



LOCAL MARKET DEVELOPMENT PROJECT

KYRGYZSTAN/TAJIKISTAN

Half yearly report

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Acronyms

ACTED	French NGO
ADB	Asian Development Bank
AFVPE	Association of Fruit and Vegetable Processing Enterprises, Kyrgyzstan
APE	Agro-processing enterprise
BDS	Business Development Services
CC	Consulting Company
TAIC	Training, Advisory and Innovation Centre (former Advisory Training Centre), Kyrgyzstan
DCCA	Development Cooperation in Central Asia, Kyrgyz NGO
F&V	Fruit & Vegetables
FED	Fair Economic Development (working area of ICCO)
FFS	Farmer Field School
GIZ	German International Development agency
ICCO	Inter-Church Co-operation Organization, the Netherlands
IPM	Integrated Production Management
ITC	International Trade Centre, World Trade Organization
KG	Kyrgyzstan
LMD	Local Market Development
MA	Ministry of Agriculture
Mehr-Shavkat	Kyrgyz NGO working in Aravan rayon
NGO	Non-Governmental Organization
PO	Producers' Organization (Farmers' Organization)
RMA	Rapid Market Appraisal
SDC	Swiss Agency for Development and Co-operation
Seco	Swiss Secretariat for Economic Affairs
SME	Small and medium sized enterprise
SP	Service Provider (could be private, government or donor Organization, NGO)
TES Centre	Training and Extension Services Centre
TJ	Tajikistan
ToR	Terms of Reference
ToS	Taste of the Sun (brand of Kyrgyz processed products)
USAID	United States Agency for International Development
VC	Value Chain

1. Executive Summary

2012 is the last year of Phase II of the Local Market Development project (2009-2012). The project has been working in Kyrgyzstan since January, 2005 and since October, 2006 in Tajikistan. The project works at the moment in 5 oblasts of Kyrgyzstan (Batken, Osh, Jalal-Abad, Chu and Issyk-Kul) and in Khatlon and Sughd oblasts and Rayons of Republican Subordination in Tajikistan.

The LMD project focuses on value chain development in a few sub-sectors, mainly in fruit and vegetable processing in both countries, and potato and eggs production in Kyrgyzstan and growing lemons in Tajikistan. All farmer groups involved in project activities have contracts with buyers of their products (processing, trading companies, state organizations, e.g. hospitals and schools, others) and in addition sell produce themselves in the local fresh markets. There are a few partners exporting fresh vegetables and potato to Russia and Kazakhstan. The project works as a facilitator along the value chain "Farmer Groups – Processing Companies – Trading Companies – Local market/ Export". Each chain in the project is specific. The project puts its efforts into achieving four outcomes:

1. Value Chain Operators develop and maintain trustful, reliable and transparent relationships;
2. Value Chain Supporters develop and offer affordable and demanded high quality (financial and non-financial) services to VC operators;
3. Value Chain Influencers are involved in creating a commercial and social friendly business environment;
4. LMD initiates and supports the generation of new ideas, ventures and processes.

In 2012, the LMD project worked with 17 value chains "Farmer Groups – Processing Companies - Trading Companies – Local Market and Export" in Kyrgyzstan and 9 VCs in Tajikistan. The LMD worked with 6 955 farmers (4 510 in KG and 2 445 in TJ) involved in project activities in both countries. Altogether, 20 supporting organizations in Kyrgyzstan (Extension services, NGOs, Associations, donor funded projects) and 18 in Tajikistan were directly or indirectly involved in project activities as well as 20 processing and trading companies. Out of this number, the project works on a mandate base with 12 sup-

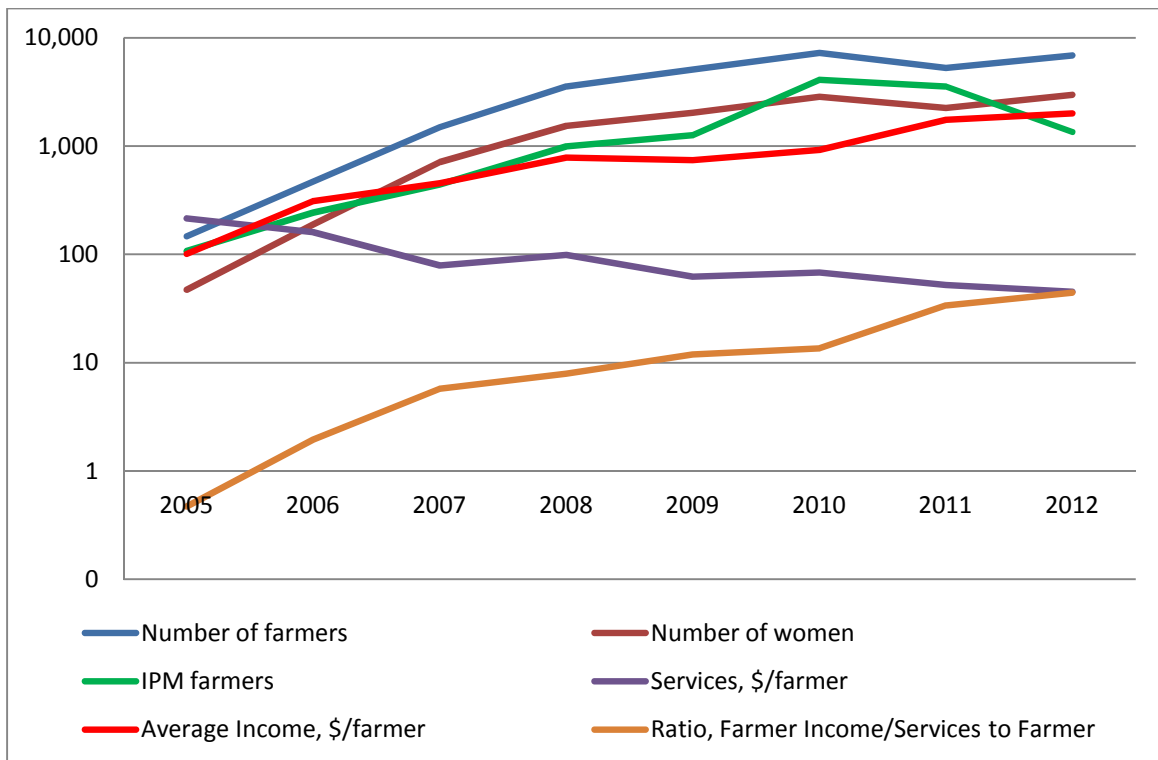
porting organizations in Kyrgyzstan and with 12 supporting organizations in Tajikistan. All project partners use a common monitoring system since 2008 year. Majority of the project partner organizations in Kyrgyzstan and some in Tajikistan sell their services to farmers, processing and trading companies, credit organizations and agricultural input suppliers.

The work in all chains was based on a common planning done in November (Tajikistan) and in December (Kyrgyzstan) of 2011 between producers situated close to the processing companies, processors, traders, representatives of financial institutes and supporting organizations and other development projects. All planning workshops were conducted by the project partner organizations in both countries. Participants of the workshops elected members of the working groups and each group had monthly meetings where the problems along each value chain were discussed and common working plans have been corrected.

Graph 1 below shows the project dynamic since the beginning.

The project has changed the payment system to the partner organizations in Kyrgyzstan and Tajikistan in 2011. Now, the partners get payment based on contract fulfillment, for each delivered kg of the contracted product to processing and trading companies. This payment for different partner organizations in average is around 0,56 KGS/kg in Kyrgyzstan and around 0,50 KGS/kg in Tajikistan. The payment actually covers several project work indicators as increased productivity of qualifies products, land size and produced volume, number of reliable farmers and contract fulfillment. The main reason for shifting to this payment system is making the provided services business-, not donor-oriented.

This report has 2 chapters: The first chapter has general information about project structure, goal and objectives. The second chapter provides information about project results. The project staff thanks all people of partner organizations, managers of farmer groups, processing and trading companies involved in the project activities for their hard work, initiative and desire to achieve good results and to build up strong and trustful relationships.



Graph 1 Project Data - Main Indicators, 2005-2012

2. Local Market Development Project

2.1 Objectives

In the project document for the second phase 2009 – 2012 the objectives are formulated as follows:

Vision / Overall Goal: Synergies between public, civil and private actors lead to systemic changes and improvements in selected agricultural sectors, and thus contribute to poverty reduction, and specifically to inclusion and improvement of the well-being of remote and marginalized rural population active in agricultural practices.

The coordination and collaboration between the public, civil and private sectors allows for efficient use of available resources, and socially, economically and environmentally sound production and processing practices.

Outcomes:

1. Value Chain Operators¹ (VCO) develop and maintains trustful, reliable and transparent relationships. The VCO adopt and implement jointly market-oriented practices in a social-

ly and environmentally sound manner (i.e. they integrate remote and small scale farmers and adopt socially and environmental friendly production and processing practices). VCO anticipate and react to new market trends and develop joint actions for (high value added) products and processes.

2. Value Chain Supporters² (VCS) develop and offer affordable and demanded high quality (financial and non-financial) services to VC operators. VCS provide a neutral space for joint learning, transparent planning and developing trustful relationships. The VCS provide evidence for advocacy and lobbying towards national policy makers and international funding agencies. VCS promote gender inclusive resource management (natural, know-how, income & production assets).

3. Value Chain Influencers³ (VCI) are involved in creating a commercial and social friendly business environment. The state bodies

¹ Farmers, Farmer Groups, Traders, Processors, Retailers, Consumer, etc.; all actors that buy, add value and sell the product.

² Providers of services (financial and non-financial) crucial to VC development; for instance: extension services, BDS, finance, etc.

³ Policy makers (i.e. the Government) and international bodies (i.e. Standard Organisations; IFOAM, FLO, etc.) that influence the performance of value chains.

acknowledge and recognize the evidence provided by VCO and VCS and translate the evidence into enabling environment practices. Donor programs seek increased synergies and cooperation for coherent and harmonized project implementation.

4. LMD initiates and supports the generation of new ideas, ventures and processes: the project initiates and supports the generation of new ideas, ventures and processes; LMD synthesizes, analyses and propagates evidence for advocating and improved value chain management (reliability, predictability); for instance elaborates sectoral studies; LMD supports the attraction of external investments into selected chains, by using concrete evidence and providing moral warranties; LMD further develops and systematizes DCED / IMA compatible monitoring.

2.2 Project structure

Working groups for project planning and implementation

The project had in 2012 twenty seven working groups (WGs), fourteen in Kyrgyzstan and thirteen in Tajikistan. Some working groups have representatives of two (or three) value chains. All working groups in both countries were managed by project partner organizations and the LMD project staff participated in meetings as a participant, intervening only in urgent or argued cases.

In the South of Kyrgyzstan seven WGs, namely: five in the F&V processing sector (WG "Agroplast" in Kyzyl-Kiya, WG "Zuura and Oshnar" in Kara-Suu, WG "JanyAnyk and Rakhimov" in Uzgen, WG "EuM" in Aravan, WG "Baerkos" in Jalalabat); and two WGs "Ak-Orgo Asia and Oasis Agro" involved in eggs and soya production in Aravan rayon of Osh oblast;

In the North of Kyrgyzstan seven WGs, namely: one in Chu oblast (WG "Dessert" in Kara Balta town); one WG "Ailana" in Kara-Balta, five WGs on potato in Issyk-Kul, Tyup, Ak-Suu, Jety-Oguz, Ton rayons;

In Khatlon oblast and Rayon of Republic Subordination of Tajikistan eight WGs in the F&V processing sector (one WG of Muminobod factory, one WG in Dangara, one WG of Khamadoni factory, two WG in Dushanbe and WG "Tangai")

and two WGs for delivery fresh lemons and fresh vegetables to fresh markets in Kurgan-Teppa;

In Sughd oblast of Tajikistan four WGs in the F&V processing sector (WG "Khudjand Processing Factory; WG «Obi Zulol» Processing Company and WG «Samgar» Processing Company and IstaravshanWG "Aviso").

All groups consist of actors of the value chains (farmers, processors and traders) and representatives of supporting organizations (extension services, donor development projects, local NGOs and private consulting companies). The project partners did in a participatory manner a planning of activities for 2012 in November – December 2011. From the beginning of 2012 the project partners conducted regular monthly meetings of each working group with fixed date. The members of the working groups present the work done monthly and discuss plans for next month and difficulties, and divide responsibilities between each other.

Project organization

All activities are planned and implemented by the working groups in close collaboration with the project. The project is networking with all interested stakeholders in the selected sectors.

The LMD project had a joint planning of the next LMD phase in KG and TJ done by 7 representatives of HELVETAS Swiss Inter-cooperation and ICCO. During two-weeks planning all strategic issues related to the project implementation were discussed and no need for conducting the Steering Board meeting in 2012.

There were some changes in the project staff in the first semester of 2012. Masuda Saidova was selected as Project officer for Sugh oblast and started to work from April 2012. Tattybubu Shamieva, the LMD team leader for Kyrgyzstan leaves the project on 30th of June. She will work as a back-stopper for the LMD project in Kyrgyzstan for 30% of her time from 1st of July. She has the back-stopping contract for one year. Eugene Ryazanov, the LMD project manager would leave the project in September. A new person managing the project in Kyrgyzstan will be employed in August. The decision about the project manager in Tajikistan will be made within the next few months. This structure will be adapted to the new project phase where

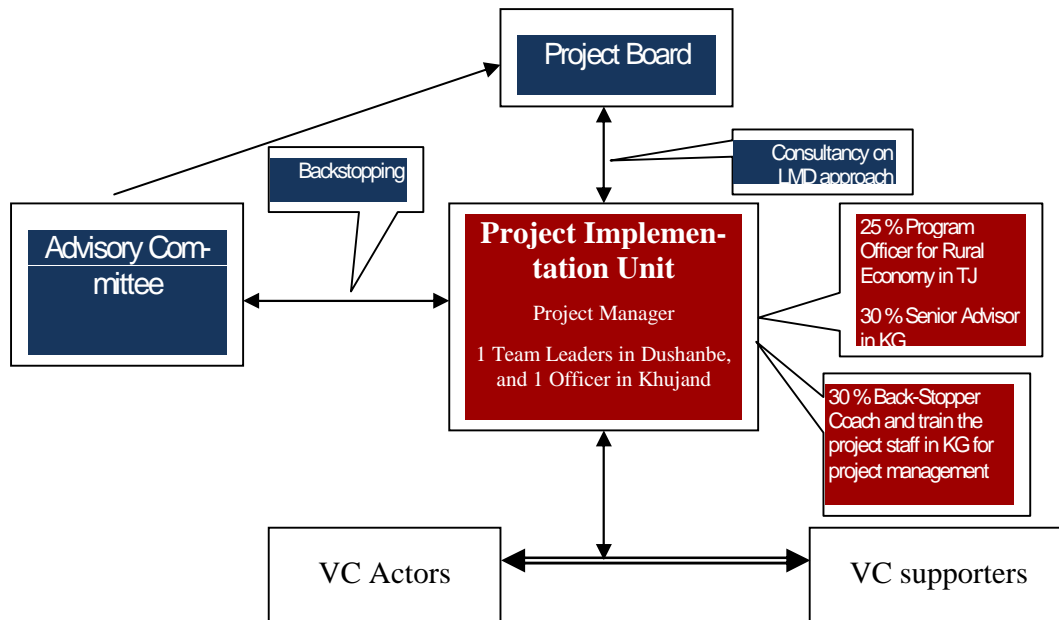
project management in both countries will be separated.

The project has 25 % of involvement of Program Officer for Rural Economy in TJ, David Vezdeni. From 11th of June Jeffrey Lamont

started to work for 40 % of his time with LMD as Senior Advisor for Rural Economy in KG.

The current project structure is shown in the Graph 2.

Figure 1: Organizational structure of the project



2.3 Yearly plan of operation

Annex 1 shows the yearly plan of operation of the project for January – December 2012 for Kyrgyzstan and Tajikistan. The achieved results of the project work are presented in the next chapters of the report.

The semiannual report is presented as a progress report about achieved results so far, whereas the annual report has an analytical focus on results and difficulties and provides recommendations for improvement of project work.

3. Summary of results achieved

A detailed description of the activities implemented for each outcome is presented in this chapter in regard to the Yearly Plans of Operation for Kyrgyzstan and Tajikistan for 2012.

3.1 Outcome 1: Trustful, reliable and transparent relationships between VCOs

Result 1.1: Economic sound practices

Technical support of the small scale producers united into Farmer Groups using Farmer Field School (FFS) approach

Technical support provided by project partner organizations in both countries. All partner organizations except TES Centre in Kyrgyzstan provided Integrated Production Management (IPM) training for farmers.

Integrated Production Management training for lemon production in Kurgan Tyube, Tajikistan

continued with involvement consultant from Nepal Madhu Sudan. IPM training starts from December 2011. An international consultant has conducted monitoring of FFS, Training of Trainers (ToT) program and conduct trainings to farmers. Table 1 below has information about the number of supported farmers in Kyrgyzstan and Tajikistan and number of IPM farmers out of them, as well as their land size and produce volume.

Kyrgyzstan / Tajikistan	2005	2006	2007	2008	2009	2010	2011	2012
				(KG/ TJ)	(KG/ TJ)	(KG/ TJ)	(KG/ TJ)	(KG/ TJ)
Total Number of Farmers	157	471	1 297 / 200	2 647 / 879 (3 549)	3 534 / 1 541 (total 5 075)	4 628/2 592 (total 7 220)	2 987/ 2 238 (total 5 225)	4 510 / 2 445 (6 955)
Total Number of vegetable and potato growers	157	471	848	2 017 / 738	2 945 / 1 093	4 432 / 2 592	1 979 / 2 238	3 017 / 1 719
Number of Farmers involved in IPM	107	243	441	670 / 320	795 / 463	2 296 / 1 047	1 821 / 1 047	2 273 / 1 347
Number of Women involved in IPM	25	119	272	395 / 117	273 / 209	988 / 235	944 / 235	1 284 / 235
(% of IPM farmers)	23%	49%	59%	(59%/37%)	(34%/45%)	(43%/22%)	(52%/22%)	(56%/78%)
Land size of IPM farmers, ha		25,4	60,4	117,3/0	326 / 33	578 / 136	931 / 136	1 149 / 489
Total Production of Farmers, t	104	2 070	3 613	9 697 / 4 379	17 503 / 4 067	32 396 / 10 792	22 701 / 20 766	35 855 / 22 855
Total Production per One farmer, t	0,66	4,4	4,3	5,1 / 6,7	5,2 / 2,5	7,0 / 4,2	7, 6 / 5, 1	7,9 / 9,3
Total Production of IPM Farmers, t	69	1 649	1 324	3 251 / 1 089	3 576 / 2 026	20 881 / 4 424	13 680 / 9 173	9 186 / 12 225
(% of total farmer production)	66%	80%	37%	33 %/25 %	20%/50%	64 %/41%	60 %/ 44 %	26%/ 53%

Table 1: Comparison of farmers trained in total with those who got IPM training

Increasing production of small-scale producers through improved Farm Management and increasing sales of products at local market and export

The project partners plan to deliver by the contracts around 15 268 t in KG and 12 732 t in TJ this year. The total planned production by supported farmers has increased in both countries making 58 710 t (table 3 on the next page).

Facilitation of partner organizations in establishment and management of saving funds in FG

All partner organizations in Kyrgyzstan and Tajikistan have established and developed the saving funds in the farmer groups. Information about the project work with the saving funds in both countries will be provided in the Annual project report because most farmers will deposit their money in the saving funds after harvesting and selling their own products in autumn.

	Country	Region	Number of FG	Number of Farmers	Land, ha	Planned Production, t
Tomatoes	Kyrgyzstan	South	80	1 256	669	20 070
		North	10	150	53	1 910
		Total in Kyrgyzstan:	90	1 406	722	21 980
	Tajikistan	North	34	507	189	5 667
		South	40	481	116	3 712
		Total in Tajikistan:	74	988	305	9 379
Total Tomatoes:			164	2 394	1 027	31 359
Cucumbers	Kyrgyzstan	South	17	105	110	1 650
	Tajikistan	North	7	75	22	603
		South	12	154	34	1 011
		Total in Tajikistan:	19	229	56	1 614
	Total Cucumbers:			36	334	166
Potatoes	Kyrgyzstan	South	32	341	99	1 980
		North	34	975	269	5 111
		Total Kyrgyzstan:	66	1 316	368	7 091
	Tajikistan	South	18	273	62	2 371
	Total Potatoes:			84	1 589	430
Maize	Tajikistan	South	3	56	30	240
Cabbages	Kyrgyzstan	South	10	97	44	1 540
	Tajikistan	South	6	70	9	264
	Total Cabbages:			16	167	53
Carrots	Tajikistan	South	12	144	23	575
Onion	Kyrgyzstan	South	12	138	35	1 050
	Tajikistan	South	35	451	158	4 212
		North	8	133	56	1 394
Total Onion:			55	722	249	6 656
Pepper	Kyrgyzstan	South	17	198	37	250
Raspberries	Kyrgyzstan	South	5	50	5	14
	Tajikistan	North	4	84	3	10
	Total Raspberries:			9	134	8
Grape	Tajikistan	South	2	36	35	420
		North	7	81	32	378
	Total Grape:			9	117	67
Apples	Kyrgyzstan	South	9	252	36	720
		North	15	410	40	930
	Tajikistan	South	1	15	20	200
		Total Apples:			25	677
Currant	Kyrgyzstan	North	5	32	28	30
Apricot	Kyrgyzstan	North	13	280	70	980
	Tajikistan	North	7	111	41	270
	Total Apricots:			20	391	111
Peaches	Kyrgyzstan	North	3	125	13	300
Lemon	Tajikistan	South	47	726		890
Persimmon	Tajikistan	North	3	10	5	125
Watermelon	Kyrgyzstan	South	3	25	3	135
	Tajikistan	South	1	17	30	513
	Total Watermelon:			4	42	33
Seedlings-nurseries	Kyrgyzstan	South	6	48	17	7 100
TOTAL PRODUCTION:			497	7 658	2 322	58 710

Table 2. Planned vegetable, fruits and berries production by farmers in Kyrgyzstan and Tajikistan, 2012

Result 1.2: LMD supports the establishment, improvement and access to adequate (non-) financial services

Elaboration of an Electronic Directory and updating information about providers of financial and non-financial services in KG and TA (mobile version of non-financial SP in KG and TA)

The project partner Agroinformasia has updated the version of the directory of providers of financial and non-financial services for mobile phones. The version was done in Java scripts and operational on the mobile platforms using Symbian and Windows operation systems. It is planned to make the version working on Android system. The price of the directory is 0,5 USD. 60 downloads of the directory were done from January, 1 to June, 10.



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The project updated its brochure about non-financial services in Tajikistan. NGO "SAS Consulting" was responsible for updating the information about financial service providers in Tajikistan. Information will be presented at the website www.agroinform.tj. With support of the UNDP the Agricultural Information and Marketing System (AIMS) was expanded to the South of Tajikistan. The "SAS Consulting" plans to open an office in the Dushanbe.

Partner organizations conduct monthly meetings of the WG

All partner organizations conduct monthly meetings of the working groups in the regions them-

selves and project staff participate in them as a member and observer. All monthly meetings of the working groups have fixed dates and time.

Result 1.3: Facilitate interaction of VCO in new VC and foster facilitation capacity of VCO and VCS in existing VC

Training of VCS on Analysis of Farmer data base and reporting

Eugene Ryazanov conducted five-day training on analysis, making conclusions and recommendations, report writing for partner organizations in Kyrgyzstan and Tajikistan in February. The training was aimed at the people in the partner organizations responsible for collection of information, analysis, making conclusions, recommendations and reporting to decision makers. There were 14 participants (including Jamiliya Yusupova) from 12 organizations in Tajikistan and 16 participants (incl. Tattybubu Shamieva) from 15 LMD project partner organizations. The project can confirm some improvement of the partner organizations' report for the first semester of 2012 in terms of layout and presentation of the information.

Monitoring of contract fulfillment by VCO, analysis and elaboration of recommendations for improvement of relationships

All project partner organisations encourage their supported farmer groups to work with processing and trading companies on a contractual basis. 100% of farmer groups had contracts with processors and traders. Tables 3 and 4 on the next page have information about contracted volumes by the farmer groups in supporting organizations in both countries. It is important to note that the cost of supporting services in 2012 was reduced to 0,57 KGS/kg in Tajikistan and to 0,54 KGS/kg in Kyrgyzstan. The planned costs almost are the same to the actual average costs of supporting services in 2011 – 0,78 KGS/kg in Kyrgyzstan and 0,48 KGS/kg in Tajikistan.

Development the monitoring system among processing and trading companies

Information about processing companies' work has been gathered by the project staff in Tajikistan and by the Association of Fruit and Vegetable Processing Enterprises in Kyrgyzstan. This information will be submitted in the annual project report.

	Name of the Organization	Number of Farmers	Number of Women	Vegetables	Lemons	Contracted Amount KGS/TJS	Cost per One farmer, Euro	Contracted volume, t	Cost, KGS/1 kg of contracted volume	Land used for LMD, ha	Size of Land per One farmer, ha
1	ATAC LMD	105	52	105		45 660	737,0	945	0,48	66,6	0,63
2	Zan va Zarin	175	94	175		51 930	503,0	688	0,75	62,3	0,36
3	Mekhrangez	692	103	180	512	210 140	514,7	2 500	0,84	95,5	0,19
4	Ghamkhori	366	74	163	214	93 627	433,6	1 567	0,60	73,2	0,34
5	Rano	110	60	110		38 000	585,5	1 360	0,28	46,1	0,42
6	Faizbaksh	220	88	220		78 580	605,4	889	0,88	96,0	0,44
7	Voris	68	32	68		16 430	409,5	929	0,18	31,3	0,46
8	Khairandesh	84	55	84		30 030	605,9	700	0,43	54	0,64
	Total in South of TA:	1 820	558	1 105	726	564 397	525,6	9 578	0,59	525,1	0,48
9	SAS Consulting	202	114	202		61 499	516,0	1 230	0,50	94	0,47
10	Agrobusiness Consulting	84	17	84		35 375	713,8	707	0,50	40	0,48
11	ZarZarin	200	101	200		58 290	494,0	1 180	0,49	119	0,60
12	ASDPNau	128	36	128		42 810	566,9	794	0,54	94	0,73
	Total in North of TA:	614	268	614	0	197 974	546,5	3 911	0,51	347,3	0,57
	Total in TA:	2 434	826	1 719	726	762 371	530,9	13 489	0,57	872,3	0,51

Table 3. Information about contracts by organisations in Tajikistan.

	Name of the Organisation	Number of Farmers	Number of Women	Vegetables	Fruits (apples, lemons, etc)	Poultry	Contracted Amount KGS/TJS	Cost per One farmer, Euro	Contracted volume, t	Cost, KGS/1 kg of contracted volume	Land used for LMD, ha	Size of Land per One farmer, ha
1	Mehr Shavkat	468	257	401	67		900 000	31,0	1 276	0,71	142,2	0,30
2	TES Center	384	135	344	40		950 000	39,9	1 019	0,93	115,0	0,30
3	DCCA S	729	316	182		547	920 000	20,4	1 552	0,59	111,3	0,61
4	Agro Bazar	100	30	100			554 656	89,5	1 300	0,43	50,0	
5	Tayan	152	108	95	25	32	170 710	18,1	100	1,71	56,0	0,47
6	Ras Batken	450	361	420	30		680 955	24,4	725	0,94	155,0	0,34
7	RAS JA	228	154	216		12	380 000	26,9	760	0,50	55,0	0,25
	Total South:	2 511	1 361	1 758	162	591	4 556 321	29,3	6 732	0,68	684,5	0,27
8	COKI-IK-Chu RAS-Agrobilim	679	309	454	225		1 856 720	44,1	3 435	0,54	438,9	0,65
9	AgroLead	330	149	330			1 097 215	53,6	500	2,19	111,0	0,34
10	Shoola	105		105			100 000	15,4	2 361	0,04	12,7	0,28
11	Oital Agro-Market	800	320	300	500		70 000	1,4	1 200	0,06		0,00
12	AgroLead Gr	85	28	70	15		523 000	99,2	1 040	0,50	100,0	
	Total North:	1 999	806	1 259	725	0	3 646 935	29,4	8 536	0,43	662,6	0,53
	Total in KG:	4 510	2 167	3 017	887	591	8 203 256	29,3	15 268	0,54	1 347	0,64

Table 4. Information about contracts by organizations in Kyrgyzstan

Result 1.4: LMD renders technical and organizational assistance and advice for establishing internal quality monitoring systems (through VCS)

Training of VCSs to provide the feed-back report to farmers

See Result 1.3. One part of the training conducted by E. Ryazanov for partner organizations was focused on provision of the feed-back reports by the supporting organizations to farmers.

Partner organizations conduct field monitoring and assess their performance

Due to Ramadan month the field monitoring and assessment of performance of partner organizations will be conducted in July in Tajikistan. The monitoring in Kyrgyzstan will be done at the end of July. The results of the field monitoring will be presented in the annual report.

Result 1.5: LMD mediates innovative services and technical expertise to VCS for fostering embedded services and increased investments between VC actors

Regular analysis of demanded services by VCO

All project partners in Kyrgyzstan and Tajikistan analyze demanded services by different categories of users – farmers, processing and trading companies, micro-credit institutions, agricultural

input suppliers, donor-funded projects and government organizations.

Support for further development of the mechanism for provision of services to VCOs on a payable base

All partner organizations in Tajikistan and Kyrgyzstan sell services to the farmers, processing and trading companies, credit organizations and agricultural input suppliers. It seems that the partner organizations in Tajikistan started to show interest in commercialization of their activities understanding of the further perspectives of financial independence from donors. Table 5 has information about negotiated payments by farmers for the technical assistance provided by supporting organizations. Negotiated payment with farmers in Tajikistan is too small with actual costs of farmer technical assistance, 1,5 Euro versus 52,2 Euro per farmer. It should be noted that the full costs of 52,2 Euro should be covered by processing and trading companies, agricultural input suppliers and micro-credit organizations, and not only by farmers.

The situation in Kyrgyzstan is better. Last year the total payment to supporting organisations was more than 45 000 Euro and it expected to have this year around 60 000 Euro. The annual LMD report will provide detail information about payments done by farmers, other businesses and credit institutions.

Name of the LMD partner organization	Number of farmer paid for technical assistance	Fees, TJS	Total payment, TJS
ATAC	30	22	660
Rano	100	6	600
ZanvaZamin	176	6	1 056
Voris	68	6	408
Mekhrangez	692	4	2 768
Ghamkhori	377	5	1 885
Faizbaksh	220	6	1 320
SAS Consulting	202	7,15	8 666
APPRNau	128	7	896
Total in Tajikistan:	1 993		18 259 (3 043 Euro)

Table 5. Payment of farmers to LMD partner organisations for technical assistance in 2012 in Tajikistan

Name of the LMD partner organization	Number of farmer paid for technical assistance	Fees, KGS	Total payment, KGS
Mehr Shavkat	269	150	40 350
TES Center	204	613	125 000
DCCA South	69	791	54 600
Tayan	152	211	32 100
RAS JA	228	200	45 600
COKI - IK-Chu RAS - Agrobilim	679	321	218 100
AgroLead	330	400	132 000
Shoola	45	200	9 000
Total in Kyrgyzstan:	1 976		656 750 (10 593 Euro)

Table 6. Payment of farmers to LMD partner organizations for technical assistance in 2012 in Kyrgyzstan

3.2 Outcome 2: VCS offer affordable and demanded high quality (financial and non-financial) services to VCO

Result 2.1: LMD provides methodological and financial support to VCS for facilitating VCs, and gaining analytical expertise

Further Elaboration of the VC and Sub-Sector Development Methodology

In Kyrgyzstan and Tajikistan all partner organizations already have a good understanding of the sub-sector development. The project payment of the work to the partner organizations in 2012 is based on delivered volume of the demanded product to processing or trading company by the contract. The partners will get final payment of 30 % of the mandate based on contract fulfillment to processing and trading companies.

Training for partner organization in the Training Lab on development of their analytical expertise

The Training Lab in Osh, Kyrgyzstan is managed by the Association of Agricultural Service Providers. There was training on a subject defined by the project partner organizations: Financial Management. Other trainings on the following subjects will be provided until the end of the year:

Practical Management, Time Management, Marketing, Monitoring and evaluation.

Unfortunately none of the partner organizations in Tajikistan were involved in the Training Laboratory activity. The project tried to develop the idea of the Training Lab through the NGO Agrodonish, the umbrella organization of extension service providers. But, it seems that the organizations in Tajikistan are too busy to provide services to donor funded projects. Capacity building support provided by the donors is substantial and they do not have real interest to develop their own capacity themselves currently.

Support the AASP in Kyrgyzstan in capacity building of members and consultancy sector development

Tattybubu Shamieva, the LMD team leader for Kyrgyzstan has been working closely with the director of the Association, Taalai Abdairimov, providing him with required support related to capacity building of partners, e.g. elaboration of the curriculum for the training, coordination of organisation of demonstration field among partner organisations.

Result 2.2: LMD provides technical and economic expertise to VCS for technical and organizational development

Support the Association of F&VPE in implementation of marketing strategy for the brand of Taste of the Sun

The director of the AF&VPE in Kyrgyzstan, Dilyara Alimjanova together with Tattybubu Shamieva participated in the forum “Supplier to Retailer Networks 2012” in St. Petersburg at the end of June, 21-22. They participated in the different discussions organized by retailer networks about production requirements, specific features of the work, how to prepare an interesting proposal for the retailer networks. Both participants expressed the practicality of the trip.

In Tajikistan the project staff have talked with the processing companies and expressed their interest in the establishment of an Association many times. Now this activity is being led by the GIZ project “Framework and Finance for Private Sector Development in Rural Area”, component 1: Economic Development in Rural Areas. Still, the most of the processing companies expect to get money from the project to their business referring “that other donors did it in the past”. It is quite difficult to change the attitudes of processing companies who do not believe in getting benefits from development projects.

Support of the AIMS development in KG and TA and further promotion in KG

The AIMS in Tajikistan is one of the best agricultural Internet resources in the country and in the top 20 of in the category of the News site. Daily around 200 visitors and around 250 browsed pages. Around of 36 % of visitors are from Russia, 22% from Ukraine and 13 % from Tajikistan.

The AIMS in Kyrgyzstan has fewer visitors per day, around 20. Most of the visitors are from Kyrgyzstan, around 45 % and from Russia, around 27%. The AIMS in Kyrgyzstan is involved in elaboration of the electronic library on Rural Economy and mechanization of the process of input of the farmer data information in electronic format. This work will be finished at the end of the year.

Conduct the training on MAP approach for HSI staff in KG and TJ and project partners

Matthias Herr, Senior Advisor on Market Development and Eugene Ryazanov as co-trainer conducted five-day training “Market for Poor” in Bishkek, Kyrgyzstan in April. 15 participants: 6 people were from HELVETAS Swiss Intercooperation projects – LMD, SEP and BCP; one from the ICCO and one from the SDC, the rest participants were from the LMD and BCP partner organizations. The training was aimed to develop skills of the staff of the HELVETAS Swiss Intercooperation and partner organizations on key elements of the MAP approach.

Result 2.3: LMD enhances networking and learning between VCO and VCI, through facilitation of events, providing a neutral space for interaction, and organising visits

Bi-monthly meetings of the Platform for Agriculture Chain Development (PACD) in each region (South and North KG and TA)

The project conducts PACD bi-monthly meetings in South and North of Kyrgyzstan and in South and North of Tajikistan. The discussed topics of the PACD meetings are presented in the annex 3. The local organizations are very interested in the PACD meetings and everywhere around 12 - 25 people from different organizations participated. The minutes of the meetings are available in the project.

The PACD meetings everywhere are conducted on a rotation basis and the project is one of the participants does chairperson function by turn.

Organization of Experience Exchange Tours at different levels: Oblast, Country, Region on sales of VCS services

There were three demonstration days for farmers and agronomists of LMD partner organizations in Kyrgyzstan. The first one was held on the use of bio-preparates for vegetable and potato production done by the NGO Agrolead in Yssyk-Kul oblast. The second one was held in Kara-Suu rayon Osh oblast by the NGO TES-Centre for using technology of cultivation of new varieties of grain, soybeans and corn.

There was a Demonstration day on early onion growing for farmers in Kumsangir, Tajikistan on 15th of June.

Result 2.4: LMD seeks close coordination and collaboration with finance institutes for improving the access to affordable credits, loans and grants for VCO

Meetings and discussions with interested FI about new credit products for processing and trading companies

The AF&VPE in cooperation with the GIZ program in Kyrgyzstan conducted a round table about improvement of the crediting of processing companies. There was established a working group which met 4 times and elaborated a paper to Ministry of Agriculture and to the Kyrgyz Government, to vice-premier. The Kyrgyz Government is in the process of establishing a Development Bank where a credit line for processing enterprises will be established.

Result 2.5: LMD provides methodological advice for establishing a monitoring culture within VCS

Collection and analysis of gathered information for reporting

The project partners in both countries have gathered information for the first and the second stages of the farmer's data base and submitted this information to the project. The information is in process of systematization at the moment.

All partner organizations got the training on feed-back reporting to the different categories of the users of the information, namely for farmers, processing and trading companies, agricultural income suppliers, credit institutions, NGOs and Extension services and donors in February. According the deadline in mandates the LMD partner organizations provided half year report on project activities.

There was done the analysis of the LMD farmer's database for 2008-2011. The reports of the analysis are in Russian and English and are available in the project upon request. The analysis of the data base will be presented by the Agrolead at the next PACD meeting to partner organizations and other donor projects.

Result 2.6: LMD encourages and supports methodologically the formation of professional organisations (associations, unions, federations) among VCO and VCS

Support of the establishment of the Center of Sub-Contracting as a successor of the LMD project/ Conduction of the workshop with KZ and RU trading companies

Tattybubu Sharieva leaves the LMD project from 1 July. She starts up the Centre of Contracting and provides back-stopping services for the project for one year. The Centre of Contracting does not get any financial support from the LMD project but is eligible to get a contract for work as other LMD project partners.

A workshop on the "Development of cooperation between the producers and processors of fruit and vegetables in Kyrgyzstan and Tajikistan and trade companies from Kazakhstan and Russia" will be conducted in Dushanbe, Tajikistan on September 21-22, 2012. The project staff in Tajikistan currently arranges the event and invites the traders and other interested parties.

Support the development of the Agricultural Extension Services Providers in KG(Agro Consulting) and in TA (Agrodonish)

The web-site of the Association of Extension Service Providers in Kyrgyzstan is in the process of development. But some information of the association is posted on other sites, like: www.cipe.org, www.akipress.fergana.org. The Agro Consulting conducted the training on management in the frame of Training Lab in Osh for the LMD partner organizations. Two members of association Bio-Service and Agrobilim conducted demonstration fields on organic vegetables and vegetables produced on IPM methods.

In Tajikistan LMD project cooperates with Agricultural Extension Services Network NGO "Agrodonish" established by TASIC- SENAS project. It is an umbrella organization with 7 members. Two of them are the LMD project partners - NGO "Zarzamin" and ATAC. The NGO "Agrodonish" is responsible for conducting the meetings of the Platform for Agriculture Chain Development in Khatlonoblast of Tajikistan.

3.3 Outcome 3: VCI create a commercial and social friendly business environment

Result 3.1: LMD supports changes in business environment friendly policies through methodological support and providing expertise to VCS and target groups

Support the partner organizations to conduct annual planning workshops along supported VCS

All annual planning workshops were conducted last November – December. New planning workshops will take the place in both countries in November this year. Actually partner organizations are able to conduct these events in both countries themselves.

Support the Association of F&VPE in KG in discussions with state bodies regarding policy changes

There was an article of cancellation of VAT and provision of a profit tax vocation for three years in the Tax Code edition of 12 August 2008. There was an amendment to article 239 of the Tax Code in the Government Act from 30 May, 2011 which annulated this benefit for processing companies in Kyrgyzstan. The AF&VPE conducted a round table on 24 April for discussion of this issue with stakeholders. It was decided there to send a proposal to the Government for reconsideration. The official letter to the Government was sent in June. No answer was yet received.

Result 3.2: LMD offers technical expertise for formulating by-laws and legal framework

Support of the Association of F&VPE in lobbying of interest of processing companies in KG

See the second activity under the result 3.1.

The project is currently conducting the Fruit and Vegetable Processing Sector Study in Kyrgyzstan and Tajikistan. These studies (the third in Kyrgyzstan, the first one was in 2002 and the second one was in 2008; and the second in Tajikistan, the first study was done in 2008) will be finished soon and will be used for elaboration of the next five-year strategy of fruit and vegetables sector development in Kyrgyzstan. In Tajikistan

the results of the study will be a good entry point for discussion with processing companies further sector development and observing changes occurred in the sector in the last five years. These studies would allow evaluating indirectly the LMD project impact on fruit and vegetable sector development in both countries.

Result 3.3. LMD participates in donor harmonization and coordination meetings

Support the Association of F&VPE to conduct the Annual Conference of the sector in KG and TA

The Annual Conference on Fruit and Vegetable Processing Industry in Kyrgyzstan is planned for the beginning of November. It is planned to have on the agenda the following issues:

- The study of the fruit and vegetable processing sector in Kyrgyzstan;
- An observation of achievements in the sector due to implementation of the current sector development strategy, 2008 – 2012;
- A discussion of the draft of the new five year development strategy of the fruit and vegetable processing industry in Kyrgyzstan, 2013 – 2017;
- Annual report of the Association of F&VPE.

Bi-monthly meetings with the ICCO Regional Manager, LMD and FS specialists

The project manager has regular bi-monthly meetings with the ICCO Regional office, Mr. Iskender Amanbaev to brief him about project progress and planned activities for next few months.

The project has regular bi-monthly meetings with the GIZ project in Tajikistan for discussing and planning common activities. E.g. sales of services by the project partner organizations to farmers (in case of the GIZ services sold to farmers based on size of the land under supported crop), attraction of potential buyers of fresh and processed fruits and vegetables to the country, common vision of work with the same local organizations provided services to farmers.

Result 3.4. Synergies with other national and international program

Some common activities with Helvetas Water Management Project in KG and Organic Value Chain Development project in TA

The LMD project continues to finance the activities of two local NGO in Sughd oblast related to efficient use of water. The NGOs Zarzamin and SOFT provide training to farmers on efficient use of water, measuring of water use and defining necessary volumes of water for different crops. The technical part of the work has been coordinated by the program officer in Dushanbe office and SEP project manager in Kyrgyzstan.

The LMD project has regular quarterly meetings with GIZ Economic Development program in Kyrgyzstan for discussion of common methodology of the work and sharing the information about work done and planned work for the next months.

3.4 Outcome 4: LMD initiates and supports the generation of new ideas, ventures and processes

Result 4.1: LMD financially invests in testing new ideas and ventures

Analysis of Fruit and Vegetable Processing sector in Kh and TA

See Result 3.2. The main findings of the study for both countries will be presented in the annual report.

Presentation of main constraints and perspectives of sub-sector development to potential partners and other stakeholders

The findings of the studies in both countries will be presented at the PACD meetings in all regions and at the Annual Conference of the Fruit and Vegetable Processing Industry in Kyrgyzstan in the second semester.

Methodological support of development of the Center of Contracting

The project manager has elaborated a concept of the Centre of Contracting. The concept was used by the project team leaders in both countries for elaboration of the business plans of proposed centers. All documents were translated

into English. The idea of the Centre of Contracting was discussed during the planning of the next project phase. It was agreed that the Centre of Contracting can be as any other project partner without exclusive support.

Result 4.2. LMD synthesises, analyses and propagates evidence for advocating and improved value chain management

Further promotion of sales of VCS services to VCO and other stakeholders

The project continues to encourage the partner organizations to sell their services to business. All partner organizations in KG sell their services and many of the partner organizations in TA have started to sell to farmers and trading companies. The project monitors the sales and the results will be presented in the annual report.

Cooperation with HELVETAS Head Quarters to finalise the Farmer Study and publish a leaflet and article in the magazine "Partnerschaft" about results

The fact sheet regarding HELVETAS Swiss Intercooperation layout and standard is in the process of elaboration. The article will be published in the "Partnerschaft" magazine in the second semester.

The project finished the farmer impact study based on the analysis of the Farmers' data bases for Kyrgyzstan and Tajikistan for 2008 - 2011. The results of the impact study are currently being published and later will be disseminated among stakeholders. The analysis of the farmer data base in Kyrgyzstan and Tajikistan for 2008 – 2011 is done in Russian and English and is available from the project upon request.

Presentation of the Farmer Impact study to the stakeholders in KG and TA

The results of the study were presented to HELVETAS Swiss Intercooperation's project managers and partner organizations from the north of Kyrgyzstan in Bishkek in February. The NGO Agrolead will present the results of the study to the stakeholders at the PACD meeting in the second half of the year. The project staff in Tajikistan will do the same at the PACD meetings in regions.

Issuing monthly LMD electronic bulletins in KG and TA

The project team continues to issue monthly LMD electronic bulletin in Kyrgyzstan and Tajikistan in Russian and English and disseminate around all interested parties in both countries.

Result 4.3. LMD supports the attraction of external investments into selected chains, by using concrete evidence and providing moral warranties

Planning Platform of the LMD project for the Phase out in KG and III Phase in TA

The planning of the next LMD phase for 2013 – 2015 was done in Bishkek from April, 23 to May, 4. The team of 7 people: Hans Posthumus as a team leader, international consultant in M4P and DCED, Andre Vording, ICCO Fair Economic Development Expert, Iskender Amanbaev, ICCO Local Market Development Specialist, LMD team: Eugene Ryazanov, Tattybubu Shamieva and Jamilya Yusupova, David Vezdeni had discussions and elaborated a draft of the project document. Eugene Ryazanov added missing information and elaborated the final draft which was disseminated for comments among planning team, HELVETAS Swiss Intercooperation country directors in KG and TA. The comments were incorporated in the draft of the document which will be sent at the beginning of July to Head Quarters of HELVETAS Swiss Intercooperation and ICCO.

Result 4.4. LMD further develops and systematizes DCED monitoring

Participation of the LMD in DCED audit

The project manager after consultations with DCED auditor Hans Posthumus, HELVETAS Swiss Intercooperation and ICCO office in Bishkek has cancelled the DCED audit as useless at the current stage. The main reason is that elaborated DCED monitoring documents were not operational as for instant currently approved Yearly Plan of Operations. DCED auditor suggested conducting audit next year (winter 2013 - 2014) where the LMD project will use the result chain, M4P developed program documents and relevant DCED monitoring documents.

Preparation of all requested documentation for the DCED audit

Jamilya Yusupova has got the training on DCED standard in the Thailand in January. She is the focal point in the LMD project and HELVETAS Swiss Intercooperation's private sector development projects in Kyrgyzstan and Tajikistan. She will elaborate the DCED monitoring documentation for the next project phase in Tajikistan. Eugene Ryazanov will start to elaborate the DCED monitoring documentation for the LMD phase out in Kyrgyzstan and this work will be continued by new LMD staff in Kyrgyzstan with his backstopping in the future.

Annexes

Annex 1: Yearly Plan of Operation, 2012 of the LMD project for Kyrgyzstan and Tajikistan

Outcomes	Activities	Indicators / Milestones ❖ Quantitative ➤ Qualitative	Means of verification	Responsibility	Financial Means, [Euro]		Quarter			
					KG	TA	I	II	III	IV
<p>Overall Goal: Synergies between public, civil and private actors lead to systemic changes and improvements in selected agricultural sectors, and thus contribute to poverty reduction, and specifically to inclusion and improvement of the well-being of remote and marginalised rural population active in agricultural practices.</p> <p>The coordination and collaboration between the public, civil and private allows for efficient use of available resources, and socially, economically and environmentally sound production and processing practices.</p>		<p>➤ Improved common planning, implementation and monitoring between VCO and VCS.</p> <p>➤ Selected agricultural (sub)-sectors increase significantly or at least maintain their market shares</p> <p>➤ Selected agricultural (sub)-sectors adapt to socially and environmentally sound production and processing practices</p> <p>➤ Segmentation of target group (farmers):</p> <ul style="list-style-type: none"> - 30 % are market integrated - 60 % are market oriented - 10 % subsistent farming with occasional surplus <p>From DCED&JMA&JCCO:</p> <ul style="list-style-type: none"> ❖ DCED(gender disaggregated) <ol style="list-style-type: none"> 1. Number of jobs created (value chain operators) 2. Income of target group (value chain operators); increased income of key VCO <p>Numbers of beneficiaries (direct beneficiaries (immediate link with LMD & its immediate partners (TES, ATC, ... 15), indirect (other FGs, input suppliers, micro-credit organizations, including numbers from 1&2, ...)</p>	<p>National Statistical Data</p> <p>Study of the sub-sector</p> <p>Yearly Work Plan of VCS</p> <p>Business Plan of VCO</p> <p>Technology Cards of farmers</p> <p>HH and Farmers data base</p> <p>VCS Yearly Reports</p>							
Outcome 1: Trustful, reliable and transparent relationships between VCO										
<p>1. Value Chain Operators (VCO) develop and maintain trustful, reliable and transparent relationships.</p>		<ul style="list-style-type: none"> ❖ Number of (repeated) contracts; a) > 1/3 of the previous year continue b) 100 % of farmers have contracts 	<p>Technology Cards of farmers</p> <p>HH and Farmers data base</p>							

Outcomes	Activities	Indicators / Milestones ❖ Quantitative ➤ Qualitative	Means of verification	Responsibility	Financial Means, [Euro]		Quarter				
					KG	TA	I	II	III	IV	
The VCO adopt and implement jointly market-oriented practices in a socially and environmentally sound manner (i.e. they integrate remote and small scale farmers and adopt socially and environmental friendly production and processing practices). VCO anticipate and react to new market trends and develop joint actions for (high value added) products and processes.		<ul style="list-style-type: none"> ❖ Fulfilment of contracts; c) > 80 % of agreed volume & quality d) > 50 % of operators ❖ Number and type of farmers integrated in project activities; > 8,000 ❖ Number of formal and informal groups / network; > 250 ❖ Number of autonomous / self-managed value chains; > 10 ➤ Increased sales in local and external markets ➤ Increased number of groups with saving funds ➤ Increased number of full time jobs ➤ Increased additional net income of VCO ➤ Contract is known by all stakeholders (especially all member farmers) ➤ Contracts are enforced (exemplary) 	VCS Yearly Reports HY and Annual LMD reports National Statistics								
Result 1.1: Through VCS (Extension and NGO services), LMD supports the development of agricultural and economic sound practices to farmers and farmers organizations (economic practices include farm management, business planning elements and market observation practices).	1.1.1. Technical support of the small scale producers united in to Farmer Groups using FFS approach (with focus on increasing a number of farmers involved in IPM and production)	<ul style="list-style-type: none"> ➤ VCO improve their agricultural practices ➤ Professional organizations among VCS are functional ❖ VCO "invest" into other actors (embedded services; credits; etc.) 	LMD HY and Annual Reports	PM/ TLs / PO	114'800	124'297	X	X	X	X	
	1.1.2. Increasing production of small-scale producers through improved Farm Management and increasing sales of products at local market and export	<ul style="list-style-type: none"> ➤ Farmer use Technical cards for improving their business 	Farmers Impact Study Technology Cards	PM/ TLs				X			X
	1.1.3. Facilitation of partner organizations in establishment and management of saving funds in FG	<ul style="list-style-type: none"> ➤ VCO (mainly farmer groups) establish and manage own saving funds 	VCS Annual Reports	PM/ TLs / PO				X	X	X	X
Result 1.2: Through VCS ((non-) financial services), LMD supports the estab-	1.2.1. Elaboration of Electronic Directory in TJ and promotion in KG, updating information	<ul style="list-style-type: none"> ➤ VCO, VCS and VCI have access to demanded information 	Electronic directories Electronic directory for mobile	TLs		4'000	X	X			

Outcomes	Activities	Indicators / Milestones ❖ Quantitative ➤ Qualitative	Means of verification	Responsibility	Financial Means, [Euro]		Quarter				
					KG	TA	I	II	III	IV	
lobbying towards national policy makers and international funding agencies. VCS promote gender inclusive resource management (natural, know-how, income & production assets).		<ul style="list-style-type: none"> ➤ Existence of a neutral 'space', person or organization for joint & transparent planning and resolving disputes (e.g. platform for agriculture chain development (PACD)) ❖ Type and quality of evidence (at VCO and VCS level) prepared for advocacy 									
Result 2.1: LMD provides methodological and financial support to VCS (Extension and BDS providers) for facilitating VCs, and gaining analytical expertise (for market observation, analyses market data and trends)	2.1.1. Further Elaboration of the VC and Sub-Sector Development Methodology	<ul style="list-style-type: none"> ➤ VCS (Extension & NGOs) operate as VC facilitators ➤ VCS (Extension & NGOs) form and train farmer groups in agricultural and economic issues 	LMD HY and Annual Reports	PM/ TLs				X	X		
	2.1.2. Training for partner organization in three Training Labs on development of their analytical expertise	<ul style="list-style-type: none"> ➤ VCS (Extension & NGOs) elaborate analytical work for VCO and VCI 	Training materials	PM/ TLs / PO			X		X	X	
	2.1.3. Support the AASP in Kyrgyzstan in capacity building of members and consultancy sector development	<ul style="list-style-type: none"> ➤ VCS (Extension, NGOs and MFI) introduce common Sales Services Strategy 	Report of the AASP in KG	PM/TL in KG	16'000				X	X	
Result 2.2: LMD provides technical and economic expertise to VCS (Extension, BDS, NGOs) for technical and organizational development (i.e. market observation, business plan development, analytical skills, etc.; but also food quality standards and control)	2.2.1. Support the Association of F&VPE in implementation of marketing strategy for the brand of Taste of Sun	<ul style="list-style-type: none"> ➤ Sales under Taste of Sun over 1 mil USD 	Financial Report of the AF&VPE	PM/ PO Bi	4'000			X	X		X
	2.2.2. Support of the AIMS development in KG and TA	<ul style="list-style-type: none"> ➤ VCS (AIMS) elaborates and sells market relevant information to interested stakeholders 	Report (incl. Financial) of the AIMS	TL / PO Bi / PO Du	16'000	16'000	X	X	X	X	
	2.2.3. Conduct the training on M4P approach for HSI staff in KG and TJ and project partners	<ul style="list-style-type: none"> ➤ Partner organizations are able to implement VCD and Sub-Sector development 	HY and Annual LMD Reports	PM/ PS	20'000						
Result 2.3: LMD enhances networking and learning between VCO and VCI, through facilitation of events, providing a neutral space for interaction, and organizing visits	2.3.1. Bi-monthly meetings of the Platform for Agriculture Chain Development in each region (South and North KG and TA)	<ul style="list-style-type: none"> ➤ Improved work of the partner organization 	Minutes of the PACD meetings HY and Annual LMD Reports	TLs / POs				X	X	X	X
	2.3.2. Organization of Experience Exchange Tours at different levels: Oblast, Country, Region on sales of VCS services and VCD	<ul style="list-style-type: none"> ➤ Improved work of the partner organization 	HY and Annual LMD Reports	PM/ TLs /POs	4'000	4'000	X	X	X	X	
Result 2.4: LMD seeks close coordination and collaboration with finance institutes (MFI, Banks) for improving the	2.4.1. Meetings and discussions with interested FI about new credit products for processing and trading companies	<ul style="list-style-type: none"> ➤ VCS (MFI, Banks) increase the volume of credits to farmers, FG, and other VCO by 50 % 	Minutes of the meetings HY and Annual LMD Reports	PM/ TL				X	X	X	X

Outcomes	Activities	Indicators / Milestones ❖ Quantitative ➤ Qualitative	Means of verification	Responsibility	Financial Means, [Euro]		Quarter						
					KG	TA	I	II	III	IV			
access to affordable credits, loans and grants for VCO													
Result 2.5: LMD provides methodological advice for establishing a monitoring culture within VCS (including economic and social aspects)	2.5.1. Collection and analysis of the gathered information for reporting	❖ Monitoring System managed by partner organizations in cooperation with the AIMS	Reports of partner organizations HY and Annual LMD Reports	PM/ TLs			X	X					
Result 2.6: LMD encourages and supports methodologically and financial the formation and development of professional organizations (associations, unions, federations) among VCO and VCS	2.6.1. Support of the establishment of the Center of Sub-Contracting as a successor of the LMD project/ Conduction of the workshop with KZ and RU trading companies	➤ Professional organizations among VCS are functional	Yearly Operation Plan of Professional Organization LMD HY and Annual Reports	PM/ TL/ POs	20'000	20'000	X	X	X	X			
	2.6.2. Support the development of the Association of Extension Service Providers in KG (Agroconsulting) and TA (Agrodonish)			PM/ TL/ POs					X	X			
Total:					90'000	40'000					130'000		
Outcome 3: VCI create a commercial and social friendly business environment.													
3. Value Chain Influencers (VCI) involve in creating a commercial and social friendly business environment. The state bodies acknowledge and recognize the evidence provided by VCO and VCS and translate the evidence into enabling environment practices. Donor programs seek increased synergies and cooperation for coherent and harmonized project implementation.		➤ State bodies participate in (sub-) sector specific discussions ➤ State bodies acknowledge evidence provided by VCS & VCO ➤ State bodies elaborate and enforce business friendly laws and regulations ➤ Improved cooperation with other development programs (national and donor funded) ➤ Improved synergies with other ICCO and Helvetas funded projects	Issued Degrees Changes in Regulation Minutes of the conferences, meetings Common Action Plans LMD HY and Annual Reports										
Result 3.1: LMD supports changes in business environment friendly policies through methodological support and providing expertise to VCS and target groups	3.1.1. Support the partner organizations to conduct annual planning workshops along supported VCs	➤ State bodies participate in VC and/or sub-sector meetings	Issued Degrees Changes in Regulation	PM/ TLs / PO			X	X					
	3.1.2. Support the Association of F&VPE in KG in discussions with state bodies regarding policy changes	➤ State bodies participate in the establishment of business and social friendly production and processing standards	Minutes of the conferences, meetings	PM							X		
Result 3.2: LMD offers technical expertise for formulating by-laws and legal framework (for instance for quali-	3.2.1. Support of the Association of F&VPE in lobbying of interest of processing companies	❖ Number of changes in the legal framework due to lobbying activities of the	Issued Degrees Changes in Regulation	PM/ TL			X	X	X	X			

Outcomes	Activities	Indicators / Milestones ❖ Quantitative ➤ Qualitative	Means of verification	Responsibility	Financial Means, [Euro]		Quarter				
					KG	TA	I	II	III	IV	
ty branding)	in KG& TA	Association	Minutes of meetings								
Result 3.3: LMD participates in donor harmonization and coordination meetings	3.3.1. Support the Associations of F&VPE to conduct Annual Conference of the sectors in KG	➤ Alliances and coordination with national and international programs lead to efficient use of available resources for sub-sectors development and provision of recommendations for improvement of business environment	Common Action Plans LMD HY and Annual Reports	PM/ TLs	6'000		X				
	3.3.2. Bi-Monthly meetings with the ICCO Regional Manager, LMD and FS specialists			PM			X	X	X	X	
Result 3.4: LMD seeks synergies with other national and international programs	3.4.1. Some common activities (e.g. training of extortionists) with Helvetas Water Management Project in KG and Organic Value Chain Development project in TA	➤ Improved synergies with other ICCO and Helvetas funded projects	Common Action Plans LMD HY and Annual Reports	PM/ TL		12'000	X	X		X	
Total:					6'000	12'000				18'000	
Outcome 4: LMD initiates and supports the generation of new ideas, ventures and processes											
Result 4.1: LMD financially invests in testing new ideas and ventures (this might include: market penetration activities; branding, labeling or packaging of produce; R&D for new products, chains or adapted production and processing processes; awareness building campaigns)	4.1.1. Analysis of Fruit and Vegetable Processing sector in KG and TA	➤ Clear perspectives of development of the poultry business	Reports on innovative outcome and impact assessments	PM/ TL	7'000	7'000			X	X	
	4.1.2. Presentation of main constraints and perspectives of sub-sector development to potential partners and other stakeholders		VCS Yearly Reports	PM/ TL			X			X	
	4.1.3. Methodological support of development of the Center of Contracting (elaboration of the concept, business plan, etc.)	❖ 2 new product lines, or VC, or value addition ❖ 20 % of involved in project activities farmers are in remote area	HH and Farmers data base	PM/ TL			X	X	X	X	
Result 4.2: LMD synthesizes, analyses and propagates evidence for advocating and improved value chain management (reliability, predictability); for instance elaborates sectorial studies	4.2.1. Further promotion of sales of VCS services to VCO and other stakeholders.	➤ VCS and VCO institutionalize a R&D component in their development plans	HY and Annual Reports of LMD project and partners	PM/ TL			X	X	X	X	
	4.2.2. Cooperation with Helvetas Head Quarter in to finalize the Farmer Impact Study and publishing a leaflet and article in the magazine about the results		Brochure	PM/ Head Quarter					X	X	
	4.2.3. Presentation of the Farmer Impact study to the stakeholders in KG and in TJ	➤ LMD is recognized for its innovative outcome and impact assessment	HY and Annual LMD reports	TLs			X			X	

Outcomes	Activities	Indicators / Milestones ❖ Quantitative ➤ Qualitative	Means of verification	Responsibility	Financial Means, [Euro]		Quarter			
					KG	TA	I	II	III	IV
	4.2.4. Issuing monthly LMD electronic bulletins in KG and TA	➤ VCA know about LMD activities	HY and Annual LMD reports	TLs			X	X	X	X
Result 4.3: LMD supports the attraction of external investments into selected chains, by using concrete evidence and providing moral warranties	4.3.1. Planning Platform of the LMD project for the Phase Out in KG and III Phase in TJ	➤ Other programs (national & international) collaborate with LMD and / or LMD partners	Study and Analytical Reports	PM/ TLs	15'000	15'000	X			X
	4.3.2. Initiation of discussion about possible cooperation in the frame of the LMD project with donors in KG and TJ and outside		HY and Annual LMD reports	PM/ PS			X			X
	4.3.3. Discussions with possible investors about cooperation with the Center of Sub-Contracting	➤ Expressed interest of a few foreign businesses to make investments in KG and TA	Common Action Plan	PM/ TLs				X		X
	4.4.4. Visit of F&VPI Exhibition in Russian or/and Kazakhstan		HY and Annual LMD reports	PM	2'000	2'000	X			X
Result 4.4: LMD further develops and systematizes DCED / IMA compatible monitoring	4.4.1. Participation of the LMD in DCED audit.	➤ Standardized Monitoring ➤ Number of VCS using LMD methodology in their practice	DCED Documents	PM/ TL	3'500	3'500	X	X	X	X
	4.4.2. Preparation of all requested documentation for the DCED audit			PM/ TL			X	X	X	X
Total:					27'500	27'500	55'000			
TOTAL:					243'300	212'797	456'097			

Legend:

PM Project Manager
 TL Team Leader
 PO Project Officer

VCO Value Chain Operator (involved private company (companies), FG)
 VCS Value Chain Supporter (involved (non)-financial service provider)
 VCI Value Chain Influencer (involved state and donor organizations)

Annex 2: Changes of farmers in Farmer Group, Kyrgyzstan and Tajikistan, 2007-2012

Kyrgyzstan	2007			2008			2009			2010			2011			2012							
Organization	New farmers	Male	Female	Total	New farmers	Male	Female	Total	New farmers	Male	Female	Total	New farmers	Male	Female	Total	New farmers	Male	Female	Total	New farmers	Male	Female
TES Center	65	45	20	990	760	605	155	266 ¹	276	211	65	330 ¹	64	36	28	354	46	33	13	384	280	293	91
Mehr Shavkat	180	63	117	414	234	110	304	475	61	196	279	585	110	260	325	465	-	197	268	510	60	245	265
DCCA				284	284	140	144	705	421	245	176	194 ¹	489	319	370	865	197	108	89	787	62	405	320
Agrobilim												61	61	18	43	155	94	44	50	166	9	73	93
Tayan	75	27	48	120	45	53	67	150	30	70	80	210				180	15	64	116	113	15	25	88
RAS Jalalabad								15	15	1	14	221	206	93	128	142	69	45	97	190	89	46	43
RAS Batkent				75	75	9	66	209	134	30	104	309	134	56	78	369	60	-	60	450	71	22	49
Agrolead												360	360	159	201	305	212	172	133	330	195	181	149
SOKI IK	108	62	46	170	135	102	68	138	59	74	64	290	210	149	141	290	42	188	102	535	75	377	158
CJOKI Chu Rus				14	14	8	6	42	28	20	22	150	60	73	77	150	-	73	77	150	-	73	77
Shoola	53	19	34	120	88	61	27	240	240	39	66					60	60	23	37	105	45	39	66
Total:	481	216	265	187	635	1088	837	240	264	886	870	710	694	163	391	335	795	947	042	720	901	779	399
Continued from the last year				552				1976				3016				2540				2819			
Released from the project				71		+		341		+		1752		+		846		+		2024		=	5034

Tajikistan	years				
Organisation	2007	2008	2009	2010	2011

Organization	New Farms	Male	Female	Total	New Farms	Male	Female	Total	New Farms	Male	Female	Total	New Farms	Male	Female	Total	New Farms	Male	Female
NGO ATAC	113	59	54	156	101	67	34	180	75	36	39	209	80	35	45	102	44	28	16
BFO Zan va Zamin	96	67	29	170	74	41	33	183	13	0	13	249	88	36	52	170	0		
NGO Mehrangez				105	105	105	-	301	196	193	3	510	209	204	5	600	90	40	50
NGO Ghamkori				74	74	43	31	154	118	102	16	267	113	110	3	364	113	59	54
NGO Rano				52	52	24	28	100	48	20	28	160	60	26	34	160	28	12	16
NGO Voris												100	100	53	47	100	10	5	5
NGO Faizbaksh				120	120	49	71	250	130	77	53	300	50	44	6	200	21	15	6
NGO Source of life				125	125	95	30												
NGO Najoti Kudakon				39	39	28	11					150							
NGO Zarzamin								240	240	194	46	307	166	71	95	216	90	44	46
NGO SAS Consulting								54	54	36	18	121	106	39	67	186	127	83	44
Agrobusiness consulting												150	150	113	37	84		67	17
ASPD Nay								80	80	48	32	119	68	57	11	91	40	36	4
Hairandesh																3	3	3	
Total	209	126	83	841	690	452	238	1542	954	706	248	2642	1190	788	402	2276	566	392	258

Annex 3: The Discussed Topics at the PACD Meetings in Regions

Table 3.1: Topics of the Platform for Agriculture Chain Development in the South of Kyrgyzstan

Date	Topics	Leading organization for the discussed topic
27 January	Presentation of fruit trees seedlings and experiences in Netherland	DCCA
	Information about ongoing projects of Association of Agricultural Service Providers "Agro Consulting"	AASP
	Information about visit to China	Center of Competitiveness and Agri-business
6 April	Presentation of the new products of the NGO "Agrolead" (video and directory on bio-preparates)	Agrolead
	Information about the project "Involvement of agri-business in lobbying of own interests" (CIPE)	AASP
	Information about the projects of German Agency of International Development – GIZ	GIZ
	Information about the Coop "Agro Bazar".	Coop "Agro Bazar"
1 June	Information about the state program of development of agro-industrial complex for 2012-2015	PF Bio-Service
	Information about participation in the workshop of FAO in Izmir	

Table 3.2: Topics of the Platform for Agriculture Chain Development in the North of Kyrgyzstan

Date	Topics	Leading organization for the discussed topic
19 March	Action Plan of the Agri-Business and Competitiveness Center, 2012	ABCC
	Work Plan of LMD project, 2012	LMMP, Helvetas-ICCO
	The development of value chains (VCD) through the establishment of a network of social and commercial pavilions 'FARMER MARKET'	Agrolead
	The concept of hydroponics	Nariman Heiltash
	Presentation of new products of "Agrolead" (video and directory on biologics)	Agrolead
25 May	Presentation of a new project of Agri-Business and Competitiveness Center "The project of promoting agricultural productivity"	ABCC
	Impact assessment of LMD project farmers	AIMS, Agrolead

Table 3.3: Topics of the Platform for Agriculture Chain Development in the South of Tajikistan

Date	Topics	Leading Organization for the discussed topic
24 January	“Organizations’ work plans for 2012”	NGO Agrodonish
5 June	Community Base Organizations	OXFAM
	Value Chain Development Strategy	

Table 3.4: Topics of the Platform for Agriculture Chain Development in the North of Tajikistan

Date	Topics	Leading Organization for the discussed topic
28 March	Work plan for 2012	NGO SOF
17 April	How to apply for a GIZ “Development Aid Worker”	GIZ
	How to apply Farmer to Farmer project	CNFA International
19 June	Success story of CNFA International	CNFA International
	Approaches and tools to work with donors and local partners	NGO APPR Nay