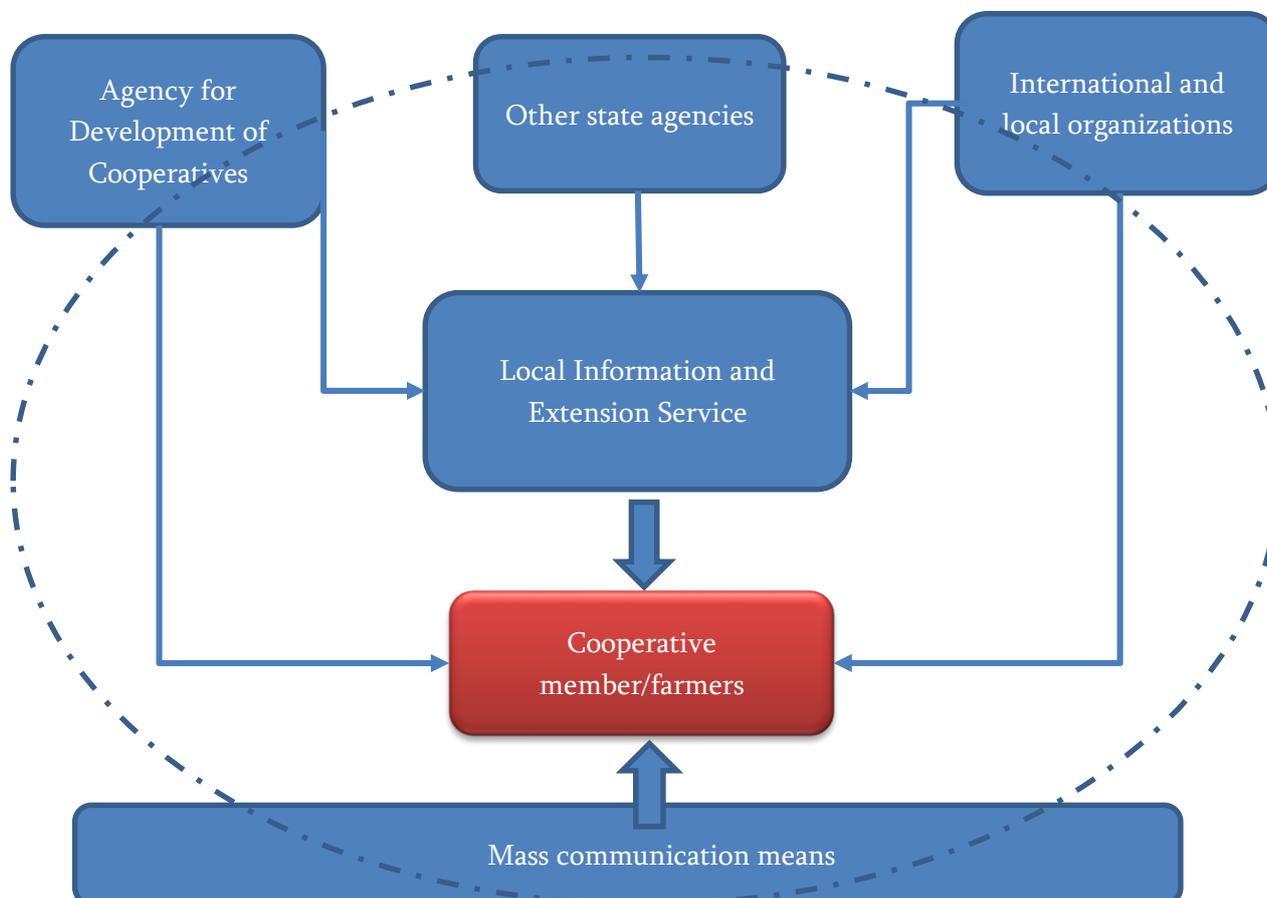
- ✓ **There is high probability that a big number of programme beneficiaries will not develop sufficiently. The reasons for this projection are as follows: 1. Majority of existing cooperatives are “family based”; 2. Majority of cooperatives were established in order to receive a grant; 3. Confidence in the idea of cooperation is still low as the issue of trust rises every time it comes to attraction of new members.** *“The issue of trust between members of cooperatives is on the agenda. Majority of cooperatives registered in Georgia are “family cooperatives”. It is very difficult to trust a stranger who is not your family member”. “The number of people inspired by the idea of cooperation is low.”*
- ✓ **May be after some time a part of cooperatives, especially those who have members only formally, will change their legal status, and register as “an Ltd”, for example.** In this case, it is true that if they continue their operations in the agricultural sector they will still contribute to it, however, strengthening of a cooperative as a programme result will not be achieved.
- ✓ **Access to market.** Programmes consider equipping of cooperatives and assistance in the production process, however, if they fail with the sales of their outputs, all efforts will be wasted. It is obvious that the state cannot and should organize the sales, however, specific additional measures like exhibitions, branding, skill development, etc. need to be implemented.
- ✓ **Reduced sense of responsibility and laziness.** Stakeholders agree that cooperatives will have big difficulties in the process of development or at all will fail without multiform programmes, however, at the same time there is a risk that farmers and cooperative members will get accustomed that “others” are resolving their financial problems, teach how to manage, give equipment, sell the output, etc. In this regard, co-financing is considered the most efficient tool.

Information channels

Attitude and interest of farmers in cooperatives are preconditioned by the level of awareness and effort invested in promotion of this idea. It is natural that one or two information campaigns will not make a change in awareness; however, well-structured communication system can play a big role there.

The research shows that local information and extension centres are the key sources of information for farmers. They provide information about programmes implemented by the Agency for Development of Cooperatives and the state and international organizations (Table 2). Quite often they do not differentiate between the Agency of Development of Cooperatives and Extension Centres. It is true that both are the structures belonging to the Ministry of Agriculture but when it comes to certain issues, it is important that the Agency for Development of Cooperatives is perceived correctly. As the Information and Extension Centres are the main source in information, it is extremely important to ensure that **relevant personnel working at the Information and Extension Centres continuously increases qualifications, participates in trainings and receives up-to-date knowledge and information.**

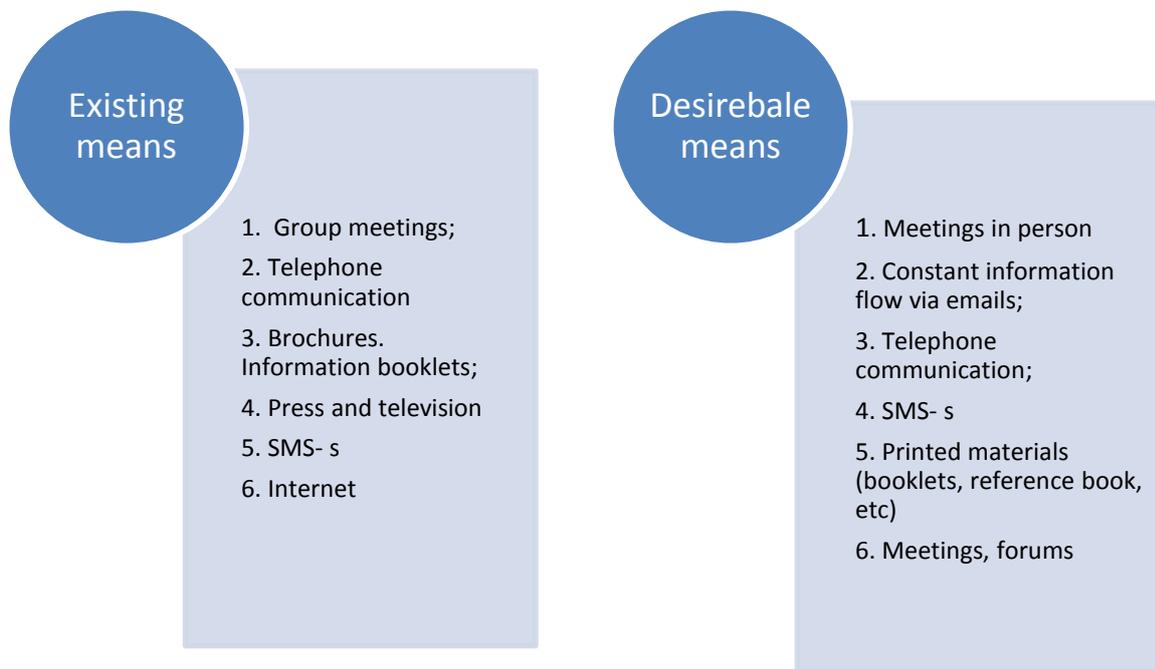
Table #2. Information distribution channels



The research shows that representatives of cooperatives (see Table 3) receive information from group meetings, leaflets, press and television. Some part of them with access to internet prefers to find information there. A small part, but still, periodically visits the web site of the Agency for Development of Cooperatives. Two representatives of cooperatives have mentioned that they have a special person who periodically visits the web site and keeps an eye on other programmes as well. They think that short sms notifications would be the most convenient and acceptable mean of communication, however, all respondents still believe that meetings in person is the most optimum form of communication.

Information campaign on programmes supporting cooperatives probably was not comprehensive, however, the fact is that unlike many other similar programmes, potential beneficiaries do not have false expectations and it is reflected accordingly in attitudes towards the Agency and initiatives implemented by the latter. In fact, the Agency and its programmes have never been mentioned in a negative context.

Table 3. Existing and desirable means of information flows concerning cooperatives (the most frequently mentioned. The sequence is preserved)



A part of farmers believes that information sessions should be conducted at the cooperatives for all cooperative members. As a rule, only several persons are informed and they fail to deliver correct information to all members. “It would be good if we could get clarifications and additional information on issues related to cooperatives so that cooperative members were more informed and understand the key idea”.

Farmers as well as other stakeholders highlight importance of information campaigns via mass media like radio or television. These tools of communication are important for demonstrating positive sides of cooperatives. We have often heard an opinion that information about successful cooperatives must be spread broadly, as a good example. This will significantly change attitudes and increase farmers' motivation. At the same time, the given approach may be used to attract young people.

„I would like to see more tools for promotion of cooperatives: there is this TV programme “Our farm” and others but different institutions can do more. In addition, the mass media that has good coverage and is popular in the regions. Local television stations, local radio should promote it more, make it popular...”

“The state should show the success of existing cooperatives to others and popularize this idea”.

Communication of the Agency with international organizations deserves attention and can be assessed as exemplary. All respondents mention that they have active and close cooperation with the agency – not only with its management but also with all employees. They have proper space for bringing various issues on the agenda, organize joint events and exchange experience.

Main recommendations

- **Extended communication and promotion of the idea of cooperation still needed.** More than a half of the interviewed cooperative members mention that they have created their cooperative to receive a grant or to participate in a relevant state programme. Comparatively small part was motivated by the idea of having better results from joint production. Such farmers compare the idea of cooperatives with a well-known form of traditional cooperation “Nadi”. At the same time, we have to mention that these cooperatives established for “better results” are mainly of a small size and are a formal union of neighbours, relatives or friends who did have some positive experience of joint work earlier. Quite a big number of farmers still looks at the idea of cooperation with suspicion and compares it to kolkhozes. The given challenge cannot be resolved quickly, however, measures aimed at increase of awareness and change of attitudes should continue (forums, information campaigns, exchange of experience around best practice and success stories, etc.).
- **Strengthening of local information and extension services, including improvement of their capacity in terms of information and knowledge related to cooperatives.** Farmers, including existing and potential cooperative members receive information about any opportunities from local information and extension centres. Actually, today this centre functions based on one-window principle. However, the issue of capacity building of these institutions should appear on the agenda in terms of numbers of human resources as well as quality of services and information. At the same time, there is a need to introduce effective systems of communication between the Agency for Development of Cooperatives and local services.
- **Strategic planning of targeted programmes.** Beneficiary as well as non-beneficiary cooperatives gave a positive feedback on motor block provision and beekeeping support programmes and considered them as necessary. Comparatively poor evaluation was given to dairy and viticulture programmes. Majority of respondents believes that these programmes do not meet local needs and geographic features. At present, programmes implemented by the agency can be assessed as a good start, however, it is important to develop programmes based on specific indicators stemming from a long-term strategic planning, taking into account existing challenges and strategic goals. The following factors were mentioned as a way to improve programme planning: taking into account regional features; implementation of similar programmes for other sectors (mainly horticulture) and support in implementation of technologies.

- **Revision of law on cooperatives based on accumulated expertise.** Evaluation of the law was not an objective of the current research, however, it is important to notice that there is some space for improvement and refinement of the latter based on the accumulated experience and practice. There are amongst others: amendments to the Charter related to the issue of renewal of the status of cooperative after it has been revoked (not regulated anyhow), etc.
- **Elaboration of practical guidelines for cooperative members and its updating.** Very often farmers mentioned the problem related to understanding of law and difficulties in terms of implementation of procedures. To this end, they mention that the problem in general is “working with papers” as farmers do not have any knowledge or practical experience. The issue is so important that with no exceptions all farmers mentioned the problem of understanding the law and problem of bureaucracy. Therefore, elaboration of practical guidelines for cooperatives would contribute to extenuation of the problem, as it would offer explanations to the law and instructions to the forms, as well practical advice concerning management and functioning of cooperatives. Accordingly, the problem of accountability is very relevant. Here they speak not only about accounting reports but also about documenting other management related processes, as it requires specific knowledge and skills.
- **Improvement of knowledge and skills of cooperative members.** The fact that cooperative members themselves realize that they need more knowledge is already a great achievement in itself. Other stakeholders mentioned the need for long-term capacity building programmes as well. The research showed that there is a demand for various trainings, however, the most frequently mentioned issues were as follows: management, finances, working with documents, marketing issues, etc. In terms of capacity building, respondents believe that there is a need for more practical training courses that would be tailored to the sector and relevant cooperatives.
- **Facilitation of access to markets.** There are some known success stories in this regard already, especially in the beekeeping when through exhibition-sales they managed to diversify their market significantly. Accordingly, it would be good if the agency expands its activities in this direction thus helping cooperatives to

organize realization of their output. Several representatives' of international and local non-governmental organizations working on cooperatives believe that **branding and promotion of their products** is necessary in order to support the sales of the output produced by the cooperatives. It is known that the agency has already started some activities in this direction.

- **Improved access to financing.** Access to finances is one of the biggest obstacles not only for cooperatives but also for all agricultural farmers as such. “Agrocredit” and some micro and small business support state programmes created some opportunities for farming households, but these programmes were not available for cooperatives. Moreover, the research revealed several cooperatives that were eager to receive regular business loans from banks but they were not able to get them. It is clear that implementation of measures aimed at increased availability of financing, including capital financing, is connected to significant financial resources and proper management. However, the fact is that this direction is worth analysing as well as the idea of offering small grants and preferential loans to cooperatives is worth considering.
- **Active involvement of mass media and support in promotion of success stories.** Farmers and other stakeholder highlight importance of mass information campaigns on radio or TV. This communication tool is especially relevant when it comes to promotion of positive sides of cooperation. Often, respondents expressed some ideas around necessity to broadly promote success stories to set a good example. It will change attitudes and increase farmers' motivation. At the same time, this approach can be used to increase interest of young people. Members of existing cooperatives repeatedly mentioned this problem.
- **Capacity building of the Agency for Development of Cooperatives.** The Agency for Development of Cooperatives, as an institution, plays a crucial role in increasing efficiency of state policy aimed at development of cooperatives, and expansion of its mandate and capacity building should be on the agenda in order to implement diverse programmes including those aimed at strengthening of cooperatives operating in priority sectors, continuous trainings for cooperative members, access to financing and facilitation of sales.

Attachment – Guidelines to the Research Tools

Attachment 1. Focus Group Guidelines

Focus-group guidelines

Research objectives: Farmers' evaluation of state policy and targeted programmes aimed at support to farmers' cooperatives, exploration of their expectations, attitudes and needs, elaboration of relevant recommendations.

The present tool has a specific goal: Explore evaluating statements of farmers around state policy aimed at support to cooperatives from farmers' point of view, as well as identification of farmers' attitudes towards cooperatives, their development and related needs.

To moderator: Explain the research objectives to the group and ask participants to introduce themselves and briefly explain their relation to cooperative: are they members or not, which field, have they ever used any of the state programmes aimed at development of cooperatives. In case of non-members, please ask them why have they refrained themselves from making this decision.

Objective #1. Understanding and attitudes towards cooperation

It is important: Ask them to give specific examples, explain/substantiate their position; try to extract as much statements, epithets, reveal their attitudes and expectations. Please ask them to describe specific examples (cases).

#	Question/issue
1	What do you think about cooperatives in general? Members, please explain as to why you have decided to join cooperatives, while those who have not joined the cooperatives, please explain the reasons why. (Moderators, please try to note the field the respondent represents in relation to answers)
	What do you think: what are the positive sides of cooperation?
3	What do you think: what are the negative sides of cooperatives?
4	Have you participated in legal trainings for cooperatives? What has this training changed in your attitude towards cooperatives? (For example: have changed my opinion concerning obligations, have realized that it is not so easy, etc.)
5	Which cooperative supporting programmes have you heard about? Have you participated in these programmes?
6	How would you assess these programmes? (Motor blocks, beekeeping, dairy) (please mention positive and negative sides)

7	What type of similar support programmes should be implemented? (Sectorial, skill and capacity building, grant components, etc.)
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Objective 2 #2 Awareness amongst farmers and information sources

#	Question/issue
1	Where do you find information about cooperative supporting programmes?
2	What are your preferable sources and forms of information about current initiatives and opportunities for cooperatives?
3	How well do you know the Agency for development of cooperatives? How often and in which form do representatives of the agency contact you?
4	How do you cooperate with the agency? Do you visit the web site of the agency? Do you have telephone communication with them?
5	Please describe your preferable forms and channels of communication: in terms of information inflow and ways to express your own opinion.

Objective #3. The need of supporting projects, main risks and vision of improvements

To moderator: in this block of questions, you need to explore participants' personal, subjective attitudes and perceptions. Accordingly, any position is interesting. However, you need to ask them to explain their position and explain why they think so.

#	Question/issue
1	What do you think about support to cooperatives? Is this support needed?
2	In which direction should these support programmes be implemented? (with or without currently implemented projects)
3	In your opinion, what are the possible risks of implementation of such projects? (for example: intervention into competitive environment)
4	Do you understand cooperative related legal framework? In case of a positive answer, please share your assessment and recommendations for improvement.
5	What are the challenges that cooperatives face today and what measures should be implemented and by whom?
6	Please name three main problems and three achievements in terms of development of cooperatives as of today (hindering and facilitating factors)

7	In your opinion, what kind of trainings would be efficient for cooperatives and where would they be of help?
8	What would be your main advice in terms of the state policy aimed at development of cooperatives?
9	Is there any important issue or idea (we have not covered) that you would like to share with us in this regard?

Guidelines for indepth interviews

Beneficiary cooperatives of targeted programme/programmes

Research objective: Evaluation of the state policy and relevant targeted programmes by farmers, exploration of their expectations, attitudes and needs, elaboration of relevant recommendations.

1. What do you think about the idea of cooperation in general?
2. What do you think about positive and negative sides of the cooperation?
3. Have you participated in any legal trainings for cooperatives? What has changed as a result of these trainings in your attitude towards cooperatives?
4. Which cooperative supporting programmes have you heard about or participated in?
5. How would you assess these programmes? What were the negative and positive sides of the programme? What was their influence in terms of development of cooperatives?
6. What kind of similar support programmes do you think are required? In which sectors?
7. Where do you get information about cooperative support programmes?
8. What are the sources and forms of information you would like to receive about existing initiatives and opportunities around cooperatives?
9. How much do you know about the Agency for Development of Cooperatives?
How often and in which form do the representatives of the agency contact you?
10. In which format would you prefer to communicate with the agency? Do you communicate with them over the telephone?
11. Please describe your preferable format and channels of communication: in terms of receipt of information and expression of own opinion?
12. In your opinion, how big is the need to support development of cooperatives?
13. In what direction should the support programmes be implemented?

14. In your opinion, what are the risks related to implementation of such programmes? (for example, interruption of competitive environment)
15. Are you aware about cooperative related legal framework? In case of a positive answer, ask to share their evaluation and recommendations related to improvements of the latter.
16. What are the challenges that cooperatives face today, what measures should be implemented and by whom?
17. Please name three most important problems and three achievements as of today.
18. In your opinion, what type of trainings would be efficient and helpful for cooperatives?
19. What would be your main recommendation in terms of the state policy aimed at development of cooperatives?
20. Are there any other issues or ideas (we have not covered) you would like to share with us on the topic?

Non-beneficiary cooperatives of the targeted programme/programmes

Research objective: Evaluation of the state policy and relevant targeted programmes by farming cooperatives, exploration of their expectations, attitudes and needs, elaboration of relevant recommendations.

1. How would you assess the idea of cooperation in general?
2. In your opinion, what are the positive and negative sides of cooperation?
3. Have you participated in any legal trainings for cooperatives? What has changed as a result of these trainings in your and other members' attitudes towards cooperatives?
4. Which cooperative supporting programmes have you heard about or participated? If you have not participated in any of those programmes, why?
5. How would you assess these programmes? In your opinion, why have not you/ could not you participate in these programmes?
6. What kind of similar support programmes do you think are required? In which sectors?
7. Where do you get information about cooperative support programmes?
8. What are the sources and forms of information you would like to receive about existing initiatives and opportunities around cooperatives?

9. How much do you know about the Agency for Development of Cooperatives?
How often and in which form do the representatives of the agency contact you?
10. In which format do you communicate with the agency? Do you have telephone communication with them?
11. Please describe your preferable format and channels of communication: in terms of receipt of information and expression of own opinion?
12. In your opinion, is there a need to support development of cooperatives?
13. In which direction should the support programmes be implemented?
14. In your opinion, what are the risks related to implementation of such programmes? (for example, interruption of competitive environment)
15. Do you know the legal framework related to cooperatives? In case of a positive answer, please share your opinion and recommendations for improvement.
16. What are the challenges that cooperatives face today, what measures should be implemented and by whom?
17. Please name three most important problems and three achievements as of today.
18. In your opinion, what type of trainings would be efficient and where would they be helpful for cooperatives?
19. What would be your main recommendation in terms of state policy aimed at development of cooperatives?
20. Are there any other issues or ideas (we have not covered) related to the topic you would like to share with us?

Representatives of local extension services

Research objective: Evaluation of state policy and relevant targeted programmes by farmers, exploration of their expectations, attitudes and needs, elaboration of relevant recommendations.

1. How would you assess the level of development of cooperatives today? What is the attitude of population towards this issue? Has the latter changed lately?
2. In your opinion, what are the positive and negative sides of cooperation? What do farmers think?
3. In your opinion, what are the main arguments and position of those farmers who refrain themselves from joining cooperatives?
4. Which of the programs in support of cooperative development are the most demanded ones in your municipality?

5. How would you assess this programme? What were the positive and negative sides of the programme? What was the impact in terms of development of cooperatives?
6. What type of similar support programmes do you believe should be implemented in your opinion? In which field?
7. Where do cooperatives get information about support programmes?
8. What are the optimum sources and forms for distribution of information regarding current initiatives and opportunities?
9. In which form do you yourself have communication with the Agency for Development of Cooperatives? What would be your assessment of this communication?
10. In your opinion, how important is this support to the development of cooperatives?
11. In your opinion, what are the potential risks related to implementation of similar projects? (For example, disruption of competitive environment).
12. What is your assessment of law on cooperatives? Please share with us any ideas related to improvements to the law.
13. What challenges do the cooperatives face today? What measures need to be implemented and by whom?
14. Please name three most important problems and three achievements concerning cooperation today.
15. What kind of trainings would be efficient for the cooperatives and in which field would they be helpful to them?
16. What advice would you give concerning the state policy aimed at development of cooperatives?
17. Are there any other issues or ideas (we have not covered) related to the topic you would like to share with us?

Representatives of international and local organizations working on issues related to cooperation

Research objective: Evaluation of state policy and relevant targeted programmes aimed at cooperation of farmers by farmers, exploration of their expectations, attitudes and needs, elaboration of relevant recommendations.

1. Please tell us, what kind of cooperative development support activities are you currently implementing and in which regions?

2. How would you assess current state of development of cooperatives in general? What is the attitude of population in general? Has it changed lately?
3. In your opinion, what are the positive and negative sides of cooperation? What are the attitudes of farmers on the same issue?
4. In your opinion, what are the main arguments and position of farmers who have refrained themselves from joining cooperatives?
5. What would be your assessment of cooperative supporting state policy and the programmes implemented by the agency?
6. In your opinion, what kind of similar programmes should be implemented? In which fields?
7. What are the optimum sources and forms of distribution of information regarding current initiatives and opportunities?
8. Do you have any relationship with the agency for development of cooperatives? What would be your assessment of these relations?
9. In your opinion, what are the potential risks related to implementation of similar projects? (For example, disruption of competitive environment).
10. What is your assessment of laws related to cooperatives? Please share with us your recommendations concerning any improvements.
11. What are the main challenges faced by the cooperatives today and what are the activities to be implemented and by whom?
12. Please name three most important problems and three achievements of cooperative development as of today.
13. In your opinion, what type of trainings would be efficient for cooperatives and where would they be helpful?
14. What would be your main advice concerning the state policy aimed at development of cooperatives?
15. Are there any other issues or ideas (we have not covered) related to the topic you would like to share with us?