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Central Asia Invest Programme

Project Update

October-December 2015

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

The project is implemented by British Expertise (UK)

in partnership with

Association of Food Industry Enterprises (Kyrgyzstan)

and

National Association of Small and Medium Businesses (Tajikistan)

December 2015

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1. Introduction

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 III funded by the European Union.

There are three implementing partners of the project: British Expertise (BE), UK (non-profit organisation, the Applicant), The Association of Food Industry Enterprises (the former title as presented in the Full Application Form was “Association of Fruit and Vegetable Enterprises” (AFVE), the Association changed its name in early 2014 to better reflect new membership), Kyrgyzstan (non-profit organisation, Partner) and the National Association of Small and Medium Businesses of Tajikistan, (non-profit organisation, Partner).

The contract for the project was signed on 1 January 2014 which is considered as the start of the 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 (NGO “Business Intellect Group”, Kyrgyzstan) in Kyrgyzstan in 2011-2012. The approach to build on results achieved in Kyrgyzstan and to transfer the experience from Kyrgyzstan to Tajikistan and in particular, southern Tajikistan remains valid and will be reported during the course of the project implementation.

Important features of the approach developed at the stage of project design are “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 applied.

This Project Update, like the previous ones, is written on a quarterly basis and covers months 22-24 of project implementation (October-December 2015), the final quarter of the project life.

During this reporting period, the major focus of the project has been on:

- Participation in the annual conference of AFVE where the project has provided its contribution, preparation and delivery of final project’s presentation during the conference;
- Organization of seminars with input suppliers (agriculture producers) for F&V processing SMEs in Kyrgyzstan and Tajikistan;
- Finalizing legal input in Kyrgyzstan;
- Preparation and carrying out the final project Steering Committee meeting;
- Finalizing the academic course on HACCP/ Food Safety Management System (FSMS) and presenting it to academic communities in Kyrgyzstan and Tajikistan (additional output);
- Finalizing the website for Tajik marketing initiative group (additional output);
- Preparation of Success Stories publication.

The present internal Project Update Report describes activities carried out during this reporting period (months 22-24). No major challenges occurred during the reporting period, nor major deviations from the planned schedule. Slight deviations presented in the report have occurred during the reporting period with no negative effect on the project’s outcomes. The annexes to the report present the agenda and the details of the fourth (final) project Steering Committee meeting.

The Project considers the Work Plan finalized during the Inception Phase and slightly adjusted at the stage of the project Interim Report (December 2014), as the basis for project implementation and the present report reflects project progress in line with this adjusted Work Plan.

2. Activities carried out during the reporting period

The following activities have been implemented during the reporting period (only those activities planned and/or completed during this reporting period are described below, see updated):

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

All activities planned for this activity group have been completed.

Activity group 2: Target group selection and needs assessment

All activities planned for this activity group have been completed.

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

All activities planned for this activity group have been completed.

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

All activities planned for this activity group have been completed.

Activity group 5: Capacity building in food safety

Activities 5.1 – 5.5 and 5.7 (5.1 – “Detailed planning of the module-based training/capacity building programme for Kyrgyzstan and Tajikistan”; 5.2 – “Development of modules for each aspect on food safety, based on needs assessment”; 5.3 – “Delivery of advanced capacity building in food safety in Kyrgyzstan as a follow up from the previous CAI project”; 5.4 – “Delivery of training/capacity building in food safety aspects to Tajik target groups (BIOs and SMEs”; 5.5 – “Feedback analysis of participants” and 5.7 – “International certification of trainers in food safety/HACCP (ToT)”) were completed in both participating countries during the previous reporting period.

The focus of this reporting period has been on finalizing the e-version of the Training Manual on FSMS. It was sent to both Project Partners in month 24 to be further used for members of both associations in Kyrgyzstan and Tajikistan and other relevant stakeholders.

Activity 5.6 – “Development of a course in Food Safety Management System (FSMS) for BIOs/academic institutions” has been completed during the reporting period. This additional activity has been added to the project scope during the Inception Phase following the needs assessment undertaken in both participating countries and has proved to be critically important for not only for participating stakeholders but for relevant academic institutions in both countries generally. The course was presented in Kyrgyzstan (month 23) and Tajikistan (month 24) at Technological Universities to the broad audience of teachers and students and was highly appreciated. Its e-version (incorporating case studies, examples of examination papers, photo and video materials in addition to theoretical parts) has been sent to both Partners and participating trainees from Technological Universities in both countries.

Activity group 6: Capacity building in marketing

All activities planned for this activity group have been completed.

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

Activities 7.1 (a – “Planning seminars, meeting and contacts with input suppliers for pilot SMEs” in Kyrgyzstan” and b – “Support to establishing and improving contacts with input

suppliers for value chain development (Tajikistan)” were carried out during the reporting period through two seminars/meetings between F&V processing SMEs and agricultural input suppliers carried out in month 24 in both countries. In Tajikistan this seminar was organized in Hatlon region (the south/pilot region of the project) and was well attended by 30 participants. The outcome of both seminars was that good working contacts were established and agreements were reached on F&V supply to the processing SMEs for the forthcoming agricultural season. In Kyrgyzstan, this seminar was a valuable contribution to the planning of quantities and variety of F&V regularly being undertaken by AFVE at the end of the year to its members for the future season and the summary of planned crops and the request from F&V processing SMEs has been distributed to all AGVE members.

Advisory services to F&V processing SMEs was carried out during the reporting period through permanent work with pilot SMEs in Kyrgyzstan and will be on-going in Tajikistan with two selected pilot SMEs and marketing initiative group established with the project support in the South of Tajikistan (Hatlon region). All basic programmes required to be filled in by pilot SMEs in Tajikistan for HACCP introduction were sent out in month 23.

In the marketing field, advisory services have been continued during the reporting period with a marketing initiative group in Tajikistan through the development of a website for this group and collecting information for it. In month 24, the website was registered and handed over to the head of the marketing group.

Activity 7.4 – “Field visits to selected SMEs”: a field trip to the pilot SME “Kaindi-Kant” was organized in Kyrgyzstan and was attended by the project Food Safety Expert and the Director of AFVE. A meeting with the HACCP team, and a review of documentation and outstanding challenges was carried out and recommendations were provided for further steps needed for HACCP introduction. In 2016 this work will be continued by “Kaindi-Kant”.

On-line work was also continued with the pilot SME “Kaindi-Kant” in Kyrgyzstan on HACCP (activity 7.5 “Advisory services to selected pilot SMEs in implementation of HACCP/food safety measures and/or marketing strategies”) during the reporting period, in close cooperation with the project Food Safety Expert.

As mentioned in the previous Project Update, the owners of the pilot SME “Dessert” have temporarily rented out the enterprise for one year (starting from July 2015) because of financial difficulties encountered. This was beyond project control, but the major work on HACCP documentation has been completed with project assistance. Therefore, no further work has been possible in the final three months of the project implementation. However, detailed discussions with the Director of SME “Dessert” have indicated that this work will be finalized in 2016 when the enterprise will return to their owners and the rent contract will be completed (from January 2016).

All other activities of this group not mentioned above have been completed during the previous reporting periods.

Activity group 8: Exchange of best practices and experiences

All activities in this group have been completed.

The final exchange of best practices and experiences was organized during the Annual AFVE conference held in the end of month 23 (24-26 November 2015) at Issyk-Kul region of Kyrgyzstan (attended by the Project Partner from Tajikistan). All experiences and best practices accumulated by the project during its life were summarised and presented to the broad audience of F&V processing SMEs, international donor-funded projects, relevant governmental and other organizations which took part in the conference.

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

All activities in this group have been completed.

Activity 9.3 (“Development of methodological recommendations on introducing the HACCP system at enterprises of food industry of Kyrgyzstan”) has been completed, submitted to governmental agencies and other relevant stakeholders for circulation and comments in month 18 and was eventually **approved by all relevant ministries** involved in month 24, after a long round of comments and slight modifications. This is seen as **an output of real value** for Kyrgyz food-processing SMEs, as it represents unique document which will allow much **more effective introduction of HACCP** at the level of an enterprise. It was based on the **ISO 22000 Manual developed by the project**.

In Tajikistan, activity 9.4 (“Analysis of correspondence of the key legal acts of Tajikistan to the technical regulation of the Customs Union “On food safety”) has been completed. The document “Development of the draft technical and economic justification of reforming the system of food safety” developed and submitted to the Ministry of Economy during the previous reporting period, has been discussed with EU funded project ETCAP (see earlier Project Updates for details on this project). It is hoped that ETCAP will follow up on the legal document developed by the project.

Activity group 10: Promotion, dissemination and visibility actions

These activities were on-going during the reporting period, with regular information-sharing with all relevant stakeholders (activities 10.1 and 10.2). It was being regularly updated on the websites of both project partners thus creating a web platform of real value for information sharing. All training materials, project and experts’ reports, press releases, photos etc. are regularly updated.

To date, all project training materials, experts’ reports have been placed on the websites of both Project Partners (activity 10.3 – “Development of the project web platform for information sharing and capacity in food safety/marketing”), including the final e-version of the Manual on FSMS. Eleven internationally certified trainers in ISO 22000 have provided their updated CVs to the websites of both Project Partners in order to be used by SMEs as resource persons/consultants for SMEs introducing/willing to introduce HACCP/ISO 22000.

Visibility items produced earlier continue to be disseminated to the relevant stakeholders.

Project information continues to be regularly reflected in the bi-monthly Information Bulletins being issued by the Project Partner in Kyrgyzstan.

Two final press-releases have been produced covering the presentation of the academic course on FSMS in Kyrgyzstan and Tajikistan in line with EU requirements (in Russian, English and Tajik for Tajikistan).

In Tajikistan, the Marketing Manual produced earlier in the course of the project has been translated into Tajik for further broad use by Tajik BIOs and relevant donor-funded projects for training sessions. This is **another additional output** of the project implemented on a needs-basis.

As stated above, the website for the marketing initiative group in Tajikistan has been completed. The project’s participation in the Annual conference with presentation of project achievements and information sharing has been reflected on the websites of both project partners.

The project has produced the final “Success Stories” publication (200 copies in Russian and in English total), as well as e-versions. The publication includes the best examples of the project’s achievements in professional and capacities’ development, achievements in legal fields and presents the examples of **outcomes of real value for participating BIOs and SMEs**.

Activity group 11: Finalization phase

All activities of this group have been completed in line with the project’s exit strategy (see the previous Project Update for more details).

Activity 11.4 – “Development of a project sustainability action plan”, started in month 19, has been completed. The draft of the Plan was presented and discussed with the participants of the Annual AFVE conference. Comments were incorporated into the final version of the Plan which will be annexed to the project Final Report.

Activity 11.7 – “Preparation of the final report” is on-going.

Activity group 12: Project management

All activities of this activity group have been completed. The final (fourth) Steering Committee meeting was successfully held on 25 November 2015 (see annexes 1 and 2 for details).

3. Deviations from the planning schedule

No major deviations occurred during the reporting period. Two activities described below have been slightly re-scheduled in order to make it fully consistent with the priorities of the participating stakeholders (activity group 7) or realities of approval process in Kyrgyzstan (activity group 9, see below). All other activities not mentioned in this section of the report are being implemented as planned.

Activity group 7

Activities 7.1 a (“Planning seminars, meeting and contacts with input suppliers for pilot SMEs” (Kyrgyzstan)) and 7.1 b (“Support to establishing and improving contacts with input suppliers for value chain development (Tajikistan)”) were deliberately postponed from month 19 to month 24 in order to ensure the best timing for these seminars (see section 2, activity group 7 for more details).

Activity group 9

Activity 9.3 (“Development of methodological recommendations on introducing HACCP system at enterprises of food industry of Kyrgyzstan”): the approval of the document developed on time took more time than envisaged which was beyond the project control.

All the above slight deviations are in line with the project flexibility approach and other activities are not affected by them.

4. Challenges experienced during the reporting period

No major challenges were experienced during the reporting period. The situation at the pilot SME “Dessert” described in the previous Project Update remains unchanged but it is believed it will change for the better in early 2016.

Annex 1:

Agenda
of The Fourth (final) Project Steering Committee meeting

25 November 2015

Issyk-Kul, Cholpon-Ata city
«Tri Koroni» hotel, conference hall
Kyrgyzstan

14:30 – 14:40	Greeting word from the project	Nigel Peters Project Director British Expertise
14:40 – 14:50	Greetings from EU Delegation in Kyrgyzstan	Carl Frosio Project Manager EU Delegation to the Kyrgyz Republic
14:50 – 15:10	Presentation of the work undertaken by the project	Inna Bayda Project Coordinator British Expertise
15:10 – 15:20	Presentation on the project work undertaken in food safety/HACCP and recommendations to follow up	Gennadii Kuznietsov Food Safety Expert British Expertise
15:20 – 15:30	Presentation on the project work undertaken in marketing and recommendations to follow up	Natalya Kozak Marketing Expert British Expertise
15:30 – 15:40	Feedback on the project work from the Project Partner, Kyrgyzstan	Diliara Alimzhanova Association of F&V Enterprises of Kyrgyzstan (AFVE) Partner
15:40 – 15:50	Feedback on the project work from the Project Partner, Tajikistan	Nasiba Aminova National Association of Small and Medium Businesses of Tajikistan (NASMB) Partner
15:50 – 16:00	Questions and answers	Steering Committee members

Annex 2: Minutes of the final Steering Committee meeting

Kyrgyzstan, Issyk-Kul region, Cholpon-Ata city Hotel "Three Crown"

25 November 2015

Participants:

The project Steering Committee (SC) members:

- 1) Carl Frosio**, EU Delegation, Project Manager
- 2) Nigel Peters**, Project Director, British Expertise
- 3) Inna Bayda**, Project Coordinator, British Expertise
- 4) Gennadii Kuznetsov**, Food Safety Expert, British Expertise
- 5) Natalya Kozak**, Marketing Expert, British Expertise
- 6) Diliara Alimzhanova**, Partner, Head of Association of Fruit and Vegetable Enterprises (AFVE), Kyrgyzstan Enterprises of Kyrgyzstan
- 7) Nasibahon Aminova**, Partner, Director of National Association of Small and Medium Business of Tajikistan (NASMB)
- 8) Tashmatov Abdulajan**, Director of pilot SME "Dessert", Kyrgyzstan
- 9) Adylbekova Aijan**, Field Project Coordinator, AFVE, Kyrgyzstan

Nigel Peters opened the meeting with greetings and thanked all partners and experts for the good work done. Nigel mentioned that two years have passed very quickly since the beginning of the project. Much has been done and the goals have been achieved. Mr Peters said that the project will end soon, but the basis has been built for further continuation and follow up in the framework of the new Central Asia Invest (CAI) IV Programme. This is a first project led by British Expertise in two countries: Tajikistan and Kyrgyzstan. The previous project, implemented only in Kyrgyzstan in 2011-2012, was British Expertise' first experience of the CAI Programme, funded by the European Union.

Carl Frosio emphasized that the project meets all the requirements and objectives of the EU CAI III Programme, which aims to promote sustainable economic development of Central Asian countries by supporting small and medium enterprises (SMEs). Mr Frosio mentioned that the EU would shortly announce a new tender for CAI IV. The EU had begun to develop a bilateral agreement with the Government of the Kyrgyz Republic to support the agricultural sector. Lessons learned from this project would be a good platform for new relevant projects.

Inna Bayda presented an overall summary of work undertaken by the project which was carried out over two years in both participating countries, emphasizing the key approaches, methodologies applied, results achieved and outcomes for the target groups (Business Intermediate Organizations (BIOs) and SMEs and broader relevant stakeholders.

It was mentioned that the market research in Kyrgyzstan on fruit and vegetable (F&V) sector was very useful and the database on F&V processing SMEs of the South of Tajikistan had never been carried out before.

Ms Bayda emphasized that the project chose the South of Tajikistan, although it is quite a difficult region to work in. Most donors tend to work with the more developed Northern region. However, the South of Tajikistan (Hatlon region) has huge potential in the F&V processing sector and the attention of donors is now turning towards this region, to some extent due to the current project, DFVP.

Ms Bayda emphasized that 18 BIOs and 24 SMEs were capacitated in food safety/HACCP and marketing in Kyrgyzstan; 8 BIOs and 9 SMEs in Tajikistan. Training sessions were held on a continuous basis, once every three months. Also, 7 thematic workshops with market operators and supermarkets in both countries, in new types of F&V processing equipment, experience exchange etc. were organized.

The project results for selected pilot SMEs, partner organizations and academic institutions were also presented.

A marketing initiative group was established with project support, two study tours were carried out (to the UK and Poland), eight F&V processing SMEs were visited by all participating trainees, participation took place in three international exhibitions, advanced training in ISO 22000 resulted in 11 internationally certified trainers in ISO 22000 and many other project activities all together have led to the achievement of all planned targets and objectives.

Inna Bayda also underlined the key challenges faced by the project during implementation:

- limited time duration of the project;
- low initial level of preparedness of the enterprises of the South of Tajikistan to absorb new knowledge (particularly in HACCP) and to implement experts' advice into practice
- lack of transparency of a number of participating SMEs in sharing their strategies, best practices etc.

Tashmatov Abdulajan expressed gratitude to the project's experts/trainers and project as a whole. He emphasized the necessity of implementing HACCP and readiness to do this next year. Mr Tashmatov was particularly impressed by the study tour to Poland, learned a great deal there, and came back with new ideas for further development of "Dessert". The new equipment has been found for his enterprise at "PolAgra" exhibition in Poland.

Nasibahon Aminova underlined that with the help of project participating enterprises, Tajikistan could greatly improve its marketing potential. NASMB actively and widely disseminates all the project events and results via media and website. There is great interest among all participating stakeholders and NASMB for a project follow-up.

Diliara Alimzhanova said that Kyrgyzstan has become a member of the Eurasian Economic Union (with Russian, Belarus, Kazakhstan and Armenia) which has made the important issue of HACCP introduction at the level of all food processing SMEs a necessity. She expressed the hope to continue working with the project in the framework of CAI IV, particularly in the South of Kyrgyzstan, in order to increase the professional level of BIOs and F&V processing SMEs in HACCP and marketing, one of the most agricultural regions of the country.

Overall, all participants of the meeting expressed satisfaction with the project's achievements and the hope for its follow-up.