

Could Georgia's Small Farmer Support Project have been successful ?

Nino Partskhaladze, Fellow, Program on International Development Policy,
Duke University¹

A. Project Background

CARE-International has been present in the Republic of Georgia since 1993. It started operating with humanitarian aid programs – distributing food parcels to vulnerable populations. In 1996 CARE shifted its focus from humanitarian to development programs. One of the first development projects, funded by USDA, was a Small Farmer Support (SFS) project launched at the end of 1996. This project aimed at improving household security for 20,000 small farmers by increasing crop production and reducing post-harvest losses over a two and a half-year period. The beneficiaries of the project were small farmers owning no more than 4 ha of land and living in seven mountainous districts of South and West Georgia.

Project Activities. To that intent, the project proposed to a) transfer the necessary knowledge to the beneficiaries about improved crop husbandry and storage techniques; b) provide them with agricultural inputs; and c) develop seed potato production, as potato is the staple food in Georgia (along with wheat and maize). All these activities were intended to respond to the pressing needs of the country's agricultural sector, which is a leading sector of Georgia's economy, as well as to help the region's small farmers adapt to a market economy².

Indeed, during Soviet times farmers used to work in collective farms operating heavy machinery and performing specialized tasks; the decisions on when to plant or when to harvest were made by agricultural scientists; and agricultural inputs were provided by the State to the collective farms. For example, Georgia used to import seed potatoes from Russia and Ukraine and did not have its own seed potato production. This dependency on the State and on other Republics, which by now had become independent countries, created problems after the collapse of the Soviet system: farmers did not have knowledge of the crop husbandry techniques necessary to cultivate small plots of land; markets for agricultural inputs were few or non-existent, and potato varieties had degenerated and needed renewal.

The planned SFS project was therefore considered necessary and appropriate for overcoming the various challenges faced by small farmers and for developing seed potato production, which under Georgia's climate needs to be done at high altitude so as to avoid the crop diseases found in the lowlands.

Project Strategy. The project employed agricultural extension as the technique for transfer of improved crop husbandry practices to farmers, together with farmer visits to the most successful demonstration sites. Depending on its size, each of the seven project districts had three to five agricultural extension workers, also called "community mobilizers," who were supervised by one monitor in each district. Each community mobilizer was expected to work with, and transfer knowledge to, about 15-20 small farmers called "demonstrators" who in turn were

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² Georgian Economic Trends. 1997. TACIS.

supposed to transfer knowledge and demonstrate the benefits of improved crop husbandry techniques to about 40-50 other farmers in return for the agricultural inputs and benefits provided by the project. The schematic diagram of this process is given in Figure 1. (I was the Monitoring and Evaluation Officer for that project during January 1997 - August 1998.)

B. Project Failure in West Georgia

After one year of project operation the project staff invited an external consultant from Britain to conduct a mid-term evaluation of the project. The consultant confirmed the project staff's earlier diagnosis that in West Georgia the project had failed and recommended ceasing activities in that area. As an alternative, he proposed to use the funds released from West Georgia's three districts to add a new marketing component to the project's operations in South Georgia.

The official causes of the project failure were as follows: (i) the farmers had resisted using on their plot the inorganic fertilizers and pesticides that were considered necessary for seed potato production and increasing crop yields; (ii) households had consumed most of the imported high quality German seed potatoes instead of using them for seed production; and (iii) after the harvest, the demonstrator farmers had been unwilling to pay 10% of the value of the potato seeds provided to them as they were supposed to do.

However, after attending Duke University's seminar on Institutional Design, I decided to make use of the AIC framework to carry out a more in-depth analysis of the causes of the project's failure³. In particular, in this paper I propose to examine whether project designers adequately (A) **appreciated** the project's enabling environment, including people's values; (I) specified appropriate **influence** and linkage **mechanisms** with the institutions whose support was needed for project success; and (C) regarding the project's internal or "**controlled**" environment, whether they designed an appropriate agricultural extension system and feedback mechanisms. Finally, I will examine whether they adopted a **sound design process**, namely one starting with a learning and consulting stage, followed by a negotiating stage with key stakeholders; and only then proceeded with detailed design of internal organizational arrangements and action plans.

Why the project failed – my diagnosis

Appreciative Environment. One of the most important reasons of the project's failure in West Georgia was, in my opinion, that there was little consultation between the initiators of the project – namely CARE staff and invited consultants who conducted a needs assessment prior to the start of the project – and the major project stakeholders. CARE staff and consultants held consultations with Georgia's Department of Humanitarian Affairs, Ministry of Agriculture, State Commission for Testing and Protection of Selectional Achievements (SCTPSA); with international organizations working on similar issues including in the project areas; and with some of the local NGOs. The most important stakeholders—the farmers themselves and the agricultural input producers and retailers—were not included in the initial consultations. As a

³ See ODII, <http://www.odii.com/> under sections "AIC: The Process" as well as under section "Papers" those by William Smith et alii; and Francis Lethem. Institutional Design Lecture Notes, Duke Center for International Development, 2002, unpublished. The AIC methodology approaches institutional design from two perspectives: one is spatial and focuses on the institution's external environments; the other emphasizes the sequence of steps necessary to carry out the design process in relation with each of the institution's external environments.

result, it was only after the start of the project that the project staff found out that the practices they wanted to suggest to local farmers were not acceptable to them in some of the project areas. In other words, if the project designers had consulted with local farmers or agricultural input retailers, they would have known from the beginning that there was no demand for inorganic fertilizers in West Georgia and that in that part of the country the project should have emphasized demand generation before it supplied such inputs (if found appropriate).

In retrospect, it turned out that the SFS project was essentially a mere replication of projects that CARE had successfully implemented in African and other countries and had not taken account of the cultural differences among the Georgian population and of the local acceptability of suggested interventions. Indeed, local farmers living in **South** Georgia where the project was extremely successful, had traditionally used inorganic fertilizers and pesticides in their farming practices because they were close to the agricultural input producers and also because their main activity was crop production. **West** Georgian highland farmers on the other hand are primarily focused on livestock production and traditionally did not use inorganic fertilizers and pesticides. Moreover, the population in South Georgia is more open to new ideas and is willing to test new technologies, whereas the highland population of West Georgia is more conservative and bound by tradition, probably because of their greater isolation compared to South Georgians.

Finally the SFS project designers did not realize that in the high mountainous areas of West Georgia, the media in general, and TV and radio in particular, are the most important, effective, and often the only source of information, and therefore the most powerful source of influence. As a result, the budget for the SFS project did not include any advertisements or information programs through the media even though the \$ 6 million budget could have easily accommodated such expense. Neither was the project staff encouraged to establish contacts with media representatives for information dissemination purposes about the project and its activities.

Another weakness of the project was that it did not pay attention to the attitudes of the population towards imported potatoes. Prior to the beginning of the project, the local biological farming association Elkana had promoted organic farming practices and successfully used the TV and radio media to convince the population of the negative environmental and health effects of the genetically engineered seed potatoes imported from the US by Agricultural Co-operative Development International, a US based organization⁴. As a result, when the SFS project procured German seed potatoes that had nothing to do with transgenic potatoes and were highly recommended for Georgia's conditions by agricultural experts, the project nevertheless encountered strong resistance towards their introduction. The project staff had to convince various environmental organizations and farmers about the benefits of German seed potatoes and change their attitudes towards them. This took a considerable amount of time and some of the demonstrator farmers, mostly in West Georgia, simply refused to plant the seed potatoes given to them almost for free for seed production: they either sold them by telling buyers they were a Ukrainian potato variety or gave them as food to their livestock.

Influenceable Environment. At an early stage of the project, few stakeholders had a sense of ownership towards the project, which was perceived as an activity implemented by the US NGO for its own sake. In fact people would joke that CARE was standing for "Crazy

⁴ See Monsanto's transgenic potatoes on the loose in Georgia (1996-1998).
<http://archive.greenpeace.org/~geneng/reports/bio/bio003.htm>

Americans Running Everywhere” which led to an attitude of “let them do whatever they want”. This problem was partly due to the low incentives given to government staff who did not bother much to look for better ways of implementing the project interventions and who had given too fast their approval of the project. Consultations of CARE’s staff and consultants with various stakeholders had merely been a formal process, whereas, officially it was said that the project was developed “jointly” by CARE and the Ministry of Agriculture.

However, once the project had been launched, the project staff began to actively collaborate with and involve the governmental staff, as they needed permissions for importing and testing the German seed potato varieties, and also for importing other agricultural inputs such as pesticides. Project staff arranged to take government officials to the project sites and ask for their advice. As a result, the project staff and consultants were successful in influencing the appropriate state agencies and obtained the necessary permits for importing and using certain pesticides in Georgia.

Nevertheless the project neglected to establish healthy relationships with the biological farming association “Elkana” which had been criticizing the SFS project’s suggested interventions. Instead of working in close collaboration with them and convincing them of the project’s benefits, the project staff just ignored this influential organization.

Controllable environment. Another of the most important reasons for the project’s failure in West Georgia was the inappropriate selection of the extension workers and demonstrator farmers along with the selection of other project staff⁵. The selection criteria of the extension workers were that they should have obtained the diploma in agricultural sciences, they would have been local to the area, and they would have had a good reputation amongst villagers. As to the demonstrator farmers, their selection criteria stated that they were supposed to have a good reputation, be willing to participate in project activities, and provide their plots for the potato variety trials and for demonstration of improved crop husbandry practices. While the selection criteria for agricultural extensionists were mostly met, it was not the case for demonstrator farmers in most parts of the project areas. Demonstrator farmers were selected by the agricultural extensionists based on their relationships to them. In some cases, they chose relatives or neighbors irrespective of whether they cared for the project and were committed to its objectives. In other cases they chose economically disadvantaged farmers whom they pitied and who were given agricultural inputs, though these farmers could rarely qualify as demonstrators of improved practices as they lacked good reputation among the villagers and in most cases they were not good enough communicators to ensure further knowledge transfer of the improved crop husbandry techniques.

A further weak point in the recruitment process was the requirement for the extension service supervisors/monitors merely to be agriculturalists. (All seven monitors working in the project areas were from the capital city of Georgia.) In my opinion, it would have been better for them to be good managers and persons with good communication and community mobilization skills rather than agriculturalists, especially considering that the SFS project’s agricultural consultants (who were leading agricultural scientists in Georgia) were available in all project districts on an as needed basis. Having good managers at the project sites who would be able to supervise and support the extension workers and drivers, including by drawing on the subject matter specialists as needed, could have increased the project’s chances for success in West Georgia.

⁵ See Figure 1 for the structure of the extension service.

I cannot argue whether it would have been better or not to have selected local people, rather than headquarters staff in the position of monitors, because one of the positive sides of having “outsiders” in that position was thought to be the fact that people from the capital were more respected and had more authority among the local population, although they would lack understanding of the local situation. In addition, it was hoped that the project staff from the capital would have had more unbiased and more accurate sources of information about the project’s activities.

One final weak point of the project was in the design of its monitoring (and evaluation) system. The project paid too much attention to collecting quantitative data such as: what was the baseline information (a survey was conducted to determine the average crop productivity, post-harvest losses and other information), how many farmers signed agreements with the project, how many potato seeds and other agricultural inputs were distributed, what was the number of visits by extension workers to the demonstrator farmers, what was the number of visits by consultants to project sites and so on. Too little attention on the other hand was given to checking the quality of services, finding out what were the attitudes of the beneficiaries, etc. Again, an early diagnosis of such problems would have revealed weaknesses with the design assumptions and prevented the project’s failure in West Georgia.

C. What should have been done

Many of the suggestions on how to do better in the future were already mentioned under the section of “why the project failed – my diagnosis”. Below I will summarize and list only those suggestions that would have been most important for the project’s success.

First of all, rather than assume that there was a demand in the whole country for the project services and inputs, from the very beginning CARE’s staff should have conducted a search conference with the main interested stakeholders at national and local levels. The agency staff should have built among them a common vision about the needed changes, what was required to be done, in what time frame and how. This would have revealed that there were 2 fundamental socio-technical geographical areas in the country: South Georgia and West Georgia. In West Georgia the project’s institutional design should have relied on the organization that had legitimacy and credibility with the farmers rather than on an imported “top down” command and control model of extension. Indeed the first challenge of the designers was to recognize the existence of a conflict of values as West Georgians were committed to organic farming practices and distrustful of bio-engineered seeds.

Secondly, for West Georgia the initial stages of the project should have therefore been focused on changing the attitudes of the population towards the imported seed potatoes and raising their awareness about the validity and harmlessness of the improved crop husbandry techniques modified as necessary to be acceptable to Elkana and the farmers association. To that intent, the project should have made intensive use of the mass media and reinforced their impact through agricultural extension and practical training- including on farm demonstrations. These interventions would have helped create the necessary demand for the various agricultural inputs and would have guaranteed the success of the project. As mentioned above, the project should have made use of the most powerful source of influence – TV and radio that, combined, reach almost 100% of the population even in the high mountainous regions of Georgia⁶

⁶ Mass Media (in Georgian). 1998. State Department of Statistics Information Bulletin.

Thirdly the project design should have allowed the necessary flexibility for its adaptation to the different regions of Georgia, depending on the cultural acceptance of the suggested interventions. Beside the above alternative, in West Georgia the project could have been less ambitious in reaching out to the small farmers: it could have employed fewer demonstrator farmers and fewer project staff; and it could have limited the provision of agricultural inputs to those farmers who were willing to accept the proposed techniques and who had a good reputation in their village.

Finally, the selection of extension workers and demonstrator farmers should have been made in a participatory manner by allowing the local communities to choose which farmers were the most suitable for these purposes.

Even after the failure of the project in West Georgia I believe that the project should not have been closed down in that region; instead, other interventions should have been proposed for changing the farmers' attitudes towards using certain agricultural inputs. Furthermore, using fertilizers and pesticides was only one part of the suggested package of techniques to be used by the farmers: the project also entailed the transfer of knowledge about better plowing practices especially on the slopes, methods for reducing post-harvest storage losses and much more.

It was an easy solution for the project staff to abandon an unsuccessful project site. However, in my opinion, it was not a wise decision because, as already mentioned, a lot could have been achieved in the "failed" project area of West Georgia and those challenges were never met nor even understood.

Figure 1. Schematic diagram of SFS project's agricultural extension



