



Ulkoministeriö
Utrikesministeriet
Ministry for Foreign
Affairs of Finland



*Empowered lives.
Resilient nations.*

PROGRESS REPORT

2020 annual

Project	Aid for Trade for Central Asia (phase IV)
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Approvals	To be approved by the Project Board
Purpose	As per the project document, the project is monitored through annual and bi-annual reports. The report is prepared to give a summary of progress, present the overall project situation and provide sufficient information for the Project Board to take decisions and to make recommendations.

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1. Summary

The project focuses on supporting Central Asian countries in promoting inclusive and sustainable growth patterns in rural areas and within green productive sectors. It was designed based on findings of the Aid for Trade project phase III and consultations at national and sub-national levels.

The main logic of the project is to support producers in Central Asia and government partners to build productive capacities that are forward-looking (future-proof) and that address rapidly changing global market demands or climate change. The strategy is to provide support to building productive and export capacities for niche products, identified in the agricultural, agro-industrial, but also in other employment-rich and potentially green sectors, to contribute to more economically, socially and environmentally sustainable growth patterns. The project will address the development challenge outlined above through two sub-components:

1. Supporting an enabling environment for job-rich growth through

- 1.1 Enabling policies and regulations for inclusive and trade oriented private sector development (macro level).
- 1.2 Trade support institutions that provide efficient services to the private sector (meso level).

2. Supporting market opportunities for all through more efficient and competitive producers and processors

- 2.1 More efficient and competitive producers and processors contributing to sustainable human development (micro level).

Regional

At the regional level, the project supported UNDP's global response for the private sector to COVID-19¹. The UNDP global guidance note for MSMEs on COVID-19² includes the experiences and lessons learned from the Aid for Trade project. The project also developed a [dedicated guidance note for the RBEC](#) region and supported countries outside the project target geographical area [in trade intelligence issues](#).

The project identified six main dimensions of COVID impact on MSMEs and economic:³

- Supply side - restrictions will disrupt global and regional value chains.
- Demand side – changing consumption patterns, as well as rising unemployment will impact on the demand side;
- Liquidity - limited sales and reduced logistics will make it challenging for MSMEs to cope and maintain liquidity.
- Structural transformation cost – with limited financial resilience, MSMEs find it difficult to adapt to new work processes and consumption shifts.
- Trade restrictions and changing border regulations make it increasingly difficult to maintain cargo space and supply flows.

FDI remains an important channel for development of SMEs both in terms of labour and productivity but since the 2008 financial crisis, many countries across the ECIS region had been experiencing reductions in foreign direct investment.

¹ [COVID-19 UNDP's Integrated Response | UNDP](#)

² [Guidance Note on high-impact MSME interventions and tools for COVID-19 response and recovery | SDG Finance \(undp.org\)](#)

³ [MSME s Covid-19 Final 28 May.docx - Google Drive](#)

The project also supported the UNDP country office in Afghanistan to develop their new private sector portfolio on the basis of the lessons learned from the work undertaken by the Aid for Trade project in Central Asia.

At the regional level UNDP also continued to work on increasing trade linkages between Finland and Central Asia with two main activities still ongoing. The UNDP AFT project is preparing for the tourist season in 2021/2022 reaching out to tourism operators in Kyrgyzstan and Finland, and secondly producing mini videos on quality management systems with the University of Eastern Finland in the context of the quality management programme implemented in 2019 jointly with the University of Eastern Finland. A first draft of the tourism assessment study was finalized and preparation for a B2B meeting between Finland and Kyrgyzstan tour operators are currently ongoing. The videos developed by the University of Eastern Finland have also been launched.

The Central Asian Trade Intelligence Platform is to be launched on 25th of February 2021 in Central Asia.

Kyrgyzstan

In 2020, the project continued to support the Investment Promotion and Protection Agency (IPPA) with the export caravan informational campaign and improving Export portal. The campaign aimed to raise awareness on existing opportunities among local exporters and producers. At the beginning of the year, the project conducted market access activities jointly with the Department of Tourism under the Ministry of Culture, Information and Tourism on tourism from the Republic of Korea, India and the United Kingdom. In order to improve access to finance for MSMEs the project also continued to support the Guarantee Fund with the introduction of a corporate governance system for their clients (MSMEs).

With regards to the target value chains, the project started to collaborate with Kyrgyz Tourism LTD on adventure tourism, Public Fund TES Center for honey products, and ErkinConsult LTD Dried fruits, berries, dried vegetables and nuts. The project continues support to the Chamber of commerce and industry to digitalize their services and provided training courses for their clients.

With regards to women entrepreneurs, the project started cooperation with the Public Fund 996 Impact Circle to improve access of MSMEs, especially women-led companies, to affordable innovative financing and investment tools in Osh, Jalal-Abad, Naryn and Issyk-Kul provinces. In 2020, the project, with the JIA Business Association, started Mentorship program that will contribute to women's economic empowerment and maintain the sustainability of business activities in the context of the COVID-19 pandemic.

In light of the overall economic crisis triggered by the COVID-19 pandemic, the project conducted an early impact assessment on MSMEs in Kyrgyzstan for the identification of their needs. The assessment was implemented jointly with the Agency for Technical Cooperation and Development (ACTED).

Tajikistan

In 2020, the project in Tajikistan focused on strengthening capacities of the target value chain actors, with targeted interventions among women, and taking into consideration the social and economic impact of the COVID-19 pandemic.

Discussions on export and trade policy improvements also continued. At the policy level the project supported the Government with elaboration of the State Export Development Programme for the period of 2021-2025 (EDP-2025) and in elaboration of the mechanism for functioning the law "On State Services". In order to contribute towards its objective as an enabling policies and regulations for inclusive and trade oriented private sector development, the project jointly with the Ministry of Justice and its Working Group has managed to develop and pass to government 6 by-laws of the current law. These by-laws are fundamental for the improvement of public services and optimization

and simplification of provision state services both to citizens and private sector. The project continued its efforts in supporting trade support institutions through improved services for entrepreneurs and producers. The work also continued to promote the selected value chains on mung beans, honey, peanuts, apricot kernel oil and dried fruits with trainings, developing market profiles, production analysis and providing equipment for processing the new niche products. The project enhanced its assistance for women entrepreneurs with series of targeted trainings and mentorship programmes.

Lessons from pandemic impact:

- MSMEs working in agriculture could be particularly hit by pandemic pressures as they rely on a limited number of suppliers. Much of the labour in this sector is also informal and these workers will be hardest hit by the downturn from COVID-19. Special attention around food chains should be made considering that many country's labour is active in the agricultural sectors. Therefore, in 2021, the project will pay a specific attention to monitoring around the logistics and border restrictions and will focus on activities on strengthening the capacity of VCs actors to ensure an adequate and reliable input supply.
- Businesses will need to diversify their supply base and expand their stock capacities in order to be able to face the volatility over the short and medium time period, which is particularly challenging for MSMEs given their limited business network capacity. Within the region, MSMEs tend to rely on few supply channels and have limited access to networks, this makes them especially vulnerable for supply chain disruptions. Protectionist measures will not ensure increased efficiency in the supply of goods. While it will allow for a temporary supply assurance, in the long run it will increase costs. Therefore, in 2021, the project will seek the opportunities in widening of the networks and increasing interactions between MSMEs and supply chains. Also, the possibilities in introduction an online trade and other virtual tools will be considered by the project.
- In addition, the main lesson learnt in Tajikistan and Kyrgyzstan is associated with adjustment to COVID-19. Increasing online tools usage is needed to be able to fill the gap that has been left by limited travel and personal contact. Activities such as B2Bs, exhibitions and trainings can be organized using online digital tools. However, limited broadband and rising cost of connectivity make this more difficult.
- The recent situation associated with COVID-19 pandemic showed that governments, as well as the private sector, are not ready to timely respond to new challenges. It was observed that the government response was not effective, which in turn led to closure of around 40% of businesses and to increased unemployment. The government is still in need of technical support in forecasting the consequences of the pandemic, as well as finding well-balanced solutions based on availability of internal resources. At the same time, for numerous reasons that include lack of knowledge and skills and limited access to finance and information, the private sector that is largely dominated by small and medium enterprises, also struggled – and continues to struggle – to weather the pandemic and its repercussions. Therefore, to increase resilience of the private sector – in particular, of MSMEs – in times of crisis, such as the COVID-19 pandemic, it is critical to dedicate more attention to equipping them with innovative tools which will enable them to run their businesses in the new normal and in the post-COVID era. The project, therefore, will put additional focus on the introduction and/or mainstreaming – both within the private sector and the government – of modern tools and technologies, such as trading online, trade intelligence tools, economic modeling, and forecasting.
- The impact of COVID19 revealed a low level of resilience of individual entrepreneurs as well as small and medium enterprises to crisis and shocks, due to limited financial potential and absence of knowledge and adaptation skills. These limitations are further impacted by the slow pace of digitalization of public and private services and limited ICT development in the country. Therefore, UNDP is prioritizing the transformation of Tajikistan's business environment through the introduction of digital solutions for recovery and adaptation and innovating policies to support financial inclusion, as confirmed by the recommendations of UNDP's COVID-19 Impact Assessment.

The project has conducted reviews of all its activities to ensure that they are aligned to emerging needs of the project clientele. Activities have been adjusted to ensure more online outreach and minimise physical contact to ensure the

safety of project audience. Some economic areas such as tourism are facing an extended period of downturn and will require increased support measures. Agricultural production will require more support in terms of market identification, input supply and logistics. The project will continue to conduct rapid surveys and assessments; however, the evolving nature of the global pandemic makes planning challenging.

2. External factors and assumptions

COVID-19 pandemic impact on economy.

In 2020, the world has experienced unprecedented health and economic crises caused by the COVID-19 pandemic. Economies of developing countries, including the target countries, have been hit particularly hard due to a variety of pre-existing challenges, including a low level of diversification of structure of economies and exports, limited fiscal space, limited institutional capacity, an underdeveloped private sector, weak quality infrastructure, etc. The impact of the COVID-19 pandemic and measures taken to contain on each of the target countries are discussed in more detail below.

Kyrgyzstan:

The 2020 was marked by unprecedented challenges for the Kyrgyz economy. The COVID-19 pandemic has caused massive social and economic disruption. Kyrgyzstan, like other countries in the region, is experiencing a decline in economic activity and mutual trade, a drop in household income, an increase in underemployment and unemployment.

Economic activity in the Kyrgyz Republic in Q4 2020 remains weak. The decline in the country's GDP for 12 months reached 8.6% y / y. Consumer and investment demand is limited by the weakness of foreign economic activity, the partial closure of the borders with China and other countries, the consequences of the previously introduced quarantine measures, as well as the suspension of investment projects. The increased socio-political uncertainty had an additional negative impact on the situation in the economy. All sectors of the economy registered negative growth except for gold production and agriculture. Major disruptions were in tourism, wholesale and retail trade, public catering, consumer services, transportation, and construction. With border closures, including with China, external trade fell by 18.0 percent in January-November 2020, year-on year. Hit by lower remittances (down 2 percent year-on-year) and domestic demand, imports fell by more than 26 percent. Exports rose by 4.7 percent, thanks mainly to higher gold and live animal exports.

The agriculture sector has shown growth by 1.1% (January-December 2020). The growth in gross agricultural output compared to January-October 2019 is due to an increase in livestock production by 2.0%. The contribution to the formation of GDP from agriculture is estimated at 0.13 percentage points, the share of which in the structure of GDP production was 13.5%.

Foreign trade turnover of the Kyrgyz Republic decreased by 19.2% y/y. Export volumes increased by 1.7%, thanks mainly to higher gold and live animal exports. With border closures, including with China, external trade fell by 18.0 percent. Hit by lower remittances (down 2 percent year-on-year) and domestic demand, imports fell by more than 27 percent.

One of the most affected from COVID-19 pandemic sectors of the economy is tourism, which has declined by 90%. Trips and tours to the republic have been canceled. Passenger traffic at airports in Kyrgyzstan for nine months of 2020 decreased by 61% due to the COVID-19 pandemic, the number of foreign passengers decreased by 67.1% against last year. Internal passenger traffic decreased by 49.2% - against last year.

Lower revenues and higher expenditures to ameliorate the pandemic led to a deteriorating fiscal position. Revenues fell compounded by the lockdown. To alleviate the impact, businesses were granted tax payments postpone. On the other hand, expenditures increased owing to additional health and social assistance spending. As a result, the deficit soared to 3.4 percent of GDP for 9 months of 2020 from 0.5 percent a year ago and public debt

increased to 65 percent of GDP as of end-August from 54 percent in December 2019. The fiscal deficit is expected to remain high at 7.1 percent of GDP in 2020.

The economic, health and social shocks are driving poverty up. With lower labor earnings, reduced remittances, job losses, and higher food prices, poverty rate may increase by 5.8 percentage points in 2020 compared to 2019. Majority of the population remain vulnerable to poverty. With clustering just above the poverty line, the number of poor people is expected to increase and will require social assistance.

With COVID-19, women are facing greater reductions in paid hours of work and more job losses, a higher proportion of women-led MSMEs (72%) reported they could not repay their loans, compared with men-led MSMEs (61%).

Women have also been more affected by the reduction in remittances. In Kyrgyzstan, 88% of women reported a decline in remittances received, compared to 47% of men⁴. The UN Women's rapid assessment in Kyrgyzstan shows that during lockdown women spent 3.6 times more time on unpaid work than men, and 2 times more on childcare.

Impact on Government. Budgetary funding limits which can reduce implementation of state programs for export development, access to finance, MSMEs support.

Furthermore, there is an increasing tendency for higher incidences of domestic violence as a result of lockdown policies. Increases in the incidence of domestic violence have been registered. In Kyrgyzstan, there were 2,319 cases of domestic violence reported in March 2020, 1,425 involving physical violence, 65% more than in the same period in 2019⁵. The situation is likely to be occurring in other countries also.

Convergence of global health pandemic and economic downturn are quickly leading to rapid rise in unemployment and related risks including extreme poverty, social unrest, and stagnating or even back-sliding in SDG achievement. Kyrgyzstan is faced now with a range of adverse effects from global economic downturn, emergency lock-down of major cities, closed borders and currency depreciation. This is highly likely to lead to a rapid rise in unemployment in the country. Conservatively, nearly 1 million people expected to be impacted across various skills, sectors, and economic strata. The current rise in employment could have long-term negative consequences on poverty, social cohesion and achievement of the SDG targets by the Government of Kyrgyzstan.

Political instability after Parliamentary elections

In October 2020, the country went through a major political unrest following the publication of preliminary results of the parliamentary elections held on October 4, 2020, according to which of the 16 contesting parties, 4 appeared to have gained representation in parliament. Alleging large-scale vote-buying and pressure on voters, a majority of the contesting parties did not recognize the results of the elections and called for protests which unfolded on 5 October demanding the invalidation of the election results. On 6 October, the prime minister and the speaker of parliament resigned, and the election committee invalidated voting results following the violent protests of the previous night. On 14 October, Mr Sadyr Japarov was nominated by the parliament as new prime minister and, after the resignation of President Sooronbay Jeenbekov on 15 October, he also became acting president of the country. As a result of the early presidential elections and a referendum held on January 10, 2021, Mr Japarov became the President of the country, and the political system (system of governance) of the country was changed from parliamentary to presidential, which will entail a cardinal re-structural in the government.

Tajikistan:

In April 2020, the AFT project in Tajikistan conducted a rapid survey among its clients in terms of impact of COVID-19 on their businesses. The main issues identified by participating businesses included: high interest rate and access to finance (100% of respondents), taxation (40% of respondents) and inflation (30%). The respondents identified the following measures they would like to see going forward: lower interest rates for loans to support cash flow, deferred

⁴ [Giuliano, 2020\[14\]](#); [UN, 2020\[15\]](#); [UNIDO, 2020\[16\]](#); [ADB and UNDP, 2020\[17\]](#)

⁵ Rapid Assessment carried out by/for UN Women

loan payments, holidays for fees and taxes, short-term working capital (capital for issuing salary, for purchasing the raw materials, for utilities and running the businesses).

The overall economic downturn in Tajikistan caused by slowing business activity and international trade, and a significant decrease in the volume of remittances from labor migrants. According to the Ministry of Economic Development and Trade, Tajikistan's economy grew at the real rate of 4.5 % during 2020, which is markedly lower than of the preceding year (7.5 %).

In June-September 2020, the UNDP in Tajikistan has conducted the study on socio-economic Impact of COVID-19 on lives, livelihoods and micro, small and medium-sized enterprises (MSMEs) in Tajikistan. The [report](#)⁶ showed that the impact of the pandemic on lives and the health system has been unprecedented in Tajikistan's post-civil war history. With individuals being furloughed or laid off completely, and businesses experiencing a significant decline in scale, sales and incomes, many people and entrepreneurs have been put under severe stress.

The most significant impact on the country's economy have come through trade disruptions, lower migrant remittances and a concomitant slump in domestic consumption, and lower commodity prices for many of the country's main exports. The disruptive impact of the pandemic on supply chains and business has led to significant food price increases by 13%, creating a difficult situation for many households⁷ in what is already the region's poorest country in per capita terms.

The project also has forecasted such the COVID-19 possible economic impact in Tajikistan:

- Prices for basic food commodities tend to increase; most of food commodities are imported: sugar (100%), wheat flour (90%), wheat & meslin (80%), rice (70%) and seed Oils (90%) without which the ensuring a food security is impossible. By end of 2020, the prices for food have increased at least by 13%.
- The purchase power is tending to decrease, which will affect to trade flow and quality of goods (fewer quality products with cheap prices);
- The other (non-food) production and service sectors (like tourism, transport etc.) in country will feel lower demand and productivity will decrease which will lead in increasing of unemployment.
- Local currency depreciation and inflation (16% as for period January-December 2020);
- Global consumption will be reduced, therefore, export both services and goods could decline.
- Agriculture sector will receive more attention from investors and government and will boost the production food commodities.
- Reduction of revenues (taxes). Governmental budget will have problems with lack of resources. The social duties of government will not be fully implemented; The pressure to private sector will increase.

Despite of the fact of negative impact of COVID-19 pandemic to economy and lives, the government of Tajikistan maintained its development course aiming to transit from agrarian to industrial-agrarian economy with the ultimate goal of improving the quality of life of the people. The national development priorities are stipulated in the National Development Strategy 2030 and the new Mid-term Development Program (MTDP) for period 2021-2025 developed by government in 2020, which was informed by the lessons from COVID-19 and included a stronger focus on industrialization and digitization.

The government will continue its efforts by addressing the issues of Sustainable Economic Development, strengthening of human potential, improvement of the system of public administration, expansion of export opportunities of the country, improvement of investment climate, development of private sector and improvement of labour market conditions. Namely, in 2020, the government, in order to remove administrative barriers, ensure efficiency, simplify and improve the provision of public services to entrepreneurs and people, has adopted the law of the Republic of Tajikistan "On state services" (formulation of which was supported by project in 2019) and in order to promote the export has adopted the new State Export Development Programme for period 2021-2025 (formulation of which was supported by project in 2020).

⁶ [Impact of COVID-19 on Lives, Livelihoods and Micro, Small and Medium-Sized Enterprises \(MSMEs\) in Tajikistan | UNDP in Tajikistan](#)

⁷ [Impact of COVID-19 on Lives, Livelihoods and Micro, Small and Medium-Sized Enterprises \(MSMEs\) in Tajikistan | UNDP in Tajikistan](#)

Overall situation in the countries

Tajikistan's economic growth is driven mainly by remittances and public investment, and the economy continues to struggle to keep pace with population growth.⁸ Accordingly, low foreign investment and depressed domestic demand mean that future growth is likely to be unsustainable in the presence of persistent economic shocks.⁹ The domestic labor market remains weak, dominated by unskilled labor and large informal sector, while the financial sector is characterized by unaffordable financing and high credit default rates, often burdened with excessive administrative controls,¹⁰ which causes an outflow of labor and capital from Tajikistan.

While in Tajikistan the cases of COVID19 were recorded relatively late, the impact of the global economic slowdown was felt at early stages of the pandemic. It adversely affected an already frail economy, stretched weak social protection schemes, and increased vulnerabilities and exclusion. With an economy heavily relying on labour migration, border closures and restrictive measures directly impacted household income. A drop in remittances, estimated at 37% vs. 2019 figures, put migrants' families and low-income households at risk of poverty and food insecurity. In 2020, 68% of migrant laborers could not leave Tajikistan to work abroad and only 32% of them could find paid jobs in the country.

Despite its picturesque landscape and abundant natural resources, including water and subsoil reserves, that offer considerable opportunities to develop its tourism, hydropower, and mining sectors, Kyrgyzstan's economic potential has remained largely untapped. In 2019, with a GDP amounting to US\$8.4 billion and a population of about 6.4 million people, the country's GDP per capita totalled US\$1,309. The economy relies heavily on worker remittances and a single gold mine, Kumtor, making it particularly vulnerable to external shocks, such as the COVID-19 pandemic. Due to its relatively small size and weak manufacturing capacity, Kyrgyzstan is highly dependent on imported goods. Over the last decade, it has consistently run a significant trade deficit in goods trade, with the value of imports running at roughly two to three times that of exports.

Numerous challenges that hinder Kyrgyzstan's sustainable and inclusive economic development include limited fiscal space, political instability, limited institutional capacity, lack of good governance, an underdeveloped private sector, lack of infrastructure, etc.

Both countries are also seeing a large return of migrants. Tajikistan has over 600,000 (officially) migrant labours contributing about 40% to GDP. The main destinations are Russia and Kazakhstan – both oil-based economies. The World Bank now predicts the “sharpest decline in remittances in recent history”, with remittance inflows to Central Asian countries predicted to fall by around 28% in 2020¹¹. In Kyrgyzstan, remittance inflows had already dropped by 14% as of April 15th, and in Tajikistan, circa 500, 000 labour migrants have returned or are trying to return to the country from Russia, causing a sharp fall in remittance inflows¹². UNISTREAM, a money transfer company, reported that remittances from Russia had dropped by 30% in March 2020 compared to the previous year. Zolotaya Korona – a money wiring company popular amongst Tajik migrants was expecting transfers to drop by 50% in April¹³.

Changes in international market prices for gold and minerals might soften the blow for Kyrgyzstan and to a lesser extend Tajikistan. Gold represents 37% of total export value for Kyrgyzstan, and gold prices increased approaching the level of US\$1,800/troy ounce, which is about 20% increase compared to March 2019. For Tajikistan, in 2020, gold represents 58% of export value.

⁸ Population increased by approximately 14% between January 2015 and January 2020, reaching almost 9.5 million. During this period, the annual population growth rate averaged 2%.

⁹ Such as the 2005-2006 global financial crisis, the banking sector crisis in 2015-2017, and the corresponding economic slowdown caused by COVID-19 pandemic.

¹⁰ For example, the latest measure by the National Bank of Tajikistan (NBT) was to launch the National Money Transfer Processing Center in November 2019, which requires transfers to be carried out at a fee payable to the National Bank and through a specialized licensing process. This increases bureaucracy and potential delays in the money transfer system.

¹¹ (<https://www.worldbank.org/en/news/press-release/2020/04/22/world-bank-predicts-sharpest-decline-of-remittances-in-recent-history>).

¹² <http://www.oecd.org/coronavirus/policy-responses/covid-19-crisis-response-in-central-asia-5305f172/>

¹³ UNDP (2020), Central Asia scoping paper

3. Report on results: Progress towards the achievement of the targeted objectives and expected results/outputs

Regional (Output no. 106814)

At the regional level, the project supported UNDP's global response for the private sector to COVID-19. The UNDP global guidance note for MSMEs on COVID-19 includes the experiences and lessons learned from the Aid for Trade project. The project also developed a [dedicated guidance note for the RBEC](#) region and supported countries outside the project target geographical area [in trade intelligence issues](#).

The project identified six main transmission channels:

Supply side – restrictions will disrupt global and regional value chains. Limited stocks/inventory will aggravate this issue. Changing demand patterns due to quarantine measures will also weigh heavy on supply chains already limited due to labour and logistics restrictions. With extensive quarantine measures across the world, supply chain disruptions are set to become more accentuated. Sectors in the region that heavily rely on one supplier or one country for their supply channels will potentially face large difficulties in maintaining their supply channels. In addition to supply chain disruptions, border restrictions further aggravate disruptions. Supply chains will be impacted for extended periods because of the staggered responses across different countries and are likely to witness a re-construction towards increased resilience. This could include changing supply chains with increased local production and disappearance of market segments to reduce exposure to shocks in the future.

Demand side – consumption patterns change dramatically during quarantine measures. Although possibly only temporary, crisis measures usually mean individuals favour saving to spending and global value chains are not equipped to meet demand slumps. In the post-lockdown period and depending on unemployment levels this demand slump may continue.

Liquidity – limited sales and reduced logistics will make it challenging for MSMEs to cope and maintain liquidity. Depending on the liquidity expansion offered by governments MSMEs will become more risk averse when the demand side is uncertain.

Structural transformation costs – limited resilience and financial ability of MSMEs to adopt changes in work processes, for example digital solutions and adopting new technologies may be more difficult for MSMEs. While larger companies are more likely to possess financial space to establish new business approaches to meet emerging consumer demands (contact-less, better sanitary approaches and digital solutions), smaller MSMEs will have a much more restrained maneuvering space both in creating new procedures and investing in new infrastructure.

Trade restrictions and changing border regulations make it increasingly difficult to maintain cargo space and supply flows. Logistics limitation may also expose supply chains post lock-down due to limited cargo space as air travel will be reduced and costs increase. On-shoring and near-shoring of products and services will become more likely to reduce value chain vulnerability.

Foreign Direct Investment remains an important channel for development of SMEs both in terms of labour and productivity but since the 2008 financial crisis, many countries across the ECIS region had been experiencing reductions in foreign direct investment. UNCTAD estimates foreign direct investment declines between 30% and 40% mostly caused by quarantine measures but also negative demand shocks and supply chain disruptions, and increased risk aversion by investors.

As a follow-up to the work around quality management systems with the University of Eastern Finland, mini videos detailing processes in Finland in terms of food safety and quality managements are being prepared by the video. The videos will be used to expand on the audience that could access the information and will be made available to VET. In-person trainings were also held by the participants to the study tour to Finland. All participants were able to pass the Finnish Hygiene passport.¹⁴ The regional output also supported contract negotiations with EU

¹⁴ More details can be found under the Kyrgyzstan output

wholesale buyers in Kyrgyzstan and Tajikistan. The tour highlighted the need for better certifications, including FSSC 22000.

The work with ITC on Central Asian Trade Information platform was completed. The launch of the trade platform is expected to take place in February 25, 2021 to ensure that caseloads are lower in all three countries.

Kyrgyzstan (Output no. 106815)

The project continues support the Investment Promotion and Protection Agency (IPPA) on conducting the Export Caravan informational campaign targeted on awareness raising on demanded themes and topics among exporters and local producers. In February and March, 7 workshops were conducted in all regions of the country. Representatives of Trade Support Institutions such as IPPA, the Ministry of Agriculture, the Russian-Kyrgyz Development Fund, the Guarantee Fund, the State Inspectorate for Veterinary and Phytosanitary Safety, the Center for Standardization and Metrology, the State Taxation Service, the Chamber of Commerce and Industry joined the campaign with presentations. Topics of the Caravan covered new rules and regulations related to export and new financial services for producers and exporters including:



- Recommendations on entrance into rosters of Eurasian Economic Union, EU and China;
- Access to finance;
- Phytosanitary and veterinary documentation;
- Taxes and preferences;
- REX system of EU and GSP Plus;
- Advisory support under Chamber of Commerce;

As the caravan targeted new topics, the initiative managed to attract 311 representatives of private sector. Total participants: 311 (77 women, 25%)

Media linkages: [one](#), [two](#), [three](#), [four](#), [five](#), [six](#), [seven](#). [Brief on the results of the caravan](#), [video invite to the caravan](#), [video on the caravan](#).

<https://export.gov.kg/ru/for-exporters/news/69> Workshop in Osh.

<https://export.gov.kg/ru/for-exporters/news/68> Workshop in Batken.

<https://export.gov.kg/ru/for-exporters/news/67> About Export Caravan.

https://export.gov.kg/ru/for-exporters/news/70%22%D0%9A%D0%B0%D1%80%D0%B0%D0%B2%D0%B0%D0%BD?fbclid=IwAR3iAmLSomkhQw5-vt9GsBLx_JFCdmGvl6q5X3S1UWpwFKes0-7YROMx89c Results of Export Caravan.

In 2020, the Investment Promotion and Protection Agency (IPPA) continues to provide account-managed approach to export companies. The project supported IPPA in process of launching new online services based on the trade portal (export.gov.kg) and enhancing service of online portal jointly with *GIZ* and *Import Promotion Desk*.

The following services were launched (11 services in 2020):

- **Market opportunities (2)**. 2 brief reports “Market Opportunities” were developed.
- **Video on market opportunities (2)**. 2 short video files (less 2 minutes) provided brief on Market opportunities.

<https://export.gov.kg/ru/for-exporters/analytics/s/rynochnye-vozmozhnosti-sukhogo-moloka>
<https://export.gov.kg/ru/for-exporters/analytics/s/rynochnye-vozmozhnosti-sushennykh-yablok>

- **Market profiles (2).** 2 reports were developed for priority markets and priority products:
 - Dried milk to Uzbekistan <https://export.gov.kg/ru/for-exporters/analytics/s/profil-rynka-sukhogo-moloka>
 - Dried apples to Kazakhstan; <https://export.gov.kg/ru/for-exporters/analytics/s/profil-rynka-sushenogo-yabloka-kazakhstan>
- **Online guide on REX (1).** In 2019, the project jointly with GIZ conducted workshops and advisory support on REX system. As a result of this work in 2020, informational materials were translated into Russian and Kyrgyz placed in special web-page at the export.gov.kg including <https://export.gov.kg/ru/for-exporters/rex>:
 - [Simple steps](#) of registration in REX;
 - [Guide](#) on REX;
 - [Brief information](#) on REX;
 - Rules of [Origin of EU](#);
 - Application [form](#);
 - Reference ([1](#) and [2](#));
 - [Video](#) on REX.

By the end of 2020, 37 exporting companies from early identified 50 are registered in REX system.

- **Online [workshop](#) on Marketplaces and tools for express analysis of demand for products in export markets:**
 - About the work of the main largest Russian marketplaces Wildberries, Ozon, Beru;
 - What are the schemes of cooperation with marketplaces, the forms of contracts and which one is better to choose;
 - What products and on what platforms are best sold, how to choose your assortment and what sales strategy;
 - How to go all the way from the initial registration of an account on the marketplace to receiving the first money;
 - How the workflow with marketplaces is built at each stage of interaction, and which top-accounting system is better to choose;
 - What are the most common mistakes that newbies make on marketplaces.

As result of attraction of high qualified experts with new topics related to ecommerce, *the workshop* reached out 50 representatives of private sector (27 companies) participated.

<https://export.gov.kg/ru/for-exporters/analytics/s/seminar-po-marketpleysam-i-po-analizu-sprosa-na-produktsiyu-v-rf-i-formirovaniyu-torgovogo-predlozheniya>

- **Online Export School for MSMEs.** Due to the situation with COVID, training materials have been prepared for distance learning for MSMEs and integrated to export portal:
 - 7 steps to export (<https://export.gov.kg/ru/for-exporters/7-steps-to-export>),
 - Trade analysis tools (<https://export.gov.kg/ru/for-exporters/trading-analysis>).
- **Analytical materials (2)** were also prepared: “E-commerce as a tool to support trade” (<https://export.gov.kg/ru/for-exporters/analytics/s/elektronnaya-kommertsiya-kak-instrument-podderzhki-eksporta>), “How respond to COVID-19” (<https://export.gov.kg/ru/for-exporters/analytics/s/kak-reagirovat-na-covid-19-v-sektore-pererabotannykh-fruktov-ovoshchey-i-orekhov>).

During of 2020, 15,166 clients visited the export.gov.kg platform, increased for 78% y/y. The majority of the clients of IPPA are local exporters (74.5% of users of export.gov.kg are from Kyrgyzstan).

Table. Statistics on export.gov.kg in 2020. Source: Reports from Google Analytics

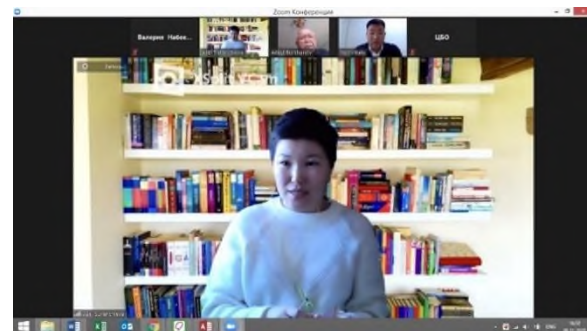
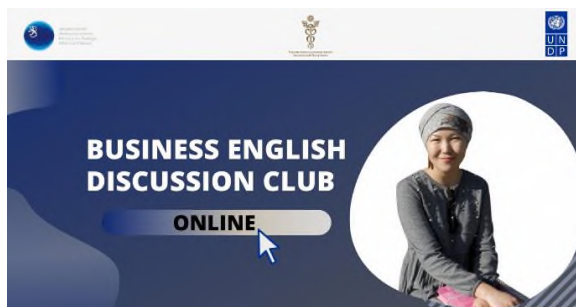
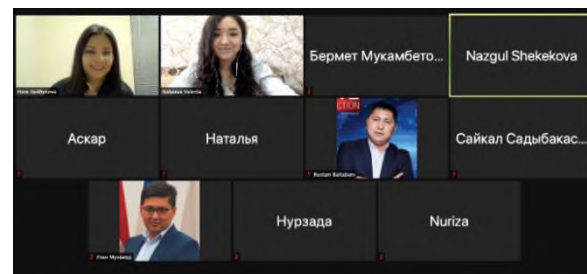
Number of users	15,166
Sessions	24,040
Pageviews	76,454
Female rate	51.2% (7,765)
Male rate	48.8% (7,401)



Business matching activities with local producers and processors. Under the regional component the project supported business matching activities of Kyrgyz exporters and producers with European company *Nobiles*. Representatives of *Nobiles* had meetings and negotiations with 17 producers (2 women led companies) from Batken, Osh, Djalal-Abad, Talas and Chuy provinces.

As a preliminary result, samples were sent for lab testing as per requirement of *Nobiles*. One contract was signed for a truckload of red beans (22t) for the price of USD 900USD/t.¹⁵ Media linkage: [one](#), [two](#)

Due to pandemic and for health safety purposes the project initiated jointly with Chamber of Commerce and Industry (CCI) series of trainings in online format. As a result of these trainings, 49 participants 75.5% of trained are women. The number of companies 41, 23 (56.1%) of them are women led companies.



¹⁵ Source: Mariam Matti (2020), Post-B2B meeting report for AFT Project in Central Asia

<http://training.cci.kg/catalog/1/10/95.html>
<https://fb.me/e/4CGwEkt4U>
<https://www.facebook.com/trainingccikg/posts/3386842538081610>
<https://www.facebook.com/trainingccikg/posts/3344607432305121>
<https://www.facebook.com/trainingccikg/posts/3323199914445873>

In the beginning of 2020, the project started market access activities jointly with the Department of Tourism with the Republic of Korea, India and the UK. Further activities were suspended with the rise of the COVID-19 pandemic.

The [roadshow to Seoul](#) (Republic of Korea) took place on 13th January 2020 with eight tourism companies, one association and the Department of Tourism from Kyrgyzstan. The Department conducted several meetings during the mission:

- Meeting with the Seoul Tourism Organization;
- Tourism promotion discussion with Korean Brain Park company;
- Discussion with Korean Lotte Hotels & Resorts company (hotels network) on new hotels in Kyrgyzstan;
- Meeting with KOTFA (tourism exhibition organizer). Discussion on participation of Kyrgyz companies in exhibitions with discounts.

The following Kyrgyz companies participated: *Asia Expeditions, Aksai Travel (w), East West Travel (w), CAT Company, Travel Land Kyrgyzstan, Novi Nomad, Best Way (w), Rayan Tour (w)*.



The [roadshow to New Delhi](#) (India) took place on 15 January 2020 with five tourism companies, one association and the Department of Tourism from Kyrgyzstan. The Department had a meeting with the Ministry for Tourism of India and the Incredible India organization during the mission. 40 Indian tourism companies participated in the B2B meetings.

The following Kyrgyz companies participated: *Kyrgyz Eco Tour, East West Travel (w), C.A.T. Company, Travel Land Kyrgyzstan, Raian Tour (w)*.

The [roadshow to the United Kingdom](#) took place on the 25-28 February 2020 with nine tourism companies from Kyrgyzstan and the Department of Tourism in London, Manchester and Edinburgh.

The Department conducted several meetings during the mission:

- Meeting with STR company;
- Discussion with Global Travel Investment company on the organization of a forum in Kyrgyzstan related to aviation and tourism.
- Discussion with World Travel Market (exhibition organizer) on arranging a Central Asian booth.

The following Kyrgyz companies participated: *Geografiya (w), Central Asian Tours, Travel Adventure, Travel Land Kyrgyzstan, Novi Nomad, Tien Shan Travel, Aksai Travel (w), C.A.T. Company, Raian Tour (w), My Hotel*.

Total participants to the five road shows on tourism 14 companies (five women led companies, 36%).

The project expected strong results from these roadshows, and initial indications were very promising. Initially, the project expected strong results, including the conclusion of at least 85 contracts which, in turn, would lead to the arrival to the Kyrgyz Republic of at least 10 950 tourists from the Republic of Korea (at least 50 tour-companies), India (at least 70 tour-companies) and the United Kingdom (at least 18 tour companies) in 2020. The expected revenue from these roadshows amounted to 2.1 mln USD.

However, the current situation has not only resulted in putting on hold all negotiations but represents an existential threat to much of the tourism sector in the country. Expected 2020 results as per results framework are unlikely to be achieved. If the pandemic can be brought under control with a vaccine, the tourism sector could return to its high potential of employment creation.

Studying Finnish best practices and experiences in food safety and quality management. In 2019, food safety and quality management experts participated in a 5-day workshop in Bishkek and study tours to Finland to study Finnish practices. All participants passed the exam and received the Hygiene Passports issued by the *Ruokavirasto (Finnish Food Authority)*. In 2020, the project continued to share the Finnish experience on food safety and quality management conducted jointly with the University for Eastern Finland.



After returning to Kyrgyzstan, these experts shared their new knowledge on Finnish practices related to food safety and quality management with teachers and students of local education institutions including *the Kyrgyz State Technical University* (38 participants: 86% are female and 14% are male) and *the Kara-Balta Technical College* (62 participants: 88% are female and 12% are male) as well as local food producing companies.

Companies that participated in the workshops: *Toiboss LLC (processed meat products), Prodimpex LLC (processed fruit and vegetables) woman-led company, Kant-Sut (dairy products), ShinLine (ice cream).*

https://twitter.com/urmat_takirov/status/1234709644083417088?s=20
<https://twitter.com/undpkg/status/1199933179844583424?s=20>

In December 2020, the project has disseminated the “Guide to Finnish Food Safety and Quality Management” among the participants of the study-tours and companies on strengthening 3 VCs.

This guide is an overview of the Finnish food safety and quality management system from farm to fork. The principles of the hazard analysis and critical control points (HACCP) concept and food safety standards like ISO 22000:2018 are also explained.

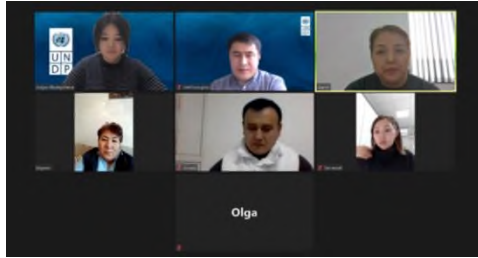
<https://erepo.uef.fi/handle/123456789/8345>



Also there has been produced and promoted the video, which shares Finnish practices on food safety and quality management. It tells the story of how stakeholders in any given food value chain work together openly and transparently to ensure good quality and safe food for all.

<https://www.youtube.com/watch?v=88tvUKpMDSA&feature=youtu.be>





On 16th December 2020, a follow-up meeting was held with the participants of study tours - first Kyrgyzstanis who received European-standard hygienic passports. During the meeting participants shared their progress over the current year and proposed several new ideas on knowledge transfer.

https://www.linkedin.com/posts/asipa-altymysheva-434b94103_kyrgyzstan-innovative-safety-activity-6744910613543174144-yC7p

Introduction of corporate governance to clients of the Guarantee Fund. In 2020, the project jointly with the Association of Guarantee Funds supports the development of corporate governance structure frameworks. The methodology and internal documentation were developed and endorsed. Association has implemented corporate governance in one Fund’s client – Walkers KG LLC, which has achieved access to finance and received loan for 130,177.5 USD (11mln KGS) and as a result created 5 new jobs. However, due to the COVID-19 outbreak and lockdown, the Fund postponed the implementation of activities.

Assessment on early impact of COVID on MSMEs. In April 2020, the project conducted jointly with ACTED a survey of 600 MSMEs from different regions and sectors. The survey was directed to MSME’s owners, co-owners or general managers. The data collected through telephone survey to 606 randomly selected MSME reveal some interesting and far-reaching results, including:

- Overall, 94% of MSMEs reported that the COVID-19 outbreak has negatively affected their business,
- 67% said that sales went down and demand from clients greatly decreased,
- 66% (392) said they had to temporarily close their business because of the State of Emergency,
- 50% (294) said that road closures prevented them from exporting or delivering produced goods.
- 45% (266) had to send staff to unpaid leave.

The COVID-19 outbreak and lockdown affected male- and female-led MSMEs similarly. The project planned to conduct assessment in autumn to understand the dynamics of COVID impact on MSMEs.

Strengthening the value chain on adventure tourism.



In June 2020, the project conducted consultations ([one](#), [two](#)) related to adventure tourism with the Ministry on Culture, Information and Tourism of the Kyrgyz Republic, local administrations, local tour companies, tourism associations and municipalities. To minimize physical contact and comply to national restrictions on mass gathering, the meeting was held online. The first consultation was conducted with Mr. Azamat Zhamankulov, the Minister of Culture, Information and Tourism. Meetings with key stakeholders at the local level in Naryn, Osh, Djalal-Abad and Issyk-Kul regions focused on identifying key

locations and issues of service providers in Adventure tourism VC. [One promotional video](#) for adventure tourism for local companies was developed.

In order to understand trends in adventure tourism and how COVID-19 is likely to impact the tourism market, the project arranged [a meeting](#) with Alla Pressolova (former UNWTO Head of Department on Silk Road tourism). Ms Peressolova mentioned key advantages of adventure tourism in Kyrgyzstan such as its nomad culture, its position along the Silk Road, unique nature landscape, low awareness on Kyrgyzstan as mass tourism destination.



Based on the desk study on the tourism potential of the regions of Kyrgyzstan the project with partners selected 9 pilot destinations in 4 target regions and identified their needs in value-chain.

The project received 72 applications and selected 24 participants and identified 8 tour leaders for intensive training course on Tourism. In 2020, an intensive online training course has been conducted. The course consisted from 6 blocks: Tourism, Management, Marketing, Digital Skills, Coaching and English. The training course takes place on the platform: <https://kyrgyztourism.getcourse.ru/course> where collected all educational and other useful materials necessary for the participants.



Strengthening honey value chain. In June 2020, the project conducted consultations related to the honey value chain with local administrations, local producers, associations and municipalities. The first consultation was conducted with Mr. Zhakshylyk Duishenaliev, the President of the Kyrgyz Beekeepers Association. Mr. Duishenaliev highlighted the challenges beekeepers face and trends in the honey market. Meetings with key stakeholders focused on identifying key locations and issues of service providers honey production. As result of this consultation in 4 regions 8 target districts were selected and 253 experienced and new beekeepers, 16% of them were women-beekeepers were mobilized.

Most of the surveyed beekeepers in target regions are older men, over 50 years old. The share of beekeepers aged 30 - 49 years, according to the interviewed beekeepers, is about 30%. Young beekeepers under the age of 30 tend to work with their fathers. Only a limited number of young people would like to start beekeeping on their own. The main barriers for young people to enter beekeeping revolve around significant initial investments, lack of access to systematized knowledge and lack of mentors.



Based on the field-trip results, a list of the necessary beekeeping equipment, other means of production and training for each demo site, including the budget, were compiled. COVID-19 has compounded the situation for beekeeping in addition to a rainy season. The lock-down brought restrictions in terms of movement and beekeepers were unable to move their bees to blossoming fields. As a result of not being able to move the hives due to COVID-19 pandemic restrictions and the rainy weather the production volume decreased the overall yield by 50%.



Despite the COVID-19 pandemic, in order to identify needs of honey processing companies and to select for further project activities the project conducted consultations and mobilization meetings with 10 honey processing companies. As a result, the project selected 4 processing companies: Alaikuu Organics LLC, Manyz KG LLC, Voluntary Society of Beekeepers of Issyk-Kul region, Aman GreenFood LLC and identified needs of this companies.

In order to implement Prerequisite Programs in honey processing companies the project conducted diagnostics of two selected target companies and were identified the needs for further consulting and training support. The implementation of action plan on strengthening honey processing companies through comprehensive trainings and consultations planned for next year.

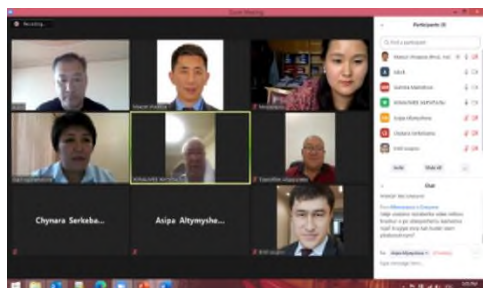
Modernization mechanism for beekeepers.

The goal of the Modernization mechanism (40,000\$, 10,000\$ for each target region) is to capacity development of local associations in provision technical support on renovation of means of production required for beekeepers (e.g. bee houses, bee queens, honey extractors, etc.) on payback principle. In order to establish Modernization mechanism, the project provided meetings and consultations with beekeepers' associations and honey processing companies. As a result, the project selected 3 organizations as a future fund-holder:

1. Microcredit organization "AgrocreditPlus" for the management of two funds in Osh and Jalal-Abad regions;
2. "Voluntary Society of Beekeepers of Issyk-Kul" for fund management in the Issyk-Kul region;
3. "Amangrinfood" LLC for fund management in the Naryn region.

Strengthening VC of Dried fruits, berries, dried vegetables and nuts value chains

In August and September 2020, the project conducted several consultations and meetings related to Dried fruits, berries, dried vegetables and nuts VC with the Ministry of Agriculture, Food Industry and Melioration, Ministry of Economy, State Environment Protection and Forestry Agency, local administrations and municipalities, local experts of other donors' projects (GIZ, USAID), local consulting companies and key value chain actors. Restrictions to mass gathering due to COVID pandemic changed the format of consultations, now mainly it is online meetings.



The first consultation was conducted with Mr. Zhigitali Zhumaliev, Head of the Department of Agriculture, Seed Production and Organic Agricultural Production under the Ministry of Agriculture, Food Industry and Melioration of the Kyrgyz Republic.

The project conducted 25 mobilization meetings with key stakeholders at local level in Osh, Dzhahal-Abad and Issyk-Kul regions. The meetings focused on identifying key value chain actors and their issues/needs in VC.



As a result of meetings and consultations the project selected 9 target districts, 160 farmers (41% of them are women), 4 Agri cooperatives, 9 farmer-groups and 12 processing companies, 3 of them are women-led companies.

The project provided need assessment of farmers/forest users on trainings, consulting services and means of production. The project conducted 9 training sessions for 72 (24 women) farmers/forest users. In order to provide grant assistance, the project selected 3 farmer groups and assessed their needs. The list of means of production with technical specification for grant program is already prepared and will be supplied in 2021.

Also, 3 farms were selected for the implementation of the Global GAP standard. Based on diagnostics results was developed an action plan and the project already has started its implementation.

Project selected 12 processing companies (total number of staff: 146 specialists, 49% of them are women) and carried out an analysis of the production and export potential of selected processing companies, and the needs were assessed. According to the plan there will be conducted 55 trainings and 86 technical consultations for processing companies. 5 trainings already conducted, and 33 specialists were trained.

Out of 12 enterprises - beneficiaries of the project, 6 processing companies (2 women-owned) were selected to provide grant assistance from the UNDP program. The total grant is \$ 30,000. The



list of means of production (equipment) with technical specification for grant program is already purchased and will be supplied in 2021.

In order to increase awareness raising on activities, there were prepared and published articles and posts ([one](#), [two](#), [three](#) and [four](#)).

Tajikistan (Output no. 106816)

At the policy level, the project continued its close collaboration with governmental entities including the State Committee on Investment and State Property Management (SCISPM), the Ministry of Economic Development and Trade (MEDT), the State Export Agency, the Ministry of Justice, the State Institution “Formation and development of entrepreneurship in Tajikistan”, Administrations of Sughd and Khatlon regions and local state authorities (Khukumats) at districts level as well as with the Consultative Council on improving the business climate.

In 2020, the project supported the MEDT and inter-ministerial Working Group (WG) in the formulation of a new State Export Development Programme for the period of 2021-2025 (EDP-2025). Technical expertise was provided for the Inter-Ministerial Working Group responsible for the elaboration of the EDP and five WGs meetings have been conducted online. The final draft of the EDP-2025 is finalized and submitted to the Government on 18 December 2020.

Elaborated programme aimed at development of exports, strengthening export-oriented and import-substituting production, reducing the share of consumer goods and services in the total volume of imports, creating favourable conditions for the implementation of state foreign economic policy, increasing the competitiveness of domestic products in the domestic and foreign markets. Since the EDP-2025 is intended for the next 5-year period it has substantive pillar on COVID-19 pandemic response and actions required to rehabilitate economic situation in the country. Similar previous programme which covered period of 2016-2020 was acknowledged as one of the most successful and best implemented state programmes which led to the establishment of State Agency for Export under the Government of the Republic of Tajikistan and first Export-Import Bank “Sanoatsodirobtbank”.

In 2020, the project continues to support the improvement of the business climate working with the Government on the establishment of the State Institution “Formation and Development Entrepreneurship” (SI “FDE”) and its five regional Centers for Servicing Entrepreneurs and Investors. In particular, the project supported the rehabilitation and equipping of 3 centers. On 15 September 2020 the official launch ceremony of the main Center of FDE was conducted.



<https://www.facebook.com/bizincubator.gov.tj/videos/2405012293135101/>

Since its establishment, the SI “FDE” has conducted more than 20 seminars and trainings for more than 800 young entrepreneurs, including “Start-up Talks” jointly with [Go Travel Tajikistan](#) as COVID-19 response action in tourism area. UNDP continued supporting the “Start-up Chohona” initiative jointly with SI “FDE” through organization of “Start-up Chohona XII”, which covered all regions of the country with wide participations of new young entrepreneurs.



The project has also supported SI “FDE” to strengthen its coordination role with development partners and it has managed to attract over USD 500,000 from the World Bank and establish cooperation with JICA, IFC and other technical partners. It is worth mentioning that development community in the country also provided substantial support to SI “FDE” through technical assistance and expertise-wise. The World Bank, JICA, OSCE, UNICEF, GIZ are conducting activities such as “Techstars”, “Startup Weekend Bokhtar”, Start-up Event and Promotion: How to be an entrepreneur, Trade Map and Market Access Map trainings and etc. During 2020, more than 800 applicants applied for consultation and skills enhancement to the SI “FDE”, more than 14 start-ups conducted, 12 meetings with entrepreneurs conducted. The SI “FDE” aims to

cover more than 10,000 young entrepreneurs country wide in next few years and establish an IT Park within its premises jointly with the ECOLE-42 (France) where training is inspired by new modern ways to teach which include peer-to-peer pedagogy and project-based learning.

The impact of COVID19 pandemic has affected the level of remittances from labor migrants and resulted in shrinking of economic activity in certain spheres, which had significant impact the socio-economic situation of both citizens and the private sector. Despite the difficult epidemiological situation in Tajikistan, the provision of affordable, timely and effective state services, especially to socially vulnerable groups and the private sector, can help the country to minimize the consequences of the COVID-19 pandemic.

In order to contribute towards an enabling environment for inclusive and trade oriented private sector development, in 2019, the law “On State Services” law was developed with the technical support of UNDP AFT project and adopted on January 15, 2020 by the Resolution of the Majlisi Oli of the Republic of Tajikistan No. 1575. In 2020, with purpose of setting of an effective functioning mechanism of the law “On State Services”, the project jointly with the Ministry of Justice and its Working Group has managed to develop and pass to government 6 by-laws of the current law. These by-laws are fundamental for the improvement of public services and optimization and simplification of provision state services both to citizens and private sector, which will contribute also in mitigating the consequences of the COVID-19 pandemic. One of the by-laws is a Registry of State Services in the country which lists all the services provided by the state to the citizens and second by-law is Standards



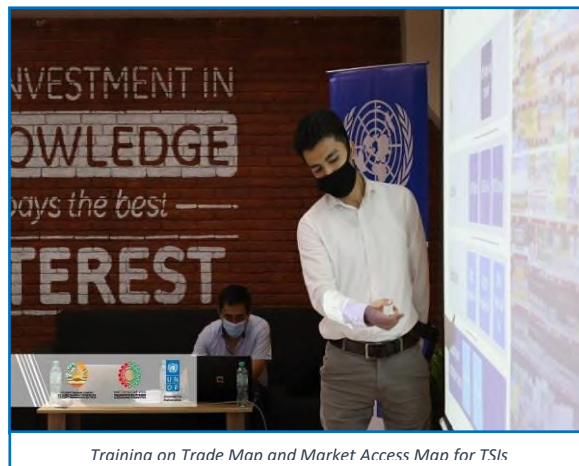
of State Services, which determines the quality/timeframe/price of the provided service. Other by-laws are aimed at optimization of current services by removing duplications, unnecessary burden and procedures, decrease corruption and illumination of arbitrariness by civil servants. Developed by-laws also promote transparency of the state services within envisaged Portal for State Services, Single Contact Center on State Services and a dedicated Call Center to provide clarity and easy access to the public services for the entrepreneurs, investors and citizens in the country.



Within the context of Consultative Council on Improvement of business climate and investment of

Khatlon region (CC) the project has supported an analysis of provision of state services, which helps to define the main obstacles for receiving public services in this region. At the focus groups meetings, the special needs of women entrepreneurs in this area were identified and further will be used for gender-sensitive assessment of mechanisms of state services provision. Based on the conducted analysis and developed recommendations, the presentation for improving state services with gender consideration was made at the Session of the Consultative Council on improving business climate of Khatlon region. As a result of conducted analysis, 10 recommendations were adopted. Provided inputs served to the Working Group under the Ministry of Justice while elaboration of by-laws in light of implementation of law “On state Services” in the Republic of Tajikistan.

In 2020, project continued supporting **cross-border traders** who were most affected by COVID-19 and borders closings between countries. To correspond to the current situation 4 seminars to the traders working in cross-border areas with Uzbekistan and 19 seminars to the traders from cross-border areas with Kyrgyzstan were conducted covering 213 people (85 women (39,9%)). Participants received knowledge on how to diversify their trade within current situation, how to improve their marketing and business planning skills, start-ups, tax and customs procedures during lockdown.



Training on Trade Map and Market Access Map for TSIs

In 2020, UNDP continued to chair the Development Coordination Council Working Group on Regional Trade Facilitation and organized 3 working group meetings to coordinate and facilitated information exchange and collaboration within the development community, as well as foster dialogue on shared priorities with the Government of Tajikistan. Within the current Working Group, two technical groups were established. One on coordination of donor interventions on support to the State Institution “Formation and Development Entrepreneurship” (SI FDE) and second on coordination of activities of donors on digital trade platforms such as www.tajtrade.tj

The work with trade support institutions (TSIs) is ongoing. Services, especially to the agricultural sector in target value chains, remain intermittent and of limited quality. The project supported the TSIs to come together under an umbrella MoU and an e-platform (consulting.tj) in 2019. The network creation is focusing on knowledge exchange including on best international standards. The project in 2020 conducted a survey among participating TSIs assessing capacity development needs. Main areas identified include access to foreign markets, export strategies and marketing and usage the modern online platforms for assessing the foreign markets. On the basis of this, the project

organized and conducted the trainings on the ITC tools of Trade Map and Market Access Map. The training attended by 15 people (5 or 33% are women), staff of the 6 TSIs (Export Agency of RT, SI FDE BI, NAMM, UPCT, CCI of RT and LLC “ISD Consulting”) and as result, the staff of the trained 6 TSIs are now able to provide more improved services to entrepreneurs and exporters by using these tools. More information about training can be found here [Training on Trade Map and Market Access Map](#)



LLC IsfaraFood – production of drv fruits and nuts

In terms of establishing the networks between TSIs in CA region, in 2020, despite the situation related with COVID-19 in the world, three (3) networks between TSIs in CA region established by Tajik TSI with TSIs of Uzbekistan and China, and MOU on joint collaboration signed between them. Moreover, the PO “MIS” (QMC) based on the agreements concluded in

2019 on collaboration, in beginning of 2020 serviced 2 SMEs in Uzbekistan on conduction of external audit on certification of FSSC 22000 and ISO 22000 standards.

The project also conducted a survey on the use of trainings held previously. TSIs reported that in 2020 they supported 41 (15 headed by women) MSMEs, more than 200 of staff (79% are women)) on aspects of Trade Map, ISO 9001:2015, veterinary, phytosanitary requirements and certification, quality control and technical regulations of the Eurasian Economic Union, quality standards introduction, safety requirements in production, fire safety, Global GAP, financial accounting, taxes and taxation, products costs calculation.

The project continues to directly support its target Value Chains.

- Training on development of beekeeping in the Rasht Valley and the creation of new beehives/ families with participation of 15 beekeepers (33% are women), conducted in Rasht district of DRS. The level of knowledge of participants on the topic of training increased by 45%.
- 39 beekeepers (all are women) in Rasht valley (Lyakhsh, Sangvor, Tojikobod) trained on Honey analysis procedures and obtained of a veterinary certificate and improved their knowledge and skills on this topic in average by 42%.
- Training on “Land (soil) preparation and mung beans sowing” for farmers, dealing with mung beans cultivation covering 38 (32% women) farmers conducted in Hamadoni and Shaartuz districts of Khatlon region. The level of knowledge of participants on the topic of training increased in average by 36%.
- Training on “Mung beans diseases and pests and the method of control/fighting with them” covering 40 farmers (88% are women) conducted in Khatlon region and in general the knowledge and skills of farmers improved in average by 43.5%
- Workshop on Agricultural Standard Global G.A.P. for farmers with a coverage of 68 farmers (66% are women) held in Mastchoh and Isfara districts of Sughd region. The level of knowledge of the participants on the topic of training increased in average by 49.4%.
- Training on “The practice of efficient collecting and storing the peanuts” covering 25 farmers (100% are women) conducted in Mastchoh district, Sughd region, and the level of knowledge of the farmers on this topic improved by 48%;
- Training on “Diseases and pests of fruit crops and Disease Prevention and Control” for farmers / producers of dried fruits covering 18 farmers (44% are women) was carried out in Isfara district, Sughd region. The level of knowledge of participants on the topic of training increased by 53.8%.
- Moreover, an individual consultancy services on labeling and marking of finished products, on technical equipment and layout of production facilities and business planning and financial modeling have been provided to the staff of 3 target processing SMEs in Isfara.
- The contract of intent for the supply of goods No. tj20-6 dated 05.06.2020 between “IsfaraFood” LLC and “TD Apriko Line” LLC (Russia) were signed by the parties. Based on the contract, the supplier undertakes to supply the buyer with apricot, linseed, almond and black cumin oil.



- Memorandum of cooperation between “Mevai Tilloi” LLC and “D.S.A & International Corporation” (USA) on assistance of the latter in promoting snacks from dried fruits of Mevai Tilloi LLC in the US market has been concluded.
- The contract for the supply of products No. 16 dated 06.01.2020 in the amount of 20 tons was signed between LLC “Subhi Vatan” and LLC “Tabiti +” (Ukraine). Based on the agreement, “Subhi Vatan” LLC is obligated to supply “Tabiti +” LLC with canned goods and peanut butter in the amount of 20 tons.
- An agreement to supply the products concluded between LLC “Visol Isfara” (TJK) and LLC “Zolotaya Dolina” (St. Petersburg, RF) for supplying of 100 tons of products (mung beans of 2020 harvest season).
- The intention to conclude a contract for the supply of honey between IPO “Surkhob” and LLC “SafarSelProm” (Chui region, Kyrgyz Republic) with a delivery volume of 2 tons of products (flower honey) concluded.



to project clients.

- The project provided consultations for target enterprises on the effective layout of production units and the rational use of all production facilities. At the enterprises: IsfaraFood LLC, Mevai Tilloi LLC and Subhi Vatan LLC, Visol Isfara LLC and the micro workshop for processing and bottling of honey the layout plans for the installation of technical equipment of new production facilities were developed in accordance with the requirements of ISO 22000, HACCP and FSSC 2200;
- The development of labels and packages forms for all 5 targeted products were elaborated in accordance with international standards and the EAEU technical regulations.
- In order to increase the effectiveness of the training activities provided, as well as to reach the target groups, in particular to increase the level of knowledge of women, and based on the farmers propositions, the project developed the manuals and visual materials that include all information on the technologies for the cultivation, production and processing of target products (dry fruits, mung beans) and the Beekeeper’s calendar, where beekeepers can find necessary information and beekeeping works to be done in each month of the year. These materials in printed form have been distributed in a volume of 200 copies

The project has initiated the provision of proposals from processing companies and Business associations and conducted a competitive selection of the best propositions for development of VCs. As results of this call for proposals, 3 business associations/public organizations were selected for support and grant agreements have been signed. Based on identified needs of VCs in increasing the productivity via establishing the new processing lines, the project has started with procurement and delivering the needed technological equipment and tools to the SMEs. At the beginning it was expected, that the production equipment for production of new products will be delivered by the end of 2020, but due to delays with the delivery of ordered goods/equipment associated with anti COVID-19 measures on the borders, the project has extended the timeframe of the contracts until the end of March 2021. It is expected that upon completion of all works the targeted VCs will increase production of new niche products and will create at least 60 (40 for women) new permanent jobs.

Moreover, a special demo plots on innovative methods of peanuts cultivation has been established and an Open Field day on agrotechnical measures, production and harvesting of peanuts in conditions of Mastchoh district have been organized and conducted by project with participation of more than 30 farmers, where the manual on peanuts

production and harvesting elaborated and were disseminated among participants. The elaborated manual has a recommendatory character in the conditions (climate, soil etc) of peanut production of northern part of Tajikistan. In addition, under the Grant programme additional 115 (45 women) new seasonal jobs have been created for cultivation of peanuts.

Project has facilitated the conclusion the agreements for supplying of honey with local buyers LLC "Sharaf 2001" and "Tojikmatlubot" of Tajikabad district for the volume of 3 tons.



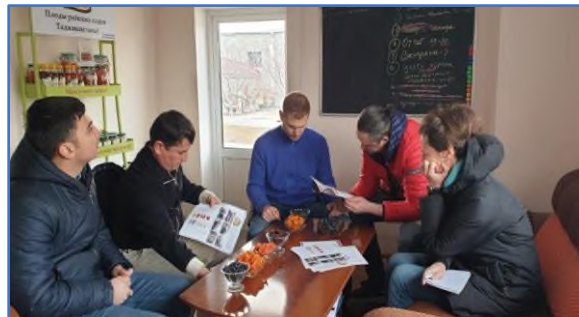
In order to increase the export volume of products of the selected VCs, the manufactured products should be at high/good quality and meet all the requirements of foreign markets (EU, EAEU, China and other). During the implementation of project activities and consultation meetings with representatives of the targeted VCs, project has identified several producers' needs in the introduction of international standards and certification. To increase the competitiveness of Tajik goods in international markets, it is necessary that not only the products produced at processing enterprises meet international standards for the quality and safety of food products, but the raw materials used in these enterprises should be also grown in accordance with the standards for ensuring the safety of growing agricultural products. Thereby, ensuring the quality and safety of products throughout the whole value chain, from growing products to processing and further selling. With purpose to support project clients' needs, the project has initiated introduction and certification of international food safety standards (HACCP, FSSC 22000, ISO 22000, Global GAP) at 6 selected target MSMEs and Dekhkan Farms engaged in the production of 5 target products. It is expected that this action will be completed by the end of 2021.

Support towards the diversification of markets and promotion of Tajik products on the new non-traditional markets was provided by project in 2020. The project has initiated conduction of B2B of buyers from EU with 8 Tajik processors/exporters of dry fruits and nuts, where the buyers directly visited the production facilities of the targeted SMEs in order to learn the quality and assortments of the products, and samples of products were tested in Latvian laboratory as per EU requirements. The quality of the products of 5 target SMEs has been defined as compliant to the EU requirements and direct negotiations between EU buyers and Tajik producers were held¹⁶. As a result of this activity, the contract for supplying of dry fruits (dry apricots and prunes) has been concluded between LLC Isfara Food and SIA "NOBLES" (EU, Latvia) for the volume of 21 tons. Furthermore, the both companies has agreed on supplying of the second batch of the products, and the prepayment (50%)



¹⁶ Report on B2B meetings, Mariam Matti, International market and value chain development expert

already made by SIA “NOBLES” company, but due to lockdowns announced by Latvia in December 2020 the delivery of the products postponed for the end of January 2021.



In order to assist the targeted VCs in the implementation of quality control of agricultural products at all stages of production, the project has initiated a call for grant proposals from the Public organizations, Business Associations and Consulting organizations of Tajikistan, working in the sphere of export development and promotion, and specializing in provision of services on products quality aspects. As a result of this call for proposals a PO “Markazi Idorakunii sifat” (MIS) was selected for support and grant agreement has been signed. It is expected that a mobile mini laboratory for the provision of services to the VCs in conducting the rapid analysis/express tests of products quality will be created and to be certified on ISO 17025 standard.

In regards of project activities, the supported targeted MSMEs of selected VCs in 2020 have achieved followings results:

- Volume of production (in tons) has been increased in average by 56%;
- Volume of export (in tons) increased in average by 60%;
- Volume of export (in USD) increased in average by 40%;
- Average wage of employees (in TJS) increased in average by 13%;
- Employment at the targeted MSMEs has been increased in average by 4%;
- 90 new decent jobs created at supported targeted MSMEs and ADF, out of which 55 (or 61%) for women.

In terms of direct support to women entrepreneurs, the project is implementing a capacity building and **mentorship programme**. In 2020, the project has initiated the actions devoted to the development and implementation of capacity building and mentorship program on entrepreneurship for women and youth in Tajikistan. In frame of these activities so far, following results have been achieved:

- The needs assessment and analysis of existing programme aimed to the women and youth entrepreneurship development conducted and 22 consultations meetings, as well as online meetings with key stakeholders, representing state agencies, Business Associations, entrepreneurs, Public organizations with participation of 94 people in total conducted.
- The mentorship programme based on the findings of the needs assessment has been developed, which includes all set of documents as methodology of conduction of mentorship programme, guidance for mentors, ethic norms of mentors and mentees collaboration etc.;
- The criteria for the selection of the business projects/ideas for further implementation elaborated. The criteria are reflecting the aspects as feasibility, efficiency, jobs creation, sustainability of the business project etc.
- 3 one-day orientation workshops to promote strong and positive role models of women entrepreneurs, to attract successful women entrepreneurs, women-managers and trainers, with participation of 82 participants (78% are women) conducted in 3 targeted regions DRS (Lyakhsh), Khatlon (Shaartuz) and Sughd (Khujand).



Conduction of orientation seminars to promote strong and positive role models of women entrepreneurs in Shaartuz district, Khatlon



Trainina for trainers (TOT) for mentors

- The Evaluation Committees established in all targeted regions, and each Committee includes 5 members. The meetings of the ECs conducted and in total 25 mentors (76% are women) selected.
- 3-days TOT for mentors on strengthening capacities and skills of women and youth in rural areas, on mentoring methodology, which includes a theoretical basis and practical examples of developing a concept of a business idea, has been conducted and 21 mentors (81% are women) from the DRS, Sughd and Khatlon regions participated at this training.

conducted in all 5 targeted districts (Hamadoni and Shaartuz in Khatlon, Mastchoh and Isfara in Sughd, and Lyakhsh in DRS), covering 73 women and young women. Further at least 5 pairs mentors/mentees will be created.

- In 2021 the mentorship programme will continue and the created mentor-mentees pairs will work jointly on improving the business skills, will define the ideas and elaborate the business plans, out of which the bests business plans will be further supported by the project;
- Information on conducted trainings under the mentoring programme also disseminated through social mass media (Facebook, Twitter) and can be found here:



- <https://www.facebook.com/631882530204948/posts/3705917656134738/>
- <https://www.facebook.com/631882530204948/posts/3700265000033337/>
- <https://www.facebook.com/631882530204948/posts/3673354662724371/>
- <https://www.facebook.com/631882530204948/posts/3666966890029815/>
- <https://www.facebook.com/631882530204948/posts/3659883170738187/>
- <https://twitter.com/MIRTAjikistan/status/1327512402389331968/>
- <https://twitter.com/MIRTAjikistan/status/1332352409360879619?s=19>
- <https://twitter.com/MIRTAjikistan/status/1327512402389331968?s=19>

Moreover, the project supported 40 **young women** in Sughd and Khatlon regions to enhance their knowledge and skills on how-to start their own businesses. Among of 40 women trained, 20 women (10 per each region) have been selected and the mentoring services and consultations on how-to register the business, how-to prepare the business plans etc. provided. Information about conducted trainings have been disseminated through social networks and can be found here:



- <https://www.facebook.com/2031332110503123/posts/2406437389659258/>
- <https://www.facebook.com/2031332110503123/posts/2414469455522718/>

4. Sustainability and scaling up of results

Like many development partners, UNDP has found that innovative free-standing development projects alone are not an effective vehicle for eradicating poverty at scale: they must be part of a longer-term process that can sustain learning and scaling up. Confronted with the large-scale problem of reducing rural poverty that it is mandated to address, and with the limited resources available from official development assistance (ODA), UNDP is compelled to increase the impact of investments in agriculture, trade and countries development. For this reason, scaling up the results of successful development initiatives is an overarching priority that directly supports the achievement of project.

To deliver on this priority, the project must be geared towards supporting all concerned actors and institutions – including rural women and men and their organizations to achieve impact at scale. This requires a shift from a project-centric approach to one that spurs change in the institutional, policy and economic environment. That is, the objective of UNDP and its projects interventions should not only be to enable project clients to work their way out of poverty in the limited time and space of a given project, but also to use the positive results generated by it to inspire others and leverage policies, knowledge, social and political capital, and financial resources from other concerned actors (private, public and development partners) to bring those results to a larger scale in a sustainable manner

The principles of scaling up and sustainability are closely linked and feed into each other. The project continuously conducting the assessments of the key areas and the institutional actors that will give a local initiative continuity in the absence of donor funding.

Key achievements made by project:

1. Establishing a local ownership on macro level. The project has established several platforms (e.g. inter-ministerial WGs) which are addressing the problems existing in the countries and resolving them on the constant and independent manner. Several national level policy documents were produced and adopted by governments, which now play a role in enabling the environment for the private sector development (Export development programmes, law on state services, etc)
2. Establishment of countries' state institutions for dealing with the countries' priorities. The project facilitated the creation and establishment of several state institutions like Agency on Export under Government of Tajikistan (AE) (dealing with all aspects of export promotion and provision the services to private sector) and State institution on Formation and Development Entrepreneurship of Tajikistan (SI FDE) (dealing with provision services to and capacity building of youth, women and private sector representatives). Both created entities are fully operational (are fully funded by governmental budget) and programmatically sustainable.
3. Establishment of local ownership on meso level. The project facilitated the creation several platforms devoted towards promotion of women entrepreneurship (like Mentorship programme, women platforms, Gender Tasks Force Group etc.), provision consulting services to private sector (TSIs platform consulting.tj, Quality Management center for provision consulting services on products quality standards and laboratory for testing) and startup environment enabling.
4. The project has ensured scalability of its results. F.e. the project has supported an establishment of 3 Centers for servicing entrepreneurs when other development partners provided its support towards establishment of other 2 centers in Tajikistan. The total funds contributed by development partners as JICA, WB, GIZ and OSCE are amounted as over 500, 000 USD.
5. Best practices of AFT are replicated by other UNDP projects as well as other development partners, such as USAID and GIZ.

5. Cross-cutting objectives

Gender mainstreaming:

In Kyrgyzstan, the project launched its entrepreneur mentorship programme for women and youth. Kyrgyzstan is also making good strides in identifying female entrepreneurs in the tourism sector. In Tajikistan, the project launched its programme in support of women entrepreneurs that includes capacity development, network, coordination and investment components. The two interventions form part of a targeted approach to work on gender equality issues under phase IV. The project has also developed a gender lens definition and approach for its interventions. Details of which can be found under the phase III mid-year report.

In Kyrgyzstan, the project supported the [Women Entrepreneurship Day](#) event in November of 2020. Due to COVID-19, the WED-2020 was conducted online and there were integrated other WED-sessions (trainings for women on improving creativity and communications skills; donor activities on women empowerment).

The Minister of Economy of the Kyrgyz Republic, Mr. Sanjar Mukanbetov participated and highlighted the Government's key priorities for women entrepreneurship. Over 170 representatives of the private sector participated in the Virtual-Conference.

More than 20,000 people watched the live broadcast. During the conference, representatives of women entrepreneurship organizations from Central Asia discussed opportunities for future regional cooperation.

<https://www.kg.undp.org/content/kyrgyzstan/en/home/presscenter/pressreleases/2020/11/time-for-mutual-support--women-entrepreneurs-in-kyrgyzstan-taugh.html>



After consultations with partners and considering impact of the crisis caused by COVID pandemic to women entrepreneurship there were identified most priority activities on supporting women entrepreneurs through the **mentorship program**, which started in the November in 4 target regions of the project.

In order to increase awareness-raising on mentorship activities, there was published announcement (in Kyrgyz and Russian languages) on program starting and selecting mentors and mentees for the program. By the end of December 2020, the project pre-selected participants of the Mentorship program: 15 companies for mentoring and 100 companies for mentee.

In order to start activities on mentorship program, the project conducted consultations with key partners at national and local level and provided need assessment of women entrepreneurs for Mentorship program. As a result, developed comprehensive Action plan (selection of mentors and mentees; modules of e-learning courses and its conducting), the implementation of which will start in January 2021.



The project launched the program on **improving access of small and medium enterprises, especially women-led companies, to innovative and inclusive financing and investment tools** in 4 target regions which is being implemented by *PU 996 Impact Circle*. Following activities are planned under the program:

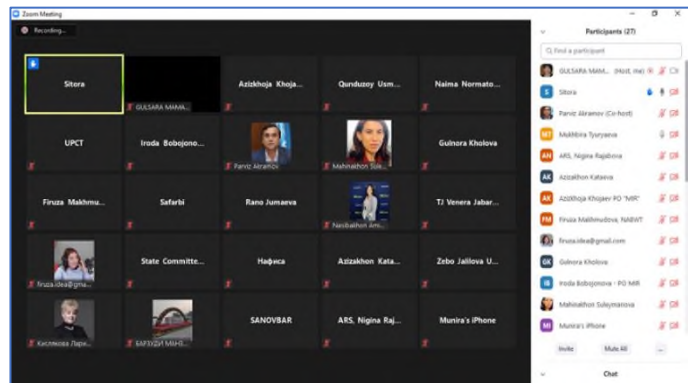
- Development of a sustainable and inclusive financial products for women entrepreneurs through hybrid financing in target regions;

- Provision of innovative and inclusive financing and investments products for women entrepreneurs based on criteria developed for this grant proposal, namely better access to technologies for women entrepreneurs, jobs creation and income generation for population in rural areas;
- Provision of continued business mentoring and advisory support to women-led SMEs to ensure effective use of funds and sustainability of their business model;
- Monitoring the results/ impact of the different products with a special focus on decent jobs, livelihoods, and trade turnover

On the 1st stage of accepting applications, the project has received 56 applications for financing from 4 pilot regions, after the evaluation, 5 applications have been supported for the amount of 40,700 USD, 48 jobs already created, 31 (65%) are for women, 17 for men.

On the 2nd stage the project received 90 applications, 9 of them for the amount of 68,800 USD are approved for financing by the end of the January 2021. As a result, there will be created 66 new jobs: 59 for women (89%) and 7 for men.

In Tajikistan, the project conducted a **Women platform** meeting, which is helping stakeholders to identify barriers to women entrepreneurship development and find the solutions. The meeting held on 16 November 2020 with participation of representatives from 25 NGOs working in the area of women entrepreneurship development. During the meeting, many topics, including the current situation in the development of women's entrepreneurship in the country, cooperation and planning of the joint actions, women needs in connection with the negative impact due to COVID-19 pandemia discussed.



During the meeting the findings from UNDP SEA on COVID-19 impact on lives, livelihoods and MSMEs in Tajikistan, in particular, the data on employment and gender inequality, have been presented.

In Tajikistan, the project has continued a dedicated women entrepreneurs programme jointly with lead support organizations. In total, 673 (**525 or 78% of the total project clients**) **women entrepreneurs/producers/farmers** were involved in all activities of the programme in 2020, through capacity building trainings, provision of individual consultancy services, provision of technical assistance, mentorship programme etc.

Environment:

Aid for Trade project can also have an impact in pushing forward environmental objectives and transformational interventions to adapt and mitigate climate change (SDG 11, 12, 13) or fight the loss of biodiversity (SDGs 1.5, 8.4, 15).

Analysis of Green Products Value Chains and Export Opportunities in Kyrgyzstan and Tajikistan conducted by project in 2019 identified the green niche products/services (Adventure tourism; Natural honey; Mixes of Dried fruits, berries, beans, vegetables and nuts etc.) which are having a strong export and job creation potential, underpinned with a strong trends analysis. Results of the analysis were integrated into project plan of activities.

6. Risks and opportunities update

Kyrgyzstan:

Description	Type	Activities for treatment
Government or institutional changes (following the early presidential elections and the referendum on the political system held in January 2021) may delay regulatory improvements, as well as slow down the project progress, particularly with respect to activities aimed at policy and TSIs support.	Political	<i>The new structure of the government has been constituted by the Decree of the Government of February 12, 2021 №38. The project team will closely monitor the changes in key existing and new governmental partners and maintain close communication and cooperation with them to ensure smooth continuation of the project.</i>
Changes in trade: The Central Bank of Russia limited money transfers to Kazakhstan, Kyrgyzstan, China and Vietnam. For business transfers to Kyrgyzstan the monthly limit equals 100 thousand. RUR (or about USD 1,500). Most traders are not registered in Russia. This might have an adverse impact on small traders, as well as the garment industry. Potential impact on the project is decrease of exports to Russia of small traders.	Regulatory	<i>The project targets larger sized contracts.</i>
COVID-19	Operational Strategic	<p><i>The coronavirus is likely to disrupt planned activities in Asia and Europe as well as market penetration targets in Asian and European markets. Limitations already are in place in terms of goods flows, as well as possibilities to organize B2B meetings.</i></p> <p><i>At the impact level, the project focused on creating jobs and poverty reduction through the support of export promotion, women entrepreneurship, and increase the productivity of producers, SMEs in target regions. Due to explicit economic crisis and restrictions affecting export sectors (including tourism), there is a risk of not achieving project goals (export increase, productivity increase, jobs creation, etc.). In order to assess the impact of the COVID-19 pandemic for MSMEs the project jointly with ACTED conducted a survey among MSMEs including producers, exporters, service providers to identify the possible extent of losses and probability to diversify income sources.</i></p> <p><i>In the 2 quarter of 2020, the project has put on hold all in-person meetings/workshops as per national recommendations and conducted online. Perhaps online becomes impossible, especially in rural areas</i></p>

	<p>where most the farmers, due to technical reasons, could not utilize it well. And some meetings conducted with considering all necessary precautions measures.</p> <p>The operational issue: conduction the field monitoring activities. Due to restricted by UNDP CO the travels to regions, the project was not able directly and undependably to monitor and evaluate the implementation of project activities. In order to address this issue, the project team provided online consultations with partners and business associations on requesting/clarifying the verification docs, and project clients are monitored in terms of data, info, and results.</p> <p>Some restrictions in borders affected a period of border crossing procedures which have impacted the timely delivery of the goods and services. As for addressing this issue, the project has undertaken regular online meetings with contractors and required them to inform beforehand about any risks and issues faced due to COVID19.</p> <p>Based on the consequences of the COVID-19 pandemic on economic sectors and MSMEs the project recommends revise the project's RRF in order to provide value-added services for target clients.</p>
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Tajikistan:

Description	Type	Activities for treatment
<p>Increasing risk through complex coordination: Establishing the Center of Entrepreneurs requires complex navigation at three levels – procedural, institutional, and budgetary.</p>	<p>Organizational</p>	<p>Strong leadership from the central level is required to make the centers functional and viable, in addition, the coordination between separate agencies, as well as the corresponding budget allocation will be key to ensure the functioning and sustainability of the Centers. In order to address this risk, the project facilitated improving coordination between development partners in Tajikistan and establishing cooperation with the in order to share best practices, additional resources allocation and creating synergies among various projects implementing in country.</p> <p>Further institutional capacity building of SI FDE is required in terms of ensuring operational sustainability, improved management and reporting.</p>

<p>Conflict along border lines and border cross points</p>	<p>Security</p>	<p><i>Careful monitoring of the target geographical areas is required.</i></p> <p><i>In 2020, the several conflicts happened in Isfara (TJK)-Batken (KRG) border zone. The project managed its activities in bordering TJK-KRG areas by conduction the assigned actions by closed coordination with UNDSS, Local authorities and communities. The capacity building activities for traders conducted outside of this conflict zone.</i></p>
<p>COVID-19</p>	<p>Operational Strategic</p>	<p><i>The coronavirus is disrupting planned activities in Central Asia and Europe. Limitation already are in place in terms of goods flows though the borders, as well as less possibilities to organize B2B meetings, participation on various exhibitions, forum, networking etc. The limitations associated with closure of borders and restrictive conditions set by government are making impossible to implement some activities which were planned for 2020. The project has planned an engagement of international consultants but due to situation, some allocated for 2020 funds highly likely will be moved to 2021.</i></p> <p><i>In first half of 2020, the project has put on hold all potential meetings/workshops/trainings as per national recommendations. In the second half of year, some meetings with limited number of participants conducted with considering all necessary precautions measures. Conduction the online meetings and usage digital platforms are in wide use by project, however, moving to online becomes impossible, especially in rural areas where farmers and some MSMEs, due to technical reasons, could not utilize it well.</i></p> <p><i>The operational issue: conduction the fields monitoring activities. Due to restricted by UNDP CO the travels to regions, the project was not able directly and undependably to assess the implementation of activities. As for addressing this issue, the project has undertaken the cross-check approach when both implementer partners and project clients are monitored in terms of data, info and results with requesting the verification docs.</i></p> <p><i>The project with the UNDP CO team has initiated the conduction SE assessment in Tajikistan. The findings helped in decision making and revision some actions in terms of repurposing, suspending and moving for the next project period the conduction of some activities, focusing on needs (due to pandemia) of target clientele, etc.</i></p> <p><i>Due to pandemic situation with COVID-19, some restrictions in borders affected to period of border crossing procedures which have impacted to the timely delivery of the goods. In this case, the project</i></p>

		<i>has ensured strict monitoring of the contract and required the contractors to inform beforehand about any risks and issues faced due to COVID19. In cases of delays in delivery of goods, the project has negotiated with contractors on possible measures to manage the risk, including but not limited with the amendment to contract with extension period of contract, and informed the recipient organizations on delay occurred.</i>
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7. Project monitoring

The project has formulated its Monitoring framework and tools for monitoring of its activities and measuring the progress of results. The tools for measuring the progress of achievements of each project indicator were developed at the beginning of project implementation. As per the monitoring plan, the project staff has conducted monitoring on regular basis and used following approaches:

- data collection from various sources including field visits and meetings with project clients and partners.
- collection the verification docs and conduction the analyses.
- organization the regular meetings including via established platforms for feedbacks/voices collection.
- reviewing the reports produced by sub-contractors
- conduction of the assessments.
- the results achieved were presented, discussed, and verified by stakeholders and project clients during regular stakeholder consultation meetings.

8. Resources and budget

The total projected budget for 2018-2022 is EUR 4,800,000 (without Uzbekistan). Total expenditure until the end of December 2020 is USD 2,796,919.33 which equals to 51.53% of the total budget.

The table below indicates overall expenditure per country:

Output	Total Budget (EUR)	EXP 2018 (USD)	EXP 2019 (USD)	EXP 2020 (USD)	Total Expenditure (USD)	Total Expenditure (EUR) ¹⁷	EXP ratio (EUR)
Tajikistan	2,049,840	198,257.96	595,013.68	558,994.74	1,352,266.38	1,196,010.71	58.34%
Kyrgyzstan	2,050,000	143,198.40	468,365.50	607,451.22	1,219,015.12	1,078,156.76	52.59%
Regional	700,160	0.00	26,412.68	199,225.15	225,637.83	199,565.16	28.50%
Total	4,800,000	341,456.36	1,089,791.86	1,365,671.11	2,796,919.33	2,473,732.63	51.53%

A detailed breakdown can be found in the financial report (attached).

9. Annexes

Results-based progress monitoring (based on the project's logical framework and annual work plan and reporting)

¹⁷ Average exchange rate USD/EUR 0.884449047 was applied for conversion.

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)										
			Value	Year	July- Dec 2018 Targets	July- Dec 2018 Results	2019 Targets	2019 Results	2020 Targets	2020 Results	2021 Targets	2021 Results	Jan - June 2022 Targets	Jan - June 2022 Results	Final
Output 1 Cooperation between trade policy makers and implementers, as well as private sector entities and national export promotion agencies with a focus on promoting job rich green growth has increased on the regional level	1.1 Number of productive capacities studies that focus on environmental sustainability and job-rich growth supported and percentage of recommendations applied	Reports produced 2019: KGZ and TJK VC study jointly with KGZ and TJK 2020: Brief on megatrends	0	2017	1	0	1	2	1	1	1		0		4
	1.2 Number of cooperation activities established between participating countries with at least 2 cooperation across activities per year	2019: 1. CATI 2. Regional conference on productive capacities	0	2017	2	0	2	2	0	0	2		0		8
	1.3 Number commercial or educational linkages between Finland and participating countries supported	Contracts/agreements 2019: University of Eastern Finland on quality management systems 2020: B2B tourism sectors (ongoing)	0	2017	0	0	0	1	1	3	1		1		3

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)									DATA COLLECTION METHODS & EVIDENCE	
			Value	Year	July- Dec 2018 Targets	July- Dec 2018 Results	2019 Targets	2019 Results	2020 Targets	2020 Results	2021 Targets	Jan - June 2022 Targets	Final		
		1.1. Support to market access for SMEs													

Output 2 Supporting an enabling environment for job-rich growth in Kyrgyzstan through 1.1 Enabling policies and regulations for inclusive and trade oriented private sector development; 1.2 Trade support institutions that provide efficient services to the private sector. 2. More efficient and competitive producers and processors contributing to sustainable human development	1.1.1 # of companies supported and specifically those led by women by the state agency for investment and export promotion through account-managed approach for export promotion and development (SDG 5.5, 17.11.1, 9.3.1.,8.1.1)	State agency reports: 2018 annual and mid-year 2019 export.gov.kg official website of IPPA on export promotion and development Report of IPPA 2018	0	2017	2	4 (2)	5(2)	7 (1)	5(2)	221 (82)	5(1)	3 (1)	20 (6)	Project progress report 2018, Customer assessment
	1.1.2 Volume increase in USD of export contracts supported by the state agency for export promotion (SDG 8.1.1, 17.11.1)	State agency reports: mid-year 2019 export.gov.kg official website of IPPA on export promotion and development Report of IPPA 2018	0	2017	0	0	1 mln	18.045	1.5 mln	1.705	2 mln	0.5 mln	5 mln	Project progress reports Customer assessment
	1.1.3 # of B2B matches supported for project clients (SDG 8.1.1, SDG 17.11.1)	State agency reports: 2018 annual and mid-year 2019 & 2020 Business associations' reports export.gov.kg official website of IPPA on export promotion and development Report of IPPA 2018	2	2017	0	1	2	7	4	1*	4	2	12	Project progress reports Customer assessment
	1.1.4 Increase in volumes of export after B2B matches supported for project clients (SDG 8.1.1, SDG 17.11.1)	State agency reports: 2018 annual and mid-year 2019 Business associations' reports export.gov.kg official website of IPPA on export promotion and development Report of IPPA 2018	0	2017	0	0.067	0	12.99	0.3 mln	0.0198*	0.4 mln	1 mln	1.7 mln	Project progress reports Customer assessment

1.1.5 # of export caravans undertaken for all regions of Kyrgyzstan involving the government, private, civil society (including women's movements), public sectors as well as the donor community (SDG 17.11.1, 9.3.1)	State agency reports. BTOR project staff member 2019 & 2020 export.gov.kg official website of IPPA on export promotion and development Report of IPPA 2018	1	2017	1	1	1	0	1	1	1	0	4	Feedback forms of clients Monitoring reports
1.1.6 # of developed and improved new service products of TSIs (SDG 8.1.1, 17.11.1)	State agency reports: 2018 annual and mid-year 2019 & 2020 Report of IPPA 2018	0	2017	5	6	10	12	0	12	10	0	25	TSIs reports Assessment of TSIs
1.1.7 # of clients (women) benefited from new / improved service products provided by TSIs (SDG 5.5, 8.1.1, 9.3.1)	State agency reports: mid-year 2019 & 2020 TSIs reports	0	2017	30	0	70	8519 (1696)	100	15,166 (8,519)	120	80	400	TSIs reports Assessment of TSIs
1.2. Improved access to finance and technologies													
1.2.1 # informational guides on niche products and/or products with the highest value addition detailing the latest technological information, including cost calculation, materials used, financial products and market opportunities (SDG	Report on "Analysis of green products value chain and Export opportunities in Kyrgyzstan" to be completed (Euromonitor)	0	2017	0	0	2	4	3	0	0	0	5	Project progress report Monitoring reports

	2.3.1, 2.4.1, 9.3.1, 15.3.1)													
	1.2.2 # of targeted government finance products (loans) for sustainable technologies and new green economic sectors reaching at least 40% of target population, disaggregated by sex where possible (SDG 2.3.1, 2.3.1, 2.4.1, 9.3.1, 15.3.1,)	In progress, staff member involved once codified, codification number will be provided	0	2017	0	0	2	2 (in process of development)	1	0*	0	0	3	Project progress report Feedback forms of clients Monitoring reports
	1.2.3 # of linkages for new green technologies connecting the private sector in Kyrgyzstan with market leaders, potentially Finnish (SDG 2.3.1, 2.3.2, 2.4.1, 17.11.1)	Data collected from companies that participated 2018. export.gov.kg official website of IPPA on export promotion and development Report of IPPA 2018	0	2017	2	1	2	0	2	0*	2	0	8	Project progress report Monitoring reports
	2.1.1. Support to establishing or developing green niche products and VCs that are employment rich and have high productivity and market potential													
	2.1.1 # of products/VCs identified that are green and employment rich (SDG 2.3.1, 2.3.1, 2.4.1, 8.5.2, 10.2.1, 15.3.1)	Report on "Analysis of green products value chain and Export opportunities in Kyrgyzstan" (Euromonitor)	0	2017	3	0	0	3	0	0	0	0	3	Assessments
	2.1.2. Higher productivity and export readiness of target products/VCs through the use of innovative technologies													

2.1.2.1. % increase in productivity, in identified products/VCs through piloting, where productivity baselines will be defined during the assessment (SDG 2.3.1, 2.3.2, 2.4.1, 8.5.2)	Statements of VCs members	0	2017	0	0	10	0	20	0*	20	20	20	Assessments of the productivity levels Client feedback forms
2.1.2.2. % increase of market penetration of selected products (SDG 2.3.1, 2.4.1, 17.11.1)	Statements of VCs members	0	2017	0	0	5	0	10	0*	20	20	20	Assessments Trade contracts
2.1.2.3. % increase in income of target communities, disaggregated by sex, where possible (SDG 2.3.2, 5.5)	Income sheets	0	2017	0	0	0	0	0	0*	20	10	30	Quality assessments Client feedback forms
2.1.2.4. # of new decent jobs created (incl. 50% for women) (SDG 8.5.2, 5.5)	Employment documents	0	2017	0	0	20	0	50	48*	80	50	200	Monitoring reports
2.1.2.5. At least 30% of activity clients are women (SDG 5.5)	VCs members' statements on staff	0	2017	40	0	40	0	40	100	40	40	40	Monitoring reports
2.1.3 Support for women and/or youth entrepreneurs established through													
2.1.3.1. # of women entrepreneurs reached in caravan promoting strong positive role models in Kyrgyzstan (SDG 5.5)	Assessment report of caravans 2019 Reports on entrepreneurship mentorship program	0	2017	0	0	1	206	1	175	0	0	2	Project progress report

2.1.3.2. # of mentorship programmes for women/youth entrepreneurs established and supported (SDG 5.5)	Assessment report of mentoring programme 2019 Reports on entrepreneurship mentorship program	0	2017	0	0	0	1	1	1	0*	1	0	3	Client feedback forms
2.1.3.3. # of women/youth benefitting from established programmes (SDG 5.5)	Assessment report	0	2017	0	0	0	10	60	10	5	10	0	30	Client feedback forms
2.1.3.4. % of trade support work completed within the project with a gender lens (SDG 5.5)	Project progress report internal assessment. Criteria developed	0	2017	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	Project progress report Feedback forms of clients Monitoring reports
2.1.4 Better service provision in rural areas for SME exports through capacity development														
2.1.4.1. # of farmers and SMEs benefiting from service provisions in rural areas; disaggregated by sex, where possible (no less than 30%)	Project progress report	0	2017	0	0	0	150	0	150	796 (283)	150	150	600	Feedback forms of clients
2.1.4.2. % of productivity increase of farmers and SMEs in rural areas after receiving services;	Project progress report	0	2017	0	0	0	5	0	5	0*	10	10	10	Monitoring reports

*Note: the COVID-19 pandemic disrupted a lot of planned project activities in the Kyrgyz Republic and risk mitigation measures taken by the project did not allow to achieve all established targets and indicators.

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)								DATA COLLECTION METHODS & RISKS	
			Value	Year	July-Dec 2018 Targets	July-Dec 2018 Results	2019 Targets	2019 Results	2020 Targets	2020 Results	2021 Targets	Jan - June 2022 Targets		Final
Output 3 Supporting an enabling environment for job rich growth in Tajikistan through 1.1 Enabling policies and regulations for inclusive and trade oriented private sector development; 1.2 Trade support institutions that provide efficient services to the private sector. 2. More efficient and competitive producers and processors contributing to sustainable human development Gender marker: GEN 2	1.1 Improved private sector related policies													
	1.1.1 # (man/woman) of civil servants of MEDT, SCISP and other state agencies with improved capacity to provide better services to the private sector	2018:1. LoP of training on rationale, functional analysis and capacity building related to establishing service centers for entrepreneurs (SC FDE) and investors from 17 - 21. 12. 2018 2019: 2 surveys	0	2017	30 (15)	31 (9)	50 (25)	66 (22)	50 (25)	9 (1)	50 (25)	30 (15)	210 (105)	Assessments LoP verified by state agencies Project progress reports
	1.1.2. # of recommendations on improving policies regulating the private sector provided to the government and integrated in policies, including those which relate to women entrepreneurship (SDG 8.1.1)	2018: 1. Decision of CC meeting dated by 7th of December 2018 2019: 1. Charter of the AWEKR approved on 30.04.2019 Decree/Registration # 0277288 2. Charter of State Institution "Formation and development of entrepreneurship" registered on 10.04.2019 with #0210026915 and 0281066 3. Government Decree #624 on establishing the State Institution for the "Formation and Development of Entrepreneurship" (SC FDE) and its Centers for Servicing Entrepreneurs and Investors was adopted on 31 December 2018	0	2017	2	4	3	26	5	18	5	3	18	Project progress reports Reports/protocols from WGs and state agencies

1.1.3. # of centres for the provision of state services to entrepreneurs and investors established (SDG 8.1.1, 17.11.1)	2019: 1. Decree on establishment of State Center for the "Formation and Development of Entrepreneurship" adopted on 31.12.2018 2. Charter of State Institution "Formation and development of entrepreneurship", registered on 10.04.2019 with #0210026915	0	2017	0	0	3	3	0	0	0	0	3	Monitoring reports Decreases from concerned state agencies
1.1.4. # (women led) of exporters and SMEs serviced by the Centres (SDG 5.5)	Registration books of Centres	0	2017	0	0	20 (8)	0	50 (25)	800 (400)	100 (40)	200 (80)	370 (155)	Feedback forms of clients Monitoring reports
1.1.5. % of increase of export volumes of exporters serviced by the Centres (SDG 8.1.1, 17.11.1)	Registration books of Centres Reports from exporters	0	2017	0	0	5	0	5	0	10	10	10	Feedback forms of clients Monitoring reports
1.1.6. # of the inter-ministerial WGs to improve SD centric trade and women empowering policies supported (SDG 5.5)	2018: 1. LoP of WG on Establishing the Single Centres for Servicing Entrepreneurs and Investors in the Tajikistan dated 26.11.2018 2. Minutes and LoP of WG on Development of TDP of Khatlon region dated 23.11.2018 3. LoP and work plan of WG on Improving business climate in Khatlon region with consideration of gender equality dated	2	2017	2	3 36 (8)	2	2 26 (7)	2	3	2	0	8	Project progress report WGs protocols and reports

		<p>11.09.2018 2019:</p> <ol style="list-style-type: none"> Decision on establishing a WG on Elaboration of Law on State Services dated 18.03.2019 Minutes of WG Meeting on establishment of the Association of Women entrepreneurs of Khatlon region dated 30.04.2019 Meeting notes of the WG on development of REDP of Khatlon region <p>2020: WG protocols</p>												
	<p>1.1.7. # of analyses for Consultative Councils' meetings on improving business climate considering gender equality supported (SDG 5.5)</p>	<p>2018:</p> <ol style="list-style-type: none"> Consultative Council of Khatlon region meetings minutes dated on 11.09.2018 Decision of CC meeting dated 7th of December 2018 <p>2019:</p> <ol style="list-style-type: none"> Decree №1 18.09.2019 adoption of recommendations and instructions for their implementation; Decree №286 10.06.2019 adoption of Regional Entrepreneurship Development Programme (REDP) for Khatlon region; 	0	2017	1	<p>1</p> <p>2 (47 total, 36 women)</p> <p>2 (8 total, 5 women)</p>	2	2	2	2	2	2	9	<p>Reports from Consultative Councils</p>

1.1.8. # (women) of traders from bordering with KRG communities with improved knowledge on cross border trade (SDG 5.5)	<p>2018: LoPs of trainings in Isfara and Gafurov districts dated by 22-28th of Nov. 2018</p> <p>2019: LoPs of trainings on: "Transporting items by individuals and the procedures for their customs clearance", "Taxation rules of private entrepreneurs operating on the basis of a patent or certificate", "Review of the related legal normative documents" dated on 2-5th of May and 21-22 of June 2019</p> <p>2020: monitoring report and feedback forms of participants from trainings. Uzbekistan/KRG border.</p>	2700	2017	50 (25)	73 (29)	100 (50)	183 (78)	100 (50)	213 (85)	200 (100)	200 (100)	650 (325)	Project progress report Feedback forms of clients Monitoring reports
1.2. Improved access of private sector to efficient services through:													
1.2.1. # of TSIs with improved and new service products (SDG 8.1.1, 9.3.1, 17.11.1)	<p>2018: 1. LoP of trainings on Trade Map and Market Access Map (9) 2. LoP of trainings on ISO 9001:2015 (11)</p> <p>2019: LOP of the training on EAEC technical regulations (11 TSIs), dated on 16-</p>	5	2017	10	12	10	11 (1)	10	6	0	0	30	TSIs reports Assessment of TSIs

		18 October 2019 and 29-30 October 2019 2020: LOP of the training on Trade Map and Market Access Map (6 TSIs), conducted on 16-18 September 2020												
	1.2.2. # (women led) of SMEs benefiting from improved services (SDGs 9.3.1, 8.5.2)	2018: Product profiles developed for SMEs by representatives of 1) LLC "Harif", 2) LLC "Rushd", 3) AESC/TEPC, 4) MAPEST, 5) PO "Markazi idorakunii sifat", 5) CCI of Sughd Region, 7) LLC "Mushovir", 8) LLC "Business Consulting", 9) LLC "Apricot and Co", 10) LLC "Isfara Food", 11) LLC "Oro Isfara" Feedback received from 12) PO "MIS" face to face survey 2019: 1) Feedback received from PO "MIS" and LLC "ISD Consulting" through email 2) Reports from participating TSIs and verification (sample) by project 2020: phone interviews with respective TSIs and SMEs,	0	2017	10 (5)	12 (0)	20 (10)	14 (3)	40 (15)	41 (15)	50 (20)	50 (20)	170 (70)	Project progress report Feedback forms of clients Monitoring reports

		reports/information (by email) of TSIs												
	1.2.3. # of TSIs networks established (SDGs 9.3.1)	<p>2018:</p> <p>1. Meeting minutes and LoP dated Dec. 5, 2018</p> <p>2019:</p> <p>1. A memorandum on establishing platform/network between local TSIs signed on 24.04.2019.</p> <p>2. E platform for TSIs www.consulting.tj created</p> <p>3. MoC between 11 TSIs of TJK and 8 TSIs of KGZ signed on 08 August 2019.</p> <p>2020:</p> <p>Copies of MOU on cooperation between AAT and (1) CCI of Termez region of Uzbekistan, (2) Business consulting company "Huahe International" (China) and (3) Economic Federation of SUAR of China "Silk way"</p>	1	2017	2	1	2	3	2	3	2	0	8	Project progress report Monitoring reports

	1.2.4. # of business links established between TSIs and international TSIs	<p>2019:</p> <ol style="list-style-type: none"> 1. PO MIS concluded MOU with SGS (Uzb) 2. PO MIS agreement with Certifying Body "Cert International" 3. PO MIS collaboration with "Unison Group" (KGZ) <p>2020:</p> <p>PO MIS provided services for external audits for 2 companies from Uzbekistan – to OJSC "Crafers" (confectionery production) on ISO 22000 jointly with "Cert International" (UZB) and to LLC "Syrdaryo Universal Oina" (glass production) on FSSC 22000 jointly with SGS (UZB).</p>	1	2017	0	0	2	3	2	2	2	0	6	Project progress report Monitoring reports
	1.2.5. # of priorities from Export promotion and increase of competitiveness state programme (EPIC) and oblasts TDPs supported (SDG 17.11.1)	<p>2018:</p> <ol style="list-style-type: none"> 1) Priority #5.5. "Training of exporters on positioning in markets, finding new niches and negotiation skills" 2) Elaboration TDP of Khatlon region for the period 2019-2021 <p>2019:</p> <ol style="list-style-type: none"> 1) Priority 1.3. "Conducting studies on review of the existing regulatory and legal framework, including amendment to Customs and Tax Codes of RT" 	0	2017	2	2	2	4	2	1	1	0	7	Project progress report Monitoring reports Reports from state agencies and oblast administration

		<p>2) Priority 1.9. "Improving business environment and investment climate for export development and competitiveness enhancement through improved interaction of authorities and private sector within PPP, revitalization of regional and local Consultative Councils"</p> <p>3) Priority 2.5 "Minimizing number of documents, time and costs required to complete procedures by FEA participants"</p> <p>4) Priority 9.3. "Assistance in exhibition and fairs 2020:</p> <p>1) Priority 1.3. Regulatory Impact Assessment of the Law on State Services.</p> <p>2). Priority 1.9. Decree #286 from 10.10.19 from Khatlon Khukumat on adoption of Regional Entrepreneurship Development Programme of Khatlon Region. Decree #1 from 18.09.19 from the Session of CC of Khatlon on adoption of recommendations. Reports by IC. LOP's from the WG meetings. WG meetings protocols and pictures.</p> <p>3). Priority 2.5. Elaborated 1st National</p>																	
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	Trade Portal www.tajtrade.tj													
2.1.1 Support to establishing or developing green niche products and VCs that are employment rich and have high productivity and market potential														
2.1.1 Number of products/VCs identified that are green and employment rich (SDG 2.3.1, 2.3.1, 2.4.1, 8.5.2, 10.2.1, 15.3.1)	2019: Report on "Analysis of green products value chain and Export opportunities in Tajikistan" (Euromonitor)	0	2017	3	0	0	5/(3)	0	0	0	0	0	3	Assessments
2.1.2. Higher productivity and export readiness of target products/VCs through the use of innovative technologies														
2.1.2.1. % increase in productivity of VCs members (SDG 2.3.1, 2.3.2, 2.4.1, 8.5.2)	<p>2019</p> <ul style="list-style-type: none"> • LLC Isfara Food productivity increased by 55% (production volume 517 tons) • LLC Oro Isfara productivity increased by 11 %, (production volume 2500 tons) • LLC Mevai Tilloi by 17% (production volume 129 tons) • CJSC Apricot and Co productivity increased by 66% (production volume 540 tons) • PE Haidarov - by 67% (production volume in 2019 5 tons, annual sales volume 160 000 TJS or 16 505 USD; 10% of sales export, 90% domestic) <p>2020: Data provided by target SMEs and IPs reports</p> <ul style="list-style-type: none"> • LLC Isfara Food productivity increased by 283% (production volume in 2020 - 1980.7 tons) • LLC Mevai Tilloi productivity increased by 56% (production volume 201 tons) 	0	2017	0	0	10	43	15	56	20	20	20	Assessments of the productivity levels Client feedback forms	

		<ul style="list-style-type: none"> • LLC Subhi Vatan productivity increased by 64 %, (production volume 265 tons) • LLC Visol Isfara productivity increased by 81 %, (production volume 650 tons) • PE Haidarov - productivity increased by 134% (production volume 11.5 tons) • LLC Oro Isfara productivity increased by 11% (production volume in 2020 - 2780 tons) <p><i>Sub-total on processing SMEs - productivity at target processing SMEs increased in average by 60% to 2019</i></p> <ul style="list-style-type: none"> • Mungbeans producers/farmers of Shaartuz and Hamadoni districts productivity increased by 48% (production volume in 2020 - 60 tons) • Peanuts producers in Mastchoh district productivity increased by 72% (production volume in 2020 - 476 tons) • Beekeepers of 4 districts in Rasht valley productivity decreased by 89% (production volume in 2020 - 14 tons only). The low production of the honey is due to the cold and rainy summer this year in the target regions which also reflected in decreasing of their incomes 												
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		<p><i>Sub-total on farmers/beekeepers: in average increased by 24% to 2019</i></p> <p>Total: the productivity of the supported target VCs members increased in average by 56% to 2019</p>													
	2.1.2.2. % increase of market penetration of selected products (SDG 2.3.1, 2.4.1, 17.11.1)	<p>% increase of market penetration of selected products = volume in USD of AFT project's clients export in 2019 compared to AFT project's clients export in USD in 2018.</p> <p>As per statements of companies:</p> <ul style="list-style-type: none"> • LLC IsfaraFood - total export volume in 2019 - 517 tons, sales/export 7 216 000 TJS/ 744 378 USD; Export markets - Russia, KAZ, USA • LLC Oro Isfara - total export volume in 2019 - 2300 tons, sales/export 23 000 000 TJS/ 2 372 602 USD; Export markets - Russia, KAZ, Ukraine, Armenia, Georgia • LLC Mevai tilloi - total export volume in 2019 120 tons, 3 394 000 TJS/ 350 113 USD. Export markets - Russia. KAZ, USA 	0	2017	0	0	5	186	10	40	20	20	20	Assessments Trade contracts	

		<ul style="list-style-type: none">• CJSC Apricot and Co - total volume of dry apricots export in 2019 540 tons, 3 750 000 TJS/ 376 837 USD. Export markets - Kazakhstan and China (new) • PE Haidarov - total export volume of peanuts 0.5 tons; 12000 TJS/1 240 USD/ Export markets – KGZ <p>2020: Data provided by target SMEs:</p> <ul style="list-style-type: none">• LLC Isfara Food - total export volume in 2020 - 1855.2 tons, sales/export 14 950 000 TJS/ 1 393 965 USD; Export markets - Russia, KAZ, USA, EU - Latvia (new) • LLC Mevai Tilloi total export volume in 2020 - 180 tons, sales/export 7 028 600 TJS/ 622 000 USD; Export markets - Russia, KAZ<ul style="list-style-type: none">• LLC Subhi Vatan total export volume in 2020 - 265 tons, sales/export 2 472 450 TJS/ 218 801 USD; Export markets - KAZ, Turkey, Germany and KGZ • LLC Visol Isfara total export volume in 2020 -650 tons, sales/export												
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		<p>5 479 500 TJS/484 912 USD; Export markets - Russia, KAZ</p> <ul style="list-style-type: none"> • PE Haidarov - total export volume in 2020 - 0.5 tons, sales/export 15 000 TJS/ 1 327 USD; Export market - KGZ • LLC Oro Isfara - total export volume in 2020 - 2590 tons, sales/export 27732491 TJS/ 2 674 300 USD; Export markets - Russia, KAZ, Ukraine 												
	2.1.2.3. % of increase in income of staff target VCs (SDG 2.3.2, 5.5)	<p>2019: Income sheets 2020: Data provided by the targeted VCs clients, project calculation</p> <p>An average monthly payroll budget of the staff of supported SMEs</p> <ul style="list-style-type: none"> • LLC Isfara Food – increased by 27% • LLC Mevai Tilloi – increased by 32% • LLC Subhi Vatan - increased by 34% • LLC Visol Isfara – increased by 33% • PE Haidarov – increased by 47% • LLC Oro Isfara – increased by 18% • Mungbeans producers/farmers of Shaartuz and Hamadoni average income increased by 3% • Peanuts producers in Mastchoh district ADF Hoja Amirov average 	0	2017	0	0	5	28	10	13	20	20	20	Quality assessments Client feedback forms

		income increased by 52% • Beekeepers of 4 districts of Rasht valley average income decreased by 33%, due to low honey production in 2020 (cold summer/climate change). The income from honey is due to selling the honey of pervious years												
	2.1.2.4. # of new decent jobs created (incl. 50% for women) (SDG 5.5, 8.5.2)	2019: Staff sheets 2020: Staff sheets/data provided by the targeted SMEs, IPs report All official jobs (number of seasonal jobs recalculated to permanent jobs as per OECD methodology)	0	2017	0	0	20	19 (19) 10 (10) seasonal	80	90	100	100	300 (150)	Monitoring reports
	2.1.2.5. At least 40% of activity clients are women (SDG5.5)	2019: Statement of representative of LLC "Oro-Isfara", LLC "Golden Fruit" 2020: IPs report, LOPs of trainings Trainings: • 21 farmers dealing with peanuts cultivation trained on Global G.A.P. quality standard for agricultural products and improved their knowledge and skills on this topic by 43%; • 18 dried fruits farmers/processors, 8 of them are women (or 44%) trained on diseases and pests of	0	2017	40	0	40	45	40	78	40	40	40	Monitoring reports

		<p>the fruit crops and disease prevention and control in Isfara and improved their knowledge by 54%;</p> <ul style="list-style-type: none"> • 21 farmers, dealing with mung beans cultivation trained on preparation of land (soil) and mung beans sowing, which have been conducted in Hamadoni district of Khatlon region; • 15 beekeepers, out of them 5 women (or 33%) trained on development of beekeeping in the Rasht Valley and the creation of new bee families, conducted in Rasht district of DRS • 204 staff (161 women or 79%) of the 30 SMEs improved their knowledge on PRP requirements, Fire safety, Global GAP, financial accounting, taxes and taxation, products costs calculation, etc through the provision of individual consultancy services by PO MIS • 54 women farmers (in total) dealing with peanuts cultivation trained in Mastchoh district: 29 farmers on Global G.A.P. quality standard for agricultural products and improved their knowledge and skills on this topic by 47%, and 25 farmers on practice of efficient collecting and storing the peanuts and 																	
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		<p>improved their knowledge and skills on this topics by 48%; The trainings conducted specially for women due to the traditional culture and mentality in this region which not allowed women to attend the event jointly with men.</p> <ul style="list-style-type: none"> • 18 farmers (16 or 89% women) dealing with apricots cultivation in Isfara trained on Global G.A.P. quality standard for agricultural products and improved their knowledge and skills on this topic by 54%; • 7 people (1 female), staff of the 3 target processing SMEs in Isfara additionally received individual consultancy services on such topics as consultations on label design and marking of finished products, on technical equipment and layout of production facilities and business planning and financial modeling • 57 farmers (out of which 47 or 82% are women) dealing with mungbeans cultivation in Khatlon region trained on: 17 farmers (12 or 71% are women) on preparation of land (soil) and mung beans sowing, and 40 farmers (35 or 88% are women) on mungbeans diseases and pests and the 												
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		<p>method of control/fighting with them and in general the knowledge and skills of farmers improved in average by 43.5%</p> <ul style="list-style-type: none"> • 39 beekeepers (all women) in Rasht valley (Lyakhsh, Sangvor, Tojikobod) trained on Honey analysis procedures and obtaining of a veterinary certificate and improved their knowledge and skills on this topic by 42% • 15 people (5 or 33% are women), staff of the 6 TSIs (Export Agency, FDE BI, NAMM, UPCT, CCI of RT and ISD Consulting) trained on Trade Map and Access Map tools • 40 women trained on how to start their own business in Khatlon (20) and Sughd (20) • 82 people (64 or 78% are women) participated at orientation workshops to promote of positive and strong women-role models in Khatlon (23/22) Lyakhsh (29/19) and Sughd (30/23). Without double counting, in total 62/48 (77%) people attended the workshops • 21 potential mentors (17 or 81% are women) participated at TOT for mentors on principles, methods of mentoring. The mentors have been selected from the 																	
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		<p>participants participated at 3 orientation workshops</p> <ul style="list-style-type: none"> • 73 potential mentees (all women) participated at 3-days trainings for mentees in all targeted districts. <p><i>Sub-Total on trainings and capacity building events: 583 (470 women or 83%) trained (without double counting)</i></p> <p>Jobs:</p> <ul style="list-style-type: none"> • 33 jobs (all for women) created at targeted SMEs • 57 jobs (22 or 39% women) created under the Grant Programs AAT <p><i>Sub-total on jobs: 90 (55 or 61% women) jobs created</i></p> <p>Total: 673 (525 or 78% are women)</p>												
		2.1.3 Support for women entrepreneurs established through												
2.1.3.1. Number of mentorship programmes for young women entrepreneurs established and supported (SDG5.5)	2019: Report on "Support to women entrepreneurship in Tajikistan"	0	2017	0	0	1	1	1	1	1	0	3	Client feedback forms	
	2020: IP report Mentorship programme developed and being implemented													

	2.1.3.2. # of women benefitting from established programmes (SDG 5.5)	<p>2019:</p> <p>1) LoPs of workshops dedicated to the improvement and support for women entrepreneurship in Tajikistan, dated 21.02.2019, and 23.01.2019;</p> <p>2) LoP of study tour of women NGOs to Sughd region 19 - 23 June 2019</p> <p>3) LoP of study tour of women entrepreneurs and NGOs to Namangan (UZB) and Osh (KGZ) on 06-12 October 2019;</p> <p>4) LoP of training conducted for women on sewing and cutting school uniforms 11-20 June 2019 organized by PO "Bonuvoni Fardo"</p> <p>5) LoP of master classes for the production of confectionary products organized by PO Azam through Grants (IP report)</p> <p>6) LOP of seminars on mung beans production organized by PO Elyor, dated on 03/10/19, 04/10/19, 20/11/19, 28/11/19, 10/12/19, 16/12/19;</p> <p>7) LoP of study tour to Surkhandarya region (UZB) on 20-21/09/2019, organized by PO Elyor to study experience on mug beans production.</p> <p>2020:</p> <p>IPs report, Capacity building events LOPs:</p>	0	2017	20	68	60	142	100	416	100	100	380	<i>Client feedback forms</i>
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		<ul style="list-style-type: none"> • 161 women staff of the 30 MSMEs improved their knowledge on PRP requirements, Fire safety, Global GAP, financial accounting, taxes and taxation, products costs calculation, etc. through provision of individual consultancy services by PO MIS • 47 women – farmers dealing with dried fruits in Isfara and peanuts in Mastchoh of Sughd region trained on diseases and pests of the fruit crops and disease prevention and control, and on Global G.A.P. quality standard for agricultural products; • 78 women - farmers dealing with mungbeans cultivation in Khatlon region and women beekeepers in 4 districts of Rasht valley trained on preparation of land (soil) and mung beans sowing, and mungbeans diseases and pests and the method of control/fighting with them; on development of beekeeping in the Rasht Valley and the creation of new bee families in Rasht district of DRS; on Honey analysis procedures and obtaining of a veterinary certificate • 40 women trained on how to start their own 												
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		<p>business in Khatlon (20) and Sughd (20)</p> <ul style="list-style-type: none"> • 17 potential women mentors participated at TOT for mentors on principles, methods of mentoring. The mentors have been selected from the participants participated at 3 orientation workshops • 73 potential mentees (all women) participated at 3-days trainings for mentees in all targeted districts. <p>Total, 416 women benefitted from project activities</p>													
	2.1.3.3. # of women headed SMEs supported (SDG 5.5)	<p>2019: Agency for Statistics and its branches in the regions</p> <p>2020: Project progress report Monitoring reports IPs reports</p>	0	2017	2	0	6	4	6	15	8	2	24	Project progress report Feedback forms of clients Monitoring reports	