



LOCAL MARKET DEVELOPMENT PROJECT

TAJIKISTAN

Annual Report, January – December 2014

Prepared by: Jamilya Yusupova, Elisabeth Katz, Eugene Ryazanov
Version: Final (English)
Last update:
Reviewed by: Barbara Jung, Country Director



TAJIKISTAN



Table of Contents

Abbreviations	3
1. Executive Summary	1
2. Introduction	23
3. Project Chronology.....	6
4. Comparison of Expected Results and Achieved Results	7
5. Lessons learned and Conclusions.....	1418
6. Outlook	1520

List of Figures

Figure 1: Organizational structure of the project

List of Tables

Result 1	Increasing the number of farmers who improve production methods
Result 2	Increasing the number of farmers selling produce to processors and increasing the overall volume of produce sold to processors
Result 3	Facilitating the supply of seed to produce crops that are in demand
Result 4	Facilitating the involvement of export trading companies, while integrating the use of trade agents
Result 5	Facilitating foreign Importers to import produce
Result 6	Supporting processors to improve their performance
Result 7	Facilitating partners to apply good practices
Result 8	Attracting capital to the value chain
Result 9	Creating mechanisms for the establishment of a more conducive policy environment for the value chain
Result 10	Development of savings funds by farmer groups
Result 11	Developing a monitoring system for processing and trading companies
Result 12	Development of provision of services to VCO on a payable basis
Result 13	Internalizing the M4P Approach by LMD staff and service providers
Result 14	Aligning LMD M&E systems with DCED Standards
Result 15	Full monitoring and analysis of Gender and Social Equity (GSE) issues

Abbreviations

AAT	Agribusiness Association of Tajikistan
AFVPE	Association of Fruit and Vegetable Processing Enterprises, Kyrgyzstan
AIMS	Agriculture Information Marketing System
CU	Customs Union
DCED	Donor Committee for Enterprise Development
F&V	Fruit & Vegetables
FI	Finance Institution
GSE	Gender and Social Equity
HSI	HELVETAS Swiss Intercooperation
HSI-T	HELVETAS Swiss Intercooperation Tajikistan
ICCO	Inter-Church Co-operation Organization, the Netherlands
IP	Implementation Partner (same as SP)
IPM	Integrated Production Management
KG	Kyrgyzstan
Ltd	Limited Liability Company
LMD	Local Market Development
LMDP	Local Market Development Project
LNGO	Local NGO
M4P	Making Markets Work Better for the Poor
M&E	Monitoring and Evaluation
MFI	Micro Finance Institute
NGO	Non-Governmental Organization
OJSC	Open Joint Stock Company
PO	Partner organization
SP	Service Provider (private, government or donor organization, NGO)
TC	Trading Company
TJ	Tajikistan
VAT	Value Added Tax
VCO	Value Chain Operator
WG	Working Group
WTO	World Trade Organization

1 Summary of Achievements

2014 is the second year of Phase III of the Local Market Development Project (2013–2015). The following table summarises achievements in Tajikistan from January–December 2014.

No.	Result	Achievements 2014															
1	No. of farmers with improved production methods	<ul style="list-style-type: none"> • 764 farmers have continued from 2013, of which 380 are women (49%) • 1,239 farmers continued from previous years, 507 of them are women (40%) • Size of land per crop varied from 0.04 ha for lemon to 1.59 ha for melon • Volume per farmer varied from 1 ton 41 kg apricots per farmer to 20 tons onions per farmer 															
2	No. of farmers selling to processors and volume sold	<ul style="list-style-type: none"> • All 2,003 farmers signed contracts to deliver 7,292 tons of 11 different crops and actually delivered 7,498 tons (volume per farmer). This was an increase from 3.5 tons in 2013 to 3.74 tons in 2014 • Farmers, POs and processors met monthly to coordinate their activities 															
4	Facilitate involvement of local exporting companies	<ul style="list-style-type: none"> • As a result of the 'F2F event in the Sugd Region', 7 local export companies signed contracts to deliver produce to the Russian market 															
5	Facilitate foreign importers to import produce	<ul style="list-style-type: none"> • In collaboration with the Executive Authority of the Sugd Region, the Regional Trade Fair 'Sugd – 2014' was held from 25 to 26 June 2014 in Khujand 															
6	Facilitate processors to improve their performance	<ul style="list-style-type: none"> • Project supported study tour to Malatiya, Turkey in cooperation with Austrian NGO Hilfswerk Austria • In cooperation with Austrian NGO Hilfswerk Austria, the Project held a meeting of processing companies from the North and South of Tajikistan to establish trade relations and exchange experience 															
7	Facilitate partners to apply good practices	<ul style="list-style-type: none"> • Together with the Executive Authority of the Sugd Region information and advisory days were organized in 14 districts of Sughd • In partnership with Hilfswerk Austria International and OXFAM, a bulletin was published quarterly • A Training Laboratory organized fee-based training for value chain operators. Income generated amounted to 22,950 TJS 															
8	Attract capital to the value chain	<ul style="list-style-type: none"> • Together with the GIZ GREAT project, ToTs on Financial Literacy were conducted 															
9	Mechanisms to improve the policy environment	<ul style="list-style-type: none"> • Agroplatform meetings are supported by Executive Authority of Sugd Region 															
10	Encourage farmers' savings groups	<table border="1"> <thead> <tr> <th>Item</th> <th>End 2013</th> <th>End 2014</th> </tr> </thead> <tbody> <tr> <td>No. of groups</td> <td>169</td> <td>94</td> </tr> <tr> <td>No. of farmers</td> <td>2,769</td> <td>1,505</td> </tr> <tr> <td>Savings, TJS</td> <td>177,950</td> <td>187,050</td> </tr> <tr> <td>Savings/farmer</td> <td>102</td> <td>124</td> </tr> </tbody> </table>	Item	End 2013	End 2014	No. of groups	169	94	No. of farmers	2,769	1,505	Savings, TJS	177,950	187,050	Savings/farmer	102	124
Item	End 2013	End 2014															
No. of groups	169	94															
No. of farmers	2,769	1,505															
Savings, TJS	177,950	187,050															
Savings/farmer	102	124															

12	Financial self-sufficiency of the service providers	<ul style="list-style-type: none"> • Cost recovery of SPs for selling services was 26%.
14	DCED-compliant M&E systems	<ul style="list-style-type: none"> • All POs trained in DCED • Project underwent a pre-review DCED audit
15	Monitoring & analysis of GSE issues	<ul style="list-style-type: none"> • With support of Jane Carter – GSE focal point, POs were trained on HELVETAS GSE principles • Monitoring system includes GSE indicators

2 Introduction

The annual report presents the work of the LMD Project financed and implemented in a consortium with ICCO Cooperation. The report shares the results achieved during 2014, which is the second year of Phase III (2013–2015). The LMD Project is implemented in Tajikistan as well as Kyrgyzstan. Due to requirements of ICCO, the TJ and KG country reports are being prepared separately.

The LMD Project focuses on value chain development in specific sub-sectors, primarily fruit and vegetable processing. All the farmer groups involved in Project activities conclude contracts with the buyers of their crops (processing and trading companies, state organizations, etc.). In addition, individual farmers sell their fresh produce at local markets. A few partners are exporting fresh vegetables to Russia and Kazakhstan. The project works as a facilitator along the entire value chain: “Farmer Groups – Processing Companies – Trading Companies – Local market/Export”.

2.1 Objectives

The **Overall Objective** of the LMDP phase III is to increase the economic performance of farmers by improving access to inputs, services and markets to increase their productivity, production and income.

The **Specific Objectives** are:

1. Increase the number of farmers who improve their production methods.
2. Increase the number of farmers selling products to processors, in addition to increasing the overall volume of products sold.
3. Facilitate the supply of seeds in order to increase the production of crops that are in demand.
4. Facilitate the involvement of export trading companies.
5. Facilitate foreign importers to import produce.
6. Support processors to improve their performance.
7. Facilitate partners in applying good practices.
8. Attract capital to the value chain.
9. Create mechanisms for establishing a more conducive policy environment for the value chain.

In addition to these main phase objectives, the project worked in 2014 on three objectives continued from phase II: farmer savings groups, a monitoring system for processing and trading companies, and fostering financial stability of the advisory service providers. Three results internal to the project were also addressed: (i) internalizing the M4P approach, (ii) introducing DCED-compliant M&E systems, and (iii) monitoring/analysis of GSE issues.

2.2 Innovative approaches in Phase III

2.2.1 Integration of the M4P approach

The Making Markets Work Better for the Poor (M4P) approach aims to accelerate pro-poor growth improving living conditions of the poor. In this context, the poor are seen as market entrepreneurs, employees or consumers. M4P is considered an appropriate implementation framework for the consolidation/ phasing-out phase of LMD working with women and men farmers who are either relatively poor or very poor.

The M4P approach is not totally new to the Project. The Project has always been oriented towards poor farmers and making markets work for the poor. What is needed to make the project fully M4P-compliant is to identify systemic and sustainable interventions leading to wide outreach and long-lasting impact. The interventions introduced by the project should be taken up by the current market players and there should not be a need for long-term project subsidies.

2.2.2 Leveraging of value chain finance

In this respect LMD Phase III faces four core tasks -

1. Determining the value chain financing needs of the various chain stakeholders, from producers to traders, processors and exporters
2. Determining what types of value chain finance would be appropriate for each situation
3. Sourcing value chain finance both from within and outside the value chains
4. Ensuring that the value chain finance is appropriately applied and managed.

Improving access to finance in the F&V sector is an ICCO initiative. All points mentioned above, indicate a lack of finance in the value chain.

2.2.3 Alignment of the project M&E systems with DCED standards

LMD has always had an M&E system. Implementation of the DCED standards does not mean revolutionary changes. Being a more comprehensive M&E system, it will provide more credibility to the project results. Besides, the DCED standard implies not only M&E, but also the preparation of a business model for every project intervention. It means that any intervention the project plans to implement should have a very high sustainability potential and bring in a systemic change into current relationships among stakeholders. Finally, these changes should bring wide and long-lasting impact to the sector.

In February 2014, LMD underwent a test audit to assess the Monitoring and Results Management (MRM) system of LMD based on DCED standards to define the strengths and weaknesses of the LMD MRM system, as well as to give recommendations on how to improve the system.

2.2.4 Full monitoring and analysis of Gender and Social Equity issues

From 2013 onwards, all HSI annual country programme reports will analyze progress in promoting gender equality and social equity, according to the three main thrusts outlined in the GSE policy:

- Human capital – improved health (expected through access to drinking water and sanitation), education (formal and informal) and skills development (vocational training and other capacity building);
- Economic empowerment – through access to resources (especially land and affordable credit), to labour markets (especially better paid jobs), gaining equal pay for equal work; and developing income-generating opportunities;
- Increased voice (agency) – gaining representation in local user group committees and similar fora, but especially being elected to community and/or political decision-making positions.

The LMD M&E system for the current phase therefore has to incorporate monitoring of the three aspects, accompanied by detailed analysis and reporting. Specifically, LMD will monitor:

- Activities related to developing business, marketing and other relevant skills - disaggregated according to gender and disadvantaged population
- Producer income, disaggregated according to gender and disadvantaged people, and systems that ensure equal wages for equal work
- Participation of individuals in group decision-making (producer groups, cooperatives, etc.), and most notably those taking up executive positions - disaggregated according to gender and disadvantaged population.

These basic quantitative data will be backed up by case studies that allow a more qualitative and participatory assessment of the project outcomes.

GSE issues have always been taken into account in the LMD framework. We expect our POs to involve at least 40% of female farmers in their portfolio. In our M&E system we will introduce Gender and Social Equity disaggregated data as much as possible. For example, besides just counting the farmers by sex, we will have income data disaggregated by gender. In the questionnaires filled by the project farmers there is information (which is entered into the farmer database) about education and number of family members.

Generally the situation regarding GSE issues may vary from region to region.

Women have always played an important economic role in Tajik family life. Nowadays this has even increased. Especially it was obvious after the collapse of USSR when many men lost their jobs and could not adapt well to the new market economy conditions, and many migrated to Russia in search of jobs. Consequently, at least 50% of the farmers are female. We try to keep this gender balance in the project outreach. The Project has been watching if anything could be done to improve access to markets and jobs for disadvantaged people.

2.3 Project structure

2.3.1 Working groups for project planning and implementation

Steering and advisory board

The LMD Project works in two countries: Kyrgyzstan and Tajikistan. In the current phase there are separate budgets and separate project teams. At the same time, both project teams are integrated in the Advisory Board and Steering Board, which conduct regular joint meetings to share knowledge and experience. These Steering and Advisory Board meetings take place every three months. Thus, during the year there are two Steering Boards (every six months, in KG and in TJ alternately) and two Advisory Boards (also every six months, in KG and TJ alternately). In 2014, two Advisory Board meetings (February and August in Bishkek) and two Steering Board meetings (May and December in Bishkek) took place.

. The Steering Board normally includes:

1. Country Directors: Markus Ischer (KG) and Barbara Jung (TJ)
2. LMD Project Managers: Meerbek Erdoolatov (KG) and Jamilya Yusupova (TJ)
3. LMD Project Officers: Samat Toigonbaev (KG), Jamilya Mirsaidova (TJ)
4. Rural Economy Adviser: Elisabeth Katz with a 40% assignment for LMD (20% in TJ and 20% in KR)
5. ICCO South East Asia Deputy Regional Manager: Muratbek Ismailov
6. ICCO FED program officer: Adilet Maimekov
7. ICCO representative in TJ: Umed Kasymov

Mostly the country directors and the ICCO deputy regional manager do not join the Advisory Board meetings. All the main joint planning and approval decisions are usually taken by the Steering Board. The Advisory Board discusses more specific issues related to implementation of the projects.

In the Steering Board meeting in December, in addition the Project Adviser Eugene Ryazanov took part.

Platforms and meetings at partner level

In TJ several meetings are facilitated by the project at the partner level:

- Annual meeting of partner organizations. It is held in November or December. This is a platform for value chain actors to summarize yearly results, plan and negotiate.
- Agro-platforms of value chain actors.

2.3.2 Project organization

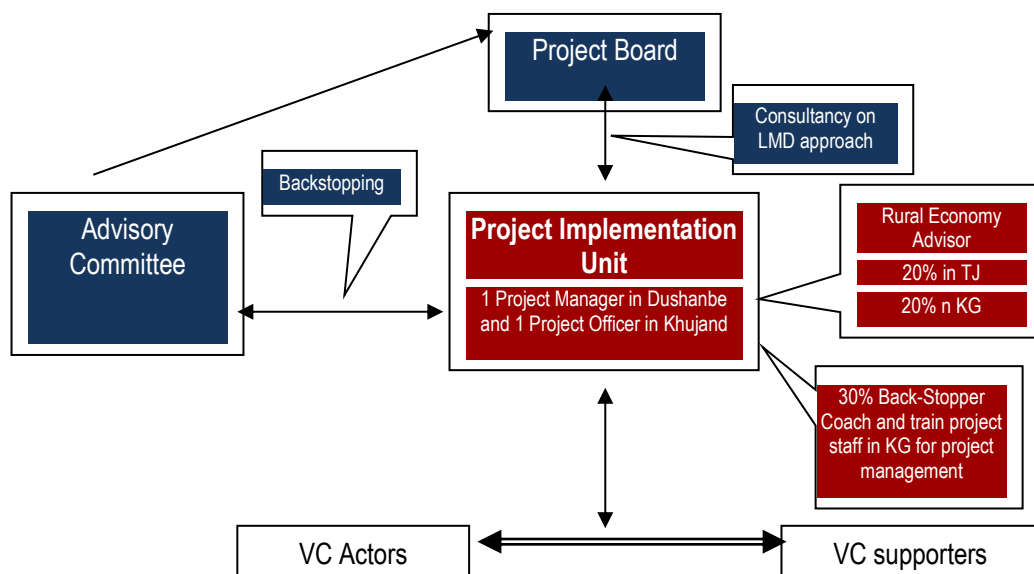


Figure 1. Organizational structure of the Project

3 Chronology 2014

Month	Milestones
January	<ul style="list-style-type: none"> Signing contracts for 2014 with six partner organizations. Total volume of contracts TJS 286,959 / USD 61,055
February	<ul style="list-style-type: none"> Support to Chamber of Commerce of Sugd region and Shahrinay processing company for participation in Prod Expo 2014 exhibition in Moscow Pass DCED pre-review audit
March	<ul style="list-style-type: none"> Support training to partner organizations on 'Facilitation/ Moderation 2 POs (from the South) participated in the training on Financial literacy organized by GIZ GREAT project
April	<ul style="list-style-type: none"> Signing contract with Center of Training and Development of Microfinance in Tajikistan to make arrangements for training on Financial literacy in Khujand for 14 staff of Sugd microfinance organizations and LMD partners (Zarzamin, ASDP Nau). Contract volume USD 2,473 Organize training of partner organizations on DCED standards Organize training to partner organizations on mobile applications Support Agro-Platform in the Sugd region
May	<ul style="list-style-type: none"> Support Training Laboratory by signing contract with PO SAS Consulting for TJS 29,813/ USD 6,211 In partnership with Hilfswerk Austria support grants for study tour to Turkey of PO Zarzamin and a laboratory expert of National Association of Exporters of Tajikistan to attend export fair in Malatiya, June 9–16, 2014 In partnership with the Executive Authorities of Sugd support Information and Advisory Day in one region of Sugd
June	<ul style="list-style-type: none"> Organize and participate in training on GSE for rural development projects, June 4–6, 2014 Partner organizations submitted semi-annual narrative and financial reports Conduct business-to-business forum in partnership with Executive Authorities and Chamber of Commerce of the Sugd region Contribute to organization of Sughd-14 trade fair organized by Executive

	Authorities and Chamber of Commerce of the Sugd Region
July	<ul style="list-style-type: none"> • Submitting of semi-annual reports by POs
August	<ul style="list-style-type: none"> • Mid-term review • Advisory Committee Meeting • Monitoring of POs (South and North) • Support Platform on Agriculture Value Chain Development
September	<ul style="list-style-type: none"> • Participation in the HACCP training organized by British Expertise (PO) • Support International Micro-Finance Forum • Support Information and Advisory Days in the Sugd region
October	<ul style="list-style-type: none"> • Support Platform on Agriculture Value Chain Development
November	<ul style="list-style-type: none"> • Submitting annual reports by POs • Annual planning meeting with partner organizations for 2015
December	<ul style="list-style-type: none"> • 2015 joint annual planning + Steering Board meeting • Interested partners provide their project proposals for 2015

4 Comparison of Expected and Achieved Results

The comparison of expected and achieved results falls into three categories:

I. Results relating to the objectives/ interventions specified in the Phase III Project Document

- Result 1 Increasing the number of farmers who improve production methods
- Result 2 Increasing the number of farmers selling products to processors and the overall volume of produce sold to processors
- Result 3 Facilitating the supply of seed in order to produce crops that are in demand
- Result 4 Facilitating the involvement of export trading companies, while integrating the use of trade agents
- Result 5 Facilitating foreign importers to import produce
- Result 6 Supporting performance improvement of processors
- Result 7 Facilitating partners to apply 'best practices'
- Result 8 Attracting capital into the value chain
- Result 9 Creating mechanisms to establish a more conducive policy environment for the value chain

II. Results of several key on-going project activities from Phase II

- Result 10 Development of savings funds by farmer groups
- Result 11 Developing a monitoring system for processing and trading companies
- Result 12 Development of provision of services to VCOs on payable basis

III. Internal results (monitoring initiatives to increase LMDP delivery capabilities)

- Result 13 Internalization of the M4P approach by LMD staff and service providers
- Result 14 Aligning LMD M&E systems with DCED standards
- Result 15 Full monitoring and analysis of gender and social equity (GSE) issues

4.1 Results relating to the objectives/ interventions specified in the Phase III Project document

Result 1 Increasing the Number of Farmers Who Improve Production Methods

SP	2014						Total # of farmers	
	Farmers mobilized in 2013			Farmers trained the previous year				
	Total	Men	Women	Total	Men	Women		
1	MMK/ATAC	75	53	22	105	22	83	180
2	Mehrangez	90	42	48	692	587	105	782
3	Ghamhori	50	29	21	313	238	75	363
4	Faizbaksh	90	70	20				90
5	Zarzamin	200	73	127				200
6	APPR Nay	259	117	142	129	93	36	388
	Total trained	764	384	380	1,239	940	299	2,003

In a meeting held in Dushanbe and facilitated by Andre Vording, former ICCO collaborator now Fair and Sustainable Advisory Services, it was agreed not to recruit new farmers in 2014, but continue working with farmers mobilized and trained in 2013, since training cycle is 2 years only.

The total number of farmers targeted by the end of 2014 are 2,003, 764 of which were 2nd year farmers (mobilised and trained in 2013). 1,239 farmers got only consultations. 679 (34%) out of the total 2,003 farmers were women.

The average size of plots under crops of supported value chains increased from 0.23 ha per farmer (in 2013) to 0.34 ha per farmer (in 2014). The increase occurred because farmers got knowledge on how to grow and protect plants and were linked with buyers of the produce in 2014.

Result 2 Increasing the Number of Farmers Selling Products to Processors and Traders and Increasing the Overall Volume of Produce Sold to Processors

SPs	No. of farmers under contract with P/T company	Quantity sold to processors under contract	No of farmers under contract with PT company	Volume of contract (tons)	Delivered produce (tons)	Fulfillment of the contracts	Volume per farmers, (tons)
MMK/ATAC	180	1300	180	1,533	1,539	100%	8.55
Mehrangez	782	2400	782	2200	2,447	111%	3.13
Gamhori	404	2000	363	1,770	1,750	99%	4.82
Faizbaksh	310	878	90	319	270	85%	3.00
Total in the South	1,676	6,578	1,415	5,822	6,006	103%	4.24
APPR Nay	388	1130	388	1,240	1,252	101%	3.23
Zarzamin	395	1350	200	230	240	104%	1.20
Total in the North	783	2,480	588	1,470	1,492	101%	2.54
Total for Tajikistan	2,459	9,058	2,003	7,292	7,498	103%	3.74

The Project supported 12 value chains with 12 crops in Tajikistan (except GBAO). In the South of Tajikistan and Rayons of Republic Subordination three Fruit & Vegetable (F&V) processing companies worked with LMD partner organizations: (i) the tomato paste Dangara factory, (ii) the processing company Shahrinay, (iii) Zafariyeb with a focus on vegetables and fruits, and four trading groups (one is a cooperative) focusing on the sales of fresh lemon within the country and to Kyrgyzstan, early onion sales in the South and export to Russia and early vegetables delivered to local markets in Kurgan-Tyube, Dushanbe and Sugd.

In the North of Tajikistan three F&V processing companies focusing on vegetable and fruit processing, namely (i) OJSC Kanibadam, (ii) Khujand Canning Factory and (iii) the cooperative Metar. In addition, two trading groups were included focusing on the delivery of fresh vegetables and grapes to the local markets in the Sugd district.

Compared to 2013, the volume of contracts decreased by 24%, from 9,058 to 7,292 tons. The number of farmers under contract decreased by 22% (from 2,459 to 2,003) compared to 2013. In this regard, some previously mobilized farmers decided to work independently, without project support.

The average delivery per farmer increased from 3.6 to 3.74 tons. This was due to the transition of a two-year training period for the farmers mobilized in 2013 and providing paid advice to farmers mobilized before.

In 2015, the Project will reduce the number of different crops and rather favour value chains suited to involve more women and disadvantaged groups. Further criteria will be labour intensity, profitability of crops, access to processor/trader, farmers' interest to ecologically clean produce.

Result 3 Facilitating the Supply of Seed to Produce Crops that are in Demand

The directors of the seed supply companies participated in the planning and monthly meetings during 2014 year. Service providers promoted seeds supplied by the seed companies on a contractual basis. The total amount of income generated in 2014 was 1,400 TJS.

In 2015, seed supply companies will support service providers with the development of demonstration plots to promote seed. They will participate in Training Laboratory, where farmers will be informed on new varieties and available varieties of seeds available on the local market.

Result 4 Facilitating the Involvement of Export Trading Companies

In connection with the events occurring in the world and sanctions against Russia, interest of Russian export trading companies to the Tajikistan significantly increased. This also contributes to the creation of the Customs Union between former CIS countries, in particular Belarus, Kazakhstan and Russia. Russia is ready to invest in the development of the country and will provide \$6.7 million 2014–2016 to the budget of the United Nations Development Program (UNDP) for the improvement of the wellbeing of one million rural people in nine districts of the Republic of Tajikistan.

Achievements concerning this result are provide under result 5, as the two results are closely linked.

Result 5 Facilitating Foreign Importers to Import Produce

This intervention is interlinked with the previous one. In collaboration with the executive authority of the Sugd region, the Project supported the regional trade fair Sugd – 2014 held from 25 to 26 June 2014 in Khujand. The fair focused on the establishment of co-operation and building of long-term business relations between producers and processors of fruit and vegetables, dairy, meat, and canned products, beverages and products of other industries of the Sugd region, and Tajikistan in general, with trading companies and potential consumers from Kazakhstan, the Russian Federation, Belarus, Kyrgyzstan, Latvia, Poland, China and other foreign countries.

The event was attended by farmers, exporters, representatives of companies producing and

processing of canned products, dried fruits, dairy and meat products, representatives of ministries and departments, international and non-governmental organizations, business associations and the media.

As a result of the fair, the following memoranda/contracts were signed and concluded:

- Machine-building plant Taurus Phoenix from Russia with Samadov Ltd, and Faizi Rasul Ltd. concerning the supply of equipment for packaging apricots and dairy products;
- Agreement between Detavi Ltd. from Belarus and OOO Meva Tilloev for the supply of dried fruits;
- Contract between Tander Ltd. and NGO SAS Consulting for the supply of fresh onions to the chain of Magnit stores in the Russian Federation;
- Memorandum of Cooperation between the Chamber of Commerce of the Sugd region and the International Association The Great Silk Road Trade Asia from Kazakhstan.

Result 6 Supporting Processors to Improve their Performance

In cooperation with Hilfswerk Austria International, the Project financed a study tour of two participants from the Association of Producers and Exporters of Agricultural Products of Tajikistan and Zar Zamin from June 9 to June 15, 2014 to the Turkish province of Malatya. The purpose of the visit was to get acquainted with innovative methods of commercial gardening, laboratory risk analysis and processing of dried fruits. The trip included a visit to one of the leading apricot growers, and a small modern export-oriented enterprise engaged in processing dried fruits. The participants were able to observe the entire cycle – from receiving raw materials to production of the final product ready for export. Particular attention was paid to systems on monitoring of quality and safety of food products, and the laboratories, which carry out testing and quality control of product samples.

In 2014, two participants of local processing enterprises attended training on the implementation of HACCP (until mid 2015) organized by the regional project Development of the Processing Sector in Tajikistan/Kyrgyzstan. HACCP is a food safety standard and part of ISO 22000 standard. If Tajikistan joins the Customs Union, all food companies will be required to meet HACCP standards to be able to sell on the territory of the Customs Union. Therefore, the HACCP standard will become crucial for exporting processing enterprises.

Result 7 Facilitating Partners to Apply Good Practices

In 2014 the Project supported agro-platforms, a training laboratory and the Information and Consultation Days.

2013 showed good results of training in Training Laboratories, and therefore LMD decided to continue support. 15 training sessions were conducted for 272 people (7% women) (employees of banks and micro-finance, farmers, agronomists, and entrepreneurs) under a contract with Neksigol Consulting. The main topics of the courses were on agricultural and private sector involvement. The total income generated through fees paid by participants are 22,950 TJS (76% cost recovery). In 2015 Training Laboratories will be implemented by various LMD partner organizations to overcome exclusivities of the service and develop partners' capacities with regard to market orientation.

Together with the Executive Authority of the Sugd Region in the context of the reorganization of collective dekhkan farms and state farms, the initiative called Information and Advisory Days was organized in 11 out of 14 rural districts of Sugd. The event helped new farms to obtain information on companies and organizations, which provide services in the agricultural sector – agricultural consulting services, banks and micro-loan organizations, leasing companies, suppliers of agricultural machinery and means of productions. Farmers have the opportunity to get familiar with them and to receive answers to their questions from service providers. In 2015, project will also support these events to cover not only Sugd region but also Khatlon.

In partnership with Hilfswerk Austria and OXFAM, a quarterly bulletin was published to share information on activities in the agrarian sector. In 2014, three bulletins were issued. In 2015, the Project will try to involve more parties.

Result 8 Attracting Capital to the Value Chain

For capacity building of farms in financial literacy and responsible borrowing, the Project in cooperation with the GIZ/DFID-funded GREAT project supported a 3-day ToT on Financial Literacy in Khujand for farmers, for interested Tajik micro-finance organizations and LMD partners (Zarzamin, ASDP Nau, SAS). The Project agreed with the GREAT project to co-fund training of 2,000 farmers lacking knowledge in this area; these include farmers cooperating with and being trained by LMD.

Result 9 Creating Mechanisms for Establishing a More Conducive Policy Environment for the Value Chain

The project built a trusting relationship with the Executive Authority of the Sughd Region where Agroplatform meetings were held jointly. This year meetings were held twice and results were F2F forum and “Information and advisory days “ in 11 regions of Sugd oblast.

In the meetings participated not only donors project implemented in the region, but also NGOs, extension advisory companies, represents of cooperatives, tax and custom committees, micro finance institutes, banks and entrepreneurs,. The project will continue agroplatforms in 2015 and they will be not only in Sugd region but also in Khatlon at the Jamoat, district and region levels.

4.2 Results of several key continuing project activities from Phase II

A number of key LMD activities that started during Phase II or even Phase I have not been mentioned among the nine monitored results above. Those activities are on-going and their development is important for the overall project success. The following results merit being mentioned:

Result 10 Development of savings funds by farmer groups

Result 11 Development of provision of services to VCOs on a payable basis

Result 10 Development of Savings Funds by Farmer Groups

SPs	Achieved by end 2013				Target in 2014			
	No. of savings groups	No. of farmers in savings groups	Total savings (TJS)	Average savings/ farmer (TJS)	No. of savings groups	No. of farmers in savings groups	Total savings (TJS)	Average savings/ farmer (TJS)
ATAC	12	180	6,293	35	12	180	7,800	43
Mekhrangez	26	402	88,400	220	26	402	110,510	275
Ghamkhori	25	404	38,397	95	22	363	43,840	121
Faizbaksh	8	188	2,900	15	6	90	1,800	20
ASDP Nau	16	240	13,200	55	18	270	17,100	63
Zar Zamin	8	132	14,000	106	10	200	6,000	30
Total	95	1546	163,190	105	94	1,505	187,050	124

The above table shows that 73% of farmers involved in the Project have saving funds. Savings per farmer in the groups of the POs increased from 105 TJS in 2013 to 124 TJS in 2014. This can be explained as a result of capacity building for POs on savings fund development conducted by Ghamhori (PO) in November 2013. POs learned about required documentation, how to be sustainable in savings groups, development of business plans for the savings fund groups, how

group members should be transparent with each other and how to monitor and evaluate activities of the groups.

Result 11 Development of Provision of Services to VCO on a Payable Basis

Organization	Targeted in 2014						in 2013
	Payments from farmers (TJS)	Payments from processors & traders (TJS)	Other payments (TJS)	Total payments (TJS)	Total budget (TJS)	% cost recovery	% cost recovery
ATAC	6845	3655	500	11000	25748	43%	13%
Mekhrangez	1620	6800		8420	37309	23%	11%
Ghamkhori	1420	300	500	2220	31074	7%	7%
Faizbaksh		9030		9030	31919	28%	19%
APPR Nay	2100	12520	400	15020	32805	46%	29%
Zarzamin	2000	2080		4080	34362	12%	-
Total	13985	34385	1400	49770	193217	26%	15%

In November 2013 Project partners participated in planning 2014 activities. Six partner organizations were selected for 2014. The Project used a previously established system of payment utilized in Tajikistan. Payment is based on contract fulfilment, specifically the delivery of contracted produce to processing and trading companies. This year average payment was about 0.03 TJS/kg.

Budgets were provided to partners for training and consultations to farmers mobilised earlier. The total amount of cost recovery through services had to be at least 30% of the budget provided. The table above shows that average cost recovery for the budget provided are 26%. ATAC has cost recovery of 118% while PO Zarzamin had only 12%. In this regard, it needs to be clarified that Zarzamin mobilised farmers only in 2013 and 2014 was their second year. The Project budget was covered by income from other sources as a result of the previous year's training courses (e.g. on Price List Development), where partners gained knowledge and skills on the calculation of prices for services, taking into account factors affecting the cost of those services.

4.3 Internal Results

These are results that did not *directly* affect the Project beneficiaries, but increased internal Project capabilities to provide effective interventions. Three such results are mentioned in the Project Document: (i) internalization of the M4P approach by LMD staff and Service Providers; (ii) aligning LMD M&E systems with DCED standards; and (iii) full monitoring and analysis of GSE issues.

Result 14 Aligning LMD M&E Systems with DCED Standards

Pre-review audit was conducted in February 2014 by DCED auditor TY Makararavy. According to the debriefing / recommendations, an action plan was developed and recommendations implemented. One of the recommendations was to develop partners' knowledge and skills and attitude in Measuring Result Standards of the Donor Committee for Enterprise Development (DCED) in the monitoring system of LMD. Training was provided by Project Manager Jamilya Yusupova. Partner organizations gained an understanding on DCED – rationale and principles, implications of the approach for their work and organization, elaborated result chains for their organizations, measurement plan, indicators for monitoring.

In collaboration with the Kyrgyz LMD project and Jane Gisin, monitoring specialist in HELVETAS KG, the missing documents required to fulfil the DCED standards were developed to a substantial extent, although in 2015 some remaining work will be required. Other recommendations included the redesign of existing result chains (based on the intervention logic), and therefore per partner-based ones were developed. It helps partners better to understand the whole picture of the Project

and what the Project will achieve at the end.

As there is no common database for the two countries for 2012 and 2013 and there are problems with the database in KR, it was decided to further collect the same information in both countries. Therefore questionnaires for the two countries were updated, and instructions issued on how partner organizations should fill them in. Information provided in 2014 was updated using the previous database, (developed 2008 in ACCESS). It is foreseen that the information for 2013, would also be introduced and analysed through the ACCESS program, so that in the end a complete set of data from both countries for all LMD years would be available.

Maja Ruegg reserved 40 hours of LMD consultation for Value Chains/ Market Development in 2015. The Project plans to pass the DCED audit in the third quarter of 2015.

Result 15 Full Monitoring and Analysis of Gender and Social Equity (GSE) Issues

To promote GSE in LMD, the Project elaborated a GSE plan and organized training from June 4–6, 2014 for partner organizations with Jane Carter, HELVETAS GSE Coordinator. Partner organizations are now familiar with the eight key GSE principles of HELVETAS Swiss Intercooperation and understand the rationale behind them, examined the tools Gender Analysis and WEE in M4P, tested them in the field and determined the next steps. As in the current LMD Phase, partner organizations cannot mobilize new farmers, some of the principles cannot be considered. It can just be assessed to what extent the existing LMD farmers fulfil the GSE indicators.

Partners will in 2015 provide trainings for employees of their organizations. LMD questionnaire was updated with gender related questions.

5 Mid-Term Review

From August 17 till 28, 2014 the Consultants André Vording (former ICCO collaborator, now with Fair & Sustainable Advisory Services) and Peter Schmidt (HELVETAS Swiss Intercooperation) were mandated to conduct a Mid-term Review (MTR) of LMD in Tajikistan and Kyrgyzstan. The Project is in the middle of its third phase and is jointly funded and implemented by ICCO and HELVETAS. The main purpose of the review was to ...

1. assess LMD's relevance
2. discuss sustainability with particular attention to the match-making function
3. review certain implementation aspects
4. express their view on the added value of the M4P approach and compliance with the DCED standards
5. review the inclusiveness of the Project in terms of GSE and
6. provide perspectives for LMD in Kyrgyzstan (phasing out) and Tajikistan (with regard to possible next phase).

The MTR provided the following main recommendations:

- Foresee a next phase of LMD in Tajikistan (if the interventions can't be integrated in other externally funded projects)
- pursue the revision of LMD's M&E system and compliance with DCED standards
- maintain partnership between ICCO and HELVETAS pragmatically, according to opportunities and based on locally/ regionally taken decisions.

6 Lessons Learned and Conclusions

Lessons learned	Conclusions and recommendations
Result 1 – Increasing the number of farmers who improve production methods	
Some of POs mobilized farmers trained by other projects	Partner organizations linked trained farmers with the processors /traders. They are concentrating on consultations provided to increase the quality of the consultations as a result of fees.
Result 2 – Increasing the number of farmers selling products to processors and increasing the overall volume of produce sold to processors	
Due to dividing contracts, POs start to negotiate with processors/traders on payments	SPs operate as a real value chain actor (not only as supporters)
No new farmers was mobilized in 2014	POs linked farmers trained by other development projects with processors/traders
Result 3 – Facilitating the supply of seed to produce crops that are in demand	
POs provided cumulative procurement of seeds to farmers	POs were paid by seed supply companies for services provided
	Certified seed is still an issue on the market. A major supplier of certified seed is Syngenta Seeds (branch of Neksigol Mushovir Ltd.) Other companies bring seeds illegally, which means that they are not certified.
Result 4 – Facilitating the involvement of export trading companies	
Tajik produce has a market potential	To attract Export Trading companies, Tajikistan should follow international standards in selling/ buying procedures and also develop one Tajik brand which will be promoted at exhibitions, trade events. With support of the Aid for Trade Project-UNDP in Sugd, the brand “Sugd-Valley of Opportunities” was developed. The Project will cooperate with Sugd authorities and the Aid for Trade Project on next steps towards sustainability and promotion.
	To attract local export trading companies, the Project cooperated with the British Expertise Project in Tajikistan on promoting development of small and medium enterprises (SMEs) involved in the food processing sector in the South of Tajikistan, e.g. on Food Safety/ HACCP and marketing.
Result 14 – Aligning LMD M&E systems with DCED Standards	
DCED requirements were not fulfilled according pre-review audit	Project staff with support from HO (Maja Ruegg) will follow developed action plan to pass DCED audit planned for 2015.
Accuracy and reliability of data from direct beneficiaries is questionable	For cross-checking collected data, the Project will use random sampling survey.

Developed database does not have relevant information about farmers mobilized in 2013	The project has to update the ACCESS form used for project data in since 2008 according to 2014 questionnaires.
	One questionnaire will be for two countries

7 Outlook to 2015

2015 is the last year of Phase III of the LMD Project. In 2015 the project will choose equity favouring value chains to increasingly involve women and disadvantaged groups. The Project will also continue to promote ecological sustainability of farming through IPM training. The diversified models of the 'match-making function' evolving in Kyrgyzstan will be studied and transferred/adapted for needs in Tajikistan. The Project will analyze the farmers' questionnaires required by DCED standards. After we complete all the DCED documentation we'll identify an auditor to conduct the audit in the third quarter of 2015. Together with LMD Kyrgyzstan a harmonization of the M&E systems in both countries will be further pursued. Both LMD country teams plan to have regular exchange and joint reflection through regular skype meetings. Peer monitoring of Tajik and Kyrgyz partner organizations will be organized in 2015.

Meeting with partners has shown that not all partner organizations have a strategy. Therefore, the Project will carry out training for POs to develop their strategies. Also in view of increasing cooperation with trading companies, POs will be trained on "How to negotiate with the traders".

In 2015, the Project will continue to work closely with public authorities in both areas of the country through agro-platform meetings, which will held not only at Oblast level but also at Jamoat levels to increase awareness of farmers. Information and advisory days will be continued and expanded to the Khatlon region.

As in 2014, a Face-to-Face event in the north of the country is planned for June 2015. In connection with this, LMD Project Officer and 3 directors of Khatlon processing companies will attend ProdExpo in Moscow from 9–13 February 2015 to understand market trends and establish new trade relations.

LMD will continue to publish the quarterly bulletin with the involvement of additional contributors.

In August 2015 will be planning of next phase of the LMD project. The project is looking for a new donor funding for the next phase of the project.

Attached 1.

Volume for farmer, tons

No	Name of POs	Totamo	Cucumbe	Onion	Potator	Cabbage	Green	Total vegetables		Lemon	Grape	Watermel	Apple	Apricot	Total fruits		Grand
		PC	PC	TC	TC	TC	house	PC	TC	TC	TC	on	PC	PC	PC	TC	Total
1	MMK/ATAC	7,34	6,03	12,00		10,50		6,80	26,11				3,33				8,55
2	Mehrangez			7,65					7,65	0,39						0,39	2,81
3	Chamhori				3,91		8,37		6,94	0,99	3,04	35,29				3,42	9,13
4	Faizbaksh	2,78						3,00									3,34
5	APPR Nay	0,06						0,07									3,25
6	Zarzamin													0,17	0,17		1,15
	Total, tons	1,60	6,03	7,88	3,91	10,50	8,37	2,07	10,35	0,53	3,04	35,29	3,33	0,17	0,15	2,07	3,73