Tushetian Guda and Sulguni pilots

Producer Workshops and coaching on GI associations and their work plan - Report

GEORGIA

13 and 14 February 2018, Tbilisi

Project implemented in collaboration with
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Acronyms

ATuGu – Association Tushetian Guda

C & C – Certification and Control

EBRD - The European Bank for Reconstruction and Development

ENPARD – European Neighbourhood Program for Agriculture and Rural Development

EU – European Union

FAO - The Food and Agriculture Organization of the United Nations

GI - Geographical Indication

MoA – Ministry of Agriculture

MoAE – Ministry of Environment Protection and Agriculture¹

NFA – National Food Agency

PDO – Protected Designation of Origin

¹¹ In December 2017 the Environmental part of Ministry of Environment and Natural Resources merged with the Ministry of Agriculture forming the Ministry of Environment Protection and Agriculture.
Background

The European Bank for Reconstruction and Development (EBRD) has recently called upon FAO’s expertise to implement a technical assistance Project in Georgia, focusing on geographical indications in the dairy sector. The Project is titled “Support to Sustainable Value Chains through the Development of Geographical Indications (GIs) in the Dairy Sector” and is implemented in collaboration with the Ministry of Agriculture (MoA), the National Intellectual Property Centre of Georgia (Sakpatenti). It aims at strengthening the institutional framework for GIs, in particular through the definition and development of a GI certification system.

The project also aims at supporting sustainable dairy GIs development through two pilot products (Sulguni and Tushetian Guda) with a better characterization of quality specificities, improved capacities of producers’ organizations, definition and implementation of a guarantee/control system, better marketing and quality upgrading. In this particular regard, field visits and trainings were organized by the Project Team in July and August 2017, to support an upgrade of food safety and quality standards in the pilot products.

In November 2017, the project team organized the first producers’ workshops in Tbilisi (Sulguni) and Kvemo Alvani (Tushetian Guda) to build capacities of respective producers and discuss about pilot activities. The workshops were organized with contribution from national and international experts (Emilie Vandecandelaere, Pascal Bernardoni and David Gabunia), and operational and technical support from Elkana. In parallel, a workshop with national authorities was organized in Tbilisi, to discuss about their role in the GI certification system and process at national level.

One of the first activities is to revise as necessary the existing specifications according to producer’s visions and practices, in view of a possible certification. This was agreed in particular during an initial workshop with relevant national authorities conducted in February 2017. The first and second producers’ workshops organized in November and December 2017 respectively introduced the basics of the Geographical Indication system, initiated the revision of the specifications of both cheeses that were prepared at that time by Ministry of Agriculture and registered by Sakpatenti on 24 January 2012, and introduced the functions of the producer organisation managing GIs.

The workshops were organized with the technical support of the international expert Pascal Bernardoni (REDD) and operational and technical support of Elkana.

Introduction

The third round of producers’ workshops were the continuation of a range of workshops, which are foreseen in the Project, aiming to assist farmers, shepherds and processors to properly implement Geographical Indication standards. The workshops were organised in Tbilisi, Elkana office on 13 and 14 February 2018, for the Tushetian Guda Association and the Georgian Dairy association “Sakrdze” respectively.
Update on Organizations Managing Sulguni and Tushetian Guda GI

The producers’ workshops organised in December 2017 made the following decisions regarding the producer organisations managing GIs:

a) Tushetian Guda

It was decided to establish Tushetian Guda Association to manage this GI (PDO). In January 2018 Elkana supported an initiative group of young producers (5 persons, among them two already produce cheese in Guda, while other three are planning to convert to Guda production in the next season) to establish Tushetian Guda Association. The statute of the Association has been developed through consultations with the producers and a lawyer.

The Association was registered at the end of January 2018. All founding members became members of the Association board; Giorgi Abulidze from Alaznistavi was elected as a chair of the board. On 31st of January 2018 he made a presentation of the Association to wider audience on an event organized by Elkana in the frame of thw ENPARD project – closure of the ENPARD phase I.

a) Sulguni

It was decided that it is preferable to rely on the already existing structure of the Georgian Dairy Association “Sakrdze”, as most of Sulguni producers are members of this association and small producers can easily get the membership. Some of the small-scale Sulguni producers, who attended the workshops, are members of the Dairy Association and other also expressed willingness to become a member.

Short information about the Association:

The Association (www.dairygeorgia.ge) was founded in 2006 with assistance from OPTO International to support and further develop dairy sector in Georgia. It is a non-governmental, non-commercial organization devoted to promote milk and other dairy products.

The Association currently gathers 21 dairies. It has 9 full members and 12 associated members with no voting right. Only full members pay membership fees and this is the main income source for the organization. There is no government support towards the organization, only few international projects in which the association have participated. Among the full members of the Association, there are well-known dairy companies as:

- Sante (www.sante.ge)
- Wimm-Bill-Dann Georgia (http://www.pepsico.com)
- Milkofood (www.milkofood.ge)
- Natural + (https://www.facebook.com/NaturalPlusGeorgia)
- Nikora (http://nikoraproducts.ge/english/products/day-products)
- Santa

The functions of the organization are to analyse the information about milk and dairy products to further promote them among consumers. Efforts are done towards the improvement of the quality of milk through trainings and educational sessions on the safety and nutritional value of the products.
The Association facilitates dialogue among farmers, dairy processors and companies and is actively involved in drafting legislative documents related to the dairy sector. The Association is lobbying interests of the sector through a dialogue and cooperation with government. However, limited financial and human resources affect the performance and image of the Association. It is staffed with one full time manager, responsible for all the activities related to association and one accountant.

**Objectives of the workshop and coaching**

The one-day workshops with the founders of the Tushetian Guda Association and management of Sakrdze aimed at coaching the leading producers on the producers’ organization.

The key objectives of the workshops were to:

1) Define the mission of the producers organisation and the services (with specific attention paid to control and certification) offered to the members, and funding mechanisms.

2) Agree on a draft roadmap to make the organisations gradually operational.

The methodology of the coaching workshop including its structure & program is enclosed (Annex 1).

The methodology considered working with the limited number of participants (4-6 producers involved in the associations’ management) to allow addressing the issue in a discussion, brainstorming mode. The project experts just facilitated the process with some guidance/info and structuring the flow of the discussion.

**Tushetian Guda workshop**

**Attendance**

The founders/board members of Tushetian Guda Association were invited to attend the workshop. Among the five founders, three attended the workshop. The workshop was led by Pascal Bernardoni (REDD) with assistance from Elkana representatives. The participants’ list is enclosed (Annex 2a).
Workshop activities

After introductory remarks, the workshop participants discussed critical issues for the Tushetian Guda value chain and main challenges for the producers. They also brainstormed on what should be the role of the Tushetian Guda Association to address those challenges.

The workshop participants discussed the issues of control & certification, food safety, participation of producers in the association and awareness building among them, etc.

By the end of the workshop the participants reviewed in details the Statute of Tushetian Guda Association (Annex 3), and developed a one-year activity plan of the association (Annex 4a), including implementation deadlines & responsibilities, and resources.
Outcomes of the Workshop

Points of discussion

Control System

The association plays a crucial role in the implementation of the control system that relies on:

- **Auto-control** – At single producer level;
- **Internal control** – performed by the association; and
- **External control** – performed by the external control body.

Auto-control

It is important to develop respective auto-control mechanisms, recording system among them. e.g. to record how many Gudas were bought and how many were used; what was the amount of milk & produced cheese.

The following actions were agreed:

- Design the auto-control form to be used by each producer;
- Explain to all producers how to fill the form (use one of the next meeting for this); and
- Introduce the use of the forms during the season 2018.

Internal control

Internal control should include field visits on production sites and sensory analysis in Alvani. Proper record keeping system is essential to control sales and insure traceability. Traceability methods adapted to the product will have to be identified to make the system efficient, while limiting the burden on producers. First ideas:

- QR-Code for each producer that could be used on possible labels of cheeses – Alaznistavi cooperative is already practicing this.
- Traceability of Guda (bags) with system, which establishes relation between number of cheeses and number of bags, e.g. though daily records made by cheese-maker after putting cheeses in Guda, as well as on the information sticker put on Guda.

External control will be performed by the certification body, which can be NFA or Caucascert or other private entity once they are accredited to do so. In any case, a well-organized internal control system is needed to minimize the certification costs for the producers.

The Association, in accordance with its marketing strategy, should also monitor the main markets where Tushetian Guda cheese is sold and take action in case any infringements are found.

In case the infringement emanates from a producer member of the Association, sanctions shall be taken against the infringer directly by the Association. In case the author of infringement is not a member, the Association might contact directly the producer or company violating the specifications or alert the authority, who will take measures to stop the infringement.
Food Safety

The project is developing food safety guidelines for good practices, which will be agreed with NFA and become a guiding document for Tushetian Guda Cheese production. This document could be added to the file submitted for the re-registration. Elkana should draft a first version of the guidelines, and the final version could be validated in situ jointly by the NFA-Telavi, the Association and Elkana.

Once the guidelines are approved by all parties, the Association should organise a training on food safety issues provided by the NFA for Tushetian Guda Cheese producers. Ideally, this training should be organised during summer 2018.

Awareness Raising among Producers

The Association members agreed that communication towards the producers should take into account two targets:

1. Pioneers - The most dynamic segment very likely to be interested by the GI (young producers keen to shift to sheepskin and aiming at up scaling their sales).
2. Conservative – Older generation who continue the production but contemplate the perspective of retirement without having anybody to take over.

The association will be more proactive with the first group but still keep the second group informed about the progress made and important decisions.

The association should have its own webpage to promote Tushetian Guda. The webpage may contain information about the tradition of Tushetian Guda cheese and its production process, people and sheep from Tusheti region, history, etc... Establishing a Facebook page is also important.

There is the need to prepare an information leaflet and distribute it among producers. The leaflet should contain information on what is a GI, as well as on the Tushetian Guda Association and the importance & benefits of established new code of practice. It should also make clear that with the new law entering into force, producers will be allowed to sell their cheese on the market with the name Tushetian Guda only if the cheese will be certified Tushetian Guda cheese, which means:

- Compliance with the specifications; and
- Certification by NFA or Caucascert.

The distribution of information leaflets shall be done in May as in this period, before going up to mountains, shepherds (producers) stay in Alvani for at least 2-3 days.

Marketing strategy and Promotion

A marketing strategy needs to be developed by the producers association to market the GI certified product in relevant places with relevant prices. Different activities need to be considered in the work plan for the association, such as to identify market partner (buyers) and to organize discussions with them.
Regarding promotional activities, the participation in cheese festivals is important, including the eventual participation in Terra Madre event in autumn 2018. Close cooperation with Slow Food could be very beneficial. Slow Food is sending soon Simonetta Cortella to explore Georgian traditional cheeses. The Association will discuss the possibility to establish a Tushetian Guda Praesidium.

The association will develop a proper marketing strategy for Tushetian Guda.

**The Association’s Statute and management issues**

The participants discussed comments by Pascal Bernardoni on the Statute of the Association and answered by the lawyer, who developed the document initially in together with producers. There were some interpretation misunderstandings (like “General Assembly” versus “Meeting of Members”). A list of board members included in the statute is a present requirement of the Georgian legislation. Changes in the Article 2 – Goals and Activity of the Association, have been fully adopted.

The association should regulate the amount of the membership fee. The board is responsible for that. The amount of contribution from members has to be defined in a way, which gives possibility to the association to function and pay certification costs. It is easier to define the amount of contribution if the certification costs are known in advance.

The composition of the board should not be part of the statutes. However, the association argue that the Georgian law requires having the names of the board members in the statutes. However, many statutes found on Internet do not contain name.

To assure transparency, it is better to accept membership fees only through bank transfers.

**Decisions**

1. Developed Action Plan (Annex 4a.) translated into Georgian sent to board members of the association.

2. A communication leaflet will be distributed to all producers of Tushetian Guda – the leaflet will contain information about the project, its objectives, what is a GI, importance & benefits of the reestablishment of traditional production practices of cheese making in Guda, etc.

3. Include the steps in the workplan about the Marketing Strategy Development and prepare the training workshop with Tushetian Guda association (May or July).

4. There is no need to make changes in the association statute immediately. By the end of the year we will have more clarity regarding the certification process, which might be reflected in the statute. Therefore next amendments to the statute are planned for the end of this year or in the beginning of the next.
Sulguni workshop

Attendance
An executive director and Board Members of the Georgian Dairy Association “Sakrdze” attended the workshop. The workshop was led by Pascal Bernardoni (REDD) with assistance from Elkana representatives. The participants’ list is enclosed (Annex 2b.)

Workshop activities
After introductory remarks, the workshop participants discussed critical issues for Sulguni value chain and main challenges for the producers. Also, what should be the role of the Georgian Dairy Association to address those challenges?

The workshop participants discussed a possible structure for managing GIs in the Association, the issues of control & certification, food safety, awareness building among the producers, etc.

By the end of the workshop the participants developed one-year activity plan of the association (Annex 4b.), including implementation deadlines and responsibilities.
Outcomes of the Workshop

Points of discussion

Management Structure of the Georgian Dairy Association “Sakrdze”

To manage Sulguni GI the Association needs to establish sub-Committee with respective sub-account and internal working principles. The sub-Committee is responsible to report to the General Assembly of Members. These issues should be discussed with all board members and the director to make a final decision.

The board also needs to agree on financial mechanisms and discuss the membership fee.

Control System

The role of the association is crucial in implementing the Control system. The self-control should be performed based on producers’ records as e.g. the daily amount of milk received and its origin, the amount of produced Sulguni (kg), temperature regimes, etc. These data must be made available to the association for the purpose of internal control and to the body in charge for the purpose of external control and certification.

The members of the association board expressed their concerns, as it is not in the corporate culture to share information on production volumes and sales. However, it is clear that data on those volumes will have to be shared at least with the certification body, and in case an internal control system encompassing traceability is adopted with the association.

Internal control mechanism – a decision should be made on the quality control commission and how does it work. The final decision about the commission will be done in agreement with all members of the association.

External control will be provided by the certification body.

Food Safety

The Dairy Association will provide theoretical and practical training and individual consulting on Food Safety issues for all association members involved in Sulguni production and the ones interested in Sulguni GI (future members to incorporate in the Association).

Awareness Raising among producers

There is a need to prepare an information leaflet on GIs and distribute it among producers to inform them about the project. The leaflet should contain information on what is a GI, as well as on importance & benefits of the established new code of practice for Sulguni producers interested in GI. Special attention will be paid to the involvement of small-scale producers.

The association has a website, where one or more pages on Sulguni GI can be included.

The association may arrange regional introductory meetings of the producers, where the leaflets can be distributed.

Promotion
Work should be done to raise consumers' awareness on GIs. It was recognized that the arrangement of GI product corners in cheese selling places is important. Also, promotional videos can be prepared and distributed through media (webpage, Facebook, etc.).

The association should develop a proper marketing strategy for Sulguni as a Georgian product.

A concept of Sulguni GI logo should be discussed and agreed to develop the final product with a designer.

**Decisions**

1. Developed Action Plan (Annex 4b.) translated into Georgian sent to the meeting participants.
2. The issue of establishment of Sulguni GI sub-Committee will be discussed with the Dairy Association board. The project will be informed about the decision as soon as it is made.

**Next Steps**

**Organizational Level**

- ATuGu to decide on membership fees and open bank account by April 2018;
- ATuGu modify the statute – by February 2019;
- Dairy Association to decide about structure for GI Sulguni within the Association – by April 2017;
- Dairy Association to develop methodology for small-scale producers involvement – by May 2018; and
- Continuous training & coaching of both associations – throughout the project.

**Specifications:**

- Complete Studies and finalize Specifications for both GIs – by May 2018; and
- Dairy Association - discuss final specifications with its members for acceptance – by April 2018.

**Food Safety:**

- Prepare wok plan for food safety activities (training and guidelines) by April 2018;
- Propose outline for guidelines by May 2018;
- Develop guidelines on Good practices for both GIs – by August 2018; and
- Train producers on food safety and hygiene – Autumn 2018.

**Control & Certification:**

- Develop Control Plans for both GIs – by May 2018;
- Develop documentation forms for auto-control / internal system for both GIs - by April 2018;
- Make feasibility & cost assessment for Guda labelling (stiker, label) – June-August 2018;
- Introduce use of forms among producers – June – August 2018; and

**Producers Awareness:**

- Develop project & GI information leaflets and distribute among producers – both Associations – by May 2018;
- ATuGu: create webpage and Facebook page of the Association, Dairy Association: develop Sulguni GI webpage section in the frame of Association’s webpage – by March 2019; and
- Organise consultancy & presentations on GIs – continuously.

**Marketing and Promotion:**

- Identify activities for the association work plan April 2018;
- Discussion with market partners March-July 2018 (including during May mission);
- Develop logos for PDO Tushetian Guda and GI Sulguni – May 2018;
- Develop marketing strategy including consumers’ awareness campaign – in August 2018 for AtuGu and for Sulguni GI at earliest January 2019
- Possibly participate in cheese festivals in Tbilisi, with Slow Food’; and
- AtuGu - explore possibility to create a Slow Food Praesidia.
ANNEXES

ANNEX 1. Coaching of Producers Organisations - Coaching Workshop I

Overall approach

The limited number of participants (4-6 producers involved in the value chain structuring) allows addressing the issue in a discussion, brainstorming mode. The project experts will facilitate the process with some guidance/info and structuring the flow of the discussion.

At the beginning of the workshop, experts will just recall the main principles and types of services possible for such PO that were already presented in previous workshops.

The outcome of the workshop will then be presented to the other producers interested in the GI process and interested to be member of the PO.

Sequencing of the workshop

1. Introduction (see above).
2. Identify the value chain critical issues and main challenges / objectives of the producers.
3. On the basis of the identified critical issues, challenges and objectives, define the mission of the PO.
4. Define the services / activities of the PO, clustered by necessity groups:
   a. Necessary
   b. Nice-to-have

The control and certification mechanism will be discussed, in particular internal control and selection of the certification body, under the future legal framework.

5. Assess human and financial resources needed to develop the “Necessary services” and offer them for a year period.
6. Identify the different sources of funding and mechanisms to access them (member own resources, subsidies, FAO/EBRD and other project, sponsoring, etc.).
7. Identify what has been done already in term of mobilisation and concrete steps (registration) and agree on the next steps for the coming months.

To cover all these points, we would need at least 4 hours.
ANNEX 2. Attendance sheets

Annex 2a. List of participants of Tushetian Guda

<table>
<thead>
<tr>
<th>N</th>
<th>Name, Surname</th>
<th>Organization, Position</th>
<th>Contact Information</th>
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<tbody>
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<td>1</td>
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Annex 2b. List of participants of Sulguni Workshop

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<thead>
<tr>
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<tbody>
<tr>
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<td>Organization, Position</td>
<td>Contact Information</td>
</tr>
<tr>
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</tr>
<tr>
<td>10</td>
<td>Ia Ebralidze</td>
<td>Elkana</td>
<td><a href="mailto:branding@elkana.org.geMob">branding@elkana.org.geMob</a>: 599700107</td>
</tr>
<tr>
<td>11</td>
<td>Zaza Kilasonia</td>
<td>Elkana</td>
<td><a href="mailto:GI_elkana@outlook.comMob">GI_elkana@outlook.comMob</a>: 593119331</td>
</tr>
</tbody>
</table>
ANNEX 3. Statute of Tushetian Guda Association

Non-entrepreneurial (Non-commercial) Legal Entity Association “Tushetian Guda”

STATUTE

Article 1

General Provisions

1.1. Association “Tushetian Guda” is a membership-based non-entrepreneurial (non-commercial) legal entity established in accordance with the Civil Code of Georgia.

1.2. The Association is deemed to have been established from the date of its registration in the Registry of Entrepreneurs and Non-Entrepreneur (Non-Commercial) Legal Entities.

1.3. The Association’s name in Georgian is “თუშური გუდა”.

1.4. The legal form of the Association is a non-entrepreneurial (non-commercial) legal entity.

1.5. The legal address of the Association is Kvemo Alvani village, Akhmeta Municipality;

1.6. E-mail address of the Association: info@guda.ge

1.7. The Association is not responsible for the status of its member (members), also of person (persons) with the right of management and representation. The Association responsibility is limited to its property. The Association members, also person (persons) with the right of management and representation shall not be liable for the obligations of the Association. Likewise the Association shall not be responsible for liabilities of own members, as well as of the person (persons) with the right of management and representation.

Article 2

Goals and Activity of the Association

2.1. Goals of the Association activity are:

2.1.1. Protection of the interests of Tushetian Guda cheese producers both in Georgia and beyond its borders;

2.1.2. Guarantee and promotion of Tushetian Guda quality

2.1.3. Promotion and protection of the Tushetian Guda designation of origin both in Georgia and beyond its borders;

2.2. To achieve its goals, the Association in accordance with the Georgian legislation shall:

2.2.3. Ensure a Tushetian Guda quality control system; over the cycle of production, raw material quality and amount of the finished product to be marketed under the designation of origin;
2.2.2 Monitor the market and undertake necessary actions against infringements of the Tushetian Guda PDO

2.2.3. Conduct seminars, conferences and training for its members;

2.2.4. Advocate the interests of the Association members in different agencies or organizations;

2.2.5. Carry out any other activity ensuring attainment of the Association goals.

2.3. The Association may engage in entrepreneurial activity of ancillary nature, the income from which shall be used to the realization of the Association goals. The allocation of the income from such activity between the Association founders, members, donors, as well as the persons with the right of management and representation is inadmissible.

2.4. The Association-owned property/assets can be alienated if such alienation serves the Association activity, its organizational development, or charity goals.

Article 3

Founders of the Association

3.1. Founders of the Association and concurrently the Association Members are:

3.1.1. Devi Betsunaidze, born 12 November 1993, personal number 2000168461; address: Kvemo Alvani village, Akhmeta Municipality.

3.1.2. Koba Gaprindauli, born 30 July 1997, personal number 08001037380; address: Kvemo Alvani village, Akhmeta Municipality.

3.1.3. Giorgi Abulidze, born 26 July 1994; personal number 08001037103; address: Kvemo Alvani village, Akhmeta Municipality.


3.1.5. Archil Elizbaridze, born 3 August 1983; personal number 08001026493; address: Kvemo Alvani village, Akhmeta Municipality.

Article 4

Management of the Association

4.1. Governing bodies of the Association are:

a) General Assembly of the Association Members;

b) Board of the Association;

c) Chairman of the Board.
Ad'hoc commissions will be established to manage specific topics such as quality, marketing and promotion, etc.

An association manager and other human resources could be hired upon decision of the board.

**Article 5**

**General Assembly of the Association Members**

5.1. General Assembly of the Association Members (hereinafter – the GA) is its supreme governing body of the company.

5.2. The regular GA shall be called by Chairman of the Board once a year or when the Association interests so require.

5.3. The GA shall also be called by Chairman of the Board if so requested in writing by at least a third of the Association Members. A request for calling the GA, with the indication of the agenda, shall be presented to Chairman of the Board, who shall call the GA within three days from receipt of the request.

5.4. Other Members shall be notified of the calling of the GA personally, in writing or through other communication means.

5.5. The GA shall be chaired by Chairman of the Board or one of the Board Members based on the Board’s decision, in case Chairman is unable to discharge his/her obligations.

5.6. The GA shall decide by a majority vote of those attending, but by not less than a third of the total membership.

5.7. The GA shall be authorized to:

   a) make amendments to the Charter;

   b) approve annual activity results of the Association;

   c) approve the budget for the following year

   d) elect and recall the Association Board Members;

   e) decide the question of remuneration of the Board Members and of Chairman of the Board;

   f) elect Chairman of the Board at the constituent assembly;

   g) approve application of new members.

**Article 6**

**Board of the Association**
6.1. The GA shall elect a five-Board members of the Association for the term of two years of office.

6.2. The Board shall elect from among its Members a Chairman of the Board to manage activities of the Board and the Association. The first Chairman of the board of the Association shall be elected at the constituent Assembly by the Founders.

6.3. Competencies of the Board include:
   a) Elaboration and approval of main activities, plans and purposeful programs and projects of the Association;
   b) Setting up special commissions;
   c) Setting up the Association branches;
   d) Formation of task groups and selection of their coordinators;
   e) Hearing reports of persons elected (appointed) thereby and their dismissal;
   f) Making a decision on admission to the Association membership;
   g) Making a decision on dismissal from the Association membership;
   h) Fixing and revision of the rate of membership dues;
   i) Drawing up and management of projects for the Association Members;
   j) Making decision on receiving or issuing grants a grant or other kind of financing;
   k) Creating the control and supervision structures and mechanisms for attaining the Association goals;
   l) Approval of the Association labor policy and recruit possible staff;
   m) Acquisition and disposal of the Association’s moveable and immovable property in accordance with the Association goals;
   n) Making decision on engagement in different commercial and non-commercial activity in compliance with the Georgian legislation;
   o) The Association budget approval;
   p) The Board is competent to decide all the issues that are beyond competencies of other bodies.

6.4. The Board meetings shall be held on a monthly basis or whenever needed and called by Chairman of the Board on his/her own responsibility or at the instance of a third of the Board Members at least.

6.5. The Board is competent to decide if attended by more than half of the Board Members. The Board meetings shall be recorded in minutes to be signed by Chairman of the Board.

6.6. The Board may decide on the participation of a Board Member(s) in the meeting using the electronic, audio or video means of communication.

6.7. The Board shall be competent to decide on the reallocation of functions among the Board Members and on the charging the Board Member with specific responsibility.

6.8. The Board shall decide by open majority vote of the members attending the meeting. In case votes are equally divided, the vote of Chairman of the Board shall be decisive.

6.9. The Association Board Members are:

6.9.1. Devi Betsunaidze, born November 12, 1993, personal number 2000168461, address: Kvemo Alvani village, Akhmeta Municipality.


6.9.5. Archil Elizbaridze, born 3 August 1983; personal number 08001026493; address: Kvemo Alvani village, Akhmeta Municipality.

6.10. Chairman of the Board is:

Giorgi Abulidze (see above).

**COMMENT: IT MUST BE CHECKED IF THE LAW IMPOSE THAT THE BOARD MEMBERS MUST BE NAMED IN THE STATUTES**

**Article 7**

**Chairman of the Board**

7.1. The Association shall be managed by Chairman of the Board, who is the head and representative of the Association.

7.2. Chairman of the Board shall:

a) conduct the Association activity for attaining the charter-based goals;

b) make transactions, held negotiations, represent the Association in relations with third persons, open and close bank accounts, and sign formal documents of the Association on its behalf;

c) carry out operational management of financial resources and other material assets of the Association and be responsible for their proper use;

d) be liable for the keeping of accounts and reports of the Association in line with the standards of accounting and reporting as established by the effective relevant Georgian legislation;

e) be accountable to the Association;

f) appoint and dismiss employees to/from the authorized posts;

g) employ on a contractual basis outside persons for performing specific work;

h) allocate work among employees.

**Article 8**
Rights and Obligations of the Members

8.1. The Association membership is voluntary. Any full-age individual and a legal person is eligible for its membership.

8.2. Enrolment and dismissal shall be on the basis of a written application to be submitted to the Board.

8.3. A decision on enrolment or dismissal shall be taken by the Board.

8.4. In the event of a gross violation of the present Charter or upon other import grounds the Association Member may be dismissed from the Association.

8.5. The dismissed Member may appeal against the decision on dismissal in a court.

8.6. The Association Member may:

a) personally engage in the activities carried out by the Association;

b) receive information about all the activities carried out by the Association;

c) take use of the material and technical assets of the Association.

8.7. The rights stipulated by paragraph 6.6 of this Charter shall be exercised in a procedure approved by the Board.

Article XX

Association financial resources

Xx. The activity of the association will be funded via the following resources:

a) Membership yearly fees
b) Membership entry fees
c) Contribution per volume of commercialised as Tushetian Guda
d) Other activities generating incomes

Article 9

Liquidation/Reorganization of the Association

9.1. Reorganization of a non-entrepreneurial (non-commercial) legal entity shall take place as prescribed by the Georgian legislation.
9.2. Liquidation of a non-entrepreneurial (non-commercial) legal entity shall take place as a result of goal achievement, on the basis of a court decision, upon bankruptcy or in the existence of other grounds specified by the Georgian legislation.

9.3. Upon liquidation the day-to-day operations shall be completed, claims established, the remaining assets be expressed in terms of money, creditors be satisfied and the remaining property be redistributed among the authorized persons.

9.4. A decision of the General Assembly concerning initiation of the Association liquidation process shall be registered in the Registry of Entrepreneur and Non-Entrepreneur (Non-commercial) Legal Entities. The liquidation process shall be deemed to have been initiated from the moment if its registration.

9.5. Persons authorized for getting the property remaining after liquidation shall be determined by the General Assembly. Upon liquidation property can be alienated if:

a) the alienation contributes to the attainment of the set out goals;

b) the alienation serves the charity purposes;

c) the property is transferred to a non-entrepreneurial (non-commercial) legal entity.

9.6. The property remaining after the liquidation shall not be allocated among the founders and the persons authorized to manage and represent the Association.

9.7. Unless the General Assembly determines the person eligible to get the property left after liquidation, the court shall transfer such property to one or several non-entrepreneurial (non-commercial) legal entities, who have the same or like goals as the liquidated non-entrepreneurial (non-commercial) legal entity. Where such entities do not exist or cannot be identified, a decision on the transfer of the property to the State may be taken.

9.8. Liquidation shall be carried out by a person(s) authorized by the management or a legally designated liquidator. The liquidator shall be liable as a person having managerial and representative authority.

9.9. A decision on the Association liquidation shall be taken by the General Assembly as prescribed by this Charter.

**Article 10**

**Final Provisions**

10.1. This Charter shall be enacted from the date of its signature by all the Founders.

10.2. Invalidation of any provision of this Charter shall not affect validity of its other provisions.

Founders’ signatures:
1. Devi Betsunaidze (signed)
2. Koba Gaprindauli (signed)
3. Giorgi Abulidze (signed)
4. Giorgi Karsamauli (signed)
5. Archil Elizbaridze (signed)
ANNEX 4. Association Roadmaps

Annex 4a. Roadmap of Tushetian Guda Association

Annex 4b. Roadmap of Georgian Dairy Association “Sakrdze” for Sulguni GI
<table>
<thead>
<tr>
<th>Activity</th>
<th>Actions</th>
<th>Timeframe</th>
<th>Human resources</th>
<th>Responsible person</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Control system</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auto-control</td>
<td>Design the form for each producer</td>
<td>March</td>
<td></td>
<td>Elkana</td>
</tr>
<tr>
<td></td>
<td>Explain to all producers how to fill the form (use one of the next meeting for this)</td>
<td>May-June</td>
<td></td>
<td>Giorgi</td>
</tr>
<tr>
<td></td>
<td>Introduce the use of the forms during the season 2018</td>
<td>June - August</td>
<td></td>
<td>Producers</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1. Number of Gudas bought at the beginning of the season</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2. Daily quantity of milk used for cheese making</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3. Daily number of cheeses, kg and number of Gudas used</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4. Number of Gudas left at the end of the season</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5. Number of milking ewes</td>
</tr>
<tr>
<td>Internal control</td>
<td>Mission on C&amp;C (traceability)</td>
<td>June-August</td>
<td>International expert on C&amp;C</td>
<td>FAO/Emilie, Pascal Giorgi</td>
</tr>
<tr>
<td></td>
<td>Feasibility and costs assessment for the different options (labels, wooden/plastic sticks, etc.)</td>
<td>August</td>
<td></td>
<td>Quality control commissioner / Giorgi</td>
</tr>
<tr>
<td></td>
<td>Organise the organoleptic testing in Alvani</td>
<td>September</td>
<td></td>
<td>Traceability</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Wooden mark on the Guda with the day of production and the producer number</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>QR-code on stickers + date of production, Label on cheese</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Product control</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The five producers member will initially be the member of the Commission plus one external person.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>Organoleptic testing will be organised in Alvani at the end of the season</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Adhoc checks on the binas possible</td>
</tr>
<tr>
<td>External control</td>
<td>Contact the potential CBs to negotiate contract</td>
<td>February 2019</td>
<td>FAO</td>
<td>Giorgi</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No decision on the CB to contract</td>
</tr>
<tr>
<td>Food safety</td>
<td>1st draft of guidelines on Good practices in hygiene</td>
<td>April</td>
<td></td>
<td>ATuGu will play an advisory and information role</td>
</tr>
<tr>
<td></td>
<td>Finalisation of the guidelines</td>
<td>August</td>
<td></td>
<td>The PO can disseminate the FS guidelines that the project will finalise in Summer</td>
</tr>
<tr>
<td></td>
<td>Training on food safety and milk hygiene</td>
<td></td>
<td></td>
<td>The PO can organise trainings that could be performed by NFA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To be discussed with NFA</td>
<td></td>
<td>Information about regulations, possible state and projects support/funding</td>
</tr>
<tr>
<td><strong>Producers awareness raising</strong></td>
<td>Website</td>
<td>February 2019</td>
<td>Website developer</td>
<td>Giorgi</td>
</tr>
<tr>
<td>-------------------------------</td>
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<td>--------</td>
</tr>
<tr>
<td>1st target group (young dynamic motivated by the GI)</td>
<td>Develop a leaflet presenting the GI system, the association, new specifications and a good rationale with reasons to engage. Distribution of the leaflet Create a Facebook group Tushetian Guda Email list</td>
<td>March</td>
<td>Pascal/Ia</td>
<td>ATuGu</td>
</tr>
<tr>
<td>2nd group (old conservatives)</td>
<td>Distribution of the leaflet</td>
<td>May</td>
<td>ATuGu members</td>
<td>ATuGu</td>
</tr>
<tr>
<td><strong>Promotion</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partnership</td>
<td>Participation to cheese festival in Tbilisi. Investigate other festivals Explore with Simonetta Cortella (SlowFood) the opportunity to create a Slow Food Presidio</td>
<td>December June - July</td>
<td>AtuGu Giorgi Giorgi</td>
<td>Partnership with Slow Food, Support from the Ministry for social media and TV Participation to fairs</td>
</tr>
<tr>
<td>Development of marketing strategy</td>
<td>Study tour follow-up workshops on marketing strategies and tourism.</td>
<td>July</td>
<td>Elkana, Pascal Giorgi</td>
<td>Content, messages to consumers</td>
</tr>
<tr>
<td><strong>ATuGu governance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutes</td>
<td>Modify the statutes of ATuGu</td>
<td>December 2018 - January 2019</td>
<td>Giorgi</td>
<td>Modifications suggested by project</td>
</tr>
<tr>
<td>Finance</td>
<td>Decide about CpV for 2018; entry fee and yearly membership; Submit application for grants from the Georgian Farmer Association (business support association)</td>
<td>March or April</td>
<td>ATuGu</td>
<td>2018 needs: 4,000 GEL (website) Yearly prod sheep: 21 tonnes Yearly prod cow + mix: 6 tonnes</td>
</tr>
<tr>
<td>Management</td>
<td>Identify accountant</td>
<td>ATuGu</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Open a bank account</td>
<td>Giorgi</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Roadmap matrix Sulguni

<table>
<thead>
<tr>
<th>Activity</th>
<th>Actions</th>
<th>Timeframe</th>
<th>Human resources</th>
<th>Responsible person</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dairy Georgia governance</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Organisational structure</td>
<td>Board decision establishing sub-committee, sub-policy and subaccount</td>
<td>March</td>
<td>Board</td>
<td>Kakha</td>
</tr>
<tr>
<td></td>
<td>Accountability obligation of the committee to the board</td>
<td>March</td>
<td>Board</td>
<td>Members can be full or associate</td>
</tr>
<tr>
<td>Finance</td>
<td>Explore the financing mechanisms: CpV or monthly fee</td>
<td>March</td>
<td>All members</td>
<td>Kakha</td>
</tr>
<tr>
<td><strong>Control system</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Auto-control</td>
<td>Discuss with member their acceptance of communicating production data.</td>
<td>March</td>
<td>All members</td>
<td>Kakha</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Internal control</td>
<td>Decide about how the quality control commission will function:</td>
<td>March</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Organoleptic testing</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>External control</td>
<td></td>
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<td></td>
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<tr>
<td>Traceability</td>
<td>Check with NFA</td>
<td></td>
<td></td>
<td>FAO</td>
</tr>
<tr>
<td><strong>Food safety</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Theoretical, Practical training and individual consultancies</td>
<td>On-going</td>
<td>GeoDairy</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Packaging as possible mean to improve FS (?)</td>
</tr>
<tr>
<td><strong>Producers awareness raising</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st target group (young dynamic motivated by the GI)</td>
<td>Develop a leaflet presenting the GI system, the association, new specifications and a good rationale with reasons to engage. Distribution of the leaflet</td>
<td>March</td>
<td>GeoDairy</td>
<td>FAO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>May</td>
<td></td>
<td>Kakha</td>
</tr>
<tr>
<td>Dairy sector as a whole</td>
<td>Information days on GI concept for producers Georgia-wide</td>
<td>Winter 2018-2019</td>
<td></td>
<td>FAO, Elkana</td>
</tr>
<tr>
<td>Promotion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of marketing strategy</td>
<td>Outsource to a marketing company (similarly to the campaign for Imeruli cheese)</td>
<td>2019 at the earliest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumers awareness</td>
<td>Consumer awareness: GI corners in supermarkets TV spots (like Croatia)</td>
<td>2019 at the earliest</td>
<td></td>
<td>Kakha, FAO</td>
</tr>
<tr>
<td>Logo of GI Sulguni</td>
<td>Agree about the value, message among member. Contract a designer</td>
<td>April</td>
<td></td>
<td>Kakha</td>
</tr>
<tr>
<td></td>
<td></td>
<td>May</td>
<td></td>
<td></td>
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</tbody>
</table>