



ANNUAL REPORT 2015

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FOREWORD

Dear friends –

One of main goals for Azerbaijan today is to remove economic dependence on oil and assure expansion of economic development to rural areas. Despite being the third biggest sphere in Azerbaijani economy after oil and industry, agriculture has the largest share in employment (40% of total employed population works in agriculture and only 1% in oil sector).



Azerbaijani President Ilham Aliyev has signed a decree on declaring 2015 as the Year of Agriculture. Declaring 2015 the Year of Agriculture is aimed at giving a new stimulus to the development and modernization of agriculture, ensuring a complex and systematic approach to settlement of problems in the agrarian field, involving the government`s administrative and financial resources in this sector, and promoting the country`s agrarian potential.

So GABA`s past project experience and history of project implementation success make it uniquely qualified to implement a project in the field of agriculture. GABA`s proven systems, resources, and relevant experience enables it to provide high-quality and cost-effective technical assistance. In just the past 10 years, GABA has implemented more than 40 for long-and short-term projects in the field of agriculture. Additionally, GABA was actively involved in organizing local agricultural events, as well as introduced an exemplary field in the Field Day conducted in Gabala in 2015.

We have put a great effort into building our links with like-minded organizations as well as with governments, the United Nations, intergovernmental organizations, farmers, consumers and businesses. This has helped us to disperse our messages to a much wider audience and also build on both the credibility of Organic Agriculture, and IFOAM as the global umbrella organization.

Since 2010 GABA was awarded the ISO 9001-2008 certification by SGS according to its high quality management practices.

Wishing everyone a wonderful 2016!

With kind regards,

Vugar Babayev
The Chairman of GABA

GABA PROFILE

Statutory name: Ganja Agribusiness Association
Legal form: NGO (non-governmental organization)
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Ganja Agribusiness Association (GABA), located in Ganja, Azerbaijan is a regional non-governmental organization whose mission is to promote sustainable development of the country's agrarian sector through human potential development, knowledge and resource transfer. This organization was established in 1996 by a group of leading scientists and working with the Eurasia Foundation and funded by USAID registered four years later by the Minister of Justice of Azerbaijan. GABA has supported small-enterprise development in Azerbaijan since 1999 by means of building the capacity of targeted entrepreneurs with the purpose of their effective social and economic growth through training, information support and resource mobilization.

GABA wants to expand agricultural potential in Azerbaijan in the regions where farmers are already active and where they have started with organic agriculture. GABA provides information and guidance which is adjusted to what these farmers need. Choosing organic agriculture gives farmers the option to set up a good sustainable production system without needing a lot of external input. Many farmers are therefore increasingly interested in organic farming.

The main target groups of GABA are rural populations operating in the agrarian sector as well as processing enterprises located in urban areas. GABA also has a history of supporting Internally Displaced People (IDPs), poor peasants and women through its project development. IDPs were supported with micro crediting through GABA's social fund. Although GABA operates in the areas of the northwest and western regions of Azerbaijan, GABA has a broader strategy to include all of Azerbaijan in its efforts to convert conventional farming to organic farming.

GABA is the primary organization in Azerbaijan promoting organic agriculture. GABA's mission is to work towards a world in which people live in dignity and

prosperity, a world where poverty and injustice are no longer present. In 2000 GABA assumed a leadership position by initiating the promotion of organic agriculture. Currently, there are more than a million people engaged in agriculture, calculated to be about 40 per cent of the working population agriculture and 16 per cent of them are women. The last 4 years have been very productive for GABA's organic initiative, 3 parallel projects in organic agriculture were initiated. GABA is recognized as a leader both in the NGO community and among its partners. The main achievements of GABA are listed below:

- ◆ GABA was the first to provide consulting and information services in the agrarian sector in Azerbaijan (1996);
- ◆ GABA was registered by the Azerbaijan Minister of Justice (2000);
- ◆ In 2002 GABA became a member of the International Federation of Organic Agriculture Movements (IFOAM);
- ◆ GABA is a member of the Azerbaijan Entrepreneurs Confederation and its representative in the Western region;
- ◆ GABA was the first to create a database on marketing of agriculture products;
- ◆ GABA has implemented 40 projects with the support of different international organizations and foundations;
- ◆ GABA has applied advanced technologies (drip irrigation, raised bed planting etc) and has lead in introducing new crop varieties (potato, maize, wheat) (2002-2004);
- ◆ GABA has created a coalition with several NGO's in the region;
- ◆ AZEKOSERT and the Soil lab were founded (2006);
- ◆ Monthly Journal, *Organic Agriculture* was started and currently has a circulation of 1000 (2007);
- ◆ GABA initiated the opening of the Organic Agriculture field of study at the Azerbaijan Agricultural Academy (now known as Azerbaijan State Agriculture University) (2007);
- ◆ August 25, 2008 President Ilham Aliyev approved the *Law on Organic Agriculture* which was proposed, drafted and sponsored by GABA;
- ◆ A significant number of GABA's staff have participated and passed international training courses in different western countries (Germany, Hungary, Holland, Romania, Poland and the US);

Mission

Ganja Agribusiness Association (GABA) located in Ganja, Azerbaijan is a regional non-governmental organization whose mission is to promote sustainable development of the country's agrarian sector through human potential development. GABA strives to successfully partner with international donors in developing and implementing complex multi-year and multi-phased projects that stimulate organic agriculture, promotion of general development of the society and improvement their living standards, economic integration, the improvement of environmental protection including biodiversity, energy efficiency, agribusiness extension, sustainable rural development and organic education in the West, Northwest and Central regions of Azerbaijan.

Objectives

Ganja Agribusiness Association's (GABA's) principal objectives include to lobby organic agriculture and increase consumer awareness of organic products; promote the general development of the society and improve their living standards; build the capacity of targeted entrepreneurs with the purpose of their effective social and economic growth through information support and resource mobilization; conduct business trainings, seminars, conferences on various fields of agriculture; manage agricultural and environmental grants; allocate low interest loan to the member farmers engaged in organic agriculture. GABA names organic and sustainable agriculture, biodiversity and nature conservation, marketing, advocacy and community development as the key objectives. Promoting democratic and market-oriented reforms based on shared values, i.e. respect for human rights, the rule of law, good governance, principles of market economy, education and sustainable development, is an also important part of GABA's objectives.

CHALLENGES AND SATISFACTION

GABA has demonstrated significant developmental progression and now successfully partners with international donors in designing, developing and implementing complex multi –year and multi-phase projects. Talented university post graduate students representing numerous scientific and business specialties are paired with seasoned technical agrarian professionals resulting in the best of practical hands on experience, the application of current scientific knowledge, the discipline of effective project execution combined with energy and enthusiasm. GABA has developed an environment that is conducive to collaboration, teamwork, respect and produces high quality outcomes.

Every human being is entitled to respect and equal treatment and has a responsibility to treat others in the same manner. Based on the principles of “charity, justice and the purity of creation” GABA works towards sustainable poverty alleviation. Thus GABA has made a significant contribution to the organic movement in Azerbaijan. GABA’s work in this field includes educating and converting farmers to organic methods, promoting consumer awareness of organic products, promoting organic products among manufacturing/processing enterprises. In August 2008, Azerbaijan’s President Aliyev signed into law *The Organic Law*, largely due to the efforts of the GABA organization – having initially designed, drafted and lobbied for this legislation.

GABA’s chooses its projects based on the alignment with its mission and skill set. It engages with organizations to enable various groups to realize economic benefits from a series of activities that bring sustainable economic development that builds capacity and strengthens the civil society. It partners within Azerbaijan as well as Europe and the United States are chosen for their complementary and supplemental skills, alignment with mission, shared beliefs, the resources they can bring to bear, their reputation, geographic location, their ability and effectiveness to implement development work. In addition, GABA has conducted various market research programs, is a national leader in organic agriculture production and farming practices.

GABA continues to focus its efforts on the challenges of the country’s new organic movement – converting farmers to organic methods, educating farmers and the greater public on the care of the environment and those benefits realized, promoting consumer awareness of organic products, promoting organic products as a viable alternative or additional product for food manufacturing/processing companies. GABA looks at its own country’s resources and to the western European countries, Japan and the US to model its programs and strategies to push the movement forward.

STRATEGY AND POLICY

GABA employs an array of methods to meet its strategic goals. GABA's first strategy is to minimize the impact to the environment by promoting an alternative to conventional agriculture, addressing a significant source of environmental impact. GABA also anticipates the education of the economic benefits of both organic agriculture (a lower cost structure and higher prices for products) and Agro tourism being a positive inducement. It is noted that 20 percent of the agriculture in Azerbaijan is done by women and their participation will be encouraged in the organic agriculture training. Because agro tourism is a home based business it is anticipated that women would be primary participants.

GABA's second approach is to engage governmental authorities in developing organic environmental standards, measurements and monitoring systems, that are needed to support the organic agricultural activities. GABA has excellent access to governmental authorities and has effectively involved them in prior projects. Its organizational strategy is multifaceted "Through the development of organic and conventional agriculture, help raise the living conditions of the rural population, ensure sustainable development of the agrarian sector and build environmentally sound and socially just society in the rural areas of Azerbaijan."

GABA's names education as a key objective, marketing, advocacy and community development as well. GABA Extension services are staffed with a group of agriculture specialists who provide onsite training and consulting for the farmers. The education objective includes a comprehensive educational program, documentation, collaboration with a number of education institutions and farmer schools. The marketing strategy includes participation in local and international exhibitions fairs, widening the markets from local to national markets, taking advantage of export opportunities and increasing networking opportunities. Advocacy looks for opportunities to support this agricultural sector by lobbying on behalf of farmers rights and campaigns to raise public awareness of their rights and the responsibilities of legal bodies. Community development is frequently the focus of GABA's efforts. Its primary objective is to increase agricultural productivity and economic performance of the community members. GABA promotes capacity building as key as well development is done to support sustainability.

COOPERATION AND NETWORK

GABA serves multiple constituents by its GABA Network. Included in this are the following stand-alone organizations: The Amin Credit Union, providing financing and a variety of services to its members; four Business Resource Centers offering consulting services; a soil analysis laboratory for farmers and landowners; a certification body, AZEKOSERT qualifying farmers in obtaining organic farming certification; and a Consortium heading by GABA of NGOs, municipalities and government authorities in the Ganja area who convene on a number of issues including development in the region.

Cooperation between GABA and Universities:

- Azerbaijan State Agrarian University;
- Georgian State Agrarian University;
- Universität Kassel Fachgebiet Ökologischer Gemüsebau am FG Ökologischer Land- & Pflanzenbau;
- Institute for Geography Justus Liebig University (JLU)Giessen;
- Norwegian University of Life Sciences;
- Louis Bolk Institute Agro Eco;
- University Greifswald Institute for Botany, Landscape Ecology and Botanical;

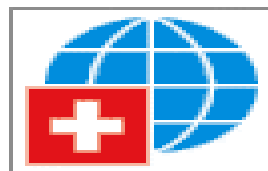
GABA works with a variety of internationally significant organizations whose missions overlap with the mission of GABA. GABA recognizes the importance of working with other international organizations to achieve a sustainable future. Thus the organization actively participates in international agricultural and environmental negotiations with the multilateral institutions to further the interests of the organic agricultural movement in Azerbaijan. GABA is uniquely recognized for taking on this important role. The introduction of the Principles of Organic Agriculture and the recognition of GABA by international institutions are of enormous importance for the further development of organic agriculture.

GABA in International Network:

- IFOAM – International Federation Of Organic Agriculture Movement;
- AVALON – Organic Agriculture Network Of Eastern Europe Countries;
- EaP NGO FORUM;
- APRODEV;
- CACAARI - Central Asia and the Caucasus Association;
- of Agricultural Research Institutions (3 consortiums);
- GFRAS - Global Forum for Rural Advisory Services;
- EUCARPIA - European Association for Research on Plant Breeding;
- ASA – American Society of Agronomy;
- CSSA - Crop Science Society of America;
- SSSA - Soil Science Society of America;
- PUM - Netherlands Christian Employers Federation (NCW);

- International Academy of Science of Ecology and Safety (UN);
- EKOCONNECT;
- Local NGO network;

GABA has had significant and successful project management experience. Since its establishment, GABA has managed and implemented more than 40 projects including organic agriculture, environmental sustainable management, agribusiness extension through the human capacity building, marketing research, creation of agrarian infrastructure, community development, and has provided technical and financial support. GABA working with multiple International Donors has staff and capability to design, develop and implement complex multi-year projects. To support its project and developmental activities GABA has on staff experienced project managers, financial analysts, Extension Agents with decades of Agribusiness experience as well as agricultural specific scientists and PhD's. The project structure will entail the project management of each discreet component, each headed by a Project manager and overseen by a project coordinator. A number of large international donor organizations which GABA has successfully worked with are listed below:



1 Project in the West, Northwest and Central regions of Azerbaijan

In 2015 GABA implemented 1 project successfully in the West regions of Azerbaijan. The emphasis in the projects carried out by GABA usually lays on the introduction of new organic methods, practices, and business opportunities which work in concert with the ecosystem and mitigating negative factors impacting climate change, as well as taking a proactive approach in providing economic opportunity with care of the environment, adaptation of agricultural methods with climate considerations and demonstrates to both the business sector and the government sector effective environmental standards.

GABA brings significant value to the Ganja community, rural communities which are the recipients of project development and the community members. Through Professor Babayev’s leadership GABA’s activities and projects provide the Ganja population with employment opportunities, the project communities with income as the development proceeds are used locally for project supplies whenever possible and the project beneficiaries with increased capacity to improve their livelihoods.

Working regions of GABA



Full Rehabilitation of Potable Water System in Nadirkand village of Goranboy Region

The project entitled “Full Rehabilitation of Potable Water System in Nadirkand village of Goranboy Region” was signed on November 6, 2014 between Ganja Agribusiness Association and The Embassy of Japan in Azerbaijan. The project was developed by GABA with the financial support of Japanese Embassy in our country and successfully carried out on March-November, 2015.

The Opening Ceremony, of the “Full Rehabilitation of Potable Water System in Nadirkand village of Goranboy Region” project implemented by GABA with the financial support of Japanese Embassy in our country, was held on November 27, 2015 in Nadirkend village of Goranboy Region. Ambassador Extraordinary and Plenipotentiary of Japan to Azerbaijan Mr. Tsuguo Takahashi, the Head of Goranboy ExCom Mr. Nizameddin Guliyev, The Chairman of GABA Mr. Vugar Babayev, local municipalities and the community members participated in the ceremony.

The Ambassador Extraordinary and Plenipotentiary of Japan to Azerbaijan Mr. Tsuguo Takahashi delivered a fruitful speech stating that Japanese Embassy highly supports and very interested in the projects intended for improving the life standards of Azerbaijani people, decreasing poverty, public conservation, infrastructure, income generation etc. The number of the projects carried out for this purpose in Azerbaijan including this project is approximately 206. However this is the first project implemented by Japanese Embassy in Goranboy region.

The community members of Nadirkand expressed their deep gratitude to the project staff for their help to solve social problems. As a result, 1552 people living in the community, including IDPs, disabled persons, and widows gained access to potable water.

OTHER ACTIVITIES

GABA targets varied audiences in its efforts to promote and improve sustainable agriculture and the care of the environment throughout Azerbaijan. In accomplishing its objectives it uses an assortment of communication strategies including networking, lobbying and consulting. GABA participates on an international level as well, in its promotion of the organic sector. Internationally it works and partners with various social organizations, a number of universities, businesses and with various government representatives. In 2015 GABA was active in its participation in conference and meetings – both in Azerbaijan and internationally.

The second workshop was conducted on the implementation of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT) in Europe and Central Asia Region, on the 14-16 April 2015 in Brussels, Belgium. The workshop is organised by ECVC, in collaboration with other allies and funded by FAO. ECVC is a small scale farmers organisations that regroups 27 organizations farmers and agricultural workers' organizations from 17 European countries. The aim of the workshop is to build capacity among participants from different CSOs in understanding the VGGT and in the use of the VGGT in their struggles. Participants will come from Europe and Central Asia Region. Mr. Shahriyar Babayev, as representative of Ganja Agribusiness Association (GABA), was invited to attend this second workshop.

Although much of GABA's development work has centered on agriculture - plant growing and livestock, trade of agriculture products, matters of ecology, environmental protection, it has also assumed a broader role in working with NGO's from various regions of Azerbaijan helping them establish effective operations – including the organizational process, policy establishment, management development and capacity building. This development and training was done in recognition of the organizational strengths of GABA.

STAFF AND ORGANIZATION

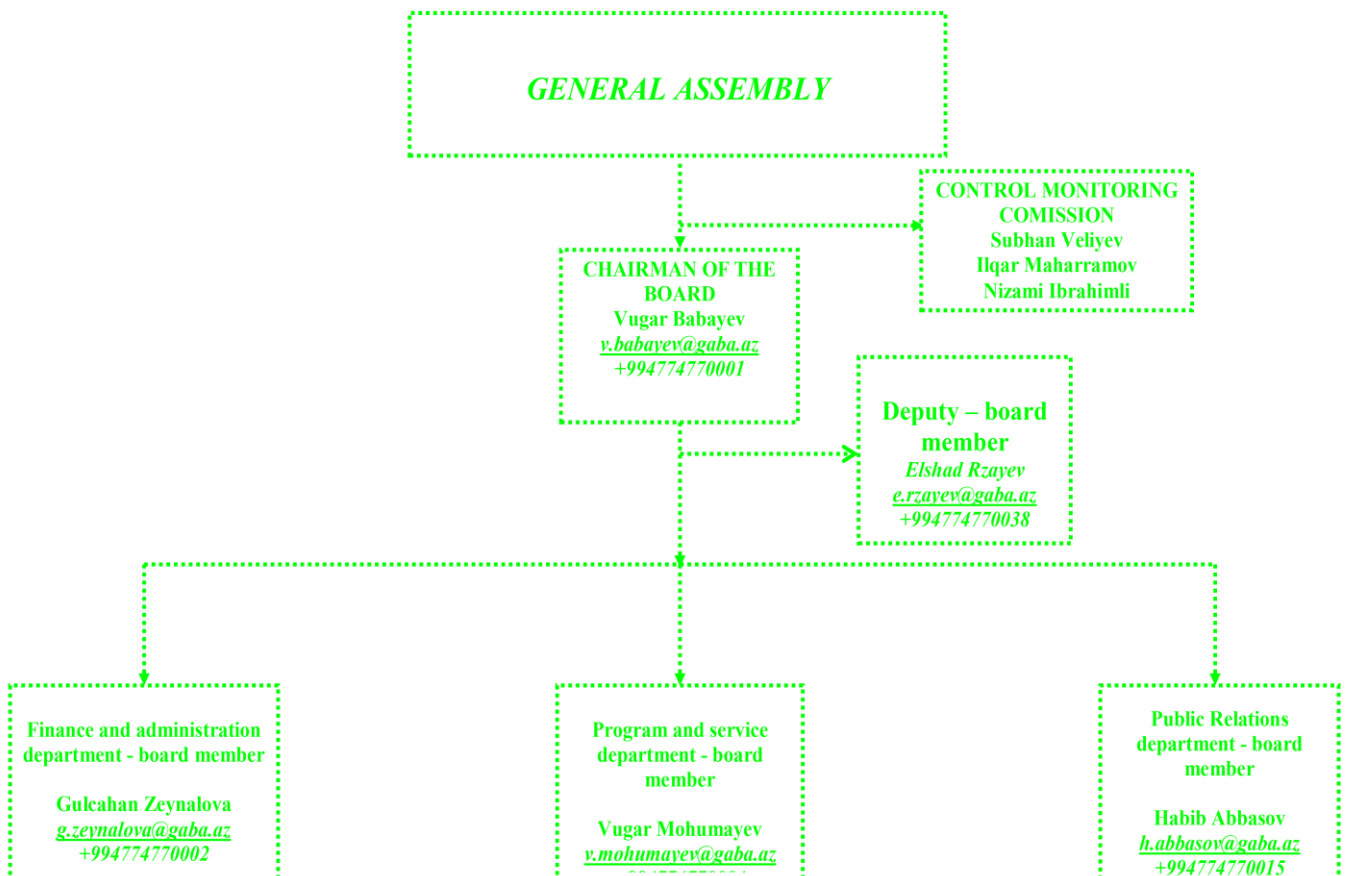
Organization structure

GABA employs 22 people, the majority of which are specialists with university degree in agriculture. Their work includes project management and implementation, management matters, financial administration, and secretarial work. GABA has successfully completed numerous projects within a focused field of agribusiness development in Central, Western and North-Western Azerbaijan.

Structure of Ganja Agribusiness Association



STRUCTURE OF GANJA AGRIBUSINESS ASSOCIATION



General Assembly

The Supreme Organ is General Assembly. The General Assembly is called at least twice a year. This is responsible for adopting a Charter for GABA and having amendments and appendices on it. Additionally General Assembly is responsible for choosing the members and the Chairman of Board of Directors, as well as of Finance and Administrative Control Group and ensuring effective organizational planning.

Board of Directors

The Board of Directors is the highest governing authority within the management structure. Major duties of the Board of Directors include providing continuity for the organization, governing the organization by broad policies and objectives, acquiring sufficient resources for the organization's operation, accounting to the public for the products and services of the organization and expenditures, supporting the executive and reviewing his or her performance.

Control Monitoring Commission

The number of people for Control Revision Commission is defined by the General Assembly. This Commission is responsible for identifying nonconformities to GABA's Charter, overseeing and approving the organization's financial statement.

Public Relations Department

The department staff is responsible for enhancing the organization's public image and informing the people about GABA's successfully implemented activities via the only organic agriculture periodical *Organic Agriculture* journal which has a circulation of 1000, as well as through booklets, brochures, broadcasts on the radio and television etc.

Program and Service Department

GABA's staff is dedicated to developing and implementing multi-year and multi-phased projects in cooperation with local and international donor organizations in the North, Northwest and Central regions of Azerbaijan. Developing business plans for entrepreneurs and farmers and is experienced in developing questionnaires for regional agricultural and financial assessment, as well as representing the Association at different local and international events, conferences, trainings, seminars etc. are the major responsibilities of this department.

Finance and Administration Department

This department responsibility is directly linked to the strong financial management which is critical to the efficient, effective use of limited funds. The ability to provide accurate, timely financial information enables the organization to comply with the reporting obligations contained in grants and contracts, to meet the requirements of governments and regulatory agencies and to adhere to accounting standards.

BALANCE SHEET FOR 2015

Balance Sheet 2015 (AZN)	
01 January 2015-balance	3364082
<i>Profit 2015</i>	
- receivables in projects	161201,15
- other receivables	n/a
Total profit for 2015	161201,15
Expenses	
Payments for salaries	2620983
Fuel and lubricating oil	58520
Stationary pen etc.	n/a
Basic program expenses	96123,00
Expenses for office procurement	1190,00
Bank services	562,22
Audit	311333
Total Expenses	12778338

AUDITOR'S REPORT

Attached to the report

LOOKING AHEAD TO 2016

GABA's overall mission is to work towards a world in which people live in dignity and prosperity, a world where poverty and injustice are no longer present. Therefore GABA works across a broad base to promote better conditions for sustainable agriculture and nature management in vulnerable agricultural regions of Azerbaijan. Consulting, lobbying, networking activities and communication are important instruments in these efforts. In promoting its objectives, GABA is active internationally in the organic sector at a government level, in the academic world, in social organizations and in the business community.

Within the framework described above, GABA has set the following concrete targets for 2016:

- Promote organic agriculture and increase consumer awareness of organic products in Azerbaijan;
- Constant development of the Quality Management System and recertification by ISO;
- Promote general development of the society and improve their living standards;
- Render services in compliance with the clients and donors requirements and establish strong relationships with them;
- Implement income generation and community development projects;
- Unite the stakeholders in agribusiness sector;
- Maximum reduction of the negative effects on environment as a result of its implemented activities;
- Continue as a chair of grant committee session in WB AZRIP-2 regional project;
- Conduct local fairs and exhibitions, as well as participate in international conferences, seminars, trainings, fairs etc.;
- Create databases and marketing centers;
- Continue to publish the only periodical *Organic Agriculture* journal in Azerbaijan;
- Support in publishing international magazine – *Annals of Agrarian Science*.
- Conduct researches on challenges in Organic Agriculture in Azerbaijan and take measures to overcome these challenges;
- Develop and carry out activity plan in order to increase soil fertility and fight against desertification in Azerbaijan;
- Revise and improve the membership policy and activity, services and increase the networking with state and public agriculture unions and associations;
- Be ready to participate in WB, EU, UNDP, GIZ and other donor's calls at the end of 2016;
- Closely cooperation with state programs, projects and activities related to agriculture development in Azerbaijan.

FORECASTED BUDGET FOR 2016

Forecasted budget for 2016 (AZN)	
01 January 2016-balance	18241.99
<i>Profit 2016</i>	
- receivables in projects	212727.19
- other receivables	4550.0
Total profit for 2016	235519.18
Expenses/Costs	
Payments for salaries	88540.12
Payments for main equipments	0.0
Fuel and lubricating oil	9791.0
Stationary pen etc.	8848.0
Basic program expenses	117557.56
Costs for office procurement	4670.0
Bank services	1942.50
Audit	2670.00
Insurance	1500.00
Total costs	235519.18

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