



The project is funded by the European Union

Central Asia Invest Programme

Interim Report

Development of the Fruit and Vegetable Processing Sectors in Kyrgyzstan and Tajikistan (DFVP)

December 2014

1. Description

- 1.1.** Name of beneficiary of grant contract: **British Expertise, UK**
- 1.2.** Name and title of the Contact person: **Tracey Smith, Chief Executive**
- 1.3.** Name of partners in the Action: **Association of Food Industry Enterprises, Kyrgyzstan, and National Association of Small and Medium Businesses (NASMB), Tajikistan**
- 1.4.** Title of the Action: **Development of the Fruit and Vegetable Processing Sectors in Kyrgyzstan and Tajikistan (DFVP)**
- 1.5.** Contract number: **DCI-ASIE/2013/315-346**
- 1.6.** Start date and end date of the reporting period: **01.01.2014 – 31.12.2014**
- 1.7.** Target country(ies) or region(s): **Kyrgyzstan and Tajikistan**
- 1.8.** Final beneficiaries &/or target groups:
Target groups: (1) BIOs providing services to F&V processing SMEs and (2) F&V processing SMEs.
Final beneficiaries: (1) Populations of Kyrgyzstan and Tajikistan benefiting from the availability of more diverse and safe locally-produced processed F&V; (2) Relevant government authorities benefiting from an improved legal basis and protected national producers; (3) Consumers in other countries benefiting from good quality, safe, processed F&V from Kyrgyzstan and Tajikistan.
- 1.9.** Country(ies) in which the activities take place (if different from 1.7): **Kyrgyzstan and Tajikistan; UK and Poland (study tours).**

2. Assessment of implementation of Action activities

2.1. Executive summary of the Action

The project "**Development of the Fruit and Vegetable Processing Sectors in Kyrgyzstan and Tajikistan**" (DFVP) is being implemented in the framework of Central Asia Invest Programme (CAI) III funded by the European Union (EU).

There are three implementing partners of the project: British Expertise (BE), UK (non-profit organisation, the Applicant); Association of Food Industry Enterprises, Kyrgyzstan (non-profit organisation, Partner) and National Association of Small and Medium Businesses (NASMB), Tajikistan (non-profit organisation, Partner). 1 January 2014 is considered as the start of the project Inception Phase.

The project is a follow up on the previous project implemented in the framework of Central Asia Invest II by British Expertise in partnership with BIG (non-governmental organization (NGO) "Business Intellect Group", Kyrgyzstan) in Kyrgyzstan in 2011-2012. The approach to build on results achieved in Kyrgyzstan in the framework of the previous CAI project and to transfer the experience from Kyrgyzstan to the South of Tajikistan remains valid and is being reported during the course of the project implementation.

The key activities implemented during the Year 1 of the project implementation were focused on target groups' needs assessments, update of the legal developments in fruit and vegetable (F&V) processing sectors in Kyrgyzstan and Tajikistan, intensive capacity building programme in food safety/HACCP and marketing for selected target groups in Kyrgyzstan and Tajikistan, market research in Kyrgyzstan undertaken on the basis of target groups' needs analysis, development of database on F&V processors/SMEs in the South of Tajikistan (target region selected by the project in consultation with the Tajik Project Partner); selection of two pilot SMEs in each participating country, consultancy support to selected pilot SMEs in Kyrgyzstan aimed at practical introduction of HACCP, start-up of consultancy work with selected pilot SMEs in Tajikistan, study tour to the UK for the Project Partners and selected heads of pilot SMEs from Kyrgyzstan and Tajikistan, development of the project database, exchange of best practices through exchange visits Kyrgyzstan – Tajikistan and South-North in Tajikistan aimed at gaining experience from more advanced F&V processing SMEs, networking activities, partnerships building, visibility actions and information dissemination.

The project is well on track towards achievement of its planned results and objectives. A detailed description of all actions undertaken, progress achieved, as well as slight deviations/modifications in the scope of activities, some challenges faced by the project and risk factors compared with those originally identified at the stage of project development stage, are presented in the following sections of this report. The report also includes the updated Work Plan for the Year 2 of the project implementation and the revised logical framework.

2.2. Activities and results

This section of the report presents an overview of all activities implemented during Year 1 of the project and the progress made towards achievement of the planned results. As the project is mid-term in its timeframe, focus is made on outputs produced which will lead to the achievement of planned results by the end of project implementation (see the Overall Work Plan of the Action). Minor modifications and/or prolongation of selected activities (where relevant) are described.

Those modifications which have been made in formulation of some activities and/or adjustments in activity groups made in the Inception Phase are presented separately, in sub-section "Reasons for modification of the planned activities", which follows.

All experts' reports with target groups' feedback analysis and other major project deliverables were attached to internal bi-monthly reports and sent to all project stakeholders.

Activity group 1 – project launch, team mobilisation and work plan finalization

The Inception Phase of the project originally planned for three months was extended by two months. It was considered beneficial to good implementation of the project to take the time necessary at project start-up to put in place agreements with both Project Partners on all project implementation aspects, management and logistical arrangements, as well as an updated division of responsibilities for all project activities. Moreover, the analysis of updated status of food safety and other legal developments in protection of national producers' field (in Kyrgyzstan, in particular) undertaken during the Inception Phase resulted in the adjustment of few activities answering the needs of beneficiaries.

The two additional months were also used for all preparations required for active start of activity groups 4-10. In fact, this additional time was focused on activities beyond the Inception Phase and this is fully reflected in the project Inception Report.

During the Inception Phase, all project experts were mobilized. Detailed Terms of Reference (TOR) were prepared for each international expert, and discussed and agreed with each expert involved. Implementation agreements were drawn up between British Expertise, the Applicant and the two Project Partners.

An updated Work Plan for Year 1 developed at the stage of project preparation was finalized and agreed between the Applicant and both Project Partners. Its modified version was presented in annex 2 of the Inception Report. All modifications are consistent with the original project framework (see sub-section "Reasons for modification for the planned activities" below for more details).

The project Steering Committee was established. It was decided by the project team that it will be kept internally and will consist of the Project Director and Coordinator from British Expertise, Project Partners' Coordinators from Kyrgyzstan and Tajikistan, all experts and management of both partner organizations. For the project annual and final conferences, a broader range of relevant stakeholders is envisaged to present the progress/results of the project and share experience.

The initial stakeholders' workshop with project presentation and its planning combined with the First Steering Committee meeting was successfully held in Bishkek on 30 June 2014 (activities 1.3 and 1.4). It was widely attended by the relevant governmental authorities, donor-funded projects and participating SMEs and BIOS. In order to inform all participants in the project, key target groups (relevant BIOS and SMEs), as well as other relevant key stakeholders about project objectives, scope of tasks, schedule and results to be achieved, it was decided to organise an initial workshop/kick-off meeting at the beginning of the first training session (month 6). This gave the opportunity to increase overall understanding of the tasks by all relevant stakeholders aimed at maximising benefits for target groups and final beneficiaries.

Summary of outputs/deliverables/activity group's intermediate results:

All outputs planned for the activity group 1 have been delivered in line with indicators of the logframe, (but not limited to) namely:

- Experts' team is mobilized and detailed TORs are developed, as well as the detailed work plans for each required expert's input (activity 1.1);
- Consolidated work plan for the whole team/updated project Work Plan for Year 1 developed (activity 1.2);
- The Project Steering Committee is established (activity 1.3);
- Initial stakeholders' workshop with project presentation/kick-off meeting held;
- Inception Report is prepared and disseminated (activity 1.5).

Activity group 2 – Target groups selection and needs assessment

Initial meetings with the key project stakeholders including governmental agencies and all relevant donor-funded projects working in various directions related to F&V processing sectors in Kyrgyzstan and Tajikistan have been held in two countries and their relevance to the project and areas of potential synergies were identified and discussed. All stakeholders were contacted, their relevance to the project and potential opportunities for cooperation were analysed and summarised in annex 1 of the Inception Report. This analysis allowed the determination of the roles of key relevant stakeholders in the project (see section 3 for more details).

Detailed criteria for target group selection (for BIOs and SMEs) were developed as a result of an updated analysis of the external environment in F&V processing sector (mainly in the food safety field) and bearing in mind future joining of the Customs Union¹ with Russia, Kazakhstan and Belarus by Kyrgyzstan, interviews with the project stakeholders at various levels and the experience/lessons learnt from the previous CAI project.

Based on the criteria developed, updated situation and detailed interviews mentioned above, the list of capacity building participants (business intermediate organization (BIOs) and small and medium enterprises (SMEs)) was drawn up. It is important to stress that in Kyrgyzstan more than 50% of participating BIOs and SMEs have been selected from those trainees who took part in the former CAI project implemented by British Expertise in 2011-2012. Thus the project ensures a follow up approach in food safety/HACCP and marketing capacity building in this participating country where advanced level of capacity building has been developed taking into account the former experience gained in this field already.

One of the findings of the Inception Phase common for both participating countries identified during the needs assessment stage concerns the involvement of selected representatives from the state authorities in charge of food safety control and management, as well as academic institutions related to food technologies to the project capacity building programme. In a view of ensuring sustainability of the project efforts and contributing to the future availability of highly professional experts in food safety for multiplier effects - this involvement is unavoidable. Without in-depth understanding of the food safety management system which involves stakeholders from the private sector and relevant governmental authorities, support services and academia, the introduction of food safety will be extremely problematic and slow.

A general needs assessment for capacity building, consultations and all specific activities modified has been completed. However, some needs are still evolving as a result of the project progress (for instance, (1) additional need and commitment to development of a common brand for F&V processing SMEs in the South of Tajikistan has appeared following exchange visit to Kyrgyzstan where a common brand is being successfully used by the majority of members of the Association of Food Industry Enterprises, the Project Partner; (2) enlarged group of participating SMEs will work directly with the project marketing expert compared to originally planned support to pilot SMEs only). This is fully in line with the project flexibility and needs-based approach to the project intervention.

As emphasised in the project approach at the stage of the project concept development, it was decided to make marketing aspects of the project capacity building programme completely needs-based. Therefore, detailed questionnaires were developed for participating SMEs and BIOs, analysed and thus a solid basis for the development of capacity building programme in marketing was built. The summary of this analysis and topics determined for the project capacity building in marketing was presented in annex 5 of the First Project Update (months 6-7).

¹ The Customs Union – “Eurasian” Union established in November 2009 between Russian, Belarus and Kazakhstan

Summary of outputs/deliverables/activity group's intermediate results:

All outputs planned for the activity group 2 were delivered in line with indicators of the logframe, (but not limited to) namely:

- Review of the most updated situation in F&V processing SME sector and new political context in Kyrgyzstan and Tajikistan undertaken (not originally planned but this need was identified during the Inception Phase);
- Contacts with relevant stakeholders established and their roles in the project identified (activities 2.1; 2.2 and 2.5);
- Criteria for selection of capacity building participants and pilot SMEs developed (activity 2.3);
- The target groups for capacity building programme formed (activity 2.4);
- Training and consultancy needs assessment undertaken (activity 2.6).

Activity group 3 - Analysis of internal and regional/international market opportunities in the SME F&V processing sector

This activity group was extended from July-December 2014 (months 7-12) in Year 1 (during the Inception Phase) to allow a thorough approach for consideration of all research points specified by the project target groups at the stage of market research needs assessment.

Activity 3.1 (Analysis of internal market in F&V sector): it was agreed with both Project Partners that it is important to carry out these tasks on a continuous basis thus allowing an output of real value for the project target groups and beneficiaries to be produced.

An analysis of internal and external markets (activities 3.1 and 3.2) was completed in Kyrgyzstan in close cooperation between the project international and local marketing experts.

For Tajikistan, based on thorough needs assessment, it was decided to focus the research of internal market on a detailed study of the F&V processing sector in the South region of the country as this information is completely missing at the national level (see section 3 for more details). Moreover, this approach is in line with "flexibility" approach emphasised by the project since the start.

It was decided to proceed with the research of internal market in Tajikistan in two main phases, on more continued basis - "step by step": (1) development of a database of the F&V processing sector in the South region of the country (on F&V producers, volumes and assortment of F&V processed products, key markets, prices etc.) because this information does not currently exist and (2) thorough analysis of the internal market based on a detailed picture received from the finalized database. The initial work undertaken (in phase 1) showed considerable gaps in information on F&V processing SMEs' products, input suppliers, markets and volumes of production etc. This has implications on potential regional and international market opportunities. It is believed that the results of the market research will give a clear vision on realistic market opportunities.

Work on phase 1 (activity 3.1) in Tajikistan has been completed and will be continued (phase 2) in Year 2.

All needs and opportunities in marketing have been summarised and analysed for further capacity building and consultations on request basis (activity 3.3, completed in both participating countries). The final analysis has been placed on the websites of both Project Partners.

Summary of outputs/deliverables/activity group's intermediate results:

The outputs planned for Year 1 for the activity group 3 have been delivered in line with indicators of the logframe (but not limited to) and/or will be continued in Year 2, namely:

- Market needs assessment for capacity building, consultancy support and market research has been completed in Kyrgyzstan and Tajikistan (activity 3.3: analysis report is produced, annexes 5 and 6 of the First Project Update and placed on websites of both Project Partners);
- Market research in Kyrgyzstan has been done; Market research publication has been issued and disseminated to all relevant stakeholders (local market and selected positions of external market on request of the project target groups, activities 3.1 and 3.2);
- Phase 1 of market research in Tajikistan has been completed (activity 3.1).

Activity group 4 – Capacity building for BIOs in management, business and other client-oriented tools and techniques (ToT)

A detailed study into BIOs' needs (activity 4.1) was carried out in accordance with the adjusted Work Plan and the results of the needs assessment were incorporated in annex 5 of the First Project Update.

Capacity building in management, business client-oriented tools and techniques started in month 9 as planned (activity 4.2) in the framework of the second session of the project capacity building programme (annex 3 of the Second Project Update, Marketing expert's report). The sessions formed an integral part of the third capacity building session (months 11-12) and this approach will be continued in Year 2 and duly reported.

Activity 4.3: The candidates for the study tour were selected and consisted of both Project Partners and selected SMEs from Kyrgyzstan and Tajikistan (pilot SME "Dessert" from Kyrgyzstan and pilot SME "Aqua Juice" from Tajikistan). The UK study tour programme was finalised in October 2014 (annex 4 of the Second Project Update).

The UK study tour was successfully carried out from 19-25 October 2014 and very positive feedback was received from the delegates.

Summary of outputs/deliverables/activity group's intermediate results:

The outputs planned for Year 1 for the activity group 4 were delivered in line with indicators of the logframe (but not limited to) and/or will be continued in Year 2, namely:

- All modules for training sessions have been developed (activities 4.1 and 4.2);
- Two training sessions have been held (activity 4.2);
- Expert's reports with feedback analysis have been incorporated into reports on marketing/management trainings (First and Second Project Updates);
- The study tour to the UK has been successfully held.

Activity group 5 – Capacity building in food safety

Three of five training sessions have been held as planned for Year 1 and all sessions were widely attended and highly appreciated by participating SMEs and BIOs in both countries.

On average (the numbers vary slightly from one training session to another, up to 10%), participation of the project target groups in food safety capacity building sessions can be summarised as follows:

In Kyrgyzstan, 5-6 BIOs, 12-15 SMEs and 7-8 representatives of other relevant organizations took part in the first capacity building session. Around 30% of participants

were represented by two persons thus demonstrating great interest and commitment to study and apply HACCP in practice.

In Tajikistan, 3-6 BIOs, 6 SMEs and 6-7 representatives of other relevant organizations (Tajik Standard, Tajik Technological University) took part in the first capacity building session.

Food safety expert's reports with detailed participants' feedback analysis were attached to the First and the Second Project Updates.

Overall, the interest to food safety/HACCP trainings is growing (this is particularly relevant to Kyrgyzstan where rapid developments of relevant legal basis in food safety field forces SMEs food processing sector to introduce HACCP on urgent basis).

Summary of outputs/deliverables/activity group's intermediate results:

The outputs planned for Year 1 for the activity group 5 were delivered in line with indicators of the logframe (but not limited to), namely:

- Up to 12 BIOs, 21 SMEs and 15 representatives of other relevant stakeholders are being capacitated in food safety;
- Three of five training sessions have been held;
- Two food safety expert's reports have been produced and participants' feedback analysed (annex 4 of the First Project Update and annex 2 of the Second Project Update); the third report is under preparation.

Activity group 6 – Capacity building in marketing

Activities 6.3, 6.4 and 6.5 started from month 9 (originally planned from month 6) following a thorough needs analysis and needs-based programmer preparation (activity 6.1). This change is reflected in the adjusted Work Plan for Year 1 presented in the Inception Report.

Activity 6.2 - "Studying of successful marketing strategies of participating target groups and using them for capacity building as best practices" was started up but feedback analysis and actual training process has showed either absence or unwillingness of capacity building programme participants to share their marketing strategies or strategic planning elements (see also sub-section "Reasons for modification of planned activities" below for more details). Therefore, relevant examples of similar SMEs working in similar conditions in other countries have been studied and used and will be further used for case studies unless the trainees will become more open. However, during the training sessions participating SMEs provided examples of various elements of their marketing activities contributing to the learning process.

Two of four training sessions have been held as planned for Year 1 and all sessions were highly appreciated by participating SMEs and BIOs in both countries. The statistics of participation in the same as for activity group 5 (as mentioned above).

The second marketing training session included degustation panel – testing of F&V processed products produced by participating SMEs with broad discussion on positive and negative aspects of taste and marketing presentations. This tool has proved to be very effective for improving quality and marketing leading to increased competitiveness of these products at the market (this tool was also successfully used in the framework of the previous CAI project in Kyrgyzstan).

The second marketing training session (months 11-12) also included the seminar with market operators – supermarkets (in Kyrgyzstan) and with supermarkets, hotels and restaurants in Tajikistan aimed at linking participating SMEs with market operators thus increasing potential market opportunities and improving SMEs' positions at the market. Such a "business to business" approach has been tested and will be further continued with the project support in Year 2.

Summary of outputs/deliverables/activity group's intermediate results:

The outputs planned for Year 1 for the activity group 6 were delivered in line with indicators of the logframe, (but not limited to) namely:

- Up to 12 BIOs, 21 SMEs and 15 representatives of other relevant stakeholders are being capacitated in marketing;
- Two of four training sessions have been held, including degustation panels in both participating countries;
- One marketing expert report has been produced and participants' feedback analysed (annex 3 of the Second Project Update); the second report is under preparation;
- Seminars with market operators have been held in Kyrgyzstan and Tajikistan.

Activity group 7 – Advisory services to F&V processing SMEs

A slightly modified formulation was proposed for activity 7.1 for Kyrgyzstan under recommendation of the Kyrgyz Project Partner. The new formulation is "Planning seminars with input suppliers for pilot SMEs" (7.1 A) during the Inception Phase.

This seminar was successfully held in Bishkek on 3 December 2014 in cooperation with Helvetas and agreements were reached between participating SMEs and input suppliers on future contracts.

Considering the less advanced level of F&V processing SMEs at the South of Tajikistan, the similar activity 7.1B for Tajikistan will start at the beginning of Year 2 but all contacts with inputs suppliers have been identified and arrangements made in months 11-12 of Year 1.

Activity 7.2 "Preparation and delivery of seminars/trainings in new types of F&V processing equipment (for BIOs/SMEs)": the need in this topic was identified in the framework of the previous CAI implemented by British Expertise in partnership with BIG, Kyrgyzstan in 2011-2012. A successful seminar on new types of F&V processing equipment was held on 15 September 2014 in Bishkek. The companies invited represented the best international equipment providers with representations in Kyrgyzstan and Central Asia. It was highly appreciated by all trainees. All materials and contact details of invited equipment companies were provided to trainees.

The information on new types of F&V processing equipment (activity 7.2), although this activity was not focused on Tajikistan, was presented in detail during the third training session in Dushanbe following participation of the Project Partner (NASMB) in World Food Kazakhstan" exhibition (see activity group 8 for more details). All contact information was distributed to interested participating SMEs.

Two pilot SMEs have been selected in Kyrgyzstan for direct support in food safety and marketing aspects (activity 7.3). These are (1) F&V processing enterprise "Dessert" and (2) sugar beet processing enterprise "Kaindy Kant". Both pilot SMEs have been selected on the basis of detailed criteria developed during the Inception Phase and have signed letters of commitment to participate in the project as pilot SMEs and to fulfil project requirements reflected in the selection criteria.

In Tajikistan, the project focus on the South region was by definition a challenging task and this was explained in the Inception Report. F&V processing SMEs there face serious difficulties with lack of investment funds, knowledge of advanced marketing strategies and export-orientation. In view of this, and because of a lack of openness and commitment for changes from the SME side, a thorough selection of pilot SMEs in Tajikistan required from the project more time and effort than envisaged. Therefore this activity has been extended to months 8-9 and two pilot SMEs have been selected: SME "Aqua Juice" and "Kurgan-Tubinskiy food enterprise".

All pilot SMEs have signed letters of commitment to participate in the project as pilot SMEs and to fulfil project requirements reflected in the selection criteria and these letters were attached to the First and the Second Project Updates.

Field visits to all pilot SMEs (activity 7.4) were carried out by the project's experts, the Project Partner and by all project trainees to "Dessert" SME. Joint practical work was discussed and agreed.

Work is on-going with two pilot SMEs in Kyrgyzstan (activity 7.5). To date the following work has been undertaken in Kyrgyzstan in close cooperation with the project Food Safety expert and volunteers from BIOs participating in the project capacity building programme:

- **Pilot enterprise "Dessert":**

1. Requirements of ISO 22002-1 standard.

- 1.1. The management of "Dessert" adopted a plan of activities to implement. A list of proposals regarding improvement of food hygiene on this enterprise was prepared by the Project. Most of these activities were planned for 2014 but some of them need reconstruction of premises and production lines and thus the deadline for those activities is the end of 2015.
- 1.2. Approximately 30% of the above-mentioned proposals regarding utensils, washstands and pest control have already been implemented.
- 1.3. Drafts of ten pre-requisite programs are ready. Drafts of an additional five pre-requisite programs, which are required by standard ISO 22002-1, are in the process of preparation.

2. Requirements of ISO 22000 standard.

- 2.1. Responsibilities and authorities of all members of food safety team are defined.
- 2.2. Draft of HACCP plan for apple juice is ready.

3. Other issues.

- 3.1. Draft of Food Safety Manual is ready.

- **Pilot enterprise "Kaindy-Kant":**

1. Requirements of ISO 22002-1 standard.

- 1.1. Drafts of five pre-requisites programs required by ISO 22002-1 standard have been prepared.
- 1.2. Renovation of some equipment which influences product safety has started.

2. Requirements of ISO 22000 standard.

- 2.1. Draft HACCP plan for sugar is ready.
- 2.2. Drafts of two key standard operational procedures have been prepared.

3. Other issues.

- 3.1. Draft of Food Safety Manual is ready.

The work with Tajik pilot SMEs will start in Year 2 as more time is needed for them to be trained prior to start of practical work on development and introduction of HACCP.

Summary of outputs/deliverables/activity group's intermediate results:

The outputs planned for Year 1 for the activity group 7 have been delivered in line with indicators of the logframe (but not limited to), namely:

- Criteria for pilot SMEs' selection have been developed (annex 4 of the Inception Report);
- Four pilot SMEs have been selected in total;
- The seminar on new types of F&V processing equipment has been held in Kyrgyzstan;

- Seminar with input suppliers has been held in Kyrgyzstan;
- Work is half-way with pilot SMEs in Kyrgyzstan (see above the details).

Activity group 8 – Exchange of best practices and experiences

It has been decided to keep the timeframe of this activity group flexible: these activities started in Year 1 and will be continued in Year 2 through exchange of best practices and experiences between two participating countries: within Kyrgyzstan and Tajikistan and between both countries.

An exchange visit for selected participating SMEs from the south (the project target region) and representatives of the Tajik Technical University to the North of Tajikistan took place in month 10 (activity 8.1). It was aimed at gaining experience by participating SMEs from the south of Tajikistan from the more advanced and export-oriented northern region, where a number of SMEs (mainly in the dried apricot sub-sector) have HACCP and ISO 22000 certification.

In addition, four Kyrgyz SMEs from the south of Kyrgyzstan which keep close business links with the north of Tajikistan have joined this exchange visit. It is important to mention that this exchange visit is organized with the support of Hilfswerk Austria International, actively working in the north of Tajikistan and is seen as an example of cooperation between relevant donor-funded projects and CAI projects in particular. All participants of the exchange visit highly appreciated this opportunity which has allowed them to gain a lot of useful practical knowledge for the improvement of their businesses.

Degustation panels (activity 8.2) have been held in both countries in months 11-12 in the framework of the second marketing capacity building session, well attended by media. This training tool was aimed at identifying positive and negative aspects of F&V processed products produced by participating SMEs in Kyrgyzstan and Tajikistan and will be further used in the framework of the project and beyond by SMEs for promotion of their products and market expansion.

Exchange visits to selected SMEs (activity 8.3) have been held. Tajik participating SMEs were invited to the capacity building session in Kyrgyzstan with field visits to the pilot SME "Dessert" and one of the most advanced and famous producer of tomato paste in Kyrgyzstan – SME "Ailana" (the project capacity building programme participant) and thematic seminars (see activity group 7). A field visit to the above SMEs was organized for all training participants and was accompanied by practical exercises aimed at gaining experience in "internal auditing" needed for HACCP introduction.

Relevant exhibitions were identified in Saint Petersburg (Russia): "PeterFood", and in Kazakhstan "World Food Kazakhstan". Representatives of both Project Partners attended these exhibitions in month 10 followed by presentations of contacts established and relevant information collected to all trainees in Kyrgyzstan and Tajikistan. Such a practice has proved to be effective and is being used and followed by both Project Partners. Moreover, this practice is very useful for strengthening both Project Partners and enlarging their contacts and linkages with relevant stakeholders with a view of improving services to their members.

Summary of outputs/deliverables/activity group's intermediate results:

The outputs planned for Year 1 for the activity group 8 have been delivered in line with indicators of the logframe (but not limited to), namely:

- An exchange visit South-North has been held in Tajikistan (with participation of Kyrgyz SMEs);
- Two degustation panels have been held (in Kyrgyzstan and Tajikistan);
- An exchange visits to two selected SMEs in Kyrgyzstan has been held (with participation of Tajik trainees);
- Two relevant international exhibitions were attended (in Russian and Kazakhstan) and relevant information has been widely disseminated to the project stakeholders.

Activity group 9 - Support to relevant legislation/regulations development in Kyrgyzstan and Tajikistan

A flexible approach has been applied to this activity in terms of time schedule as the key goal of this element of the project support is seen in the most required timely intervention answering the most updated needs of each country concerned.

The aim of project flexibility is to make a legal project input the most needs-based and valuable for the target groups and final beneficiaries. Therefore the project is intent on maximising the adaptation of this input in both countries involved in order to ensure the most valuable elements of Public-Private Partnership (PPP), as legal inputs are closely linked with cooperation between the government and businesses (in this case, F&V processing SMEs).

A review of all legal updates in food safety field was carried out in months 4-5 (activity 9.1), as well as detailed consultations with all relevant stakeholders on actual needs in legal environment (activity 9.2). The updates and stakeholders consulted are presented in the Inception Report.

This has allowed the formulation of precise topics for legal input in Kyrgyzstan and activity 9.3 has started there in cooperation with the project Food Safety expert. However, this activity had to stop in months 8-9 because of rapid changes in the external policy environment in Kyrgyzstan. HACCP introduction remains a key priority in the regulations of the Customs Union and Kyrgyzstan has now a clear and declared intention to join it in early 2015. Therefore the project intervention was continued in months 11-12 of Year 1 with the task adjusted in accordance with the most relevant needs. The new, slightly modified task is "Development of methodological recommendations on introducing HACCP system at enterprises of food industry of Kyrgyzstan".

In Tajikistan important consultations at the national level and the forum of entrepreneurs with the President held in October 2014 have determined the most outstanding need in legal sphere to facilitate harmonization of the national legislation with the legislation of the Customs Union, which is particularly relevant to food safety area. This has allowed the formulation of a precise topic in legal support to be provided by the project in Year 2 (activity 9.4) as "Analysis of correspondence of the key legal acts of Tajikistan to the technical regulation of the Customs Union "On food safety"".

Summary of outputs/deliverables/activity group's intermediate results:

The outputs planned for Year 1 for the activity group 9 are in the process of being delivered in line with indicators of the logframe (but not limited to), namely:

- A review of all legal updates in food safety field was carried out (presented in the Inception Report);
- Detailed consultations with all relevant stakeholders on actual needs in legal environment (the list of the relevant stakeholders consulted is presented in annex 1 of the Inception Report);
- A Manual for entrepreneurs has been produced with the financial support of the project (additional output, see "additional activity" sub-section below for more details).

Activity group 10 – Promotion, dissemination and visibility actions

This activity group is actively underway. All activities of this group started from the beginning of the project as planned. Visibility items with EU and all partners' logos (project folders, leaflets in two languages (English/Russian), project stickers, paper notebooks for training participants, project poster and business cards) have been produced. All

stakeholders contacted have received a brief project description. Visibility items produced earlier continue to be disseminated to the relevant stakeholders.

The project's capacity building sessions held are widely attended by mass media. The following agencies provided wide coverage of the project events, either in TV news or in the internet:

Kyrgyzstan

- 1) Bishkek post.kg (internet agency): <http://bpost.kg/news/malyy-i-sredniy-biznes-nacelivaetsya-na-mezhdunarodnye-standarty-proizvodstva>;
- 2) Independent Bishkek TV: showed TV news about DFVP project training, on 15 September 2014, in news block;
- 3) TV Channel "ELTR" (State National TV): showed TV news about DFVP project training, on 15 September 2014, in news block;
- 4) Radio/TV programme "AZATTIK"
- 5) Kyrgyz telegraph Agency- <http://kyrtag.kg/news/detail.php?ID=300702>;
- 6) "Top News kg": <http://www.topnews.kg/news/view/vtoroj-trening-po-pishchevoj-bezopasnosti>;
- 7) Kyrgyz Radio "Biringi";
- 8) Kyrgyz TV Programme "EL TR" (showed the project HACCP training on news block).

Tajikistan

- 1) Radio "Tojikiston";
- 2) Radio "School of journalists".

The project information is regularly reflected in the bi-monthly Information Bulletins being issued by the Project Partner in Kyrgyzstan.

Press-releases have been produced covering the project events in both participating countries in line with EU requirements (in Russian and in English for Kyrgyzstan and in Russian, English and Tajik for Tajikistan).

The project information/update on all events and activities is being regularly and permanently disseminated through the websites of partners thus creating a web platform of real value for information sharing. All training materials, project's and experts' reports, press releases, photos etc. are being regularly placed on the websites as well.

The project took an active part in the EU CAI Networking meeting held in Dushanbe, Tajikistan on 24-25 September 2014.

Summary of outputs/deliverables/activity group's intermediate results:

- All planned visibility items have been produced;
- Six press-releases have been produced (in total for Kyrgyzstan and Tajikistan);
- All project training materials and other relevant information has been placed on the websites of both Project Partners;
- Market research produced for Kyrgyzstan (activity group 3) has been published and distributed to all training participants in Kyrgyzstan, interested stakeholders in Tajikistan.

Activity group 12 – Project management

All activities of this activity group are on-going.

Important features of the approach developed at the stage of project design: "good coordination among all project partners involved", "logical sequence of the activities" and "careful reviewing of the activities and flexible adjustments answering the most outstanding needs of the beneficiaries" remain valid and are being followed by the project.

As stated above (in description of activity group 1) the project Inception Phase was extended by two months and this was well justified.

In order to synchronise internal project reporting with originally proposed quarterly-based project updates, the first two project updates/internal reports have been written on a bi-monthly basis covering months 6-7 and 8-9 accordingly. In such a way three internal project updates will be produced for Year 1 (the third project update covering months 10-12 will be prepared at the start of Year 2, month 13). In Year 2 all internal project updates will be prepared on a quarterly basis as originally planned.

The project database has been developed for Kyrgyzstan and Tajikistan and is being regularly updated.

The key management aspects of the project are summarised below.

- Thorough process of capacity building participants' selection;
- Some innovative interventions are introduced (case studies, interactive/participatory method of training, practical exercises, field visits, exchanges of best practices among participants etc.);
- Reporting mechanism is well established;
- Regular communication and internal monitoring;
- Steering Committee meetings;
- Good cooperation with all relevant donors' projects;
- Detailed internal planning;
- Good team work; regular contacts and Skype conferences among all project partners/experts involved;
- Keeping contacts with all relevant stakeholders.

Summary of outputs/deliverables/activity group's intermediate results:

- Inception Report;
- Two internal bi-monthly project updates; the third is under preparation;
- Six agendas for training sessions prepared for both participating countries;
- Two agendas for Steering Committee meetings prepared; Minutes of the Steering Committee meetings produced.
- The project database developed.

Reasons for modification of the planned activities

Minor changes made to the originally-developed Indicative Plan for implementing the action in some activity groups (mainly related to prolongation of selected activities thus ensuring continuity leading to more sustainable results in the end) are described above. They were all reflected in the modified version of the Work Plan presented in the project Inception Report and further internal Project Updates. More specific modifications made to few activities are presented below.

Overall, none of the modifications have affected the originally proposed scope of tasks leading to the achievement of the planned results. The adjustments were introduced in order to answer the most updated needs and/or external environment in both participating countries at the start of the project implementation or later on, during the course of the project. Only those activity groups/selected activities, where slight modifications were done, are presented below. All other activities/activity groups remain unchanged.

Activity group 3 - Analysis of internal and regional/international market opportunities in the SME F&V processing sector

• Original activity 3.5 "Development of the project marketing strategy" included (tentatively) to the indicative Work Plan has been modified to "Studying of successful marketing strategies of participating target groups and using them for capacity building as best practices" (new activity 6.2). It was believed that the emphasis on practical examples

from participating SMEs/BIOs could maximize the mutual learning process. It has been moved to activity group 6 to integrate it into capacity building in marketing activity group.

However, needs assessment and practical marketing trainings clearly showed that participating BIOs and SMEs either don't have or don't want to share their marketing strategy with others (according to questionnaire analysis, only one participating SME in Kyrgyzstan has a strategy. One company/SME invited for marketing capacity building session as a "speaker" also had marketing strategy but refused to share justifying this by competition). Therefore, this activity has been modified again and will be presented in the Work Plan for Year 2 as "Studying of successful marketing strategies in F&V processing business and using them for capacity building as best practices". The emphasis is being made on strategies potentially applicable to participating SMEs.

- Original activities 3.2 and 3.3 ("Analysis of international (3.2) and regional (3.3) market for F&V processing SMEs from Kyrgyzstan and Tajikistan" as per original indicative Work Plan) have been combined into one (3.2) based on capacity building participants' feedback/requests. In order to make a clear distinction between two participating countries, (taking into account the different emphases in this activity group per country), activity 3.2 is focused on Kyrgyzstan only and combines all markers for research.

However, for Tajikistan, in close consultation with the Project Partner, marketing expert and trainees, an analysis of international and regional markets has been replaced by thorough analysis of internal market (new activity 3.1): F&V processing SMEs in the South of Tajikistan are mainly oriented on the local market in the South region. Therefore expansion to other regions of Tajikistan is seen as a realistic priority task. Analysis of two major export markets of Russian and Kazakhstan undertaken in the framework of market research for Kyrgyzstan has been distributed to Tajik trainees and other project stakeholders in Tajikistan as these two countries were identified as the main export markets for Tajikistan as well. This activity will be continued in Year 2 (months 13-18).

Activity group 4 – Capacity building for BIOs in management, business and other client-oriented tools and techniques (ToT)

- Original activity 4.1 "Development of training modules based on needs of BIOs" has been combined with activity 4.2. Instead, a more thorough approach to precise topics to be studied has been introduced through the detailed questionnaires for target groups, direct interviews and further assessment of the participants' feedback. The new formulation of activity 4.1 is "Detailed studying of BIOs needs (including study tours; for Year 2 – including study tour to Poland)".

- Activity 4.2 is slightly modified as "Development and delivery of training packages in management and business tools and techniques". Two seminars planned for this activity group have been re-scheduled to be delivered on continued basis. Since month 9 these seminars are included in all planned capacity building sessions.

- Original activity 4.3: "Study tour to the UK for the Project Partners and selected BIOs to gain experience in management aspects" has been slightly modified by adding "SMEs" (selected BIOs/SMEs) to add flexibility to selection process (this has been decided in consultation with the Project Partners).

- Original activity 4.4 "Seminar(s) aimed at improved BIOs' capacities to strengthen and protect national producers and investors" is combined with activity 9.5 and moved to activity group 9.

Activity group 5 – Capacity building in food safety

Activities 5.6 (preparation of FSMS Manual) and 5.7 (International certification of trainers in food safety/HACCP) have been moved forward compared to original planning and more has been given for their thorough preparation in Year 2.

Activity group 7 – Advisory services to F&V processing SMEs

- Activities 7.1 a and 7.1 b (seminars with input suppliers in Kyrgyzstan and Tajikistan) will be extended to meetings and contacts and will be implemented on more continued basis in Year 2.

- Original activity 7.2 "Seminar on market opportunities based on market analysis" has been moved to activity group 6 (see new activity 6.6) in order to put together all market-oriented capacity building seminars (compared to the original indicative Work Plan). Its new timeframe is consistent with timing of activity group 6.

The new formulation of activity 6.6 is "Seminar(s) on market opportunities" as precise topics are slightly different in Kyrgyzstan and Tajikistan.

Activity group 9 - Support to relevant legislation/regulations development in Kyrgyzstan and Tajikistan

An urgent decision to join the Customs Union taken by the Government of Kyrgyzstan in July 2014 has had serious implications on the F&V sector in general and on F&V processing SMEs in particular. All technical regulations developed by Kyrgyzstan in 2013 and 2014 (relevant to food safety and HACCP as well) had to be cancelled as of July 2014 since the decision was taken by the Government to join the Customs Union. This means that the country needs to follow the Customs Union's regulations starting from January 2015. A corresponding draft Law about the cancellation of all locally developed technical regulations has been developed by the Government. Uncertainty with further steps in this direction means that the project legal input has to be postponed until clear tasks for food industry's SMEs are formulated by the Government. More specifically this concerns the following activities:

- Activity 9.3 has been formulated precisely for Kyrgyzstan in consultation with relevant stakeholders at the national level as "Development of methodological recommendations on Production Control System based on HACCP principles". It was agreed with the Project Partner to carry it out from month 7 to month 12. However, further modifications were needed to its precise formulation due to rapid changes in external environment (described above) have resulted in a need to extend this activity till months 3-4 of Year 2. The new formulation of this activity is "Development of methodological recommendations on introducing HACCP system at enterprises of food industry of Kyrgyzstan". This is reflected in the updated Work Plan for Year 2 attached.

- Activity 9.4 has been formulated for Tajikistan as "Analysis of correspondence of the key legal acts of the Republic of Tajikistan to the technical regulations of the Customs Union "On food safety"". It will be carried out in Year 2. Originally planned support for national producers and investors' protection under this activity has been realized in Tajikistan through additional activity supported by the project (see below).

- Activity 9.5 "Seminar(s) on protection of SME producers' rights" originally formulated at the stage of the project design in consultation with the Project Partner has been re-formulated based on new activities 9.3 and 9.4 and its new version is "Seminar(s) on presentation of legal advice support provided aimed at improved BIOs' capacities to strengthen and protect national producers". It was planned for December 2014 but taking into account the latest legal developments of the external environment described above it will take place in 2015. The precise formulation of this activity might be further adjusted if necessary.

Activity group 12 – Project management

- Activity 12.4 "Organization of Steering Committee (SC) meetings" will be re-scheduled to months 6 and 12, but two SC meetings have been held in Year 1 as planned and two more SC meetings will be held in Year 2.

Additional activities

Answering the need of SMEs/entrepreneurship community and following a justified request of the Project Partner in Tajikistan, the Manual for Entrepreneurs (which includes important issues related to SME registration, taxation, export operations etc.) has been prepared with the financial support of the project (activity 9.4). The process of development and publishing was coordinated by NASMB, the Project Partner in Tajikistan. It is important to mention that such a manual has never been published in Tajikistan before and therefore serves as a practical and useful tool for protection of national producers/SMEs including F&V sector.

A meeting between the participating SMEs and the Deputy Minister of Economic Development has been held in Tajikistan. Such a direct meeting which took place in the framework of the third capacity building session (month 11) is seen as important opportunity to identify the current challenges and opportunities for F&V processing SMEs from the Southern regions of the country and can serve as additional incentive for SMEs to facilitate their development processes.

The meeting with potential investor from South Korea (Black Swan Asset Co. Ltd) was held in the framework of the third capacity building session in Kyrgyzstan (month 12). A brief presentation was made by a representative of the firm inviting participating F&V processing SMEs for cooperation and further direct contacts aimed at discussing investment options and opportunities for cooperation. This contact was identified during the exhibition "Peterfood" in which the Kyrgyz Project Partner took part.

2.3. Activities that were planned and were not implemented

All planned activities planned for Year have been implemented. Slight deviations from the original planning are described above in detail including those activities which have been extended into Year 2 but launched in Year 1.

2.4. Assessment of the results of the Action so far

The originally designed project expected results are still valid. The project is making efforts towards achievement of expected results based on outputs produced/to be produced. Given that only 3/5 of the capacity building programme is delivered, it is too early to expect the achievement of project results by the end of Year 1 but a number of indicators showing the progress towards the achievement of the planned results is visible already.

The following progress has been made in Year 1 of the project implementation towards achieving the expected results (against OVI's of the logframe attached to this report, but not limited to):

Expected result 1 – *BIOs' capacity to support F&V processing SMEs has been strengthened and is applied*

The competence of Kyrgyz and Tajik BIOs is being improved through participation in the project's capacity building programme. This was acknowledged by all BIOs participating in the project through regular questionnaires being filled in by participants after the completion of each training session in food safety/HACCP and marketing.

The tendency of growing BIOs' interest in all project activity groups is observed in Kyrgyzstan: inclusion of representatives of Kyrgyz Standard, Centre on Standardization under the Ministry of Economy of Kyrgyzstan, Kyrgyz Accreditation Centre, Bishkek Certification Centre, Bishkek Centre for Protection of Consumers (on their strong request) clearly show their growing demand in deep knowledge of food safety/HACCP and marketing aspects. This is explained by the increased and changing requirements to services these BIOs provide to SMEs. The key change lies in moving from purely "control" function (which

previously was in the mandates of the majority of the above mentioned BIOs) to “support” function, as these organizations currently act as service providers to SMEs in F&V processing sector.

A consultant from BIO “Prom Test” (Kyrgyzstan) takes an active part in direct support to pilot SMEs in development of food safety documentation aimed at introduction of HACCP scheme at both pilot SMEs. Permanent support being provided by this participating consultant/trainee under the permanent guidance of the project Food Safety expert can serve as an example of further sustainable application of the practical knowledge and experience gaining by Prom Test after the project life.

The gradual growth of interest among BIOs is observed in Tajikistan as well: two new BIOs’ representatives have joined the project’s capacity building programme.

An excellent initiative has appeared among the project trainees due to the exchange visits Tajikistan – Kyrgyzstan and South-North within Tajikistan: the Head of Consulting Council of Hatlon region (South of Tajikistan, the project target area), the project trainee, has organised an marketing initiative group among participating F&V processing SMEs. With further project support this initiative can grow into Association of F&V producers of Hatlon region. The project will provide all possible expertise to support this initiative in Year 2 of the project implementation.

It is believed that by the end of the project life there will be numerous examples of practical application of knowledge and experiences gained through the project by participating BIOs to relevant SMEs they serve.

Expected result 2 – *The Project Partners’ and other BIOs’ capacity to advocate for and strengthen SMEs in F&V processing has improved and is applied.*

Strong emphasis on the requirements of the Customs Union in food safety and marketing capacity building programme is improving the knowledge base of the Project Partners and participating BIOs. This is aimed at strengthening F&V processing sector and protection of SMEs from possible mistakes and minimizing challenges at the time when Kyrgyzstan will join the Customs Union.

Recent developments in Tajikistan also show clear orientation of the Government on joining the Customs Union in the near future. Therefore permanent emphasis in the project’s capacity building on the requirements and norms of this Union is seen as timely and needed intervention and serves as a good tool for the Project Partners and participating BIOs for advocacy in terms of protection of national producers, i.e. for their members/SMEs’ rights.

As stated above (expected result 1) growing participation of BIOs in the project’s capacity building, particularly those which have advocacy and protection roles in their mandates, indicates that the project is well underway towards improving the Project Partners’ and participating BIOs’ capacities to advocate for and strengthen SMEs in F&V processing sector.

The UK study tour has also contributed to the improved Project Partners’ capacities in the following aspects:

- New contacts have been made with consulting companies, equipment producers, F&V processing SMEs and food industry institutes – to be further maintained and used by both Project Partners;
- New methods of collaboration with partners and members have been learned and their elements will be applied;
- New promotion and marketing tools, approaches of work with trade networks have been learned.

Overall, due to the UK study tour the Project Partners have generated numerous ideas and it is believed that their creative application will strengthen both partner organizations.

Participation of both Project Partners in two international exhibitions, “Peterfood”, Russia, and “World Food Kazakhstan” (see above sections for more details) has also contributed to improving linkages with relevant stakeholders, promotion and providing needed information for the project trainees.

One practical example illustrates the benefits of participation in international exhibitions: a South Korean investor (Black Swan Asset Co, Ltd) has been met during "Peterfood" exhibition and his interest in the project and participating SMEs has resulted in investor's mission to Kyrgyzstan and meeting with the project's participating SMEs. To date an agreement has been reached with "Agro-Elita" SME for future close cooperation with a clear plan of actions. The contacts have been established with Kyrgyz-Korean Centre which acts as a bridging point with South Korean investors.

It is expected that legal inputs which are currently on-going in both countries will provide a valuable contribution to advocacy capacities of both partners and the legal documents produced as a result will help protecting national producers thus strengthening F&V processing sectors in Kyrgyzstan and Tajikistan.

Expected result 3 – *F&V processing SMEs have improved their business, market positioning and awareness of their rights*

There are numerous indicators of gradually growing understanding of needs for business improvements among participating SMEs.

Exchange visits (Kyrgyzstan – Tajikistan and South-North within Tajikistan with participation of Kyrgyz SMEs) have served as a basis for new initiatives in Kyrgyzstan and Tajikistan.

According to the exchange visit participants' feedback, the following outcomes of this visit have been observed:

- New knowledge in packing and technological elements;
- The visit has contributed to encouraging for speeding up HACCP introduction;
- Improved linkages between Tajik and Kyrgyz SMEs working in the same sector;
- Established contacts with the Association of F&V SMEs/exporters of Tajikistan.

The UK study tour has given a valuable knowledge to two pilot SMEs ("Dessert", Kyrgyzstan and "Aqua Juice", Tajikistan) which took part in it, namely:

- New technologies of juices production;
- New ideas in cold storages and frozen fruits;
- Culture of production and job security.

One of the key conclusions made by pilot SMEs as a result of the UK study tour is the importance of all-year production and the ideas of the tour have led the foundation of further development of these ideas turning them into practice.

Due to the project, the marketing initiative group has been formed among participating SMEs under the initiative of the Support Committee to SMEs of the Southern region of Tajikistan. The head of this committee takes part in the project's capacity building programme as consultant/BIO representative. The group has decided to develop a common brand for their products following the example of experience of the Kyrgyz Project Partner which successfully uses the brand ("The taste of sun"). This initiative appeared as a result of exchange visit to Kyrgyzstan (as described above) and an opportunity to learn from Kyrgyz experience in this regard.

Two pilot enterprises ("Dessert" and "Kaindy-Kant") have established HACCP teams which work jointly on all documentation required for ISO 22 000 certification under the permanent guidance of the project Food Safety expert.

Active reconstruction process is on-going at "Dessert" pilot SME aimed at improvements which correspond to ISO 22 000 standard/HACCP.

Overall, the project is well on track towards achieving its planned results.

Progress towards achievement of the project specific and overall objectives/outcomes

The project has built a solid basis for the achievement of its specific objective – “To strengthen the capacities of BIOs supporting F&V processing SMEs, with a view to improving the SMEs’ position in national, regional and international markets” and its overall objective “To promote the development of SMEs in the F&V processing sectors in Kyrgyzstan and Tajikistan”.

The project progress reported above shows that the project is well underway towards achieving its objectives. In the Year 2 of the project life all efforts will be facilitated and consolidated in order to reach the desired goals. The project efforts are already embedded in local structures – the Project Partners, which represent the key service providers to SMEs in both participating countries, as well as in BIOs and SMEs participating in the project capacity building programme which serves as an indicator of good potential for sustainable achievements.

The awareness among relevant stakeholders about the project’s progress has already reached much broader coverage compared to the originally envisaged (according to the indicators of the logframe) due to solid web-platform progress and wide media coverage of the project events.

Impact in relation to specific and overall objectives

Generally, achieving a visible impact takes time to be reached and assessed. Moreover, it needs favourable external environment and commitment from participating and other relevant stakeholders. The fact that other donors intervene in the same and similar fields and a practical cooperation with this CAI project is observed plays a positive role here. Joint coordinated efforts of various international donors and local stakeholders will lead to a visible change.

The external project environment plays a particularly facilitating role in Kyrgyzstan in the areas of the project intervention (food safety/HACCP in particular) which provides positive sign for further development of F&V processing sector in this direction.

A Customs Union between Russian, Belarus and Kazakhstan which Kyrgyzstan intends to join in early 2015 plays one of the key roles in current rapid changes and developments in food industry overall and in F&V processing sector in particular. Increasing efforts of F&V processing SMEs in introduction of HACCP are observed: fee-based training programmes in HACCP/ISO 22000 are becoming a normal practice and this fact shows an increasing value and a need for availability of a pull of professional qualified food safety experts in the country. The project provides a substantial contribution to this process in cooperation with partners, stakeholders and relevant donor-funded projects.

Looking ahead, it is assumed that in the near future HACCP/food safety requirements will become outstanding in Tajikistan as well.

The importance of marketing issues taking into account that Kazakhstan and Russia are key market partners of Kyrgyzstan and Tajikistan, is serving as an additional incentive for the project target groups to make efforts towards effective improvements of their businesses in this field.

Improving capacity of both Project Partners in Kyrgyzstan and Tajikistan through various project activities leads to enlarged opportunities and sustainable development of both organizations serving SME/F&V processing SME sectors. Thus, Tajik Project Partner has added a new segment of SMEs to its direct support due to the project (F&V processing sector SMEs).

Any unforeseen positive or negative results

No negative results are observed so far.

Among positive unplanned actions undertaken by the project, which will lead to maximizing the effects of the project are:

- Practical cooperation with other donors project is proving to be even more proactive than planned: exchange of training participants/consultants, coordinated efforts in work with pilot SMEs in Kyrgyzstan (among GIZ, Helvetas and CAI projects);
- Manual for entrepreneurs produced with the financial support of the project in Tajikistan (the first one in the country);
- Database on F&V processing SMEs of the South of Tajikistan developed (not originally planned) will serve as a marketing tool for the project target groups and the Partner and will provide a detailed information to the relevant governmental authorities (was not available before the project);
- Involvement of enlarged scope of relevant service providers to the project capacity building programme (mentioned above), and universities' representatives in both countries is seen as a positive step undertaken by the project towards sustaining professional knowledge gaining through the project. One of the final project products – Training Manual/course in HACCP/ISO 22000 will serve as a basis for adding this subject to academic programme thus contributing to future availability of professional knowledge in this field in a long run.

Potential risks that may have jeopardized the realisation of some activities

There are some minor challenges faced by the project, which can be seen as risks or limiting factors. However, at the current stage of the project they are not so threatening as to affect the project implementation process as a whole and to influence on results in the end of the project life.

The issues being addressed by the project are complex and need time, effort, commitment and incentives for relevant SMEs and BIOs (providing services to them) to make practical steps from capacity building to actual implementation of required measures.

Although it is too early to make any definite conclusions at this stage of the project implementation, it may well turn out that a longer duration to allow absorbing knowledge in full volume, its application to concrete business conditions and step by step implementation would have been appropriate. This is explained by the fact that level of readiness of most of SMEs participating in the project's capacity building programme is proving to be lower than it was judged to be at the stage of the design (this is particularly relevant to Tajikistan), although a thorough selection process was organized based on developed criteria.

Some reluctance was observed during the pilot SMEs' selection process in Tajikistan once they became aware about such criteria as "openness", "information sharing with other relevant SMEs" and "visits of pilot SMEs by all training participants for learning purpose".

The main challenges are summarised in table below. Most of assumptions and risks were identified at the stage of the project design but a few new challenges and assumptions have been added as a result of the project implementation process. Currently the project is making efforts towards mitigation of identified risks.

Challenge/limiting factor	Risk rating	Assumptions/risks of the logframe	Proposed risk mitigation measures/assumptions
Absence or unwillingness on the part of capacity building programme participants to share their marketing strategies or strategic planning elements	Low	<u>Assumption:</u> growing demand for F&V processed products in the region (Russian and Kazakhstan in particular) <u>Risks:</u> competition from big businesses; lack of investment	Relevant examples of similar SMEs working in similar conditions in other countries have been used and will be further used for case studies unless the trainees will become more open.
High willingness to learn but lower commitment of participating SMEs to implement proposed measures in HACCP/marketing	Medium	<u>Assumption:</u> Interest of BIOs and SMEs in learning new information and tools; Growing competition among SMEs; Needs to diversify products, introduce new brands etc. for market expansion	Exchange of best practices and pilot SMEs will encourage others; Competition will force SMEs to make more efforts; External circumstances will force SMEs to be more proactive at the market (the Customs Union)
Level of openness and commitment of pilot SMEs in Tajikistan is lower than anticipated	High	<u>Risk:</u> lower chances to introduce HACCP with the project support	Close work with pilot SMEs is on-going to mitigate this risk; exchange visits and study tours demonstrate benefits from mutual learning. Elements of HACCP already introduced by other pilot SMEs will be shared with Tajik pilots.
Lower than estimated interest in support offered by the project in marketing aspects; lack of a well-structured approach to marketing is a common challenge experienced by participating SMEs	Medium	<u>Assumption:</u> growing competition from neighbouring countries in F&V processing sector <u>Risk:</u> lost opportunities at the market	Active support is being provided to all market initiatives in both countries; direct project support in establishing close links of SMEs with market operators and input suppliers
Rapid changes in external policy environment in Kyrgyzstan result in slight delays in implementing the project legal input	Medium	<u>Assumption:</u> commitment of the Government to reform process and providing favourable conditions for development of F&V processing sector	Flexible approach to the project legal input in terms of timing and exact topic; thorough consultations with the Project Partner and relevant stakeholders
Comparatively short project duration, particularly for practical HACCP introduction at SME level	Medium	<u>Assumption:</u> at least one pilot SME will be able to introduce HACCP by the end of the project and will serve as an example to follow up.	The pool of professional consultants being developed by the project will provide services to SMEs in HACCP introduction after the project end.

2.5. An updated action plan for Year 2 ²

An updated Work Plan for Year 2 of the project implementation is presented in annex 1. It takes into account all slight modifications and formulation of selected activities described in detail in section 2.2 above.

Activities completed in Year 1 are not included in the Work Plan for Year 2.

2.6 Slight modifications introduced to the logical framework

The project's logical framework and objectively verifiable indicators (OVI) serve as a management tool and being regularly checked out.

No major modifications were made in the logical framework with the exception of minor improvements introduced.

During the Year 1 of the project implementation, it has become clear that there is a need to diversify the OVIs of the logframe and to add some new ones to those originally designed.

There are slight adjustments of the objectively verifiable indicators (OVIs), namely:

- ⇒ Overall objective – two similar OVIs related to improvement of environment are combined into one.

It is proposed to formulate this OVI as "Enabling environment in F&V sectors in both countries has improved in food safety field in favour of national producers" as both originally proposed OVIs are inter-related.

- ⇒ Expected result 2 – "The Project Partners have introduced at least one new management/marketing tool";

This new OVI has been added to show the improvements of the Project Partners' capacity due to the project

- ⇒ Expected result 3 – "The Project Partners have introduced at least one new management/marketing tool";

This new OVI has been added to demonstrate a product of real practical value which will serve as an example for others to follow.

The modified logframe is presented in annex 2 to this report, with changes introduced at the stage of Interim report highlighted in **bold**.

² This plan will cover the financial period between the interim report and the final report.

3. Partners and other Co-operation

3.1. The relationship between the formal partners of this Action

Partnership within the project is well established. There is a permanent communication between British Expertise and both partners in Kyrgyzstan and Tajikistan. Efficient decision-making process and exchange of information among the experts' team has been established. No challenges are observed. Skype conferences, internal planning meetings, internal monitoring and quality control of all experts' inputs are being implemented on a regular basis.

3.2. The relationship with State authorities in the Action country

The relationship with State authorities is practical and active. Representative of the Ministry of Economy (department on technical regulations), the Ministry of Agriculture of Kyrgyzstan are regularly contacted and updated on the project developments. The Deputy Minister of Agriculture took part in the Second Steering Committee meeting and highly appreciated the progress made. The Deputy Minister of Economic development of Tajikistan attended the third project's capacity building session and had a detailed direct discussion with participating BIOs and SMEs about the priority tasks of the sector and commitment from the government side to support.

The representative of the Ministry of Industry of Tajikistan (covering SME sector) takes part in the project capacity building programme.

3.3. The relationship with any other organisations involved in implementing the Action:

All other relevant authorities, such as Kyrgyz and Tajik Standard (see section 2.2 for details) are actively involved and increasing their knowledge base and capacities with a view to further support to F&V processing SMEs as BIOs.

Excellent cooperation has been established with relevant departments on food industry of the Technical Universities of Kyrgyzstan (including the Centre for Qualification Upgrading with modern laboratories and mini food-processing production lines used for training purposes) and Tajikistan. Their representatives take an active part in the project capacity building programme. It is believed that this investment in the human capital from the project side will contribute to availability of sustainable knowledge in food safety/HACCP and marketing for the young generation of professional specialists in F&V processing sector in both participating countries.

Good contacts and information exchange are maintained with the Chamber of Commerce and Industry of Kyrgyzstan and the Chamber of Commerce and Industry of Hatlon region in the South of Tajikistan (its representative takes an active part in the project capacity building programme).

The project is in permanent contact with all target groups (BIOs and SMEs) – participants of the capacity building programme. Efficient exchange of all project information is organized.

Effective partnerships have been established with all major international donors working in Kyrgyzstan and Tajikistan in the areas similar to the project. They include:

- GIZ (Germany) and Helvetas (Switzerland):
- Joint coordination meeting was organized with GIZ and Helvetas in Kyrgyzstan in a view of establishing synergies and avoid overlapping in terms of support to be provided to selected pilot SMEs. This is well coordinated by the Project Partner.
- The project involves 3 food safety consultants trained by GIZ and working with Helvetas to the advanced level capacity building food safety/HACCP programme and

joint consultations (Kyrgyzstan); consultants from GIX and Helvetas take part in the project's capacity building programme in Tajikistan;

- Close contacts are being maintained with GIZ and Helvetas on all relevant project-related issues in both countries: the seminar with input suppliers in Kyrgyzstan was organized jointly with TEC Centre closely working with Helvetas;
- Close contacts are being maintained with Hilfswerk International, Austria, which currently implements the project "Economic Development in Central Asia through promotion of BIOs and SMEs in the food processing sector" in the framework of the EU CAI III Programme. The South-North exchange visit was organized with the support of Hilfswerk, experience sharing with Hilfswerk was organized in Tajikistan through the project capacity building.

Contacts have been established with FAO and JICA in Kyrgyzstan and with UNDP and Oxfam International in Tajikistan. It has been agreed that the project final products (Food Safety Management System (FSMS) Manual in particular) will be shared with them. These contacts will be followed up in Year 2 of the project implementation.

4. Visibility

Project visibility was well ensured during Year 1 of implementation. From the very beginning of the project steps were undertaken to disseminate the information about the project using EU logos, brief CAI III programme description and other tools in accordance with the EU Visibility Strategy. Active project introduction was made through meetings with all relevant stakeholders at the beginning of the project and information on the websites of both Project Partners.

Project files with EU and project partners' logos have been printed out (in accordance with the EU visibility strategy document) and were used for distribution of all printed training materials for capacity building participants.

The project took an active part in the EU CAI Networking meeting held in September 2014 in Dushanbe. This meeting has provided a solid platform for further synergies among relevant CAI projects.

Summary of outputs/deliverables:

- The project files with EU and project partners' logos (300 copies);
- Business cards for the whole project team;
- 400 copies of the project leaflets in two languages (Russian and English);
- The project poster;
- The project stickers;
- The project paper notebooks for trainees (100 copies);
- 10 media companies in both participating countries have disseminated the information about the project events (through radio and TV programmes/news, newspapers and internet portals (see section 2.2, activity group 10 for details);
- All training materials produced so far and all project news are placed on the websites of the Project Partners: www.afve.org (Kyrgyzstan) and www.nasmb.tj (Tajikistan) and being regularly updated;
- Publication on market research for Kyrgyzstan has been issued (100 copies).

Name of the contact person for the Action: **Tracey Smith**
Chief Executive
British Expertise



Signature:

Location: London, UK

Date report due: 30 December 2014

Date report sent: 12 December 2014

Annex 1: Work Plan for Year 2

Year 2													
Activity	Semester 1 (months)						Semester 2 (months)						Implementing body
	13	14	15	16	17	18	19	20	21	22	23	24	
Implementation Phase													
Activity group 3 - Analysis of internal and regional/international market opportunities in the SME F&V processing sector													
3.1 Carrying out analysis of internal market in F&V sector of Tajikistan													Applicant and Tajik PP
3.2 Carrying out analysis of internal, regional and international/export markets for F&V processing sector of Kyrgyzstan (presentation of market research results incorporating the participants' feedback)													Kyrgyz and Kyrgyz PP
Activity group 4 – Capacity building for BIOs in management, business and other client-oriented tools and techniques (ToT)													
4.1 Detailed studying of BIOs needs (including study tour to Poland)													Applicant and both PPs
4.2 Development and delivery of training packages in management and business tools and techniques													Applicant
Activity group 5 – Capacity building in food safety													
5.1 Detailed planning of the module-based training/capacity building programme for Kyrgyzstan and Tajikistan													Applicant
5.2 Development of modules for each aspect on food safety, based on needs assessment													Applicant
5.3 Delivery of advanced capacity building in food safety in Kyrgyzstan as a follow up from the previous CAI project													Applicant

5.4	Delivery of training/capacity building in food safety aspects to Tajik target groups (BIOs and SMEs)													Applicant
5.5	Feedback analysis of participants													Applicant and both PPs
5.6	Development of a course in Food Safety Management System (FSMS) for BIOs/academic institutions													Applicant
5.7	International certification of trainers in food safety/HACCP (ToT) for Tajik Partner													Applicant
Activity group 6 – Capacity building in marketing														
6.1	Detailed planning of the capacity building programme for Kyrgyzstan and Tajikistan through questionnaires and needs assessment													Applicant
6.2	Studying of successful marketing strategies in F&V processing business and using them for capacity building as “best practices”													Applicant
6.3	Development of modules for each aspect of marketing based on needs assessment and market analysis													Applicant and both PPs
6.4	Delivery of advanced training/capacity building in marketing to Kyrgyz target groups (BIOs and SMEs) as a follow up from the previous CAI project													Applicant and both PPs
6.5	Delivery of capacity building in marketing in Tajikistan													Applicant and both PPs
6.6	Seminar(s) on market opportunities													Applicant and both PPs
6.7	Feedback analysis of participants													Applicant and both PPs

Activity group 7 – Advisory services to F&V processing SMEs												
7.1 a	Planning seminars, meeting and contacts with input suppliers for pilot SMEs” (Kyrgyzstan)											Applicant and Kyrgyz PP
7.1 b	Support to establishing and improving contacts with input suppliers for value chain development (Tajikistan)											Applicant and Tajik PP
7.4	Field visits to selected SMEs											Applicant and both PPs
7.5	Advisory services to selected pilot SMEs in implementation of HACCP/food safety measures and/or marketing strategies											Applicant and both PPs
Activity group 8 – Exchange of best practices and experiences												
8.1	Exchange of best practices and experiences among participating SMEs (within and between Kyrgyzstan and Tajikistan) through capacity building											Applicant and both PPs
8.3	Exchange visits to selected SMEs aimed at experience sharing and mutual learning											Applicant and both PPs
8.4	Support to participation in F&V processing-related exhibitions by target groups’ representatives											Applicant and both PPs
8.5	Study tour to Poland for selected SMEs and BIOs											Applicant
Activity group 9 - Support to relevant legislation/regulations development in Kyrgyzstan and Tajikistan												
9.2	Consultations with relevant stakeholders on needs and practical expert support from the project											Kyrgyz and Tajik PPs
9.3	Development of methodological recommendations on introducing HACCP system at enterprises of food industry of Kyrgyzstan											Applicant and both PPs
9.4	Analysis of correspondence of the key legal acts of Tajikistan to the technical regulation of the Customs Union “On food safety”											Kyrgyz and Tajik PPs

9.5	Seminar(s) on presentation of legal advice support provided aimed at protecting national producers																		Applicant and both PPs
Activity group 10 – Promotion, dissemination and visibility actions																			
10.1	Carrying out regular visibility actions																		Applicant and both PPs
10.2	Regular information sharing with all relevant stakeholders																		Applicant and both PPs
10.3	Development of the project web platform for information sharing and capacity in food safety/marketing																		Kyrgyz and Tajik PPs
10.4	Annual conference with presentation of project achievements and information sharing																		Applicant and both PPs
Activity group 11 – Finalization phase																			
11.1	Development of the project exit strategy																		
11.2	Development of a questionnaire to survey the project results achieved																		
11.3	A final survey on stakeholder feedback on the project																		
11.4	Development of a project sustainability action plan																		
11.5	Transfer of all project information base, training materials, manuals etc. to stakeholders																		
11.6	Presentation of the project results and the sustainability plan at the project final conference																		
11.7	Preparation of the final report																		

Activity group 12 – Project management														
12.2 Management and coordination of field activities														Applicant and both PPs
12.3 Project database development and update														Kyrgyz and Tajik PPs
12.4 Organization of Steering Committee meetings														Applicant and both PPs
12.5 Regular reporting (in accordance with EU requirements)														Applicant
12.6 Regular internal monitoring														Applicant and both PPs

Annex 2: Revised logical framework (modifications appear in **bold**)

	Intervention logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
Overall objective(s)	<i>What are the overall broader objectives to which the action will contribute</i>	<i>What are the key indicators related to overall objective(s)?</i>	<i>Sources and means of verification</i>	
	To promote the development of SMEs in the F&V processing sectors in Kyrgyzstan and Tajikistan	<ul style="list-style-type: none"> • F&V processing SMEs have increased their presence at national, regional and international markets up to 5% (through increase of sales); • Enabling environment in F&V sectors in both countries has improved in food safety field in favour of national producers; • Increase in export of SMEs' F&V processed products by 5 % in the longer run 	<p>Annual country reports (WB, UN Human Development Report, Global Competitiveness Index of WEF);</p> <p>National sector statistics;</p> <p>Surveys undertaken by international donors in F&V processing sector</p> <p>Updated legislation in food safety field and in the field of protection of national producers and investors</p> <p>Annual WB Doing Business Report</p>	National level Governments in both countries support promotion and implementation of reforms in enabling business environment and continue providing the favourable conditions for the business development in F&V processing sector
Specific objective	<i>What specific objective is the action intended to achieve to contribute to the overall objectives?</i>	<i>Which indicators clearly show that the objective of the action has been achieved?</i>	<i>What are the sources of information that exist or can be collected? What are the methods required to get this</i>	<i>Which factors and conditions outside the Beneficiary's responsibility are necessary to achieve that objective? (external conditions)</i> <i>Which risks should be taken</i>

			information?	into consideration?
	To strengthen the capacities of BIOs supporting F&V processing SMEs, with a view to improving the SME position in national, regional and international markets	<ul style="list-style-type: none"> • Number of BIOs' clients among F&V processing SMEs has increased up to 20%; • Up to 500 relevant stakeholders in both countries are aware about national producers' and investors protection and rights and HACCP/food safety; • At least 50% of participating SMEs have improved (directly or indirectly due to the project) their positioning at the market: new contracts signed; export opportunities enlarged; number of new markets for products entered etc. 	<p>Project final survey</p> <p>Visitors of project info on websites of both Project Partners</p> <p>Statistics of relevant ministries on F&V processing sector</p> <p>BIOs survey among the members,</p> <p>BIOs' annual reports</p>	<p><u>External conditions/assumptions</u></p> <p>Political stability in both countries;</p> <p>Continued development of F&V processing sectors in Kyrgyzstan and Tajikistan;</p> <p>Growing demand for F&V processed products in the region (Kazakhstan in particular) and neighbouring countries/importers (Russia in particular);</p> <p>Continuation and/or development of new relevant legislation and/or support programmes in F&V sectors in both countries;</p> <p>Growing competition from neighbouring countries in F&V processing sector</p> <p><u>Risks:</u></p> <p>Rapid changes in the policy environment of Kyrgyzstan;</p> <p>Lack of investment in the sector;</p> <p>Lack of BIOs in rural areas where most of F&V processing SMEs are located;</p> <p>Reluctance of SMEs to adopt food safety, HACCP and other measures because of cash limitations, difficulties in</p>

				obtaining credit and efforts needed to be invested to make these improvements; Poor infrastructure in rural areas limits planning and links with input suppliers at SME level; Competition faced by SMEs from big business
Expected results	<i>The results are the outputs envisaged to achieve the specific objective What are the expected results? (enumerate them)</i>	<i>What are the indicators to measure whether and to what extent the action achieves the expected results ?</i>	<i>What are the sources of information for these indicators?</i>	<i>What external conditions must be met to obtain the expected results on schedule?</i>
Expected result 1	BIOs' capacity to support F&V processing SMEs has been strengthened and is applied	<ul style="list-style-type: none"> • Up to 50% of internationally certified trainers in food safety (by the project) apply this skill for service provision • At least one new service to clients (preferable in food safety field) has been added by participating BIOs to earlier existed scope of services; • The estimated financial sustainability of participating BIOs has improved by 10% in average 	<p>Project progress reports; Reports of other donors working in the similar fields; BIOs' records/clients' databases information on the scope of services being delivered by BIOs in the country Feedback from BIOs' clients – F&V processing SMEs BIOs' annual financial reports</p>	<p>(1) Interest of BIOs to increase the number of their clients among F&V processing SMEs; (2) availability of BIOs' regional networks; (3) Ability of F&V processing SMEs (particularly rural ones) to pay for required services provided by BIOs; (4) Commitment and readiness of BIOs and SMEs to implement measures suggested by the project</p>
Expected result 2	The Project Partners' and other BIOs capacity to advocate for and	<ul style="list-style-type: none"> • Up to 15 trained BIOs provide highly professional services to F&V processing 	Feedback from all capacity building	(1) Interest of BIOs and SMEs in learning new information,

	strengthen SMEs in F&V processing has improved and is applied	<p>SMEs;</p> <ul style="list-style-type: none"> • The Project Partners have introduced at least one new management/marketing tool; • At least 50% of participating BIOs and SMEs use the results of market analysis undertaken by the project in practice; • At least 2 relevant legislation acts/regulations aimed to enable business environment are supported/improved • At least 80% of the partnering SMEs are satisfied with the services provided by BIOs 	<p>programme participants;</p> <p>Project monitoring updates and internal evaluation report;</p> <p>External monitoring and project/programme evaluations</p> <p>Amended/improved legislation</p> <p>Project final survey</p>	<p>tools and legal basis for further development;</p> <p>(2) Ability of F&V processing SMEs to pay for required services of BIOs;</p>
Expected result 3	F&V processing SMEs have improved their business, market positioning and awareness of their rights	<ul style="list-style-type: none"> • At least 5 SMEs in Kyrgyzstan and Tajikistan have established/improved their long-term sustainable contacts with input suppliers; • At least 2 SMEs per country have applied food safety measures; • At least one pilot SME has developed all HACCP documentation and introduced HACCP; • At least 4 SMEs have developed and use 	<p>Project final survey;</p> <p>Internal mid-term evaluation report</p> <p>Feedback from BIOs – services providers for F&V processing SMEs;</p> <p>Feedback from all capacity building programme participants</p>	<p>(1) Level of SMEs’ readiness to absorb new advanced knowledge and approaches;</p> <p>(2) Growing competition among relevant SMEs;</p> <p>(3) Need to diversify products, introduce new brands and other marketing tools for expansion the markets</p>

		<p>marketing strategies or introduced other marketing measures/tools;</p> <ul style="list-style-type: none"> • All participating target groups and other relevant stakeholders are aware about national producers protection and rights through thematic seminar(s) • At least two pilot model SME productions for further replication are supported 		
Activities	<i>What are the key activities to be carried out and in what sequence in order to produce the expected results? (Group the activities by result)</i>	<i>Means: What are the means required to implement these activities, e.g. personnel, equipment, training, studies, supplies, operational facilities etc.?</i>	<i>What are the sources of information about action progress?</i>	<i>What preconditions are required before the action starts? What conditions outside the Beneficiary's direct control have to be met for the implementation of the planned activities?</i>
	<p>See all activities within each activity group in the Action Plan (section 2.2.4)</p> <p>See section 2.1.1 (Expected results of the Project) for linking activity groups around expected results)</p>	<p>Personnel of the Applicant and of the Project Partners (in house) and specific experts' inputs;</p> <p>International travel;</p> <p>Equipment for organizing and carrying out trainings/capacity building programme;</p> <p>Premises for trainings/capacity building programme;</p> <p>Transportation for trainings' participants, field visits, seminars in the regions etc.;</p> <p>Expenses of study tours and</p>	<ul style="list-style-type: none"> • Project Annual Progress Report; • Project Final Report; • Internal quarterly updates/monitoring reports; • Internal mid-term evaluation report; • Project visibility products; • Project information on 	<ul style="list-style-type: none"> • Demonstrated support of the Government to private sector development and, particularly, to F&V processing sector; • Gradually growing demand in safer and more diversified food proceed products in Kyrgyzstan and Tajikistan; • Growing requirements to food safety in neighbouring countries (for instance in Russia, the main potential export market);

		participation in exhibitions; Expenses for publications, dissemination and visibility actions; Communication means; Office expenses and supplies	websites of both Project Partners and other relevant stakeholders; • Project dissemination events;	<ul style="list-style-type: none"> • Willingness of rural food processing SMEs to develop their business and to increase competitiveness at the market; • Active involvement of the Project Partners in Kyrgyzstan and Tajikistan in F&V processing sector development; • Willingness of BIOs to enlarge their client base in F&V processing sector; • Activeness of other international donors contributing to development of F&V processing sector of Kyrgyzstan and Tajikistan 	
Key Outputs					
Activity group 1	Project launch, team mobilization and work plan finalizing	<ul style="list-style-type: none"> • The project team fully mobilised; • Steering Committee established; • The project Kick-off meeting held; • Inception Report 	<ul style="list-style-type: none"> • Meetings of the project management with EU Delegations in Kyrgyzstan and Tajikistan; • External monitoring of the project (ROM missions); • External evaluation of EU CAI Programme (if any). 		
Activity group 2	Target groups selection and needs assessment	<ul style="list-style-type: none"> • Determined roles and tasks of all relevant stakeholders in the project; • Complete picture on the target groups' needs and expectations from the project 			
Activity group 3	Analysis of internal and regional/international market opportunities in the SME F&V processing sector	<ul style="list-style-type: none"> • Market analysis/research paper; • Relevant marketing strategies are studied and applied for training 			
Activity group 4	Capacity building for BIOs in management, business and other client-oriented tools and techniques (ToT)	<ul style="list-style-type: none"> • At least 15 BIOs in Kyrgyzstan and Tajikistan are capacitated in management, business tools and other client-oriented methods; • Study tour to UK is carried out for the Project Partners and selected BIOs' or SMEs' representatives 			

Activity group 5	Capacity building in food safety	<ul style="list-style-type: none"> • At least 15 BIOs and 15 SMEs in total are capacitated in food safety; • Up to 10 BIOs are internationally certified in FSMS in Tajikistan and Kyrgyzstan; • A course in food safety/HACCP Management System is developed and transferred to BIOs/academic institutions 		
Activity group 6	Capacity building in marketing	<ul style="list-style-type: none"> • At least 15 BIOs and 15 SMEs in total country are capacitated in all requested aspects of marketing 		
Activity group 7	Advisory services to F&V processing SMEs	<ul style="list-style-type: none"> • Seminars of specific topics based on target groups' requirements delivered; • 4 pilot SMEs are selected and supported with introduction of food safety and/or marketing strategies 		
Activity group 8	Exchange of best practices and experiences	<ul style="list-style-type: none"> • Exchange of best practices and experiences organised using various tools (degustation panels, exchange visits, participation in exhibitions etc.); • Study tour to Poland is carried out for up to 8-10 representatives of target groups 		

Activity group 9	Support to relevant legislation/regulations development in Kyrgyzstan and Tajikistan	<ul style="list-style-type: none"> • Support is provided to relevant legal and regulatory documents in the field of national producers protection/enabling business or investments climate improvement • Support is provided to relevant legal and regulatory documents in the field of food safety. 		
Activity group 10	Promotion, dissemination and visibility actions	<ul style="list-style-type: none"> • Visibility items (leaflets, files with logos, booklet, memory sticks with logos, web-based tools, project presentations etc.) • Market analysis produced and published; • Training manual in marketing and business management; • Course on FSMS published; • Annual and final conferences. 		

Finalisation Phase				
Activity group 11	Finalisation phase activities	<ul style="list-style-type: none"> • Exit strategy comprising; sustainability plan; • Final conference; • Final report 		
Activity group 12 (relevant to all phases)	Project management	<ul style="list-style-type: none"> • Inception Report; • Annual Progress Report and Final Report (in line with EU reporting requirements) 6 Quarterly internal updates/monitoring reports; • 1 Internal mid-term evaluation report 		