

A unique initiative to pave the way for peaceful resolution

When launching the Economic Rehabilitation Programme, the Sides* of the conflict settlement process were unanimous in the opinion that implementation of projects for economic rehabilitation of the zone of conflict and adjacent areas serves as an effective mechanism for confidence-building and, ultimately, for the comprehensive resolution of the conflict. It was also understood that economic rehabilitation had the possibility to create opportunities for developing regional trade and transit using potential of the Trans Caucasian Highway (TRANSCAM); improve the investment climate; and have an important impact on strengthening peace and security in the whole region.

The first milestone in the process to develop the programme came in November 2005 when the OSCE Mission to Georgia launched a major new initiative – a Needs Assessment Study – which yielded a mutually-agreed list of urgent projects for socio-economic infrastructure in the zone of conflict and surrounding areas. The international community responded to this initiative by funding the study, and by pledging – at a specially convened conference in Brussels in June 2006 – some EUR 8 million for implementation of the projects upon which the Sides agreed.

Thanks to the Donors



^{*}The Sides: Georgian, South Ossetian, North Ossetian and Russian.

Economic Rehabilitation Works

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Cover picture: OSCE/David Khizanishvil

This publication highlights projects achieved by March 2008 which have already benefited communities in and around the zone of the Georgian-Ossetian conflict and adjacent areas. However, some ongoing work or preparatory projects completed by March will be covered in future publications.

Throughout this publication the zone of the Georgian-Ossetian conflict will be referred to as 'the ZoC' and the Economic Rehabilitation Programme will be 'the ERP.' Locations mentioned may be known in the Ossetian language by slightly different names.





Confidence building starting in the ERP team itself

The OSCE Economic Rehabilitation
Programme is staffed by international and
local experts, engineers and assistants.
Representatives of both Georgian and
Ossetian communities work side by side
with the permanent OSCE ERP international
officers and experts as well as consultants
contracted from overseas for specific projects.

Site visits are as crucial for the success to the programme as any other managerial or diplomatic aspects. Great emphasis is put on meeting stakeholders in the communities such as farmers, builders, SMEs and potential local trainers.

In the case of infrastructure building work, OSCE international, Ossetian and Georgian engineers regularly make site visits to monitor progress and help contractors tackle ad hoc issues.

Liaison with the Georgian and Ossetian sides is another vital element, and project managers work with the ERP Liaison Officers who help facilitate practical solutions with their sides.

The ERP also involves implementing partners where appropriate, usually NGOs, be they local or international.

The programme is run from an office in Tskhinvali as well as from the Headquarters of the OSCE Mission to Georgia.

The OSCE-led Economic Rehabilitation Programme for the zone of conflict and surrounding areas aims at making a tangible contribution to improving the context for peaceful settlement.

After pledging some € 8 million in 2006, 21 donors are funding this large-scale programme.

Projects underway aim at developing small businesses and agriculture, as well as improving infrastructure for water supply, schools and medical facilities.

All projects and the process of implementation have been designed to benefit directly and bring together communities, and encourage the Sides to take decisions together on issues relating to the programme. Also actively contributing to that process are the donors and the OSCE Mission, the latter managing all aspects of the programme.

Georgian and Ossetian contractors who win the tenders work on the projects sometimes side by side. International as well as local experts contribute to the programme.

Exchange, in terms of both experience and study visits, is an important part of the economic development and confidence-building process.

Projects are wide-ranging. Economic development activities include practical and theory training, offering the opportunity for individuals from both communities to share experience and benefit from expert input. Small grants opportunities are being offered for small business and agriculture development.

In terms of infrastructure work, drinking water supplies are being improved after completion of projects to build local reservoirs, to collect and channel spring water, as well as those to renovate existing systems. School children throughout the zone of conflict will benefit from renovated facilities after the completion of works which, just as all other projects of the ERP, are agreed upon by the Steering Committee.



Aiming for confidence between communities and confidence between the Sides

The donor-funded ERP is an initiative carried forward by the OSCE Mission to Georgia to help the Sides reduce tensions on the ground and create a more favourable context for political dialogue.

All projects, which benefit communities directly, must be agreed upon at OSCE-chaired Steering Committee meetings, which comprise representatives of the Georgian, South Ossetian, North Ossetian and Russian Sides; the donors to the programme; and the OSCE Mission to Georgia.

The Steering Committee, which was set up by the Joint Control Commission, guides the implementation of the programme by the Mission.

Donors demonstrate commitment to communities

The fact that international donors have contributed to the programme is very important to the communities living in the zone of conflict. During meetings with OSCE officers, beneficiaries of the projects have underlined how they have appreciated not only the practical assistance, but also that the international community has taken a direct interest in improving their living conditions.









Developing market chain and providing business skills training

Cost: € 23,894

Donors: Estonia

Timetable of work: November-December 2006

Location: Tskhinvali and Gori Project Status: Completed

Challenges & solutions

The aim of this project was to assist market chain development for farmers and agribusinesses operating in the ZoC and adjacent areas.

As the first project of the ERP's business dimension, a large part of the process was researching and identifying opportunities and constraints to the development of trade linkages between farmers and agribusinesses in the area. All this would contribute to action plans to overcome these challenges and establish trade linkages between the two sides.

Why focus on market chain development?

One of the chief challenges to the development of small and medium-sized businesses is the lack of up-to-date skills and knowledge of the entrepreneurs themselves. Market research is limited which narrows financial and strategic perspective.

OSCE ERP action for solutions:

The OSCE ERP contracted two international experts: a Canadian business development consultant and an agriculture development consultant from the USA. With the OSCE experts, the consultants met with farmers in local communities and a training schedule was devised.

Value for agribusiness in the ZoC

162 entrepreneurs from 25 locations in and around the ZoC benefited from the training sessions: in Tskhinvali for business people and in Gori for farmers. Of that number,

99 were Ossetian and 63 were Georgian. 29 women attended the training.

They were trained on the following topics:

- establishing and expanding SME
- strategic planning
- financial management
- production, processing and marketing of agricultural products
- planning in agricultural business

Training for business skills trainers: beginning the process of business development in the zone of conflict

Cost: € 15,911

Donors: USAID

Timetable of work: March to April 2007

Location: Tskhinvali

Project Status: Completed. Finalization marked by launch of follow-on project for training of business skills for the business community.

Challenges & solutions

The primary objectives of this project were to provide selected local trainers with the skills and capacity to administer business skills training seminars and consulting services to the business community in the ZoC and adjacent areas.

Why create a group of business trainers?

The OSCE ERP conducted an assessment among small- and medium-sized enterprises in the ZoC, which revealed a need to introduce modern knowledge and skills related to the following issues. These included: how to start business, how to grow existing business, and skills and knowledge for agribusiness.

The best way to cascade the knowledge from international experts is to train local trainers who go onto multiply the impact of the consultancy within the communities.

OSCE ERP action for solutions:

A Canadian business development expert was contracted, and four Georgian and four Ossetian local trainers as well as two national economic assistants were selected.

The international consultant delivered a 27-day course to the local trainers on different issues of business, such as entrepreneurship; assessment of business ideas; market competition; financial management; marketing; business plan development and organizational steps.

Based on the training received by the international consultant, the local trainers and national economic assistants developed three training modules. Please see the project: Training the small enterprise community in basic business skills

Value for the ERP

As well as providing an efficient way to cascade the knowledge from the international expert (who had worked previously on the OSCE-led Needs Assessment Study of 2006), the seminars presented the opportunity for Georgian and Ossetian local experts to work together. As the team learnt together and jointly developed a training programme that they would deliver to the communities, confidence was built among them from a shared sense of purpose.

Business development: workable, relevant and evolving solutions

The ERP has a clear remit for activity, but within that framework it flexibly diversifies and evolves to help make sure that real business development issues are tackled practically, effectively and for maximum results. This more holistic approach helps the programme develop relevant and logically sequenced projects, which are linked by concept.

The dynamic for the business and agriculture development programme sector harnesses ongoing and targeted international consultancy as well as local knowledge. Cascading international expertise through training-of-trainers is an important principle driving the ERP methodology.

A thorough needs assessment, gained through many meetings with the business community in the zone of conflict and other stakeholders, is also a vital component.

The programme also gives agribusiness and SMEs bespoke technical and practical assistance.

With these elements, the programme offers workable solutions for issues raised by the beneficiaries themselves.

Designing vocational training programmes

Cost: € 23,455

Donors: USAID

Timetable of work: November to December 2007

Location: 27 Georgian and 7 Ossetian villages

Project Status: Completed, with an extension of the

project anticipated in 2008.

Cascading international knowledge: training of local trainers

To multiply the effect of introducing an international expert to the ERP, local experts are trained intensively to deliver tailor-made business development courses to SMEs, agribusinesses and other residents of the zone of conflict who wish to start up a business

Through this, additional value is generated not only for the business sector but to the local trainers themselves, who have been given an employment opportunity with job satisfaction.

Nana and Chermen (pictured right) were two of the potential trainers from Georgian and Ossetian communities (respectively) who were selected to be trained by the ERP international consultant. After completing the course, they went on confidently to deliver ERP-led training throughout the zone of conflict which was designed to target the real needs of the developing small business sector.

Challenges & solutions

The objective of this project was to design a vocational training programme which, when implemented, would increase the capacity of people living in the ZoC to become skilled and ideally, certified artisans within the construction industry.

Why the need to develop vocational training?

As a result of the conflict, tens of thousands of Ossetians and Georgians left the area for apparently safer havens in Russia (primarily, North Ossetia) and other regions of Georgia.

Educated and skilled artisans, academics and business people comprised a significant portion of the population that left the previously autonomous oblast of South Ossetia.

The OSCE ERP has been approached by people in villages expressing the need for vocational training to help develop a more qualified labor force.

OSCE ERP action for solutions:

The OSCE ERP contracted two international experts (Canada and Azerbaijan) to design the vocational training programme for artisans as well as one for growth-oriented industries and industry sectors that would provide sustainable employment and income generation opportunities, particularly for women and young people.

In the preparation phase, the consultants and 3 Georgian and 2 Ossetian trainers worked alongside OSCE ERP staff to survey needs in 34 villages (27 Georgian and 7 Ossetian).

Value for the artisans

The usefulness and relevance of the developed vocational training programme is high, since it was put together by the OSCE ERP expert team after input from 436 people in the construction sector.

316 Georgians and 120 Ossetians contributed to the survey which was conducted at meetings which included those with enterprises and construction companies; local village communities and university construction faculties and vocational colleges.

Currently, the vocational training programme produced is being further developed and scheduled for delivery in 2008.

"There are huge expectations; people are waiting for improvement in their lives. On top of that, as trainers we also expect concrete results."

"We had a very good trainer invited by the OSCE, and he involved us in discussions on our mutual interests. We did very complex and considerable work. We discussed a range of different problems and issues relevant to business development in the conflict zone. We looked at different project possibilities, taking into consideration whether or not they would be acceptable to the sides.

We deliver our training sessions on business development both within Tskhinvali and in the regions. We also give information about our ERP and on the assistance it provides.

There is great potential here. Considering everything, there are only two options: either to act, or to do nothing. The better option is the first one."

- Chermen, local trainer (picture right, right)

Training the small enterprise community in basic business skills

Cost: € 11,586

Donors: Estonia

Timetable of work: June to December 2007

Location: 90 Georgian and Ossetian villages

Project Status: Completed, with an extension of the

project anticipated in 2008.

"It's about a year and a half now that I've been involved in the Economic Rehabilitation Programme. Of course, we were aware about the programme in general, but it was only after the training-of-trainers that we became really interested in taking part. It was also very useful for my career. It was interesting for me since it was related to the conflict settlement. I think, that economics is a bridge for restoring relations.

I remember the first time when we met our Ossetian colleagues: it wasn't so easy, as we didn't know each other. But later the tension totally evapourated as we got to know each other better. We were thinking about how we would manage to work together."

- Nana, local trainer (below left)

Challenges & solutions

Eight local OSCE-trained trainers and two national economic assistants delivered courses to the business community in the ZoC on basic business skills.

This activity built upon the previous project: Training for business skills trainers.

Value for the business community

Almost 1000 SMEs in the ZoC benefited from training designed to cater for their immediate educational needs. Of the 968, 588 were Georgian and 380 were Ossetian; 718 men, and 250 women, from 65 Georgian and 62 Ossetian villages.

The courses developed by the OSCE ERP training team, which were directly pertinent to the immediate needs of the entrepreneurs were:

- business skills for farmers
- · how to start up a business
- growth and development of existing businesses

Value for the ERP

This project greatly multiplied the effect of introducing one international expert to the programme. The local Georgian and Ossetian trainers, who had developed confidence among each other on the course, had the added advantage of knowing directly the local educational needs of the business community in the ZoC.



Nana and Chermen, from Georgian and Ossetian communities respectively, were OSCE-trained to go on to train others.







Training for farmers in fruit, grain, trout and dairy production

Cost: € 4,350

Donors: Sweden

Timetable of Works: March to November 2007

Location: 25 villages in and around the ZoC:

9 Ossetian and 14 Georgian

Project Status: Completed

Challenges & solutions

The primary objectives of this project were to provide farmers and agribusiness owners living in the ZoC with product-specific training in modern techniques of fruit, trout, dairy, tomato and grain production.

During visits to the farms the OSCE ERP experts noticed a significant lack of knowledge in agricultural production. Farmers had no access to new information on modern technologies and approaches in the agribusiness sector.

OSCE ERP action for solutions:

The OSCE ERP worked with the local non-governmental organization Georgian Rural Development Fund (GRDF), and two Ossetian agronomists from the ZoC in delivering field-based training seminars.

Harnessing the local expertise, 32 training seminars focused on the following industry sectors:

- production and pruning of apples and stone fruits (14 seminars)
- production and processing of farm trout (one seminar)
- cattle raising and production of milk products (nine seminars)
- production of open field tomatoes (six seminars)
- grain production and disease control (two seminars)

Value for the farmers

This training project provided farmers and agribusiness owners with basic skills to improve their current agribusiness activities in the ZoC.

517 farmers, agribusiness owners and agronomists from 45 villages (34 in Georgian-controlled territory and 11 in South Ossetian-controlled territory) benefited from the training during the period from March – December 2007. Of that number, 450 were Georgians and 67 Ossetians.

Value for the ERP

Where possible, the ERP strives to involve both Georgian and Ossetian experts, trainers or contractors. During this project, trainers from both communities contributed to the project.

This project led to another activity to boost farm trout production.

Local demand following this project was so high that the OSCE ERP intends to provide more training seminars to the newly established agribusiness associations, as well as to other farmers and farmers' groups operating in the ZoC in 2008.

Farmers gain insight into contemporary agriculture production techniques and network with experts at AGRO-2007, the 19th International Agricultural Exhibition-Fair in Kiev, Ukraine

Cost: € 10,625

Donors: Sweden

Timetable of works: The Agro- 2007 exhibition

was held 12 to 16 June 2007

Project Status: Completed

Challenges & solutions

The objectives of this project were to inspire four Georgian and four Ossetian farmers and trainers from the zone of conflict to incorporate more efficient techniques of agricultural production through offering them an opportunity to meet experts in modern farming at an international agriculture fair.

Why Agro-2007?

Agro-2007 was an international fair of prestige organized by and for agriculture specialists, which would offer the farmers the opportunity to examine practical issues rather than purely academic considerations. At the event, the farmers could network and explore up-to-date and applicable techniques with the one thousand companies which exhibited in the 19 exhibition halls of the ExpoCenter of Ukraine National Complex.

The range of agricultural sub-sectors represented at the event was also a big consideration for ERP project, as was the range of companies exhibiting, which represented over 10 countries. Present were exhibitors from Belarus, Czech Republic, Denmark, France, Germany, Italy, Poland, Russia, Serbia and Slovakia as well as Ukraine.

Value for the farmers

The farmers from the Zone of Conflict networked with each other and exhibitors. More than 40 business meetings took place with different companies:

Together, the farmers examined new solutions in:

- dairy and pork farming and breeding
- greenhouse production
- mushroom cultivation
- · veterinary medicine
- livestock feed
- agricultural machinery and equipment for the consumer industry
- alternative energy
- seed production, fish breeding and feeding
- techniques in modern agribusiness
- · irrigation and drainage systems
- plant protection and fertilizers
- horticulture, fruit-growing and vegetable gardening

Other Practical benefits

Some of the farmers bought quality items including parts for their farm machinery and veterinary medicines for cattle and bees.

A trout farmer in the group used the opportunity to research different fish varieties and yields, and took the contact details of relevant companies which supply quality egg stock. Later in the year, this became very significant for him and a number of his neighbouring trout farmers in the zone of conflict, when another OSCE ERP project to boost trout farming was implemented.

Value for the ERP

An additional aim for the ERP staff who accompanied the farmers to Agro-2007 was to identify potential specialists for future contribution to the ERP.

Companies met were invited to offer quotes for the supply of forage seed, and agricultural machinery and equipment, as envisaged in near-future OSCE ERP projects.

Increasing trout farming productivity

Challenges & solutions

This project aimed at providing current and potential producers with training and technical assistance in modern techniques for farm trout producers.

Why assist trout farming?

Meetings between OSCE staff and trout farmers in and around the zone of conflict revealed that although 16 farmers produced some 300 tons of fish annually, there were issues facing them which impacted their businesses considerably. They expressed concerns that they had no way to verify the quality of feed and trout eggs; that they had limited knowledge of prevention of infectious diseases; that aquaculture activities were not organized; and that the market was unpredictable.

Value for the trout farmers

Primarily, the OSCE ERP responded to these challenges by contracting an international aquaculture expert, to deliver 10 days of field-based work. Ahead of any development activity, the expert visited 7 trout farms in Karaleti, 5 in Bebnisi and 1 in Kareli. A package of assistance was given including: site visits and four expert seminars; and bespoke technical assistance to 20 existing and potential farmed trout producers.

Focus throughout was put on techniques to address the most pressing issues identified by the farmers themselves, as well as OSCE ERP expert-assessment:

- introducing high quality rainbow trout genetics
- improving water chemistry (e.g., reduction of carbon dioxide and nitrogen gases)
- identifying, curing and preventing farm trout diseases
- introducing high quality trout feed during different phases of the trout's lifecycle
- introducing sodium chloride for parasitic, columnaris, stress and oxygen control

The expert also provided recommendations on particular queries raised by the farmers.

The project also featured a presentation by a farm trout egg and feed importer AGROCORP – CAUCASIA. Topics covered were the financial benefits of using high quality trout feed, using examples from US farm trout production. The company also provided the new trout farm collective with another source of quality products, and four members of the CFPA began purchasing trout feed.

Potential value for the next steps

The OSCE ERP is currently working with the CFPA to identify retail stores in Rustavi and Tbilisi for the collective to install aquaria for storing and selling live farm trout. If the farmers enter into agreement with the stores, the OSCE is ready to support where possible.

The OSCE team is also working on providing trout farmers with access to water testing equipment and sodium chloride, to improve the health and growth rate of their trout.

Cost: € 12,500

Donors: Sweden

Timetable of Works: August 2007

Location: Tskhinvali, Karleti, and Bebnisi areas

Project Status: Completed. Finalization was marked by fish farmers creating a local association









Ucha (centre), Zurab and Aleko are trout farmers in the Gori region, and were happy to provide us with an example of the benefits of this evolving approach to assistance.

Ucha, who is Georgian, first met the OSCE ERP team during their site visits. He took part in training seminars and was invited to be among the group of 8 farmers to join the ERP-organised study visit to the international agriculture exhibition Agro-2007 in Ukraine in mid June 2007.

With his fellow Georgian and Ossetian farmers, he took the opportunity to meet exhibitors and learn of modern farming techniques. After meetings with exhibiting fish-farming companies, he decided he wanted to boost his product yield by raising a new trout variety. However, he knew he couldn't achieve his idea without help.

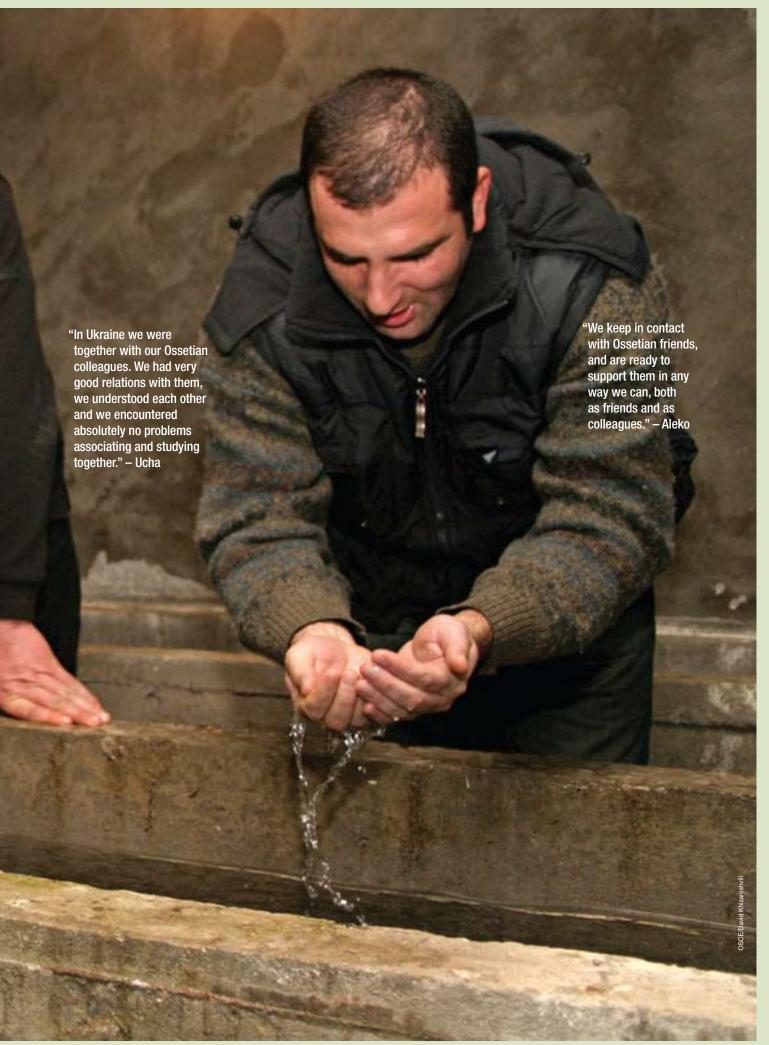
Back home shortly after the Agro-2007, the ERP staff helped Ucha and seven other Georgian and Ossetian fish farmers establish a collective – the Caucasus Fish Producers Association (CFPA).

Two neighbouring farmers in the collective, one Georgian and one Ossetian, liked his idea and decided to join him by pooling resources to diversify their fish stock.

In July, an international consultant, who was working for an ERP project to look into ways to boost trout farming in the area, gave recommendations for the farmers' idea. As a result, the OSCE ERP helped Ucha's group to buy and import 200,000 rainbow trout eyed eggs from the Danish company ALLER AQUA which had exhibited in Agro-2007.

The three farmers intend to sell the rainbow trout fry from these eggs in the spring to other CFPA members and trout farmers in the ZoC, with expected profit margins of 50%.

At the time this publication went to print, the CFPA was working with the OSCE to identify stores in Tbilisi and Rustavi which have aquaria and are ready to sell their live product.









OSCE/David Khizanishvili



Providing an opportunity to attend a workshop in Israel on technological aspects of dairy management and milk production

Challenges & solutions

This project aimed at contributing to knowledge of modern milk production techniques through sending one dairy farmer from the ZoC to a workshop overseas, who would then go on to share new skills and knowledge with others.

Ahead of this project, ERP experts had several meetings with dairy farmers in the ZoC, and identified that they faced several challenges to improving milk yield.

Why provide a study visit to a workshop in Israel on dairy management?

Practical, professional and financial advantages gave rise to this opportunity. The donors of this project, USAID, facilitated this visit to the seminar which shared experience from modern, successful dairy production in Israel. The workshop itself was sponsored by the Mashav Center for International Cooperation of the Ministry of Foreign Affairs of Israel, and was administered by the Ministry of Agriculture and Rural Development Center for International Agricultural Development Cooperation (CINADCO).

Value for farmers

Dairy producers in the ZoC are set to benefit from the experience of their fellow farmer who visited farms and experts in Israel, and attended seminars on:

- dairy farms management and economics
- antibacterial mastitis therapy in dairy cows
- · calf rearing
- food safety
- · milking management
- veterinary practice
- herdbook methods and data processing
- developments in feed
- overview of Israel's agriculture and dairy sector

Cost: € 1,077

Donors: USAID

Timetable of Works: 18 June – 10 July 2007

Location: Kibbutz Shefayim, Israel

Project Status: Completed



Zurab is a dairy farmer in a Georgian village just south of Tskhinvali; the proud owner of 100 head of local breed dairy cows. When the OSCE Press Officer met him in January on his farm in Zemo Khviti, he told her why he had got involved in the OSCE-led Economic Rehabilitation Programme.

Confident of what rural experience had taught him about farming, Zurab decided just over a year ago to establish his own dairy farm. He had made his plans with the firm conviction that he was moving into a relatively profitable sector. But knew he could not do it alone.

He had saved eighty percent of the funds he needed to set up his business, which was supplemented by a grant from the Millennium Challenge, a US initiative currently being run in Georgia.

"Then I heard about the Economic Rehabilitation Programme, which sounded interesting, since it envisages helping farmers in the zone of conflict." He said with an enthusiasm apparently undiminished by the icy cold outside his cowshed that day.

"OSCE experts were doing studies of the area and they wanted to contact farmers operating in the conflict zone. They told me about the farmers' association they were planning to help form, and that they intend to provide farmers in the conflict zone with technical assistance, like equipment, machinery, new technology and training".

Zurab was pleased to be selected by the OSCE to be trained in up-to-date milk production techniques. The USAID-funded project aimed to create the opportunity for farmers who were ready to learn and pass on new insights to other colleagues in the zone of conflict.

This opportunity was to take him to Kibbutz Shefayim in Israel, to attend a three-week seminar.

"It was both very useful and very interesting, and I really learnt a lot" he said of the workshops.

The course covered dairy farms management and economics; antibacterial mastitis therapy in dairy cows; calf rearing; hygiene; milking

management; veterinary practice; quality feed and data processing; as well as an overview of Israel's agriculture and dairy sector.

"As an average citizen, I had always thought it didn't take much to look after cows - all you need to do is feed them and milk them! I was taught another kind of approach. I realized that a cow was like a factory which needed special maintenance. The breed of cow is considerably important, as is how you choose to feed it, and so on. All these have an effect on the quality and richness of milk."

Cattle breeding, he told us, is difficult at the beginning, but is definitely worth the effort.

"Demand in the world market has greatly increased, so it can be a very profitable activity. I hope that with your assistance we'll be able to increase our production capacities."

Three farm-hands started to fill the troughs with feed; the cows' heads lowered. Zurab began to talk about the business of farming in the zone of conflict.

"It's very difficult for many reasons. Some of them are to do with having to travel to other regions over different production-related issues. That's quite problematic here; besides, it's not a secret that the situation in the region is not stable, which means that we are taking all kind of risks."

But life, Zurab suggests, must go on.

"We'll hope for better changes, and for the help of the OSCE," he said, making a point of thanking the international community for what farmers had received so far.

"I hope they will continue their assistance programmes, and provide us with needed equipment and machinery, so that we're not left too far behind international standards of production."

Like many beneficiaries of the ERP, Zurab had clearly registered the fundamental concept at the heart of the initiative – a concept agreed by the sides, as well as the international community who fund and manage the programme.

"The OSCE is an organization for security and cooperation, and I'm sure that economic development will also help promote confidence-building and ultimate conflict settlement. Because if people are engaged in economic relations, they will have to cooperate; help each other; exchange experience," he said.

"This is the shortest way to peace at the level of people diplomacy."

Providing training in livestock breeding and management

Challenges & solutions

The primary objectives of this project were to provide 15 farmers in the ZoC with training in modern techniques of breeding, feeding and disease control in the dairy sector.

The OSCE ERP identified that dairy farmers would benefit from increased understanding and access to veterinary service and good feed for their herds, little opportunity to introduce beneficial strains to their stock, and limited exposure to improved farm practice. However, lack of knowledge of modern techniques was the most outstanding challenge.

OSCE ERP action for solutions:

The ERP worked with the newly formed local non-governmental organization, Rural Advisory Service (RAS), to deliver four days of field-based training seminars which focused on the following themes of the dairy sector:

- livestock feeding and feed production
- treatment of bacterial, fungal, viral, parasitic, and non-infectious diseases
- creation and operation of manure storage facilities
- operation of small-scale cheese production enterprise
- techniques in artificial insemination
- · operations of agricultural suppliers

Value for the farmers

Ten Ossetian and five Georgian farmers, agronomists and veterinarians took part in the seminar and site visit programme in the Samtskhe-Javakheti region of Georgia.

In addition to these training themes offered at the RAS in Akhaltsikhe, the farmers went on site visits to study to learn about: forage production pasture in Dviri; calves produced from artificial insemination in Kvabiskhevi; a small-scale cheese production enterprise in Ude; artificial insemination of a heifer in Tskruti; a retail store of agricultural and agrochemical supplies.

RAS also provided the farmers with training materials and manuals on cattle breeding in the Russian and Georgian languages.

Value for the ERP

Where appropriate the OSCE ERP seeks out and works with implementing partners to add value to the projects. The implementing partner for this project was RAS, which was founded early 2007 by local farmers, NGOs and authority representatives. Its goal is to support the development of the agricultural sector, enhancing rural livelihoods and so reducing social tension.

This project was a fore runner for several projects for further development in the areas of introducing artificial insemination; forage and silage production; drilling, production and harvesting techniques; fertilizer and agro-chemical use; and design of feed ratios for livestock.

Cost: € 3,181

Donors: Sweden

Timetable of Works: July 2007

Location: Akhaltsikhe

Project Status: Completed

Improving yield of open-field vegetable, fruit and commercial flower crops, and greenhouse husbandry

Challenges & solutions

The primary objectives of this project are to provide training and technical assistance to current and potential greenhouse and open field flower, vegetable and fruit producers living in the ZoC and surrounding areas. Areas of focus for development were:

- modern techniques of greenhouse flower, fruit and vegetable production
- construction and operation of costeffective and efficient greenhouses
- modern techniques of open field vegetable production with a particular emphasis on winter onion production
- marketing, post harvest handling and transporting of flowers, fruit and vegetables

Why support open-field vegetable, fruit and flower production?

With a view to identifying agricultural opportunities for farmers, the project focused on commercial flower production as well as vegetable and fruit yields. OSCE ERP team met with red tulip producers operating in three ethnic-Georgian villages in the ZoC. The villages housed around 100 homemade greenhouses, covering an area of 15,000 square metres. However, only an estimated 40 greenhouses, covering an area of 6,000 square metres, were operational. There, farmers faced a number of issues, including:

- limited production capacities: flower farmers only produced red tulips
- limited production cycle: around 450,000 tulip seeds are planted in the 40 greenhouses for harvest after 50 days
- limited access to fresh planting stock: farmers have been reproducing the same variety from the bulbs imported from Russia over 15 years ago
- limited market capacities: the farmers sell their red tulips in march, mostly between 3-8 march
- lack of knowledge related to: product diversification opportunities, disease prevention, producing, processing and marketing strategy

Value for the farmers

50 farmers from five villages benefited first hand from the consultancy provided by an OSCE-contracted US expert.

The expert delivered a series of training seminars in Tskhinvali, Shindisi and Bredza on: greenhouse flower production; and open-field vegetable and flower farming.

17 of the farmers were Ossetian while 33 were Georgian. The group was made up of 39 men and 11 women.

Farmers in the villages of Variani, Breti, Gduleti, Abrevi and Tsunari also received one-to-one consultancy.

Value for the ERP

The report produced highlights several potential directions for practical assistance which could boost farmers' productivity.

Cost: € 15,987

Donors: USAID

Timetable of Works: July - August 2007

Location: Tskhinvali, Bredza, Shindisi

Project Status: Completion marked with the international experts' report on possibilities for projects to boost tulip production and diversification to lily production.





Enabling farmers to diversify by growing 'Spring Gold' over-wintering onions

Cost: € 18,096

Donors: Sweden

Timetable of Works: August 2007 to June 2008

Location: The villages of Breti, Kelktseuli,

Tortiza, Kheltubani and Balta.

Project Status: Implementation active

Challenges & solutions

The primary objectives of this project are to provide 16 existing vegetable farmers from five villages in the ZoC with access to modern technology and technical assistance to produce a new variety of over-wintering onions, Spring Gold.

Why introduce 'Spring Gold' onions to farming practice?

In general, farmers in the ZoC do not have prior experience in the production of over-wintering vegetables and using modern agricultural technology, which could offer them the possibility of having a more lucrative cash crop during the year.

But to achieve this diversification they should be familiar with and have access to suitable varieties and high quality seeds, drip irrigation systems and pneumatic seeding machines.

The Spring Gold variety of over-wintering onions is harvested in early June, which would be two months prior to the harvest of onions produced by most other vegetable farmers in Georgia.

OSCE ERP action for solutions:

The OSCE ERP worked with the international organizations Community Habitat and Finance (CHF) and local 'Agvantage' experts from the start of this project, including during the project preparation phase and with consultations with farmers.

OSCE collaborates with the international organization, in order to provide the 16 farmers with the technological capacity, knowledge and skills to successfully harvest an estimated 135 – 225 metric tons of over-wintering onions.

Input from OSCE ERP

- arranged soil testing for 17 plots of land in August 2007 and early spring 2008
- purchased 54 kilograms of spring gold onion seed
- purchased two four-row pneumatic seeding machines
- purchased a drip irrigation system with a water pump for the farmers residing in the village of Breti
- arranged transportation of the irrigation systems, water pumps and seeding machines from Tbilisi to and from the ZoC



Input from implementing partner CHF

- purchased drip irrigation systems with water pumps for the farmers residing in Kheltubani, Tortiza, Kheltseuli and Breti
- recruited a local expert to provide technical assistance to all farmers in over-wintering onion production

Input from farmers

- pay OSCE for 50% of the cost of the Spring Gold onion seeds
- purchase and distribute required quantities of fertilizers, pre-emergent and post-emergent herbicides, and fungicides
- cover all other production costs (e.g., labor, fuel, soil preparation, etc.) associated with the production of over-wintering onions

Value for the farmers

16 farmers from five villages (Balta, Keltseuli, Kheltubani, Tortiza and Breti) have the chance to benefit from increased technological capacity, knowledge and skills to successfully harvest a potential 135 – 225 metric tons of over-wintering onions.

Typically, during the months of June and July the Georgian markets are supplied solely by imported onions, which are purchased by Georgian wholesalers at prices ranging from €0.28 to €0.30 per kilogram. When the large quantities of local onions are harvested in August, the prices paid by wholesalers fall to €0.13 - €0.20 per kilogram. Therefore, the farmers participating in this project would be able to generate a projected increase in revenues ranging from 45% to 130% per kilogram from the sale of overwintering onions in June and July.

Challenges and future plans

The ERP, CHF and farmers planned to plant the onion seeds in late August 2007. Unfortunately, there were delays in the delivery of the two four-row pneumatic seeding machines, irrigation systems and water pumps. Because of these delays, the farmers were unable to plant the onion seeds until the end of September 2008. Lessons learnt from this process should ensure timely delivery in future implementation.

In addition, due to political tensions in the ZoC, four farmers in the village of Kelktseuli did not gain access to irrigation water in the autumn of 2007 and therefore, were unable to irrigate the onion seeds on their plots of land.

During the months of December 2007 and January 2008, unusually severe sub-zero temperatures (-20° C to -30° C) and the lack of snowfall (insulation) during these months may have damaged the onion seedlings. Once the snow melts in the ZoC in the spring of 2008, the OSCE ERP, CHF and farmers will learn of the true impact from the low temperatures on the onions, and will consider options if additional assistance is needed.

Meanwhile, the ERP and CHF will provide the farmers with technical assistance in identifying and securing forward sales agreements with local supermarket chains and fresh market wholesalers and retailers for the sale of the over-wintering onions in June 2008.



Improving the yield and quality of beekeeping products

Challenges & solutions

Increasing potential yield, quality and marketing of beekeeping products from farmers in the ZoC was the aim of this tailor-made package of assistance.

Why boost this sector?

Beekeepers in the ZoC face many obstacles to production, including insufficient knowledge of modern methodologies and skills; outdated beehive construction; and lack of developed product processing and marketing processes.

In line with the overall OSCE ERP approach, focus was put on delivering practical solutions for tangible results. An Azerbaijani expert contracted for the project studied the status of apiaries and practice among Georgian and Ossetian beekeepers before delivering a series of training and assistance activities.

Value for the beekeepers

The consultancy and 11 training seminars offered 117 novices and experienced beekeepers the opportunity to familiarize themselves with:

- newer models of economically and practically efficient beehives and advice on productivity
- modern skills and practices of successful beekeepers from other countries
- selection of good quality queens
- identifying existing areas around the apiaries where colonies should be relocated to maximize the advantage of blossoms of better varieties of plants

31 Ossetans and 86 Georgians (of which 95 were men and 22 women) from 39 different locations took part in the project.

Cost: € 6,384

Donors: USAID

Timetable of Works: 14 October – 4 November

2007

Location: Tskhinvali and the villages of Abisi, Trdznisi, Tbeti, Dzevera, Abisi, Mereti, Kurta, Avnevi, and Zegduleti

Project Status: Completed

Providing farmers with access to modern agricultural machinery and equipment

Challenges & solutions

The primary objective of this project is to organize farmers operating in the ZoC and adjacent areas into groups and provide them with access to modern agricultural technology to improve the quality and volume of their crop yields.

Why providing machinery is so urgent

Since the dissolution of the Soviet Union and the advent of the conflicts, the agricultural activities of farmers operating in the ZoC have suffered. Agricultural machinery in the ZoC has been stolen or deteriorated to the state that it is barely useful if at all.

Because of the lack of agricultural machinery and equipment, the majority of farmers in the ZoC are relegated to preparing their soil, and planting and harvesting their crops by hand.

OSCE ERP action for solutions:

- urgent technology needs identified by the OSCE ERP after extensive field visits and completing its previous project to design future projects to practically benefit arable land of farmers
- recruitment of an international consultant on agricultural association development
- an ERP representative visited the International Agro Fair in Adana, Turkey, where he learnt more regarding modern agricultural machinery and scouted for potential experts and potential suppliers
- launch of tender for machinery

Value for farmers

The farmers are being organized into up to eight regional associations. The ERP will offer members and non-members of these associations with access to a wide range of agricultural machinery and equipment, including; tractors, ploughs, balers, drilling and silage equipment and harvesters, and provide them with the capacity to efficiently till their soil, drill their seeds and harvest their crops.

Value for the ERP

Opportunities are always taken by OSCE ERP to widen its expertise, network with professionals and specialist suppliers and scout for the most appropriate consultants. The visit to an Agricultural fair in a country bordering Georgia is just such an opportunity.

Cost: € 457,600

Donors: Sweden and USAID

Timetable of Works: January to May 2008

Location: Throughout the ZoC and adjacent areas

Project Status: Implementation active

Introducing new seed varieties for quality silage production

Challenges & solutions

The primary objective of this project is to provide members and non-members of eight farmers' business organizations operating in the ZoC and adjacent areas with access to new seed varieties for the production of quality silage for dairy and beef cattle.

Why boost silage production?

The quality of forage seeds for silage production impacts directly the quality and quantity of dairy and beef.

Prior to the break up of the Soviet Union and the advent of the conflict, agricultural farming has suffered. There were several kolkhozes (e.g., socially-owned collective farms) operating in ZoC villages, such as; Dirbi, Variani and Kvemo Khviti, which supplied seeds to sovkhozes (stateowned farms).

Once the sovkhozes and kolkhozes collapsed in the early 1990s, farmers operating in the ZoC lost access to the supply of quality forage seeds for silage production, resulting in a significant decrease in the quality and quantity of milk and meat products produced in the region.

This project builds upon previous ERP work to design projects to practically benefit farmers in the dairy sector, and provide access to arable farming machinery.

Action being taken by the ERP to improve the situation:

- launching a public tender to invite producers of quality forage seeds to supply a projected six metric tons of maize (3.3 MT), alfalfa (2.4 MT), and sorghum seeds (0.3 MT) to be drilled in March to April 2008 on an estimated 300 hectares of agricultural land
- recruitment of one Ossetian and one Georgian agronomist to provide technical assistance to the farmers

- · contracting of the Georgian nongovernmental organization Rural Agricultural Service (RAS), to provide training to the agronomists in the following areas of forage and silage production: drilling, production and harvesting techniques; fertilizer and agro-chemical use; design of feed ratios for livestock; and production of silage
- assisting farmers to purchase quality forage

Value for the farmers

The 50 farmers in the zone of conflict who have expressed interest in participating in this project are set to be joined by responding to the public announcements put out locally. Members and non-members of farmers' groups set up through a previous ERP project will be helped to access quality maize, alfalfa and sorghum seeds to improve the quality and volume of production of silage for their livestock.

Farmers who want to move forward in this area will sign a contract with the OSCE in which each farmer agrees to pay 30% of the cost of the seeds prior to the OSCE placing the order with the selected supplier(s), and the remaining 70% of the cost of the seeds by December 15, 2008.

Farmers will also benefit from training on the management of all phases of the production of maize, alfalfa and sorghum for silage. The agronomists will provide guidance to the farmers in developing efficient and effective ratios for the respective livestock's feed rations.

Cost: € 42,450

Donors: Sweden



Timetable of Works: January to December 2008

Location: 32 villages in the ZoC: 26 Georgian

and 6 Ossetian

Project Status: Implementation active

Improving livestock through introducing artificial insemination for the dairy and beef sectors

Challenges & solutions

The primary purpose of this project is to increase quality of milk and beef produced in the ZoC and surrounding areas, through providing farmers with access to imported semen from quality breeds for their cattle stock.

After the dissolution of the Soviet Union in 1989, artificial insemination programmes in the area collapsed. It was not until 2002 with significant support from international donor organizations and local farmer organizations that artificial insemination programmes in Georgia were revitalized.

The OSCE ERP developed this project to include recommendations made by an international consultant it contracted to assist designing of projects to practically benefit farmers in the dairy sector, and provide access to modern farming machinery.

OSCE ERP action for solutions

The OSCE ERP imported a 720 doses of Jersey (576 doses), Swiss Brown (108 doses) and Black Angus (40 doses) bull semen for the artificial insemination of dairy and beef cattle in the ZoC.

It also recruited an international expert to provide training and technical assistance to six veterinarians from the ZoC in up-todate techniques, who will in turn go on to work with local farmers.

Cascading theoretical and practical know-how of livestock genetics

The international consultant trained the local veterinarians in modern techniques for scheduling calving; correct use of heat-facilitating hormones; equipment requirements for artificial insemination; on-farm hygiene specifications; optimal storage of semen; transportation of semen from tank to farm; detection of heifers in heat and scheduling; latest techniques in artificial insemination.

It is envisaged that the veterinarians will go on to assist interested ZoC farmers in determining the optimal breed of semen for their heifers. The veterinarians also will perform the artificial insemination of the heifers during the months of March – December 2008 in accordance to the schedules determined by the farmers.

Value for the beef and dairy sector

Farmers in the ZoC and surrounding areas will be able to improve their stock and its production by introducing strains from dairy and beef varieties prized for excellent quality high yield. They will also benefit from direct assistance from vets trained in the latest methodologies for successful insemination.

Cost: € 55,130

Donors: Sweden

Timetable of Works: February to December 2008

Location: Throughout the ZoC

Project Status: Implementation active



Programme sector:

Rehabilitation of infrastructure



Bringing drinking water to four villages by renovating the Ksuisi-Disevi pipeline

Cost: € 83,303

Donors: Finland, Turkey and UK

Timetable of Works: August until December 2007

Location: 5 km across Ksuisi (Georgian village) through Khelchua (Ossetian village), Gugutiantkari (Georgian village) to Disevi (mixed Georgian and Ossetian). Approximately 10 km north east of Tskhinvali.

Project Status: completed

Challenges & solutions

The objective of the project below was to construct a Ksuisi-Khelchua-Gugutiantkari-Disevi branch water pipeline to provide a sustainable water supply system through those villages.

Why construct this pipeline?

The old branch of the pipeline which was built between 1957-60 was severely damaged and disused. In 1987 heavy leakages resulted in closure and separation of this branch from the main pipeline. In 2006 the local community of Ksuisi, Disevi and Khelchua initiated the installation of a small diameter plastic pipe from the main pipeline. However, the water supplied through this pipeline was not enough for all the families. Some of them attempted to dig wells to be shared with neighbours. The most difficult situation was in Disevi village, where there were no spring sources, so even 200m deep wells yielded nothing. Residents had to rent a truck to deliver water in canisters from a neighboring village.

OSCE ERP action for solutions:

The OSCE ERP contracted the Georgian company which won the tender, and the programme's water engineers supervised and monitored all phases of project implementation.

Once the project was started, the OSCE ERP was able to respond to calls from residents and the authorities for an additional three lines to Khelchua with a total length 654m.

18 taps and 5 km of pipelines were constructed.

Value for the residents of the villages

All the approximately three thousand people living in the neighbouring villages of Ksuisi, Khelchua, Gugutiantkari and Disevi are benefiting from having drinking water supplied directly to their village for the first time in twenty years.

As well as improving the day-to-day situation for people living in villages, the regular supply of drinking water to an area can build confidence between neighbouring villages by removing one possible source of dispute.





Bringing drinking water to Avnevi, Nuli and Kimasi villages by constructing a gravity flow pipeline from artesian sources

Challenges & solutions

The objective was to construct an Avnevi-Nuli-Kimasi branch of gravity-flow water pipeline, providing residents of those villages with drinking water.

Why construct this pipeline?

The three neighboring villages have never had a communal drinking water supply system, but the outskirts of all the villages are rich in artesian water sources. A basic pipeline designed and constructed previously by the community members was unreliable.

OSCE ERP action for solutions:

After OSCE ERP engineers completed an assessment in spring 2007, a Georgian company won the tender. Local labour was hired from all three villages during the construction phase.

Three water pipelines, including water intakes, were completed. Avnevi has 14 water distribution tap stands, Nuli 14, and Kimasi 3.

Technical challenges which unfolded were overcome. One challenge was that the Avnevi pipeline crossed an irrigation system and needed to be bypassed. The Nuli water sources were insufficient for the population so additional surface water needed to be added along with a sand filter to satisfactorily clean the water. Due to the altitude of Kimasi an additional water intake had to be identified, and original plans for the branch pipeline were altered accordingly.

Value for the residents of the villages

Approximately 2,500 residents now benefit from drinking water supplied though 31 taps, which has eased their day-to-day lives. Additionally, extra employment was brought to the area through recruiting local people to help build. Working together on an assured water supply for mutual benefit contributed to confidence-building among the villages in an area which has experienced tensions.

Cost: € 142,345

Donors: Norway and UK

Timetable: September to December 2007

Timetable: September to December 200

Location: Villages Avnevi (Georgian), Nuli (Georgian) and Kimasi (Ossetian), west of

Tskhinvali

Project Status: completed

Applying engineering expertise for practical solutions

When technical challenges unfold, the OSCE ERP engineer team works with the contractors to adapt and find practical solutions.

For example, during the building of the Avnevi-Nuli-Kimasi gravity-flow water pipeline, the engineers had to tackle construction issues which arose for each of the three villages.

In Nuli, they discovered that the water source was not enough for the population. So to boost supply which would flow through the newly constructed pipeline, the engineers added surface water to the system. That meant they also had to put in a sand filter to clean the water.

Once construction of the Avnevi pipeline started, it became apparent that additional unforeseen works had to be undertaken to bypass an irrigation system.

Kimasi village is higher up than the others. Due to this altitude an additional water intake had to be identified, and original plans for the branch pipeline were altered accordingly.

Ordinary building sites in an extraordinary situation

The OSCE ERP programme constantly seeks constructive ways to make the engineering and building works as efficient and effective as possible. Ad hoc solutions are reached to flexibly address challenges to implementation as they arise.

In a zone of conflict, the security situation and movement of people or building materials can pose significant challenges. Obstacles to delivery of project-related goods and movement of contractors in the zone of conflict have sometimes affected schedules greatly and led to complications.

In these cases, the OSCE and the contracted ERP Liaison Officers for the sides address the issues with relevant parties until a solution is found.

Additionally, the level of building expertise is also an important consideration when planning works. As part of its wider programme, OSCE ERP is addressing the need for more skilled artisans by designing a vocational training course to be delivered in the near future.



Rehabilitation of secondary school in Ortevi village

Cost: € 43,576

Donors: Finland and Norway



Timetable of Works: August 2007 to May 2008

Location: Ortevi, east of Tskhinvali Project Status: implementation active Challenges & Solutions

By May 2008, potentially 60 children of Ortevi village, near Tskhinvali, should be able to study in their newly rehabilitated school.

An Ossetian company won the tender and by spring 2008 works had successfully been done to rehabilitate the roof structure and its insulated roofing; replace the windows, doors, floors and electrical wiring; and renovate the outside facilities including the lavatories. The project is ongoing to complete the internal works including the heating system and finalize exterior painting and finishings.

The scheduling of this project was affected by obstacles to movement of the contractors and materials. The OSCE ERP team negotiated with relevant parties to provide solutions to these urgent issues.



Rehabilitating the largest of the Tskhinvali reservoirs

Cost: € 120,730

Donors: Andorra, Lithuania & Poland



Timetable of Works: September to December 2007

Location: Tskhinvali

Project Status: completed

Challenges & solutions

The project set out to undertake urgent repairs to the infrastructure of Reservoir Number 2, the largest of four reservoirs in Tskhinvali.

These reservoirs are supplied by the Edissi pipeline. With a joint capacity of 6000m³ they provide for almost 90% of water consumption in Tskhinvali and adjacent villages.

The absence of a chlorination plant for the reservoir meant that chloral agents were being poured directly into the water, causing extensive surface damage.

OSCE ERP action for solutions:

A North Ossetian company won the tender and completed the works. After draining the reservoir and cleaning the site, the engineers replaced old damaged concrete parts, laid sealant, and set in a new, reinforced concrete coat of 'shotcrete'.

Value for people living in the area

Approximately 40,000 people directly benefit from having water from four reservoirs included the newly renovated reservoir which holds 3330m³. Working on this largest reservoir first should limit disruption to water supply to the area during any future work on the other three.



Before the project ↑



Constructing a new purpose-built facility \uparrow

Building a school and clinic in the village of Sveri

Cost: € 50,145

Donors: Czech Republic and Italy



Timetable of Works: September 2007 to May 2008

Location: Sveri, a mixed village but mostly Georgian, to the north of the ZoC

Project Status: Implementation active

Challenges & solutions

This project aimed at constructing a building which would house school premises and clinic.

Why build from scratch this multipurpose building?

Children in Sveri were going to school in a very old, temporary construction cabin. They needed appropriate facilities urgently. During the OSCE ERP assessment of the situation, it was also apparent that having no clinics in the immediate area, residents of Sveri and neighbouring villages had to travel 7km to Kurta for medical services. The idea was then put forward to construct one building with separate parts to house the two facilities.

OSCE ERP action for solutions:

After a Georgian company won the tender, and plans were drawn up for the new building, work began on an area of land set aside by the village.

The single-storey building will be 182m². Both the school and the clinic sides will feature six rooms apiece, and one large room to serve as an assembly room.

Value for the residents of the village

As well as gaining a purpose-built school and clinic, the village residents will also be able to use the school's hall for community meetings (another facility they had not had before the project).

At an OSCE fundraising event in February 2008, the project was awarded an additional € 5000 for the library and furnishings in the new school.



Cost: € 95,725

Donors: Finland and Norway



Timetable of Works: December 2007 to

summer 2008

Location: Dzari, an Ossetian village to the north

of the Zone of Conflict

Project Status: Implementation active

Rehabilitation of secondary school in Dzari

Challenges & solutions

Why construct this pipeline?

The school in this village was in urgent need of repair to bring the standard of facilities up to a basic acceptable level. A persistently leaking roof had extensively damaged the building, while windows and door casements also needed to be replaced.

OSCE ERP action for solutions:

An Ossetian contractor won the tender for the works. Local Georgians and Ossetians from the village area were hired by the contractor for labour.

By spring, up to 80% of the roofing work was completed, and the structural fittings of one classroom had been finished. However, problems with transporting building materials seriously delayed the early stages. The severe winter and snowfall during that time meant that temporary tenting had to be put up, and additional clearing work had to take place.

Value for the residents of the villages

By the next school year, up to 100 local children will be able to benefit from a newly renovated school, with facilities for ten children per classroom.





On the day the OSCE
Press Officer visited the
Dzari school building
site, the snow carpeted
valley echoed with the
screech of an electric
carpentry saw and
the sporadic crackle
of distant gunfire
from a scheduled
peacekeeping practice.

Labourers hired from the village were working on the bare, wooden frame of the roof. Georgians and Ossetians worked side by side with common purpose: to complete the urgently-needed renovation of the local school; and to earn some welcome money in an area where job opportunities are scarce.

They had been recruited by Vissarion, the Ossetian who had won the building tender for this ERP project.

"I heard that the programme was meant, among other things, for rehabilitation of infrastructure in the conflict zone, and of course from the very beginning I was interested in participating in this," he said, "because, in the first place, it is very important to help solve social and educational problems here."

Vissarion and his team have a lot of work to do on the school. Measure in hand, he gives us his professional assessment.

"This school was in terrible condition. The roof was leaking through; doors, windows, everything was damaged."

This is the typical fate of much infrastructure in the zone of conflict. The school in Dzari had fallen into a dire state from years of neglect brought on by the effects of the collapse of the Soviet Union and the onslaught of the Georgian-Ossetian conflict.

Vissarion is enthusiastic about the project. "We're about to finish the roof. Afterwards we'll get started on inside: plastering, replacing the windows and doors, and building a heating system."

For him, it's more than just a contract. "What we're doing is significant. I think the newly renovated school will give pupils and teachers a good boost to continue their studies. Normal conditions for learning, and the comfort of children in school, will undoubtedly have positive impact on the quality of education."

As a local man, Vissarion sees the simple concept of renovating a school in a much wider perspective. He considers the ERP will help settle people in their villages and even encourage back those who left.

"Of course, when there's a new, comfortable school, people will not have to take their children to other places. There'll be no reason to leave their places of residence," he said.

"This will be even more so, because I know you have many other projects for rehabilitation, such as hospitals and water supply. All these will help people be comfortable enough to stay where they are"

Vissarion knows that even though technically this is a straight-forward building job, the circumstances are far from straight-forward. He has already faced delays to his schedule through difficulties in transporting building materials through the zone of conflict. In these kinds of situations, the OSCE Mission, its ERP local liaison officers for the sides, negotiate with the relevant parties to find solutions.

Meanwhile, on the roof his workmen are using spirit levels to check beams are straight.

"It is also very important that in the process of construction our workers and engineers familiarize themselves with European construction standards. They're learning."

Vissarion is clearly pleased to count representatives of both communities among his number.

"Another significant point about this programme is that we employ both Georgian and Ossetian workers. They cooperate with each other," he tells us.

"In terms of confidence building between the sides, even at this level, it is very important."





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Economic Rehabilitation Works

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This publication highlights projects which have already benefited communities in and around the zone of the Georgian-Ossetian conflict and adjacent areas.

