



**USAID** | **AgroInvest Project**  
FROM THE AMERICAN PEOPLE

# AGROINVEST

**ANNUAL WORK PLAN – YEAR 3**

OCTOBER 1, 2012 – SEPTEMBER 30, 2013

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**Contract No. AID-121-C-1100001**

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## ACRONYMS

AJLEP	Access to Justice and Legal Empowerment Project
AMDI	Agrarian Markets Development Institute
COP	Chief of Party
COR	Contracting Officer's Representative
CPOM	Communications and Public Outreach Manager
CU	Credit Union
DCOP	Deputy Chief of Party
EBRD	European Bank for Reconstruction and Development
FAO	Food and Agriculture Organization of the United Nations
FINREP	Financial Sector Development Project
GDA	Global Development Alliance
GOU	Government of Ukraine
IBD	Interest Rate Buy Down
IFC	International Finance Corporation
LINC	Local Investment and National Competitiveness Project
MAPF	Ministry of Agrarian Policy and Food of Ukraine
NGO	Non-government organization
PO	Producer organization
PPD	Public-private dialogue
PMP	Performance Monitoring Plan
PPP	Public-private partnership
RFA	Request for Applications
RFP	Request for Proposals
SOW	Scope of Work
SMP	Small and medium-sized producer
UAH	Ukrainian hryvna
VAT	Value-added tax
VCA	Value Chain Actors

## **SECTION I**

### **Introduction to AgroInvest**

#### **A. Contract Background**

AgroInvest is a five-year project (2011-2016) funded by USAID/Ukraine. The purpose of the Project is to provide technical assistance to accelerate and broaden economic recovery in Ukraine through support to the agriculture sector and increase the country's contribution to global food security efforts. The contract is a Cost Plus Fixed Fee Term-type, Level-of-Effort contract with a ceiling of \$18,755,641.

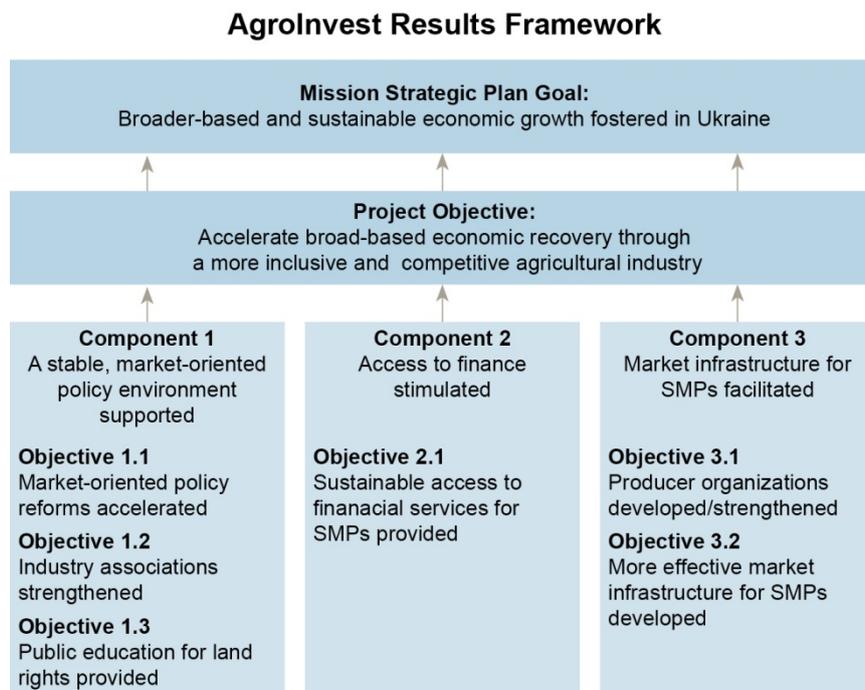
#### **B. Project Scope of Work**

AgroInvest will accelerate broad-based economic recovery through a more inclusive and competitive agricultural industry. AgroInvest is designed around three separate but interrelated component objectives, each supported by specific expected results under each component as illustrated below in the Results Framework.

Component 1 activities involve both a supply- and demand-side approach to supporting a stable, market-oriented policy environment. From the supply side, AgroInvest will promote the implementation of less volatile, more market-oriented policies that stimulate increased production and investments in the agricultural sector. On the demand side, Component 1 activities will strengthen the capacity of industry associations to shape agricultural policies and provide public education on land rights among rural landowners. Under Component 2, AgroInvest will stimulate access to finance by strengthening partnerships between financial service providers and value chain actors, including input suppliers and buyers, to facilitate sustainable access to financial services for small and medium producers (SMPs). Finally, Component 3 activities will create a more effective market infrastructure for SMPs and increase the profitability of farming through better access to markets, the development of wholesale and regional markets, and capacity building for producer organizations (POs).

### C. Project Results Framework

Attainment of component objectives will allow us to realize the Project’s purpose of accelerating economic recovery in Ukraine through support to the agricultural sector. Ultimately, AgroInvest supports the U.S. Foreign Assistance Framework economic growth objective and four program areas: trade and investment, agriculture, private sector competitiveness, and economic opportunity. The Project’s monitoring and evaluation (M&E) system, introduced in the Performance Monitoring Plan (PMP), is designed to measure and report on progress against these objectives and expected results using 37 indicators. These indicators and their associated annual and life-of-project targets are listed in the table shown in the Performance Monitoring Plan (PMP) chart (Annex A).



## **SECTION II**

### **Annual Work Plan – Year 3**

## **WORK PLAN**

This annual work plan covers the period from October 1, 2012 to September 30, 2013 and outlines planned activities and expected results for each Project component. This section represents AgroInvest's proposed work plan for Year 3 of the Project, organized by Project components and tasks. It is comprised of a narrative that elaborates on our approach and expected results for each component and task, followed by a Gantt chart detailing our planned activities over Year 3 of the Project.

### **Technical Activities**

#### **A. Component 1 – Support a Stable, Market-Oriented Policy Environment**

The principal objective of Component 1 activities is to promote agricultural policies that are less volatile and more market-oriented, leading to increased investments and sustainable development and growth of the agricultural sector. Project activities under this Component are also aimed at strengthening the capacity of industry associations for policy analysis and advocacy and raising their sustainability for promoting market-oriented reforms in the sector. In addition, Component 1 is also working to help land owners in rural areas to understand their land rights and is supporting them with legal assistance in target communities so that the land owners can better defend these rights. The section below outlines the AgroInvest Project's strategy for Component 1 during Year 3 of the Project.

#### ***General Approach to Component 1, Tasks A and B***

Agricultural policy activities of the Project during Year 3 will focus on issues which have been identified as priorities through consultations with key partners and stakeholders and work planning held in September 2012. In order to prioritize the issues and activities, the Project used the following criteria developed during Year 1 of the project:

- The issue/activity plays an important role in Ukraine's agricultural sector and has the potential to achieve measurable and strategically important impact on the development of the sector;
- It has a reasonable likelihood of implementation;
- The issue/activity contributes to AgroInvest goals in supporting the development of small and medium-size producers (SMPs) or other key Project clients or partners;
- It addresses AgroInvest's comparative advantage, including the level of effort or budget; and

- The activity is appropriate for AgroInvest to address as there are no other donors or projects focusing significantly on the issue or where it makes sense to merge efforts and resources with other partners to complement each other.

In reviewing the policy priorities, appropriate attention was given to ensuring the continuity of the Project's activities as many of the policy issues require more time for analysis, legislative drafting or/and public consultations. It has been decided that the following issues will merit priority attention for the policy work of the Project in the agricultural sector:

- Land market reform: as during Year 1 and Year 2 of the project, the issues related to agricultural sector reform will remain at the top of AgroInvest's policy agenda;
- Policies and legislation dealing with development of producer organizations and market infrastructure;
- Legislation and implementation of mechanisms for domestic food security;
- Contribution to the development of a sector strategy for the agricultural sector;
- Implementation of a mechanism for rapid legal and economic analysis of key policy initiatives in the sector;
- Monitoring of government policies and practices on export of key agricultural commodities;
- Improved policy/regulations for SMP access to finance.

All of these issues provide an opportunity for the AgroInvest Project to engage with government agencies (e.g., the Ministry of Agricultural Policy and Food (MAPF), the State Land Agency, etc.) and a wide range of sector advocacy and policy analysis groups, as well as with SMPs. Specific activities to be undertaken under each of these policy areas are specified in more detail below (Activities for Task A to be undertaken During Year 3).

Flexibility is an important feature of AgroInvest policy work. During implementation of its policy agenda in Year 3 the Project team will continually review its approach and be ready to revise it in order to focus on those initiatives that promise to ensure greater success and more impact on the development of the sector. In this sense the Project will be flexible and open to new ideas and opportunities to engage in new policy issues as they emerge, provided that they fit within the policy framework criteria.

Local capacity-building and development of public private dialogue (PPD) mechanisms will also remain a key element in AgroInvest's work to improve the policy environment in the agricultural sector and undertake policy activities. In order to address this priority element, the Project will work on policy issues in close collaboration with industry associations, engaging them in policy discussions, analysis or working groups as appropriate for in each situation. The policy work will be done both with those associations which became partners with AgroInvest through

the grant program during Year 2 as well as with other business groups and NGOs. The Project will also provide competitive grants for capacity building and policy training to a new group of industry associations to improve their ability to formulate and advocate policy recommendations.

In its policy work during Year 3 AgroInvest will work closely with the Ministry of Agricultural Policy and Food to ensure better coordination of its efforts with ongoing activities of the Ministry and its departments. The Project will also seek new arrangements to allow for this coordination to be smooth and efficient. AgroInvest will continue providing assistance to the Coordination Council on Agricultural Reforms under the MAPF. The Project will also closely collaborate with the State Land Agency, Parliamentary Committee for Land and Agriculture and other government agencies.

A number of policy priority issues during Year 3 of the Project allow for cross-cutting synergies between Component 1 and other components of the project. The AgroInvest team will pay particular attention to these synergies in order to build on its comparative advantages, contacts with key partners and knowledge and experience accumulated by the Project team and its key partners.

The Agrarian Markets Development Institute (AMDI) has been awarded a separate cooperative agreement by USAID focusing on agricultural policy issues and advocacy. While AgroInvest and AMDI will work on different policy areas, AgroInvest will make its best effort to collaborate with AMDI on sharing information, joining efforts on specific issues of common interest and developing PPD mechanisms. In particular, AgroInvest will ensure that its policy initiatives are sufficiently coordinated with activities of the Public Council which will be supported by AMDI and where AgroInvest's key partner industry associations are active members.

In all activities related to improving the agricultural policy environment, AgroInvest will continue collaborating with relevant donors and their projects active on the same or similar policy issues. In particular, the Project intends to coordinate with:

- The World Bank and its Rural Land Titling and Cadastre Development Project on land reform issues;
- USAID's Financial Sector Development Program-II (FINREP-II) on a futures market for agricultural commodities;
- IMF and the World Bank on targeted fiscal transfer mechanisms for low-income consumers;
- USAID's UNITER project on capacity building and development of industry associations and land reform activities;
- USAID's Access to Justice and Legal Empowerment Project (AJLEP) on public awareness for farmers;
- CIDA and its projects on development of producer organizations in the sector.

To implement its policy agenda, AgroInvest will continue engaging short-term expatriate expertise as needed, sign subcontracts with local organizations that possess required expertise, allocate grants to industry associations and identify and involve local short-term experts as appropriate for each specific activity or situation.

## **Component 1, Task A Activities: Accelerate Market Oriented Reforms**

**Land market reform.** Land market reform will remain the key focus of AgroInvest policy work during Year 3 of the project. The government continues to declare its intention to proceed with removing the moratorium on the sale of agricultural land and opening the market for transactions in the near future. It is likely that many important issues related to land reform will be put on the agenda for discussion and approval during Year 3 and the Project intends to focus on all important issues related to agricultural land reform as they progress. Activities of AgroInvest on land reform issues will be diverse and their timing is likely to be significantly influenced by the pace with which the government proceeds with approval and implantation of legislation.

In October 2012 -September 2013 the Project plans to concentrate its efforts on the following land-related activities:

*Facilitating public discussion of draft Law On Land Market.* Approval of the draft Land Market Law which is expected to open the market of agricultural land has been delayed until after the parliamentary elections at the end of October 2012. It remains unclear whether this draft law would be proposed for discussion and approval in the Verkhovna Rada shortly after the election with the law becoming effective on January 1, 2013 or if the approval process would be delayed until sometime in 2013 with the effectiveness of the law starting on January 1, 2014.

There is also a significant degree of uncertainty on whether the government would proceed with the draft Law on Land Market which was approved in the first reading in December 2011 and prepared for the second reading in January 2012 or a new law would be developed and presented for the full discussion and approval cycle in the Verkhovna Rada. The dynamics of the approval process may depend on the outcome of the October 2012 parliamentary elections or might be influenced by some other developments (e.g., on the timing and the efficiency of final preparations for implementation of the Law on State Land Cadastre and the Law on Registration of Immovable Property both of which become effective on January 1, 2013).

It should also be noted that some parts of the draft Law on Land Market have been approved as spin-off legislation (e.g., the part regulating sale of state- and municipally-owned land). However, many other important provisions of this draft law will need to be approved to open the agricultural land market and introduce basic rules of its operation. For this reason the draft Law on Land Market remains the key legislative document determining the main features and pace of land reform in Ukraine's agricultural sector. Given the importance of this legislation and the controversial nature of some of its provisions approved in the draft (which may lead to inefficient and/or distorted markets for agricultural land), the Land Market law will clearly benefit from further discussions with a broad range of stakeholders before approval by Parliament.

The Project will closely monitor developments with the draft Law on Land Market and facilitate open public discussion of this draft legislation involving agricultural businesses, small farmers, industry associations, GOU representatives and experts. The intention will be to ensure that there is an open and professional discussion of key provisions of the law before this important legislation is finalized. The timing of these activities will depend on the dynamics of the review and approval process in Verkhovna Rada. To be able to contribute to the discussion in a more substantive way, AgroInvest will prepare legal and economic analysis of the draft Law on Land Market once it is back on the policy agenda for approval. The Project will share its recommendations with key decision makers and experts in order to further improve the draft legislation.

*Preparing legal and economic analysis of new draft legislation on land.* Apart from the draft Law on Land Market, there have been a number of other draft laws registered in Verkhovna Rada of Ukraine. These, for example, deal with limitations on the areas of land that may be leased by one entity/individual (so called land lease caps). During Year 3 AgroInvest intends to analyze the most important draft laws that deal with agricultural land and present results of these analyses for discussion with the government and other key partners in order to facilitate approval of legislation which promotes an open, transparent and equitable market. This analysis will not only raise issues identified but will provide recommendations on the most efficient ways to address issues and problems.

*Providing assistance to the government with development of new by-laws and regulations.* AgroInvest project will also provide assistance to the government in preparing by-laws and regulations for existing and new legislation on agricultural land issues. These activities will focus on those regulations that have most significant impact on the sector or affect SMPs and rural land owners. In particular, the Project will develop a new methodology for the normative valuation of land. The work on this methodology has already started in collaboration with key stakeholders. Once the methodology is finalized, it will be shared with the State Land Agency and other government bodies and presented for public discussion to facilitate its approval.

In all its work on legal issues during Year 3, AgroInvest will closely interact with its key partners and stakeholders to seek consensus on important issues, create synergies and join expertise and resources to achieve better results.

*Promoting concepts which are expected to facilitate development of efficient land market in Ukraine (Owner Associations).* During Year 1 and Year 2 of the project AgroInvest has identified and begun developing two concepts which are expected to facilitate the agricultural land market and mitigate some of the risks for small land owners associated with the initial stage of the land market development. These concepts address a likely gap in financing for agricultural land transactions (Owner-financing) and improve the ability of small landowners to negotiate lease rates and lower transaction costs for lessors and lessees (Owner Associations). Since issues and partners for the owner-financing concept belong more to Component 2 of the project, activities in this area are discussed in Component 2. As for the owners associations the Project plans the following activities during Year 3:

- *Finalizing field research to discuss the concept.* During Year 2 AgroInvest has initiated field research of the owner associations mechanism in order to identify all issues related to its design and implementation. These field activities will be completed early in Year 3 and then findings of the research/field work will inform the implementation of the concept.
- *Developing an implementation plan for the owner associations concept.* Based on the results of the field research and the legal analysis, AgroInvest will develop an implementation plan for the owner associations concept. This plan will include a detailed list of implementation activities and proposals for development of new legislation or amendments to existing laws (if this is identified by the legal analysis). The plan will also include suggestions for the pace of implementation, including an option to pilot the implementation activities in selected regions to fine-tune the concept. This plan will be presented to USAID COR for approval before its implementation commences.
- *Undertaking a legal analysis of the owner associations concepts.* Once the field research mentioned above is completed, AgroInvest will commence a legal analysis of the concept by engaging qualified lawyers, most likely through a legal company.

In its activities on the owner associations concept, during Year 3 AgroInvest will focus on establishing a close collaboration with the government and other key partners (e.g., establishing a joint working group) to ensure their support and efficient implementation of the proposed mechanism. Ensuring that there is government buy-in and support of the owner association concept will be critical to its ultimate success. The project, therefore, will liaise with the Ministry of Agricultural Policy and Food, the State Agency for Land Resources and key industry associations in all its activities on the owner association concept. The implementation of the concept will be supported through the information campaign which AgroInvest will hold in rural areas. This will be a focused campaign aiming to ensure understanding of the concepts by both landowners and leaseholders, and to support successful implementation of the concepts. The campaign will be implemented through a dedicated subcontract.

*Land Governance Assessment Framework (LGAF).* During Year 2 of the project, AgroInvest led the implementation of the LGAF study in close partnership with the World Bank. As part of this activity, the Project has developed a set of recommendations on improving land governance in Ukraine. LGAF has the potential to become an efficient platform for further partnership between AgroInvest, the World Bank, and the Government of Ukraine which will provide synergy efforts to proceed with implementation of the above mentioned recommendations. These efforts will certainly have a positive impact on reaching the project results during the next project year. However, this progress is subject to an agreement with GOU regarding LGAF findings and recommendations and the Government's willingness to support them. The World Bank and USAID prepared LGAF study report will be formally submitted to the GOU in the first quarter of Year 3. Upon the GOU's review and subsequent discussions with the AgroInvest on the

report, the Project will have a much better understanding of the GOU's interest and willingness to further support the LGAF initiative.

Conducting research on current lease arrangements in order to identify problems and suggest approaches to address them. Agricultural land in Ukraine is mainly used for commercial farming based on lease agreements. With the help of its partners, including providers of legal services, AgroInvest plans to review the most important provisions of the lease agreements to identify most the common problems with lease arrangements between farming entities and individual land owners. Based on this analysis, the Project will develop a set of recommendations to address problems identified and present them to the GOU and stakeholders for discussion.

Assistance to the State Registration Service with implementation of the Law on Registration of Immovable Property in relation to agricultural land. Many provisions of a new Law on Registration of Immovable Property become effective on January 1, 2013. AgroInvest plans to work with the State Registration Service to identify risks in efficient implementation of this law as it relates to agricultural land. The Project will assist the Registration Service in identifying potential problems and developing recommendations to address them.

Organizing a study tour on land market issues to learn about successful experience. In order to increase the knowledge of GOU officials and key counterparts about experience of other countries with successful implementation of land reform, AgroInvest plans to organize a study tour for a selected group of officials and experts to one of the countries of the region with proven experience and success in structuring its land market. Provided that there is an agreement with the GOU officials and other stakeholders on specific follow-up activities to such a study tour to ensure dissemination of information and knowledge, the Project will proceed with identifying participants and arranging for the study tour during Year 3.

In activities related to the land reform during Year 3 AgroInvest will continue to engage a broad range of partners. The Project will be engaging in advocacy activities in order to seek consensus/agreement on key issues with stakeholders and build alliances to achieve the strongest results possible. The project will also be flexible in addressing the most important issues related to agricultural land as they emerge and adjust its implementation activities to the pace of approval and implementation of land legislation by the government.

Regulatory barriers to agricultural finance for SMPs. Activities in this policy area during Year 3 will focus on improving policy and the regulatory environment for access of small and medium-size producers in the agricultural sector to financing through credit unions. Credit unions demonstrate tangible interest in lending to agricultural SMPs in Ukraine. However, the existing regulatory environment significantly constrains their ability to expand financing they provide to farmers. In particular, credit unions may lend to physical persons only (vs. legal entities) and face relatively higher cost and limited number of sources of financing they can mobilize compared to banking institutions. To address these constraints, AgroInvest will assist

with improving the enabling regulatory environment for credit unions. Several key Project activities identified as priorities for Year 3 are described below:

- Facilitating approval of legislation to enable credit unions to provide loans to legal entities, in particular in agriculture. This legislation has been developed but its approval requires further advocacy and some initial analysis.
- Promoting the inclusion of credit unions in interest rate subsidy programs from regional budgets.
- Facilitate changes of legislation to allow credit unions to provide loans backed by land as collateral.

These activities will be undertaken in close collaboration with AgroInvest partners, specifically the National Association of Credit Unions. This work will also focus on supporting public-private dialogue mechanisms established by the government in the financial sector. Component 2 AgroInvest staff will take the lead in discussing technical issues in this area.

*Futures and derivatives markets development.* During Year 3 the Project will continue providing support to the development of futures markets for agricultural commodities in Ukraine by undertaking an educational and information campaign for farmers in collaboration with the Ukrainian Agricultural Confederation and Ukrainian Futures Exchange. This activity will be gradually phased out once a new USAID FinRep II project is awarded and starts its implementation work.

Whenever it makes sense, AgroInvest will cooperate and coordinate with AMDI as they will continue working on several other important issues to address constraints to the availability of finance to farmers in Ukrainian agriculture.

*Legislation to facilitate further development of cooperatives in the agricultural sector.* During Year 2, together with the Ministry of Agrarian Policy and Food of Ukraine, AgroInvest made good progress in preparing amendments to legislation which will facilitate further development of agricultural service cooperatives. The Project plans to continue these activities during Year 3. The following legislative initiatives have been identified as priorities in this area:

- Supporting discussions on the tax and cooperative law amendments as they move through the approval process in the Cabinet of Ministers and Parliament;
- Preparing guidelines for organization of accounting in agricultural service cooperatives and agricultural marketing groups;
- Supporting implementation of new sample charters for agricultural service cooperatives approved by the government.

The Project will also develop training modules on agricultural cooperation which will be implemented in the course of the year together with key project partners on the development of producer organizations. All of these activities will assist the Ministry of Agricultural Policy and Food in developing further and implementing its initiative “Ridne Selo” which places particular emphasis on establishing and developing farmers’ cooperatives and other forms of producer organizations. AgroInvest

Component 3 staff will take the lead in technical issues and contacts with partners in this area.

*Developing and facilitating approval of legislation on farmers' markets.* Ukraine has developed and implemented legislation which governs activities and operation of agricultural wholesale markets. However, this legislation is applicable mainly to larger markets which are few. The Project, with the MAPF's initial buy-in, has identified the need to develop a more defined and clear legal framework which would regulate activities of the smaller markets (farmers' markets). Such legal framework could include a separate law, amendments to the existing legislation on larger wholesale markets or a set of regulations governing activities of the second-tier markets for agricultural produce. It is planned that the project, in coordination with MAPF, will develop and present such legislation for public discussion during Year 3.

*Analysis of enabling environment and designing proposals to stimulate development of agricultural clusters.* At the request of the Ministry of Agricultural Policy and Food, AgroInvest will undertake the analysis of the existing legislative and regulatory environment for agricultural clusters and develop proposals to stimulate the growth of agricultural clusters. In undertaking this work, the project will mobilize domestic expertise and also use international experts.

*Monitoring and analysis of new draft legislation.* Together with its partner industry associations AgroInvest Project identified the need for rapid legal and/or economic analysis of draft legislation dealing with agricultural policy issues. A mechanism for this monitoring and analysis has been designed and its implementation will commence early during Year 3 of the Project. This mechanism consists of engaging a grantee or subcontractor to be able to supply demand driven analysis when draft legislation is presented for public discussion or registered for consideration and approval in the parliament. The analysis will be shared with key project partners, in particular industry associations to help them develop convincing arguments to advocate for necessary amendments to proposed legislation. An emphasis will be made to ensure that such a mechanism becomes sustainable and serves a wide range of stakeholders in the sector.

*Monitoring of government policies on export of key agricultural commodities.* In collaboration with industry associations and other partners AgroInvest will continue monitoring government policies and practices related to trade in agricultural commodities.

If/when needed, the Project would engage in reviewing proposals and assessing likely impacts of policy actions in order to assist the government in avoiding measures which have negative impact on investments in the sector or revenues of farmers.

*Mechanisms for domestic food security.* The work of the project on the mechanisms to introduce consumer food subsidies as a cost-effective tool to ensure affordability of food to poor and vulnerable groups of the population instead of government policy to resort to export quotas and other restrictive steps (that discourage agricultural sector growth and prove counter-productive in the long run) as a measure to reduce domestic food prices demonstrated the need to provide more information on farm/consumer support programs in countries which Ukraine considers as model examples in this

sense (namely, USA and EU). Lack of detailed information on this subject led to insufficient interest on the government side and smaller progress on developing such mechanisms in Ukraine than was expected. Specifically, insufficient engagement of the Ministry of Agriculture and Food on this subject delayed the development of a position paper on domestic food security. Therefore, during Year 3 AgroInvest will place increased emphasis on providing more information and arranging for presentations for relevant government officials on the international experience with farm/consumer support programs as a way to increase the interest and allow for sufficient engagement in the GOU on this issue. In particular, in October 2012 the Project will arrange for a presentation on farm/consumer support programs in the USA and EU to the Ministry of Agriculture and Food of Ukraine and other stakeholders of AgroInvest. The Project will then work jointly with key partners on agreeing an implementation plan for development and implementation of a system for domestic food security in Ukraine.

*Contributing to the development of a sector strategy for the agricultural sector.*

Several policy strategies were developed by government agencies and other organizations with various degree of detail in 2010-2012. However, none of them was endorsed by the Ministry of Agricultural Policy and Food as an official strategy (or a draft). One of the most important issues which the government was trying to address through a draft Law on Agriculture or some other legislation was a concern over perceived lack of environmental and social responsibility of large agricultural enterprises (agro-holdings). The government has been proposing to address this concern by introducing caps on agricultural land leases or by proposing to introduce controls on agricultural technologies used by all farming entities in Ukraine. In view of the above, in close coordination with the Ministry of Agricultural Policy and Food and other sector stakeholders AgroInvest will undertake an analysis and prepare recommendation to government on how to deal with potential negative consequences of activities and ongoing growth of agri-holdings in Ukraine. To the extent possible, the Project will be placing emphasis on assisting the government in developing a strategy that facilitates market-driven changes in the agricultural sector and enabling the owners of assets, first of all land, to protect their interests and maximize long-term economic returns.

*Update of Project policy priorities.* Based on policy developments in Year 3 and experience with implementation of its policy agenda, AgroInvest will review and update its policy priority agenda three months before the end of Year 3. This update will inform the policy activities to be included in Year 4 work plan.

*Support to GOU public-private dialogue mechanisms.* During Year 3, AgroInvest will continue providing organizational and staffing support to the Coordination Council for Agricultural Reform under MAPF. The level of this support will depend on how efficient and useful the activities of the Coordination Council are. Under a sub-contact to AMDI, AgroInvest has provided valuable support to the Public Council of MAPF during Year 2. This support has helped to re-launch activities of the Public Council. During Year 3 of the project AgroInvest will continue working with AMDI to coordinate on policy initiatives promoted by both projects to avoid duplication of efforts and also using it as a platform to discuss important policy issues.

*Other policy issues as needed.* AgroInvest will remain open and responsive to new policy issues and initiatives provided the regulatory/policy issues fall within the framework of AgroInvest's key goals and objectives. Requests to engage in new policy issues will be vetted against the policy framework criteria developed by the Project.

### ***Expected results/achievements under Component 1, Task A during Year 3***

The following results and achievements are expected by the end of Year 3:

- The Project contributes to a clearer and more stable policy environment that leads to increased agricultural investments;
- Legislation governing agricultural land is improved;
- Legal and regulatory environment for agricultural producer organizations has been improved;
- Regulatory environment for credit unions has been improved to enable them to lend more to SMPs in the agricultural sector;
- The Project supports existing formal public private dialogue mechanisms and helps to make them effective and sustainable.

### **Component 1, Task B Activities: Strengthen Industry Associations**

#### ***Activities to be undertaken during Year 3***

Local capacity-building of industry associations will remain a key element of activities under Component 1 of AgroInvest. The Project will continue providing assistance for capacity building and policy development and advocacy skills to partner industry associations to enable them take a lead on certain policy priorities and prepare the analysis needed to formulate policy recommendations.

AgroInvest will announce two new grant competitions for proposals from industry associations for capacity building/policy analysis during Year 3. Grants will be provided to those industry associations whose proposals merit support for the usefulness/efficiency of activities proposed and importance of issues raised.

The Project will monitor the activities of grantees and provide them with help and guidance as needed. In addition, the Project will also put in place a program to facilitate capacity building for agricultural industry associations. This will be done jointly with other partners, namely with UNITER project which has significant experience with implementation of a capacity building programs for NGOs in Ukraine.

The Project will also facilitate opportunities and avenues for selected industry associations to participate in public-policy councils and other PPD discussions.

### ***Expected results/achievements under Component 1, Task B during Year 3***

- The Project contributes to a clearer and stable policy environment that leads to increased agricultural investments;

- A number of partner industry associations have been selected to undertake policy advocacy and analysis on policy priority issues;
- A capacity building program for agricultural sector industry associations has been designed and being implemented;
- A number of partner industry associations are undertaking capacity/competency strengthening. The Project supports formal public private dialogue mechanisms and helps to make them effective and sustainable by promoting sector associations' participation in them.

### **Resources needed for Component 1 Tasks A and B in Year 3**

- Local and international short-term LOE to provide expertise for selected policy work (e.g. land, mechanisms for domestic food security);
- Subcontracts will be needed to support policy activities on issues that require higher level of efforts and take longer time to analyze/develop recommendations;
- Subcontracts will also be utilized for policy development training and additional activities to build the capacity of industry associations.

### **Component 1, Task C Activities: Provide Public Education for Land Rights**

Given the imminent lifting of Ukraine's land sale moratorium, which may become effective as early as January 1, 2013, it is commonly agreed that considerable efforts are needed to help millions of Ukrainians better understand and protect their land rights.

To address this need, USAID AgroInvest is providing Public Education for Land Rights, which consists of two closely interlinked sets of activities, the *Land Rights Public Education and Outreach Campaign* and the *Sustainable Legal Land Rights Services Program* in order to help citizens better understand and protect their land rights.

### **General Approach to Component 1, Task C Activities**

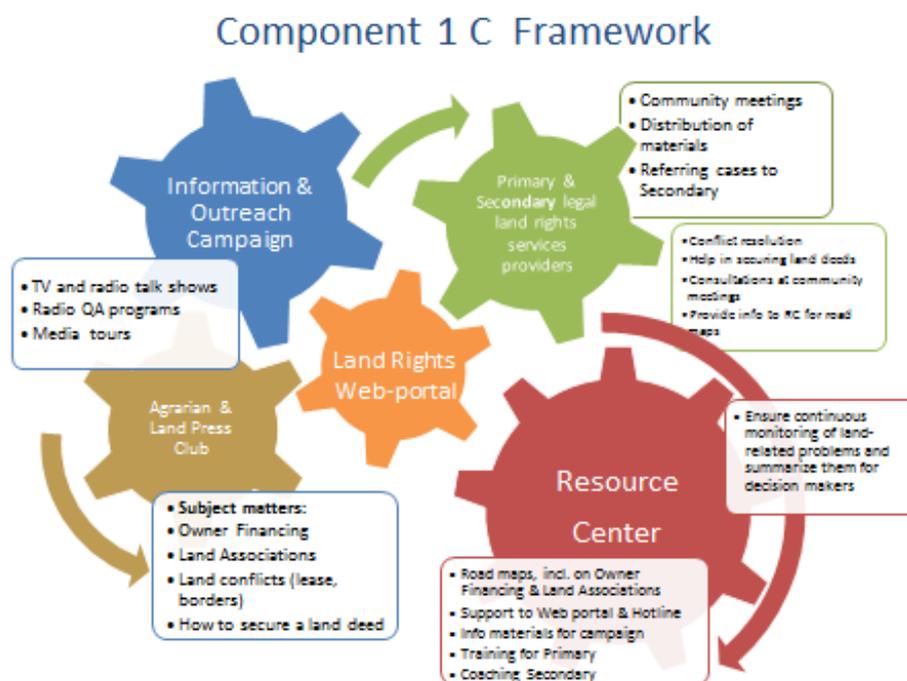
In order to achieve the above mentioned goal, the AgroInvest team has developed an integrated approach described in two complementary documents approved by USAID in Year 1: "Land Rights Public Education and Outreach Campaign" and the "Strategy for Delivering Sustainable Legal Land Rights Services". The work on Task C is planned in line with the above mentioned documents and leverages on results achieved in Year 2.

In short, the Sustainable Legal Land Rights Services Program has been organized to facilitate provision of legal land rights services to those most vulnerable, who need assistance in protecting their land rights, e.g. to officially register their land title or resolve a land conflict or lease- or sale-related problems.

The Program consists of the following four components:

- 1) Establishing a Resource Center tasked with analyzing the issues arising during land interactions and developing materials to help landowners and farmers protect

- their rights, including a specialized web-portal containing roadmaps and templates of documents instrumental in resolving such issues;
- 2) Supporting the information/awareness building campaign;
  - 3) Providing primary legal aid to vulnerable landowners; i.e.
    - providing legal information;
    - consultation and clarification of legal issues;
    - drafting applications, complaints and other legal documents;
    - assisting in ensuring individuals' access to secondary legal aid and mediation;
  - 4) Providing secondary legal aid to vulnerable landowners; i.e.
    - protection from prosecution;
    - representation of interests of persons entitled to free legal aid in courts, other state bodies, local authorities;
    - compilation of procedural documents.



The Land Rights Public Education and Outreach Campaign will be launched approximately 3 months in advance of the anticipated lifting of the moratorium on sale of farmland. At the beginning, it will focus on three sets of problems: (i) rent relations, (ii) official registration of ownership to land; and (iii) land-related conflicts. These are the main areas where legal assistance is provided under the Sustainable Legal Land Rights Services Program. Once the moratorium is lifted, special emphasis will be made on problems that arise due to the radical change of the situation when land will be subject to sale and purchase in a free market.

In the anticipation of the lifting of the moratorium, the Project will continue to work closely with all stakeholders and especially with the Land Union of Ukraine through the Resource Center to make sure the legislation that opens the land market is sound and the market itself is transparent. Also, considerable efforts will be needed to make sure that by-laws and regulations, which will be developed after the legislation is

passed, are also sound and transparent. The Resource Center will have a huge stake in this to make sure land rights are not violated.

The Land Rights Public Education and Outreach Campaign will be preceded by baseline research that will help fine-tune the messages for the campaign, identify best communication channels and learn more about specific problems that need to be addressed by both the Sustainable Legal Land Rights Services Program and the Sustainable Legal Land Rights Services Program.

The campaign is designed as a series of TV and radio programs, media publications, and work with mass media (press club, press tours). The campaign aims to disseminate information about land reform and its implications for rural landowners, underlining the choices they have, their rights and where to turn to protect these rights.

In Year 2, the majority of the pre-implementation activities have been implemented.

For the Sustainable Legal Land Rights Services Program, pre-implementation activities included:

- Launching the Land Rights Resource Center and Web-Portal;
- Launching the delivery of primary/secondary land rights services; and
- Soliciting grant applications for delivery of primary and secondary land rights services in one more oblast (Dnipropetrovsk) and identifying the partner.

For the Land Rights Public Education and Outreach Campaign these included:

- Completing all the preparatory work necessary for conducting the nationwide baseline survey; and
- Soliciting proposals for a subcontract for the campaign (which includes the Agrarian & Land Press Club, TV & Radio Campaign, and other activities).

### ***Activities to be undertaken during Year 3***

In Year 3, activities towards the Land Rights Public Education and Outreach Campaign will be organized through two subcontracts:

- 1) One subcontract is designed to undertake the baseline survey. The subcontractor has been identified through a tender and all preparatory work has been completed. The survey is expected to start at the very beginning of Year 3.
- 2) The second subcontract is designed for actual Land Rights Public Education and Outreach Campaign. A tender to identify the subcontractor for the Land Rights Public Education and Outreach Campaign was completed at the end of Quarter 4 of Year 2. The tender results are expected to be announced by mid-October 2012.

#### Baseline survey

In addition to the very practical objective of collecting baseline data, the survey will be instrumental in the following:

- Informing the design of the information campaign; i.e. collecting information on appropriate messages and preferred information channels;

- Measuring the awareness of citizens of their land rights, land reform, its impact on their rights, and choices they have to effectively manage their land;
- Measuring the awareness of farmers and managers of producer organizations of the sources of financing available to them, their experience of dealing with financial institutions, and need for financing;
- Identifying problems faced by small and medium-sized agricultural producers in the market infrastructure area to find the best solutions to address these problems;
- Identifying available sources of financing and problems faced by small and medium-sized agricultural producers in accessing finance and finding best solutions to address these problems.

In order to undertake this survey, USAID AgroInvest competitively selected the Center of Social Expertizes of the Institute of Sociology of the National Academy of Sciences of Ukraine. This subcontractor will conduct the baseline survey to collect qualitative and quantitative information on land rights issues, SMP access to finance and market infrastructure facilities, and gauge reactions to certain components of the owner-financing and field association concepts.

Qualitative information is instrumental in designing an efficient and cost-effective Land Rights Public Education and Outreach Campaign. . Meanwhile, quantitative information will provide findings about perception of the owner-financing and field associations concepts, capture geographically specific attitudes towards the concepts and ensure objective measurement on a yearly basis of the impact of the awareness building campaign conducted by USAID AgroInvest.

The subcontractor will also aid in preparing the analytical materials and, in close coordination with USAID AgroInvest, develop presentation materials which AgroInvest, with some technical advice from the subcontractor, will present during roundtable discussions with Project stakeholders, partners, and mass media. The analytical and informational materials will be published and disseminated among stakeholders as part of the Project's policy work.

In the future, the part of this survey dedicated to measurement of awareness will be conducted on an annual basis using the same questions to ensure consistent, objective measurement of the campaign's impact. These follow-up surveys will be conducted on a smaller-scale in the oblasts where Component 1C activities are undertaken.

### Land Rights Public Education and Outreach Campaign

The campaign's target audiences consist of:

#### *Primary*

- Vulnerable landowners (pensioners), rural residents, and individuals who are technically termed "private plot holders";

#### *Secondary*

- Farmers, as defined by the law *On Farmer Enterprise*;
- Households with a small plot of land that is not clearly designated;
- Producer associations;
- Local government officials, including village rada (council) heads, land engineers and surveyors, rayon administrative officials, and oblast officials; and
- Journalists, industry associations, and national policy makers.

The overall and specific objectives of the *Land Rights Public Education and Outreach Campaign* are:

- To increase private plot holders' awareness of current land rights, including possible options for establishing field groups to negotiate better lease conditions;
- To increase private plot holders' awareness of how to adequately plan for the establishment of the land market so that they can make informed decisions about land sales and purchases;
- To increase farmers' awareness about how to protect their farm holdings in the event of the creation of the land market (e.g. including ways to access credit or use of owner-financed sales for potential land purchases, farm restructuring, etc.);
- To educate each target group on the new legislation (once adopted) and its implications for their land rights, risks, and opportunities; and
- To provide information to all target groups on locally available and trustworthy legal assistance.

To achieve these objectives, the following set of activities will be implemented:

#### *Video and radio spots*

The Subcontractor will produce a series of radio and video spots to help deliver the campaign theme. New spots could be created as the campaign progresses in order to keep the message fresh. The spots will be disseminated to TV and radio stations. Special emphasis will be made on airing the spots in local radio and TV broadcasts in the oblasts where the Legal Land Rights Services Program is delivered. The radio and video spots would help deliver a consistent and memorable message to listeners nationwide.

The spots will be used for: 1) broadcast on local and national TV channels, 2) broadcast on national or local radio channels, and 3) as a video offering answers to questions on a particular topic and be available for seminars, training, and community meetings organized by the Project's partners engaged in the delivery of primary and secondary legal land rights services.

#### *Radio Programs*

The campaign will include a series of 10-minute educational radio programs aired twice per month on a national radio channel. This is a very effective way to communicate with the target audiences in the rural areas. Listeners will be encouraged to ask questions seeking on-the-air answers. Questions can be sent in a written form or submitted via telephone to the radio channel.

In addition the program will also encourage listeners to write and tell whether any information or service from the USAID AgroInvest partners (e.g., information from materials posted on the web-portal, information materials, media programs, or providers of primary and secondary legal land rights services) has helped them overcome obstacles to gain their land titles, exchange land parcels, successfully lease their land, resolve conflicts, or eventually sell a land parcel. This information could be shared on the air to further demonstrate to people how they can gain assistance in

solving their land problems and to encourage them to use the legal land rights services provided by the Project's partners in the oblasts where such services are available.

A series of three radio talk shows over the course of one year will also be produced and aired. The talk shows will focus on specific burning issues dealing with the implementation of land reform. Participants in these talk shows will include national and local officials from the State Land Agency and local governments, experts from both the Resource Center and partner organizations, including those engaged in the Legal Land Rights Services Program, farmers, land owners, and media.

These programs will also be disseminated through local radio channels, at least in the oblasts where the Legal Land Rights Services Program is undertaken.

#### *TV Programs*

The campaign will include a series of six 10-minute educational TV programs aired bimonthly on a national TV channel. It is deemed that this national forum will be an excellent way to deliver needed information to rural residents in a consistent, credible manner.

The programs will include personal success stories of agricultural landowners, farmers, and local officials and will occasionally include how the Project's partners engaged in the delivery of primary and secondary legal land rights services helped them to overcome their obstacles. The program will include a mix of information on the legal aspects of agricultural land issues and the promotion of the successes of real people in real places.

These programs will also be disseminated through local TV channels, at least in the oblasts where the Legal Land Rights Services Program is undertaken.

#### *National Agrarian and Land Press Club*

In Year 2, the Project conducted the All-Ukrainian Media Campaign on Land. About 300 journalists have been reached through this campaign so far, receiving first-hand information about the Project and its efforts in protecting land rights. It is important to continue providing information to these and other journalists to allow them to continuously inform their readers about this work and where to get information and legal advice if needed. The Project will continue to communicate with these journalists, provide information, and invite them to public events.

The Project, in cooperation with the selected subcontractor, will undertake a series of activities to encourage journalists to organize a National Agrarian and Land Press Club tasked with supporting the campaign by providing the institutional basis, guidance, and support for the press club. This press club would be a platform for journalists interested in the topics of land and agriculture to take part in joint activities, such as training, knowledge sharing, press tours, study tours, press conferences, roundtables and other events, which will facilitate objective, unbiased, and well-informed media coverage of a variety of subject matters dealing with land reform and helping vulnerable land owners protect their rights.

It is expected that the Press Club will become sustainable after the life of the project. For this to be realistic, a very thoughtful strategy will be used for selecting future

members of the Press Club to ensure that the journalists who join the Press Club are interested in long-term involvement.

Once established, the Press Club is expected to conduct a strategic planning session and develop a work plan which will be discussed and approved by USAID AgroInvest, and the project will support activities envisaged in the work plan to the extent they are in line with the overall goal and philosophy of this information campaign.

#### *Press tours*

The campaign will be supplemented by a series of media tours for the national and regional press to see with their own eyes how legal land rights services are delivered and what kinds of problems are resolved through the Legal Land Rights Services Program. It is expected that at least 4 press tours will be delivered over Year 3 of the Project.

The press tours will show typical problems related to land relations in various regions of Ukraine and highlight the activities of various offices of local governments, village mayors, land surveyors, extension services, and other providers of primary and secondary legal services to vulnerable land owners, including those who are partners of USAID AgroInvest. Each of the tours will engage up to 15 journalists who will go for a tour in a minibus; the press tour will take a whole day, and the journalists will be provided with coffee, snacks, and lunch. The journalists will be provided with handouts, pictures, and other materials needed to help them prepare interesting media reports.

#### Sustainable Delivery of Legal Land Rights Services Program

The Sustainable Delivery of Legal Land Rights Services Program is implemented through a series of grants provided to partners selected on a competitive basis. The grants are provided to local NGOs and are expected to help the partners build their capacity in respective areas so that they could sustain the services they provide and continue to help vulnerable landowners after the project is completed.

#### *Resource Center, including a web-portal*

The Project has partnered with the Land Union of Ukraine – a national NGO selected through a competitive process. The Land Union established the Land Rights Resource Center in July 2012. The Resource Center is set to coordinate a dedicated web-portal used mainly for purposes of Delivering Sustainable Legal Land Rights Services. The experts working in the Resource Center will also be engaged in the training and coaching of the Project's partners engaged in the delivery of primary legal land rights services.

The Land Rights Resource Center is tasked to:

- analyze land-related issues, group them into broader categories, identify typical issues which can be addressed through creating “roadmaps”; i.e. step-by-step algorithms, templates of documents, which a rural citizen/farmer can effectively use to resolve such “typical problems”;

- prepare such “roadmaps” in a plain language and user friendly format which is suitable for downloading from a web-portal;
- prepare methodological materials for providers of primary legal land rights services and conduct at least 18 trainings for them;
- prepare brochures, booklets, and posters for the information campaign;
- ensure continuous monitoring of legislation/regulations to update the roadmaps as appropriate;
- provide consultations to providers of secondary legal land right services;
- conduct training of trainers for providers of primary legal land rights services;
- ensure continuous monitoring of land-related problems in order to summarize them for decision-makers (i.e. government officials, parliament members and others);
- refer to providers of secondary legal land rights services for interventions;
- maintain continuous liaison with USAID AgroInvest and other project partners at the national and regional levels.

A very important activity for the Resource Center is to develop and maintain an interactive web-portal. The web-portal was launched in August 2012. It is being populated with the “roadmaps” and other relevant information accessible by both end-users and providers of primary and secondary legal land rights services. The Resource Center will design and supply materials for publications and for posting on a specialized web-portal that both end-users and providers of legal land rights services will use to access information, recommendations, advice, and templates of various relevant documents. The web-portal will be updated on a regular basis and contain a special section for users to submit questions and send copies of documents so that the lawyers who work for the Resource Center can provide consultations or refer the inquirer to providers of secondary legal land rights services.

The web-portal will contain all relevant information, agreed upon by USAID AgroInvest, including answers to frequently asked questions and roadmaps (step-by-step algorithms for resolving typical situations) that can be downloaded, as well as links to vetted organizations who have agreed to provide assistance.

The web-portal is suited to support the providers of primary legal advice at the national level, including potential beneficiaries of the program located outside of the target communities, thus creating a replicating effect of USAID AgroInvest’s efforts in this domain. After the end of the project, the Land Union is expected to continue to maintain the web-portal through their own funding and/or commercial advertisements, like other sustainable information resources driven by their user-base.

The Resource Center will also provide expert support to the Land Rights Public Education and Outreach Campaign. The Resource Center will help the organization(s) contracted by USAID AgroInvest to conduct an efficient campaign through participation in TV and radio talk shows, interviews, programs, questions-and-answers sessions, materials, analysis, etc. Resource Center experts will take part in events for media organized as part of the Land Rights Public Education and Outreach Campaign.

Another key task of the Resource Center is to support providers of primary and secondary legal land rights services through developing and conducting training-of-trainers sessions as well as refresher trainings and guidance as appropriate.

*Establish a framework for provision of secondary legal land rights services*

In mid-2012, the project signed grant agreements with three Ukrainian NGOs to provide secondary legal land rights services. As in the case of the Resource Center, these are capacity building grants which are designed to help local NGOs develop their capacity to provide legal services to vulnerable landowners so that they can provide such services after the end of the project.

The local partners for this program were selected through a competitive tendering process. The selected NGOs suggested interesting and promising design variants for the program, which project experts found well-grounded and viable. By the end of Year 2, the program operated through three partners covering seven oblasts. At the beginning of Year 3, one more NGO is expected to join the program to cover one additional oblast.

Providers of secondary legal land right services provide individual and group consultations, help vulnerable land owners protect their land rights, and resolve conflicts. Once the moratorium on the sale of agricultural land is lifted, they will provide consultations dealing with various aspects of selling land, including such issues as establishing a good price, understanding their sales transactions options and paper work, etc.

In Year 3, the Project will continue to support and monitor the operation of the established centers for provision of secondary legal land rights services. They will also receive ongoing support and coaching through the Resource Center. The Project will organize coordination meetings for all partners engaged in the Sustainable Delivery of Legal Land Rights Services Program to share experience and discuss best practices which then can be implemented in other centers.

By the end of Quarter 3, the project will evaluate the performance and results of these first projects, and based on lessons learned continue the existing programs and/or cut back or eliminate them should the results not be satisfactory.

*Establish a framework for provision of primary legal land rights services*

Primary legal land right services entail providing information to a person about his/her rights and freedoms, procedures for exercising these rights and restoring them in case they are violated, as well as appealing decisions, actions, or inaction on the part of state authorities, local government officers, and employees.

The Project will partner with relevant stakeholders whose mandates are fully or partially aligned with the objective of the provision of land right services with a special focus on low-income and vulnerable landowners, and have the potential to

become reliable and sustainable providers of legal land rights services. These partners will receive methodological help, guidance, and coaching by Project/Resource Center experts as well as capacity building.

Before these organizations become involved in the program as well-informed and objective providers of consultations on land rights, their staff will be trained and equipped with resources developed by Project/Resource Center experts. They will also receive periodic training and orientation regarding new land issues, especially at such points in time when new legislation is passed, and have ongoing access to information materials developed by the Project either through the web-portal or through direct e-mailing.

At the national level, the delivery of primary legal rights services will be supported by providing land-related resources through the dedicated web-portal described above. At the sub-national level, advice will be provided by the local authorities, extension agents, and land surveyors, among others, which will be trained by the Project/Resource Center through train-the-trainers' sessions. At the local level, the program will be implemented through educational activities in partnership with local authorities, extension agents, land surveyors, and other partners trained by the Project and supported by the Resource Center.

The following steps will be implemented to create a framework of sustainable delivery of primary legal land rights services:

- Identify partners for primary legal services through a competitive process and potentially issue up to three grants to providers of primary legal services, should the need be identified, focusing on new elements of land reform anticipated in the near future, new registration systems, issuing cadaster numbers, land auctions, etc.
- Develop a toolkit (training modules and take-away materials) and demand-driven funding mechanisms for providers of primary legal rights services. The toolkit will be updated regularly as new issues are added and/or new legislation passed.
- Conduct a round table discussion to identify interest in partnering with the Project and become providers of primary legal services.
- Conduct a series of training events for local partners (village administrations, extension services, local farmer associations, land surveyors, etc.).
- Support local partners (through the Resource Center) to use the materials and provide primary legal assistance.
- Provide periodic training, especially at times when new legislation is passed.

#### *Program evaluation and planning for future*

After the first year of implementation, we will have identified lessons learned and best practices at national and local levels that will influence and drive the Project's activities over the coming years. Under each annual work planning session, we will discuss which activities are having the most impact and determine the annual action plan accordingly.

#### **Assumptions for successful implementation of Component 1, Task C Activities in Year 3**

- Journalists are willing to establish the Agrarian & Land Press Club
- Partners are able to provide land rights services
- Resource Center coaches and coordinates the providers of land rights services
- Land legislation passed and moratorium on the sale of agricultural land lifted.

### ***Expected results/achievements during Year 3***

- Baseline data for the Land Rights Public Education and Outreach Campaign (PMP indicator “Awareness of land rights among target communities, as shown through surveys, %”) is available;
- Findings of the survey are incorporated in the Land Rights Public Education and Outreach Campaign (well tuned messages, information channels) and inform the Sustainable Legal Land Rights Services Program;
- A set of TV and radio programs are produced and aired;
- A team of journalists, who will convey the project’s messages and serve on the outreach campaign, is established;
- Articles, reviews, interviews, and other materials are prepared by well-trained journalists, who understand land issues and the project’s approach to resolve these issues, are published on an ongoing basis;
- Publications are prepared and disseminated to both partners and end-beneficiaries;
- The Resource Center provides efficient support to providers of primary and secondary land rights services, develops materials for dissemination, supports the Land Rights Public Education and Outreach Campaign efficiently, etc.;
- Materials for the web-portal are available, posted online, and downloaded by stakeholders.
- Villagers and landowners have opportunities to increase their awareness, ask specific questions, and receive assistance in obtaining land deeds;
- Villagers and landowners receive primary and legal land rights services on a wide range of land related issues;
- Due to primary legal land rights services, villagers are able to receive land deeds and resolve/prevent land conflicts;
- Due to secondary legal land rights services, villagers are able to receive land deeds and resolve/prevent land conflicts;
- The above mentioned results will contribute to reaching the PMP indicators “Number of rural landowners reached” – 1,500,000 by the end of Year 3; “Awareness of land rights among target communities, as shown through surveys” – 30% by the end of Year 3; “Number of conflicts resolved as a result of project assistance” – 350 by the end of year 3; and “Number of state acts (land deeds issued) – 6,000 by the end of Year 3.

### ***Resources needed for Component 1, Task C Activities in Year 3***

- Subcontracts to implement the baseline and follow-up surveys;
- Resources to support the web-portal;
- Grant resources to support the operation of the Resource Center;
- Resources to organize events;
- Subcontract to support press club meetings;

- Resources to design, print, and disseminate the publications;
- Subcontract to implement the Land Rights Public Education and Outreach Campaign;
- Grant resources to support capacity building of partner organizations, i.e. providers of secondary legal land rights services, advisory services organizations, local farmer associations, etc. in Year 3 and beyond.

## **B. Component 2 – Stimulate Access to Finance**

There is huge unmet demand for finance in Ukraine's agricultural sector, and mechanisms to meet this demand are underdeveloped. The goal of Component 2, therefore, is to facilitate the development of funding/lending mechanisms to stimulate access to finance for Ukrainian SMPs to secure the necessary resources to become more competitive and profitable.

### ***General Approach to Component 2***

During Year 2, Project activities under Component 2 focused on identifying prospective partnerships with three groups of funding providers (banks, credit unions, and value chain actors) who have the ability to facilitate lending resources to SMPs. Component 2's achievements accomplished in Year 2 will allow AgroInvest to accelerate increases in agrilending to SMPs in Year 3 of the Project through more targeted and defined relationships with funding and lending providers.

During Year 3 of Project implementation, Component 2 activities will be focused on the following areas:

- Development and facilitation of capacity building programs for SMP-borrowers;
- Focused implementation of innovative mechanisms for banks, credit union systems, and other credit providers focusing on increasing access to finance for SMPs;
- Support of improved legislation to enable increased access to finance for SMPs;
- Increased integration with Component 3;
- Implementation of the Owner Financing Concept;
- Presentation of SMP agrilending stimulating activities through the Project's communications activities.

### ***Component 2 Activities to be undertaken during Year 3***

#### **Development and facilitation of capacity building programs for SMP-borrowers**

Financial and business literacy education programs for micro SMPs will be designed and implemented to targeted segments of partners. These programs will include basic training for SMPs which are the actual and potential customers of AgroInvest and

VCA partners. Through these trainings SMPs will receive basic knowledge on cash flow calculation principles and instruction in special simple instruments for cash flow planning will be presented to them. Financial partners of AgroInvest will be invited to participate in these training and offer their lending proposals to SMPs.

Trainings on agri-technologies and correlated agrilending opportunities for the Projects partners' focus segments will be conducted. These practical trainings will be focused on agri-technologies which are utilized successfully in corresponding regions in successful farming operations. For instance, growing vegetables in greenhouses will become much more profitable when modern greenhouse equipment is installed. The costs of production will decrease significantly due to minimal usage of gas, minimized replacement of cover film, etc. Another example might be related to planting proper wine grape seedlings and applying proper weed and diseases control so as to increase yields.

These trainings will be conducted in close cooperation with the agri-technologies owners and/or suppliers (i.e. VCAs). These trainings will also be focused on the promotion of effective financial instruments to decrease the risk of agrilending for financial partners (double warehouse receipts, forward contracts with purchasers, availability of technical support provided by suppliers and/or purchasers/processors, etc.).

Implementation of innovative mechanisms for banks, credit union systems, and other credit providers focusing on increasing access to finance for SMPs

**Banks** - According to experience gained during Year 2 and partnerships with such banks as Erste Bank, Kredobank and Metabank, the Project has identified the major barriers to expanding agrilending to SMPs by banks include:

- Lack of a strategic vision for expanding agrilending both from a geographical and an agro technological point of view;
- Absence of knowledge of agri technologies among banks' credit analysts; and
- Lack of modern and reliable tools for modeling cash flow of SMP-applicants for the banks' credit analysis staff.

To respond to and address these barriers, the Project will utilize data collected through the Market Survey on the Current Status of Agrilending in Ukraine. The Market Survey focuses on collecting information pertaining to principles of SMP classifications which make sense for agrilending, identifying specific agri-technologies utilized in Ukraine, the categorization of SMPs by employed agri-technologies, seasonal planning of agriculture operations by agri-technologies with specification of costs pertaining to each season (in terms of percentages of the total production costs for given agri-technologies), and the distribution of currently used agri-technologies by oblast.

The information obtained through the Market Survey will enable banks to form and develop their strategies for agrilending to SMPs, and AgroInvest will support the banks in the identification of pilot regions for agrilending expansion. Additionally, trainings on agri-technologies will be provided for the banks' credit analysts on a demand driven basis. All AgroInvest partner banks will require modern software tools

for modeling cash flow generation for SMP-applicants. Without such software, credit analysts cannot project the prospective cash flow needed in order to consider the best lending options for either the bank or the applicant.

Such software must be developed and reliably maintained by a reputable software producer. The main characteristics of the required software should be as follows:

- It should support cash flow generation for agri-technologies;
- The software should allow for the addition of new agri-technologies per the bank's request.
- The software should have a user-friendly interface; and
- Maintenance of software should be regular and reliable.

To assist the bank to identify the software producer who would meet these requirements, the Project has facilitated a dialogue between banks and the International Financial Corporation (IFC) as a potential provider of such software. AgroInvest facilitation will concentrate on the proper matching of SMP-applicants' needs and requirements with the initial IFC software concept being focused at big agriculture operations. As soon as the software is finally developed, AgroInvest will assist the partner banks to consider it for application as a tool for SMP-borrowers assessment.

Additionally, AgroInvest will continue to be open for partnering with other banks. The main criteria for selection will be banks' interest in expanding their agrilending portfolio in the SMP niche market. The Project's will leverage a partnership with the MSME Lending Programme (Programme) to find new partners. As agreed with the Programme, AgroInvest will present technical assistance options to all banks working with the Programme, through presentations at the Programme's public events.

#### **Credit Unions**

1. Provide cost cutting options so that credit unions are able to efficiently provide short- and medium-term loans to small and medium-sized agriculture producers at market interest rates:
  - Hold a Microfinance Investment Forum in Ukraine to attract foreign investors interested in lending to small and medium-sized agriculture producers through credit unions.
2. Facilitate education of small and medium-sized agriculture producers – potential borrowers – on financial and business matters:
  - Develop a set of training materials to increase agriculture producers' awareness of financial instruments, develop skills for individual homesteads to manage their family budgets effectively as the smallest categories of SMPs consider their business and family budgets jointly, make informed choice of lending programs, manage indebtedness, and start small and medium-sized business in rural areas.
  - Conduct a public education campaign in cooperation with credit unions, extension services, and other stakeholders by means of training trainers, developing necessary information materials, and funding pilot trainings.

3. Provide tools and support to improve the qualifications and skills of credit union officers engaged in lending to small and medium-sized agriculture producers by means of training, intra-system experience sharing, and engaging foreign advisors:
  - Continue conducting trainings for credit union officers on topics related to lending to small and medium-sized agriculture producers, managing past-due indebtedness, and conducting internal audits.
  - Disseminate best practices for implementing lending programs developed in cooperation with AgroInvest, through study tours to selected credit unions.
  - Share information on operations of cooperative financial institutions as the best international practices of lending to small and medium-sized agriculture producers on the basis of development of credit co-ops into real and powerful banking structure, and to have Ukrainian credit unions implement these practices.
4. Develop lending programs that target agriculture producers and improving of the quality of development and implementation of such programs:
  - Facilitate development of lending programs for selected areas of agriculture production including those where new technologies are used and cooperation with suppliers for inputs.
  - Facilitate introduction of a professional comprehensive approach to development of new standard lending programs which would include adapted tools for each phase of the lending cycle.
  - Facilitate enhancement of customer service.
5. Help credit unions that specialize in lending to small and medium-sized agriculture producers enhance management of their loan portfolios:
  - Facilitate enhancement of software which is used by credit unions by adding new capabilities to analyze their agriculture loan portfolios for the purpose of enhancing management of loan portfolios.
  - Continue activities in introducing internal audit functions and control of credit union branch operations.
6. Assist credit unions to enhance management of past-due agriculture loans (both to prevent new past-due debts and eliminate the existing past-due debts):
  - Hold trainings on managing past-due indebtedness.
  - Foster establishment of cooperation between credit unions and outsourcing companies providing services which lead to reduced past-due indebtedness.
7. Facilitate the access to credit union loans for agriculture producers operating as legal entities by means of enhancing the existing legislation:
  - Cooperate with Component 1 in developing proposals on enhancing the Law of Ukraine “On Credit Unions” and related pieces of legislation for the purpose of allowing credit unions to provide loans to legal entities including farms.

#### **Value Chain Actors (VCAs)**

AgroInvest will cooperate with VCAs with a focus on increasing agrilending to SMPs. This cooperation is planned with such partners as (i) Maisadour and other seed producers, (ii) distributors (i.e. Agrobonus, Eridon) and other input suppliers.

- 1) Cooperation with Maisadour and other seed producers in financing irrigation equipment installation under the supervision and lead role of Maisadour. In the fourth quarter of Year 2, Maisadour presented the irrigation project concept to financial partners of AgroInvest, such as Erste Bank, Kredobank, Megabank, OIKO Credit and NEFCO Financial Corporation. All financial institutions expressed their interest in further consideration of the irrigation project, and Maisadour's next presentation is scheduled for the beginning of Year 3. The presentation is expected to outline other specifics of the project, and respond to direct questions of potential financial partners.
- 2) Cooperation with distributors (Eridon, Agrobonus, etc.) and other input suppliers. AgroInvest will approach select SMPs with whom these distributors work and provide trainings on basic financial and operational management. Credit officers of partner banks will present agrilending offers for SMPs who are customers of the distributors.

### **Increased integration with the Component 3**

Integration between Components 2 and 3 is considered and planned in three directions, as outlined below:

- (1) Processing opportunities of integration that were identified during Year 2, Such as:
  - Agrilending to milk suppliers of Danone (industry leader in milk processing). A milk supplier was identified in Crimea (Krymekoprodukt) as a Component 3 grantee. The project will then be exhibited to other producers' organizations (POs), Danone suppliers, and other financial institutions.
  - Agrilending to chicken meat breeders. Marketing group of chicken meat breeders was identified in the village Dobre in Crimea. The project will then be exhibited to other chicken meat producers and other financial institutions.
- (2) Search for new integration opportunities will be focused on the following:
  - AgroInvest will conduct a series of trainings for vegetable and fruit producers (including greenhouses) for customers of Hromada credit union to identify prospective chains and groups for financing. New credit products will be developed to support agrilending offers of Hromada and enable increased access to finance for SMPs that are members of the credit union.
  - Grantees and potential grantees of Component 3 will be considered as a basis for further integration. AgroInvest will therefore closely assess grantees' and potential grantees' financing needs, and help to transfer these needs into requests to financial institutions.
  - AgroInvest will support the search for potential investors for wholesale markets that are under the development and supervision of Component

3. The support will include adjusting business plans of wholesale markets to application formats for investment projects, and support in presenting the plans to the investment community, including financial partners of AgroInvest.

### **Implementation Phase of the Owner Financing Concept**

AgroInvest will summarize the experience and feedback received from participants in a series of focus groups conducted with rural populations (including land share owners and farmers leasing their land plots) and draft a detailed analysis of the perception and requests of the rural population in different regions of Ukraine.

The focus groups have been or will be conducted in the West (Zhytomyr and Chernivtsi), Central (Poltava), East (Donetsk and Dnipropetrovsk), and South (Kherson) regions of Ukraine. The focus groups will focus on:

- Willingness of land plots owners to sell their plots in the near future;
- Readiness to consider the Owner Financing Concept for their sales;
- Perception of a financial intermediary for such types of deals;
- Intention of farmers to buy-out land plots they are currently leasing;
- Availability of funds for land purchases, acceptance of financial intermediaries.

The analysis will allow for identifying pilot regions for the Owner Finance mechanism as soon as the moratorium is lifted. The pilot regions selection assumes intersection of the oblasts with noticeable presentation of the banks and the oblasts with the most developed attitude and infrastructure to accept the Owner Finance mechanism.

At the beginning of Year 3, Quarter 1, AgroInvest will present the legal concept which was developed by Baker & McKenzie in July 2012 to the banks that were identified as potential financial intermediaries interested in implementation of the Owner Finance Concept including Oschadbank, Aval, and all partner banks of AgroInvest.

AgroInvest will then facilitate the templates of agreements and other documentation drafting on the basis of the banks' comments and proposals.

A communication (public relations) campaign will be established to reach the rural population and deliver comprehensive information on the Owner Finance mechanism. AgroInvest will also help the banks to draft action plans ready to be implemented as soon as indications of the lifting of the moratorium on land sales become realistic.

The action plans will include (but not be limited to) facilitation and support in areas such as:

- Identification and structuring of banks' fees;
- Identification of specific trainings required for the banks' personnel to ensure prompt launch of the Owner Finance mechanism;
- Conducting training for the primary and/or regional personnel of the banks involved into the Owner Finance mechanism launch and implementation.

## **Presentation of SMPs-agrilending stimulating activities to public**

Since AgroInvest concluded partnerships with financial institutions and VCAs, established working relationships with SMPs, and developed actions plans, the Project will provide wide coverage of each and every facility, partner, project, and tool to facilitate and stimulate access to finance to SMPs.

AgroInvest's first priorities in this area will be:

- 1) Establish a tab on the project website named "Financing opportunities for SMPs in Ukraine" (or a similar title), containing, but not limited to:
  - List of AgroInvest financing partners and their financing offers (including credit products offer), applications forms, and credit line specifics;
  - Database of potential investors;
  - List of investment projects (supported/identified by AgroInvest) that require financing of different types; and
  - Successful approaches to agrilending to SMPs being supported by AgroInvest.
- 2) Regular presentations to industry associations disclosing opportunities for industry members to expanding their financing to SMPs.
- 3) Explore/discuss with the USAID LINC Project efforts and achievements in usage and popularization of information which might be useful both for potential investors and SMPs-borrowers.

## ***Expected Results/Achievements during Year 3***

- By the end of Year 3, the Project's work in cooperation with partner financial institutions and providers of credit will result in the development of at least two new, innovative credit products. AgroInvest activities supporting partner financial organizations and providers of credit will provide at least 2000 new credit transactions to SMP borrowers for a total amount of USD \$7 million
- Partner financial institutions will receive support to formulate proper strategies for expanding agrilending to SMPs, and corresponding tools to accomplish such expansion
- A practice of state interest rates subsidies (based on oblast funds) for credit unions' borrowers is expanded to other oblasts of Ukraine when feasible
- A package of training products and educational manuals to increase financial and business literacy of SMPs are developed and tested in a pilot training program
- A minimum of 10 trainings for credit union officers will be conducted to improve the management of nonperforming loans, internal audit of agrilending portfolios, etc.
- A study tour to an international institution with positive and noticeable experience in developing credit cooperatives (agrilending sector) comprised of members from each of the two AgroInvest Credit Union Task Forces to gain

- knowledge of the best international practices in development of credit unions instruments focused on agrilending expansion
- Software development for credit unions is facilitated to enable them to analyse the quality of agrilending credit portfolios which will allow for their improvement
  - Internal audit services within credit unions are implemented by members of AgroInvest Task Forces to ensure the transparency and accountability of their agrilending practices
  - Portfolios of loans at risk for more than 90 days issued by AgroInvest partners do not exceed 10%
  - SMPs and POs improve their organizational effectiveness and ability to access credit through Project-supported capacity building and training. Borrowers understand the benefits and risks of borrowing, and how to better document the cash flow of their operations for presentation to prospective lenders
  - The Owner Finance Concept will be further developed to the point that it may be confidently launched as soon as the moratorium on land sales is lifted. This entails that all systems, documentation, and practices are in place in all banks no later than by the beginning of Quarter 3 of Year 3 and that the Outreach Campaign is organized and ready to commence.

#### ***Required Resources for Component 2 Year 3 activities***

- Technical assistance through STTA will be needed to support capacity building of partner financial institutions and providers of SMP credit;
- Subcontracts will be utilized for service providers to provide capacity building and policy development training for SMPs and providers of credit;

#### **C. Component 3: Facilitate Market Infrastructure for SMPs**

SMPs continue to face many obstacles in their efforts to increase their competitiveness and profitability due to deficiencies in market infrastructure and lack of access to markets for their agricultural production. In many instances, the existing infrastructure of agricultural market chains does not provide SMPs and their POs direct access to organized wholesale, regional, and retail markets; or access to market logistics centers, denying them an opportunity to more conveniently market their produce with increased volume, improved quality, and at more competitive prices.

The absence of effective market channels for agricultural production that are accessible to SMPs is considered the primary restrictive factor to increasing production volume, profits, and access to financial and material resources.

Based on Year 1 research conducted within the framework of the Project, core activities of Component 3 for Year 3 will be directed towards the implementation of capacity building tasks to coordinate and improve the operations of agricultural producers' organizations, the development of wholesale, regional and local market systems; and the creation of market logistics infrastructure based on SMP, PO, and market needs.

#### **Component 3, Task A: Producer organization development**

Studies of trends in producer organization development and their ability to enter the organized food market as accomplished within the framework of implementing Task A of Component 3, provide the grounds to assert that during Year 2 of the Project, in comparison with Year 1, there was minimal improvement in PO development in Ukraine, especially in the area of sales and marketing of fruits and vegetables. This is due in large part to complications in the legislative framework after the enactment of the Tax Code as well as weak methodological, informational, and advisory support in setting up and organizing an operation of producer organizations. As a result, development of agricultural servicing cooperatives (producer organizations) is increasing very slowly. There are currently 761 registered producer organizations compared to last year's 583 cooperatives which unite not more than five percent of all existing SMPs (overall, there are 4.3 million individual homesteads and 41,500 farms in Ukraine). At only 5%, there are large opportunities for the growth of producer organizations in Ukraine and the work AgroInvest has established in Year 2 will be intensified and more focused in Year 3.

A considerable portion of agricultural production of vegetables, fruit, milk, and meat produced by SMPs is ultimately fed to cattle or wasted due to an absence of organized POs with developed trade channels for the systematic marketing of manufactured products. This is especially true in villages that are far from urban areas. According to experts, individual homesteads produce 52.7 percent of all agriculture produce in Ukraine, whereas farmers produce only 5 percent)<sup>1</sup>. At the same time, up to 50 percent of fresh fruit and vegetable produce does not reach the consumer. At best, such produce reaches the consumers through unorganized intermediaries, or is sold in ad hoc markets and city streets outside of the larger and more organized markets.

Absence of the organized trade channels and direction of established commodity flows of agricultural production towards the unorganized commercial channels with non-transparent conditions of purchase and sale is the main reason for considerable financial losses sustained by SMPs and the industry as a whole.

At the same time, through establishment of defined and structured trade channels, development support, and increases in the capacity of POs, SMPs have the ability to compete with the large enterprises in the sphere of agricultural production and processing and to promptly react to the market demand and supply the required agricultural products.

According to research and analysis conducted by Project experts during Year 2, the largest needs of POs and SMPs in all regions is assistance in creating local co-operative and individual vegetable storehouses with the capacity of 5-10 thousand tons that include the facilities for washing, sorting and packaging of fruits and vegetables, production lines, and "cold" storage. It has also been identified that there is a very real need for service centers focused on animal slaughtering, freezing, and the processing and packaging of meat products and well as collection centers for cooling, initial processing, and manufacturing of whole milk, soft cheeses, and other dairy products.

### ***General Approach to Component 3, Task A***

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<sup>1</sup> <http://www.ukrstat.gov.ua/>

In cooperation with the Ministry of Agrarian Policy and Food, non-government organizations and associations, and other technical assistance projects, AgroInvest will continue activities focused on enhancing the legislative, regulatory, and methodological frameworks of agriculture servicing cooperatives and marketing groups. Inter alia, AgroInvest will support activities associated with adoption by the Parliament of the Law of Ukraine “On amending the Law of Ukraine ‘On Agriculture Cooperation’” and other selected acts of the Ukrainian legislation”. Additionally the Project will support the draft amendments to the Tax Code with regard to taxing cooperative members and will support the capacity building of cooperatives through working with them to apply and utilize the model charters and internal policies and procedures of operation which were developed with AgroInvest support during Year 2 of the Project.

In Year 3, AgroInvest will continue supporting the implementation of development programs of nine producer organizations which were selected during Year 2. The Project will continue administering the grant program whereby grants up to \$25,000 are awarded to producer organizations on a competitive selection basis for the purpose of developing their capacity through generating added value of agriculture produce manufactured by their members. AgroInvest will award grants to selected POs based on a number of objective evaluation criteria in a transparent manner. According to the general rule, grants may not exceed 25 percent of the total costs of the grantee’s project.

The primary attention and most important activities of Component 3 Project activities will be directed towards the regions, which have regional programs and are ready to receive organizational and financial support to POs/SMPs development. Thus, the Project will focus its activity upon supporting PO/SMP regional programs and initiatives in the sphere of development of SMPs and POs business potential directions in the areas of meat and milk cattle breeding, potato growing, vegetable growing, fruit and vegetable production, and other areas.

### ***Activities to be undertaken during Y3***

AgroInvest will organize and conduct two blocks of trainings for the team members of the selected POs and SMPs demonstrating true potential for development. At the first stage, the Project specialists will organize and carry out training sessions on long-term and short-term business planning, drafting development strategies (programs), drafting of business plans for the implementation of concrete projects on capacity building in economic activities and improvement in sales of agricultural products. Designing the investment proposals for POs/SMPs and their participation in attraction of investment and credit resources for financing implementation of the programs is the ultimate goal of carrying out such trainings.

In the following stage, the focus of the trainings to be conducted will be on management, financial operations (including marketing and supply and demand forecasting), formation of concepts of the added value chains, accounting and tax reporting, land rights and other relevant issues.

Under Component 3 Task A, the Project plans to conduct a study tour for select representatives of POs/SMPs for the purpose of studying and experiencing first hand

effective marketing chains for the sale of agricultural products. This study tour is envisioned to take place in Europe (Poland or a Baltic country) at/with an experienced association of small farmers from whom the participants can learn and witness the benefits of transformational agricultural economics. The participants will be required to write a short essay explaining their interest in participating in the study tour and their commitment to transferring their knowledge upon return through presentations to targeted audiences of SMPs, POs, and other groups.

The Project through coordination between Component 2 and 3 and together with local authorities and financial institutions, will conduct regional investment forums/round tables where it will present the programs of PO/SMP capacity building and the basics for the regional investment policy in this sphere.

As part of cooperation with the local self-governing authorities, the Project will continue supporting the development and implementation of activities of regional programs aimed towards supporting POs/SMPs and other market infrastructure facilities. In addition to disseminating knowledge and skills in the development of agriculture servicing cooperatives and developing market infrastructure and added value chains, AgroInvest is planning to develop training materials for professional re-training/continuing education programs intended for agrarian sector specialists. These materials will be transferred to the Scientific Methodological Center "Ahrosvita" at the Ministry of Agriculture which will use the materials in training courses for village heads, local administrations, agricultural companies, farmers and other entities.

### ***Expected results/achievements during Year 3***

- Areas of activities identified; works plans prepared; and agreements signed to implement at least 7 to 12 SMPs/POs' projects to be supported under AgroInvest grant program;
- Trainings are conducted for POs and SMPs on institutional development and design of operational development and business development programs;
- Specialized trainings are developed and conducted which are intended to enhance PO operations (book keeping, marketing, value chains, technologies, management, finance, land, law);
- At least one study tour is organized and conducted for 12 to 15 representatives from Project SMPs/POs;
- Investment forum / round tables, presentations of business plans and investment proposals from POs and SMPS are conducted (with Component 2 collaboration);
- PO member's resources, investments/finance (with Component 2 collaboration), and local budget funds are mobilized to support the implementation of PO/SMP capacity building programs which were developed earlier;
- At least \$500,000 in credit/investment for POs/SMPs is facilitated by AgroInvest;
- Farmers in targeted POs increase their output (tonnage) by at least 20%;
- Component 3 team members conducted or took part in at least three round tables / seminars aiming at dissemination of best practices of implementing PO and SMP capacity building programs;
- Training modules on establishment and operations of agriculture servicing cooperatives are developed and sent to selected universities;

### **Component 3, Task B: More effective market infrastructure for SMPs developed**

Studies in developing and organizing operations of agriculture wholesale market development projects made by AgroInvest prove the feasibility of designing national and regional conceptual models for the development of such markets and justification of their location across regions as a component of regional logistic/cluster systems. Designing new concepts for the development of logistic systems is not intended to circumvent existing intermediaries or suppliers. Instead, it aims to unite the efforts of all market participants in order to make operations in the agri-industrial sector more efficient and ensure the generation of added value and the fair distribution of value among value chain actors while supplying high quality and affordable food products to the population.

Existing practices show that the system of national/regional agricultural wholesale markets should rest on a well-developed network of local wholesale and wholesale-and-retail markets in rural areas where agricultural produce is manufactured and primary links are located whereby produce is procured and supplied to regional/national markets and retail chains.

SMPs will not be able to access agriculture wholesale markets unless proper infrastructure is developed in the catchment areas of wholesale markets. That is why in Year 2 AgroInvest focused its efforts and provided technical assistance in preparing design and feasibility studies for the development of one regional agriculture wholesale market in Rivne oblast and four local wholesale-and-retail markets in the Crimea and Kherson oblast. The emphasis in these activities was placed on developing schemes/models for integrating these markets with local POs and SMPs and developing sustainable “raw material” areas, transportation, and communications.

Another issue of paramount importance is the development of a national market information system which would be accessible in real time by SMPs and POs. Such a system would facilitate the access of agriculture producers to market information and the markets themselves.

#### ***General Approach to implementation of Component 3, Task B***

During Year 3, AgroInvest will continue providing technical assistance in the development of one regional agriculture wholesale market in Rivne oblast and four local wholesale-and-retail markets in the Crimea and Kherson oblast.

In August 2012, AgroInvest announced a tender and began the competitive selection process of potential sites for developing market infrastructure facilities in 2013 including:

- One additional regional wholesale agriculture market and
- Six additional local/regional markets or other market infrastructure facilities (for example, fruit and vegetable storage facilities, packaging, processing, and grading facilities intended to prepare agriculture produce for distribution and sale)

Successful applicants will receive technical and financial support from AgroInvest for the preparation of design and feasibility studies for their projects, development of

investment proposals, attraction of investors, development of technical specifications, and the training of their staff in organizing and managing the operations of markets and facilities.

The development and operation of regional markets and local (village) logistic centers through the engagement of servicing cooperative organizations on a cost-sharing basis will make it possible to store agriculture produce longer while preserving its quality and linking producers to wholesale markets. This will help to solve current problems faced by producer organizations, specifically, a limited access to agriculture inputs and finance.

The project will assist the improvement of small manufacturers' access to agriculture wholesale markets through trainings and the provision of necessary information with employment of the national information service for farmers,. These improvements will considerably increase the income of rural families by helping them access and understand the best options and sales channels for their produce and products.

For the purpose of acceleration and better preparation of regional programs, the Project will render technical assistance (with Component 2 involvement) to organizers of the markets and logistical centers and to local governments in drafting sound business plans and selection of financing strategies for such projects.

The technical assistance will also include organizational support in the establishment and operation of coordination groups which would operate as PPPs and be responsible for implementing agro-logistic projects at the local level. AgroInvest will provide such coordination groups with advisory support and potential financial support (through grants or subcontracts) for preparing feasibility studies for development of regional wholesale and wholesale-and-retail markets and logistic centers.

AgroInvest will also provide grants for technical assistance in realization of initiatives related to existing USAID projects, in particular implementation of activities of the strategic plan of economic development and increase of competitiveness in Volyn sub-region, developed with technical assistance from the LINC Project.

***Activities to be undertaken during Y3***

- Training of SMPs and POs with regard to improved access to wholesale markets;
- Applying the findings and recommendations of the feasibility reports on the creation and organization of activity of the regional markets, logistical centers, and other infrastructure components in certain regions;
- Supporting the attraction of investments and credit resources for the development of food market infrastructure (with Component 2 collaboration);
- Providing assistance in the mobilization of investment and loans for the purpose of the development of food market infrastructure (with Component 2 collaboration);
- Supporting the development and implementation of programs for co-operative logistics centers;
- Developing a package of training materials and training the staff of markets and logistics centers in organization of efficient operations;

- Organizing and conducting a study tour for staff members of markets and logistics centers to expose them to best practices for organizing operations (this study tour is envisioned to take place in Poland, which has well-established agricultural wholesale markets);
- Supporting the development and implementation of internal regulations for markets and logistics centers;
- Developing recommendations concerning identification of potential partners and organizational/legal mechanisms for the establishment of the public - private partnerships in the course of creation of the wholesale markets and logistical centers.

***Expected results/achievements during Year 3***

- Seven sites are selected for the development of market infrastructure facilities: one regional agriculture wholesale market and six local wholesale-and-retail markets / logistic centers;
- Local coordination groups are set up based on PPP principles which are responsible for developing strategies and coordinating implementation of the selected projects;
- Feasibility studies are prepared for the selected sites for developing market infrastructure facilities;
- Events, such as investment forums, round tables, and presentations, are organized and held for the purpose of mobilizing financial resources needed to implement the selected projects;
- Members', investors', and lenders' resources and local budget funds are mobilized for the purpose of the implementation of the selected projects;
- Managers of markets, logistics centers, and other market facilities are trained in organizational operations of these facilities;
- At least 1000 SMPs have better access to markets due to improve market infrastructure from Project assistance;
- More than 200 SMPs are linked to larger-scale firms as a result of improved value chains;
- At least \$10.6 million in investment/credit for markets or market infrastructure are facilitated

***Resources needed for Component 3, Task A and B in Year 3***

- Grants will be needed to support capacity building of partner producer organizations and for supporting small infrastructure development by such organizations;

- Subcontracts will be utilized for service providers to provide training for POs and SMPs and for development of market infrastructure-related project documentation;
- Private and/or public funding for the development of wholesale and regional markets, and other market infrastructure logistics and centers.

Component 3 will collaborate closely with Component 1 with regard to improving the legal environment in which the SMPs and POs must function. With Component 2, Additionally, Component 3 will work closely with Component 2 to support the Project's current and new financing initiatives for the development of POs' and wholesale market development programs.

## **D. Project Communications**

### ***General Approach to Project Communications***

The USAID AgroInvest Project will consistently deliver its messages specified in the Communications Strategy to all target audiences. The CPOM will support all components in terms of communications and help the Project create visibility of its progress towards attaining the goal of accelerating and broadening economic recovery in Ukraine through support to the agriculture sector and increase the country's contribution to global food security vis-à-vis USAID, other donors, Government of Ukraine, other stakeholders and partners, and wide public. Specific activities to support this are listed below, grouped under wider headings.

### ***Activities to be undertaken during Year 3***

**Media relations.** The USAID AgroInvest Project will establish and nourish good working relations with selected industry and mainstream media. In Year 2, the Project implemented a National Media Campaign and a series of media training events. These events were instrumental to raise interest in USAID AgroInvest and its role as a catalyst for an inclusive and competitive Ukrainian agricultural sector and provide information on current land legislation and developments in this and other related areas.

The Project will continue to provide journalists with first-hand materials and invite them to all Project media events. They will also be encouraged to establish a formal or informal "*Agrarian and Land Press Club*" (using the press club supported by FinRep as a model) to meet periodically and discuss issues dealing with recent developments in agriculture and land relations.

The Project will also prepare articles for industry print and internet- media on best practices, interviews with beneficiaries, etc., which will be distributed to interested parties and online media with a special emphasis on our "team of journalists."

**Presence on the Internet** To share the latest Project news, reference material, and grant opportunities, an easy to maintain content management system for a bilingual Project website has been developed so that visitors can disseminate interesting articles to their social sites, the Project site has the ability to link viewers to their preferred social media sites or send the link via the emails, thereby increasing the distribution of

site contents to a wider audience. The CPOM will maintain and monitor the website and implement a strategy to promote the web site among stakeholders.

The Project will also use social networks to disseminate information about project activities, progress, and successes. The project currently has a Facebook page, which proved to be very instrumental. The project will investigate other options, such as Twitter, VK, Google+ to extend its presence in social networks.

**Events** The Project will organize events, press conferences, briefings, public hearings, etc. to discuss legislative gaps, effects of the lack of access to finance and underdeveloped market infrastructure and the Project's approaches to remove these constraints and on other issues as deemed appropriate. The Project will coordinate events across components, with a special emphasis on close coordination between components to make sure that the Project's activities are synergetic, complement each other and work towards the same goal. This coordinated approach is also very instrumental in ensuring that the Project's efforts are perceived as all-round, massive interventions rather than a set of pin-point endeavors.

**Publications** The Project will continue to prepare and disseminate the Weekly Highlights (in English) covering all important and/or newsworthy developments that happened over the course of the week. This publication will be submitted to the USAID mission on a weekly basis.

The Project will continue to prepare and disseminate the Monthly Highlights (in Ukrainian) covering all important and/or newsworthy developments that happened over the course of the month. This publication will be disseminated among project stakeholders and posted on the project web site on a monthly basis.

The Project team will develop a success story plan and conduct success story and report writing training for the Project staff in order to make sure that important Project successes are properly reported and presented to the target audiences to encourage further successes.

The Project will continually revise and publish its one-pager presenting the Project's overview of goals and activities and prepare targeted one-pagers for each component in order to help stakeholders and potential partners better understand the goals of the components and opportunities for cooperation with the Project in their specific areas.

The project will continue to release "issue briefs" and hands-on manuals on technical topics, e.g. implications of land-related pieces of legislation, tips on accessing finance, tips on creating marketing groups, etc. These issue briefs will help position USAID AgroInvest as the "go-to" resource for information on sustainable land market development and expansion of the agricultural sector. These publications will be posted at the Project's website, distributed among stakeholders, such partner state administrations, industry associations, grantees, subcontractors, and distributed at Project events. One of the best partners to disseminate such materials is the All-Ukrainian Association of Village and Town Councils, through which such materials can reach nearly every village.

The Project will keep track of the publications dealing with the activities under the Project and prepare *media clips* in order to be aware of the efficiency of communications efforts.

### ***Expected results/achievements during Year 3***

- A dedicated Agrarian & Land Press Club is established, meets regularly, conveys the Project's messages and, at the same time, serves on the outreach campaign;
- The monthly newsletter is prepared on a regular basis, the list of recipients is extended and attracts interested participants for the Project's public events, training, etc.
- The website informs the Project's stakeholders and a wider public on the Project's goals and progress on an ongoing basis; new sections are added, more materials are included in the "Resources" section;
- The website is used to advertise grants and subcontracts programs and tenders in order to solicit applications from a wide range of potentially good applicants.
- A forum is in place to discuss burning issues with participation of decision-makers and wide circles of small and medium producers, landowners, etc. and to find appropriate approaches to address them;
- Issue briefs on burning issues and approaches to address them are available to decision makers and a wider public;
- On-hand manuals are available to small and medium producers, producer organizations, industry associations, and other stakeholders;
- Publications on the topics related to the Project's area of interest and/or describing the Project's activities and thus promoting the Project's goals published on an ongoing basis.

### ***Resources needed to support Project Communications***

- Resources to support press club meetings.
- Resources to maintain the website.
- Subcontracting a professional facilitator to facilitate events as needed;
- Resources to organize the events.
- Technical assistance to prepare Issue Briefs and Manuals;
- Technical assistance to prepare articles and publications, including writing, editing, formatting, preparing lay-out for publications;
- Resources to print the publications.

### **E. Gender Integration**

Gender integration into Project activities is a key focus of USAID AgroInvest. Taking into account the growing importance of equal opportunities for both males and females in terms of successful economic performance in agriculture, gender-specific activities become more and more essential. Ensuring equal opportunities and encourage inclusiveness of female-owned and managed SMPs are main tasks for the Project in the upcoming period. This will be accomplished through the promotion of gender sensitive policies and activities on all levels (national (government), regional and grass-root level (target POs, SMPs)) of Project work across the Components.

Project implementation and monitoring/evaluation will be focusing on considering the needs of both genders through achieving gender targets outlined in AgroInvest's Performance Monitoring Plan. Highlighted gender targets in each Component of the Project will be carefully tracked in all activities provided by the Project and through its implementing partners. Additional attention will be paid to promoting gender equality and its inclusiveness into national policies specifically in the sphere of agriculture and land.

### ***Activities to be undertaken during Year 3***

- Developing and giving trainings for public authorities on the importance of gender integration into agriculture policies. This activity will contribute to the tasks of Component 1. These trainings will include international policy experience of gender integration and mainstreaming as well as basic estimations of economic results of ensuring gender parity in agriculture-related fields.
- Moving forward, all AgroInvest grantees will be required to go through gender awareness training. The Project plans to engage a subcontractor or grantee to conduct the training. The training will be developed in close cooperation with the AgroInvest COP, Gender Specialist, and CPOM so as to ensure compliance with USAID's gender and human trafficking policies.
- AgroInvest in cooperation with Council of Women-Farmers will be preparing a series of video-clips on the importance of equal opportunities to finance, technologies and agriculture markets for farmers of both sexes, including success stories of women-farmers who have benefitted from AgroInvest activities. It is planned to be a short (5-6 minutes) movie including 2 interviews with women-farmers and one speech from a government authority (from Ministry of Agrarian Policy and Food, local authority or representative of Council) regarding the importance and necessity of gender-sensitive activities in national agriculture policy. It may also involve comments and remarks from the AgroInvest Project on economic achievements through ensuring gender equality;
- Conducting trainings for female-managers of cooperatives and SMPs in management, marketing and effective technologies. Preliminary results of the survey conducted by the Project for POs demonstrated that grantees showed a significant gap for women in accessing modern approaches to management of cooperatives and effective marketing strategies, accounting principles, value-added production technologies and use of financial resources. This gap is one of the biggest barriers of women to increase their income. Thus, under Component 3 it is planned to conduct a series of trainings for women on the above-mentioned topics with involvement of international expertise and national best practices;
- AgroInvest, in collaboration with other partners (international development agencies, national NGOs, GOU, and other USAID Projects), will support knowledge-sharing in the gender community. As an example, support to organizing event for the National Celebration of the Day of Rural Women will be provided through established partnerships. This will contribute to establishing a stable dialogue between national level policy-makers and rural women-entrepreneurs;

- Developing and issuing a special edition of Gender Studies focusing on a history of gender movements in Ukraine, the current status of rural women, and best experiences of women-farmers in achieving economic goals will significantly and directly contribute to gender integration activities of the Project. This activity is planned in the frame of Component 1 (through a grant to one of the Project's industry association partners) and with the support of Component 2 so as to include information on effective financial management.

## **ANNEX A**

### **PMP Chart**

	Unit measure	Data Source	Baseline	Yr1 Target	Yr2 Target	Yr3 Target	Yr4 Target	Yr5 Target	LOP Target
<b>Project Objective 1.1: Market-oriented policy reforms accelerated</b>									
<b>Indicator</b>									
Number of policies/regulations/administrative procedures analyzed as a result of USG assistance	#	Partners, GOU documents	0	5	10	10	10	6	41
Number of policy reforms/regulations/administrative procedures drafted and presented for public/stakeholder consultation as a result of USG assistance	#	Partners, GOU documents	0	2	5	5	6	3	21
Number of policies rejected/vetoed/removed that are inconsistent with WTO, or inconsistent with agricultural market-friendly/investment-friendly procedures	#	Partners, GOU documents	0	0	3	3	2	1	9
Number of policies, regulations, and administrative procedures passed	#	Partners, GOU documents	0	0	3	3	3	1	10
Number of public-private dialogue mechanisms utilized as a result of USG assistance	#	Partners, project data	0	4	8	8	8	4	32
<b>Project Objective 1.2: Industry associations strengthened</b>									
<b>Indicator</b>									
Number of national/regional-level working groups engaged by partner industry associations	#	Partners, project data	0	2	5	5	5	3	20
Number of institutions/organizations undertaking capacity/competency strengthening as a result of USG assistance	#	Partners, project data	0	0	8	8	4	0	20
Aggregated increase in self-financing for targeted industry associations	%	Partners, project data	0	0	3	6	8	9	26
Number of new members in partner industry associations	#	Partners, project data	0	0	5	10	10	10	35
<b>Project Objective 1.3: Public education for land rights provided</b>									
<b>Indicator</b>									
Number of rural landowners reached	#	Partners, project data	0	10,000	2,000,000	2,000,000	1,250,000	250,000	5,510,000
<i>Share of female landowners reached</i>	%	Partners, project data	0	50%	50%	50%	50%	50%	50%
Awareness of land rights among target communities	%	Survey results, project data	0	25%	30%	35%	45%	55%	55%

<i>Share of female rural citizens in target communities - awareness of land rights</i>	%	Partners, project data	0	50%	50%	50%	50%	50%	50%
Number of land deeds issued in target communities	#	GOU documents	0	0	2,000	6,000	3,000	1,500	12,500
Number of land conflicts resolved as a result of project assistance	#	Partners, GOU documents	0	0	150	350	300	200	1,000
Percentage of legal aid service costs covered by non-project sources	%	Survey results, partners, project data	0	0	5%	40%	75%	100%	100%
<b>Project Objective 2.1: Sustainable access to financial services for SMPs provided</b>									
<b>Indicator</b>									
Value of agriculture finance facilitated	\$	Partners, project data	0	\$0	\$4 M	\$7 M	\$15 M	\$34 M	\$60 M
Number of new borrowers and loans	#	Partners, project data	0	0	1,000	2,000	3,000	4,000	10,000
<i>Share of women-owned SMP's in whole number of new borrowers</i>	%	Partners, project data	0	0	16%	16%	17%	18%	18%
New Loan portfolio at risk at 90 days	%	Partners, project data	0	0	10%	10%	10%	10%	10%
Number of innovative financial products developed and introduced into the market as result of project assistance	#	Partners, project data	0	0	3	2	1	0	6
Number of agriculture-related firms benefitting directly from USG supported interventions	#	Partners, project data	0	0	1,000	1,000	1,500	2,000	5,500
<b>Project Objective 3.1: Producer organizations developed/strengthened</b>									
<b>Indicator</b>									
Number of producer organizations identified, assessed, and selected for assistance	#	Partners, project data	0	5	8	7	0	0	20
Value of investment (in kind or otherwise) facilitated through producer group projects	\$	Partners, project data	0	0	\$ 450,000	\$ 500,000	\$ 625,000	\$ 650,000	\$ 2,225,000
Increase in sales (tonnage) of farmers in targeted producer organizations	%	Partners, project data	0	0	10%	20%	25%	25%	>100%
Perceived improvement in the quality of services provided to members by producer organizations	%	Partners, project data	0	0	5%	10%	10%	10%	35%
<i>Share of female members reported improvement of services provided by producer organizations</i>	%	Partners, project data	0	0	16%	16%	17%	18%	18%
Number of producer organizations, water users associations, trade and business associations, and community-based organizations receiving USG assistance	#	Partners, project data	0	5	40	35	40	40	160

Number of participants in USG supported trade and investment capacity building trainings	#	Partners, project data	0	125	400	350	150	150	1,175
<i>Share of female training participants in capacity building trainings</i>	%	Partners, project data	0	50%	50%	50%	50%	50%	50%
<b>Project Objective 3.2: More effective market infrastructure for SMPs developed</b>									
<b>Indicator</b>									
Number of wholesale markets formed (through at least Stage 4)	#	Partners, project data	0	0	0	1	1	0	2
Number of local/regional markets or market infrastructure (e.g. storage/cold storage, packing/ processing/sorting facilities) formed with project assistance	#	Partners, project data	0	0	4	6	4	0	14
Number of SMPs that have better access to markets due to improved market infrastructure (wholesale and/or regional markets, storage/cold storage, packing/processing/sorting facilities) from project assistance	#	Partners, project data	0	0	500	1,000	2,000	1,500	5,000
<i>Share of female-managed SMP's reported better access to improved market infrastructure</i>	%	Partners, project data	0	0	16%	16%	17%	18%	18%
Number of micro enterprises linked to larger-scale firms as a result of USG assistance to the value chain	#	Partners, project data	0	0	100	200	400	300	1000
<i>Share of female-owned micro enterprise linked to larger scale firms from USG assistance</i>	%	Partners, project data	0	0	16%	16%	17%	18%	18%
Value of investment facilitated in market infrastructure	\$	Partners, project data	0	\$0	\$400,000	\$10.6 M	\$10.25 M	\$0	\$21.25 M

## **ANNEX B**

### **Detailed Implementation Plan**

Work Plan Activities	2012 Y2Q1			2013 Y2Q2			2013 Y2Q3			2013 Y2Q4			Milestone	Responsible
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
<b>COMPONENT 1. Support a stable, market-oriented policy environment</b>														
<b>TASK A: ACCELERATE MARKET-ORIENTED REFORMS</b>														
LOP result 1: A clearer and more stable policy environment that has led to increased agricultural investment LOP result 2: Formal sustainable and transparent public private dialogue mechanisms established and engaged in promoting investment and the advancement of agricultural industry in line with WTO rules LOP result 3: Private-public dialogue is more effective and regular LOP result 4: Many of the laws, regulations and policies outlined in the agriculture policy strategy adopted and implemented														
<b>1. Land market reform</b>														
1.1.	Facilitate public discussion of draft Land Market Law (as needed)												Public discussions held	Component 1 Leader, Sub-contract TA
1.2.	Prepare legal and economic analysis of new draft legislation on land												Draft legislation analyzed and recommendations shared with policy makers	Component 1 Leader, Senior Legal Advisor, Sub-contract TA
1.3.	Provide assistance to the government with development of new by-laws and regulations												By-laws drafted and discussed with GoU	Component 1 Leader, Senior Legal Advisor, TA
1.4.	Facilitate discussion and approval of new methodology for normative valuation of land												New methodology drafted and discussed with GoU and other stakeholders	Component 1 leader, sub-contract, TA
1.5.	Promote concepts which are expected to facilitate development of efficient land market in Ukraine (Owner Associations)													





5.1. Monitor government policies and practices related to trade; engage quickly if needed*																					Analyze polices as needed	Component 1 leader, Senior Legal Advisor	
<b>6. Mechanisms for domestic food security.</b>																							
6.1. Provide information and training to the GOU and partners																						Trainings conducted and implementation plan drafted	Component 1 leader
6.2. Agreeing to and execution of an implementation plan																						Implementation plan enacted	Component 1 leader
<b>7. Contribute to development of a sector strategy for the agricultural sector*</b>																						Strategy Developed	Component 1 leader
<b>8. Support to GOU public-private dialogue mechanisms.</b>																						On-going monitoring; quick engagement as needed	Component 1 leader
<b>9. Provide analytical and staffing support to the Secretariat of the Coordination Council on Agricultural Reform under MinAgPolicy and Food*</b>																						Support provided on an ongoing basis	Component 1 leader
<b>10. Update of Project policy priorities</b>																						Policy Priority Paper Updated	Component 1 leader
<b>11. Provide assistance to additional policy work as needed*</b>																						Policy reform work conducted/developed	Component 1 leader

\* Activity extends beyond YR3 Work Plan

COMPONENT 1. Support a stable, market-oriented policy environment															
TASK B: STRENGTHEN INDUSTRY ASSOCIATIONS															
LOP result 1: A clearer and more stable policy environment that has led to increased agricultural investment LOP result 2: Private-public dialogue is more effective and regular LOP result 3: Partner industry organizations are well established and engaged in promoting investment, trade, and other priorities under the aforementioned agriculture policy strategy LOP result 4: Partner industry organizations demonstrating enhanced sustainability and effectiveness LOP result 5: Capacities of industry associations are built, leading to sustainable improvements in policy															
<b>1. Solicit proposals from industry associations for capacity building/policy analysis grants</b>  <b>2. Capacity building programs for Ag industry associations</b>  <b>3. Implement capacity building programs for Ag industry associations*</b>  <b>4. Facilitate associations participation in at least 5 policy dialogue discussions</b>													Proposals received	Component 1 leader and Grants Manager	
														Program developed	Component 1 leader
														Program being implemented	Component 1 leader and Grants Manager
														Associations actively involved in discussions	Component 1 leader

\* activity extends beyond YR3 Work Plan

Work Plan Activities	2011 Y2Q1			2012 Y2Q2			2012 Y2Q3			2012 Y2Q4			Milestone	Responsible
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
<b>COMPONENT 1. Support a stable, market-oriented policy environment</b>														
<b>TASK C: Public education for land rights provided</b>														
LOP result 1: Baseline data for the awareness campaign available LOP result 2: Partners are identified. LOP result 3: Initial materials for the web-portal, hotline and toolkit are available. LOP result 4: The web-portal is developed and materials are available for downloading. LOP result 5: The hot-line is operational and provides advice to end-beneficiaries.														
<b>1. Awareness building and outreach campaign</b>														
<b>1.1. Baseline survey</b>														
1.1.1. Conducting focus groups in target communities to check the messages and communications channels													Focus groups conducted	CPOM, Survey company
1.1.2. Conducting a survey to obtain baseline data on land rights literacy													Survey conducted	CPOM, Survey company
1.1.3. Publishing the findings of the survey, including recommendations on what should be done to increase land rights literacy													Report published	CPOM
1.1.4. Organizing roundtables in the selected oblasts to present the survey findings and recommendations and attracting future partners for the Education Campaign													Roundtables conducted	CPOM, DCOP
<b>1.2. Organizing a series of TV and/or radio programs on a national and/or oblast level</b>													Programs organized	CPOM, partners

1.2.1. Production of TV, radio spots and programs													Programs organized	CPOM, Grants/Subcontracts Manager
1.2.2. Placing TV, radio spots and programs on the national and local TV/radio channels													Programs disseminated	CPOM, partners
<b>1.3. Media relations</b>													Media relations enhanced	CPOM
1.3.1. Conducting a media competition among the team of journalists established in Year 2													Competition conducted	CPOM/SAF Team
1.3.2. Establishing the "Ag&Land Press Club"													Press Club organized	CPOM, partners
1.3.3. Support the operation of the "Ag&Land Press Club"													Press Club operational	CPOM
1.3.2. Distributing materials prepared by the experts from the resource center to the trained journalists													Materials distributed on a regular basis	CPOM
<b>1.4. Publications</b>													Publications produced	CPOM, technical advisors
1.4.1. Identify most pressing issues*													Topics identified	CPOM, resource center
1.4.2. Publish a series of handy leaflets covering these issues*													Leaflets published	CPOM, resource center
1.4.3. Distribute the leaflets to village administrations, libraries, post offices with a recommendation to post them on information boards*													Materials distributed	CPOM
1.4.4. Prepare and publish more comprehensive manuals which may be used by trainers for education purposes*													Manuals published	CPOM, resource center
<b>1.5. Press tours</b>													Press tours conducted	CPOM, resource center, partners



2.1.3. Maintain the web-portal and populate it with land rights information and some basic advice on land rights related issues													Web-portal operates	Resource center
2.1.4. Support the awareness campaign with expert opinions and other materials to inform the contents*													Awareness campaign conducted	CPOM, partners
<b>2.2. Establish a framework for provision of secondary legal land rights services*</b>													Framework for secondary legal land rights services available	CPOM, partners
2.2.1. Support and monitor of the operation of the established centers for provision of secondary legal land rights services													Centers supported	CPOM, resource center
2.2.2. Provide ongoing support and coaching through the resource center*													Coaching by resource center provided	CPOM, resource center, partners
2.2.3. Evaluate the performance and results of the first pilot project(s)													Lessons learned and the approach is modified	CPOM, resource center, partners
2.2.4. Utilizing lessons learned, continue the existing programs and/or expand this approach to other communities													Grant agreements prepared	
<b>2.3. Establish a framework for provision of primary legal land rights services*</b>													Framework for secondary legal land rights services available	CPOM, partners
2.3.1. Identify future partners for primary legal services.													Partners identified	CPOM, DCOP, partners
2.3.2. Partner with associations of extension services, and village administration and farmers as providers of primary legal land rights services													Relations established	CPOM, DCOP, grants team
2.3.3 Provide capacity building grants for primary legal land rights services													Grants signed	CPOM, Grants/Subcontracts Manager

2.3.4. Organize Train-the-Trainer sessions for extension services and support/oversee training campaigns.													Train the Trainers sessions conducted	CPOM, resource center
2.3.5. Organize training for village administrations and support them with materials and coaching*													Training conducted	CPOM, resource center
2.3.7. Organize training for local farmers associations and support them with materials and coach.													Training conducted	CPOM, resource center
2.3.8. Support local partners (through the resource center) in using the materials and providing primary legal assistance*													Support available	CPOM, resource center
2.3.9. Provide periodic training (through the resource center), especially at times when new legislation is passed*													Refreshment training organized	CPOM, resource center

Work Plan Activities	2012 Y3 Q1			2013 Y3 Q2			2013 Y3 Q3			2013 Y3 Q4			Milestone	Responsible	
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep			
<b>COMPONENT 2. Stimulate Access to Finance</b>															
LOP result 1: By year five, 10,000 new agricultural loans issued through USAID partner organizations LOP result 2: Portfolio at risk for average agriculture lending is no more than 10% at 90 days for partner financial institutions LOP result 3: A well functioning, warehouse receipts system that is more widely used LOP result 4: New financial products operating in the market providing greater access to credit for SMPs															
<b>1. Evaluate, identify and select and structure partnerships with banks, non-banks and value chain actors for increasing access to finance for SMPs:</b>														New partners are identified and selected	Component 2 Leader
<b>2. Develop and facilitate capacity building programs for SMPs-borrowers</b>															
Financial and business literacy education program for micro SMPs - design and implementation launch for focus segments of partner institutions														Education programs drafted; subcontractor selected; pilot trainings conducted	Component 2 Leader
Trainings on agri technologies and correlated agilending oportunities for SMPs in our partners' focus segments														Trainings subcontractor identified; trainings conducted	Component 2 Leader
<b>3. Develop and implement innovative mechanisms of increasing access to finance for SMPS – banks</b>															
Facilitation of cashflow assessment software development and introduction to parther banks														Software development facilitated and presented to all partner banks	Component 2 Leader

Support of development of SMPs-agrilending strategies and tactics for partner banks on the basis of the Market Survey of current status of agrilending																		Identification of pilot (strategic regions) is facilitated	Component 2 Leader	
Facilitation and support of development of new credit products for banks																			New credit product is developed	Component 2 Leader
Trainings on agrilending to SMPs for credit analysts																			Subcontractor is identified	Component 2 Leader
<b>4. Develop and implement innovative mechanisms of increasing access to finance for SMPS - credit unions</b>																				
New credit products development																			New credit products developed	Component 2 Leader
Development and implementation of tools for SMPs-agrilending credit portfolio quality improvement																			Tools are developed and implemented	Component 2 Leader
Knowledge sharing(SMPs-agrilending) concept introduction and implementation (in-country and internationally)																			Investment Forum, study tours to Rabobank, Lviv experience sharing	Component 2 & 3 Leader
<b>5. Develop and implement innovative mechanisms of increasing access to finance for SMPS - other credit providers</b>																				
Facilitate structuring and introducing agrilending increase concepts and mechanisms involving partner financial institutions																			Maisadour project structured	Component 2 Leader
<b>6. Support improved legislation development to enable increased access to finance for SMPs</b>																			Legislation "On credit unions" improvement supported	Component 1 & 2 Leaders
<b>7. Support integration with Component 3</b>																				
Selected projects processing with SMPs-agrilending facilitation																			Danon, vil. Dobre - selected projects development	Component 2 & 3 Leaders
POs business plans passport development and dissemination																			POs business plans passports developed	Component 2 & 3 Leaders



Work Plan Activities	2012 Y3 Q1			2013 Y3 Q2			2013 Y3 Q3			2013 Y3Q4			Milestone	Responsible	
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep			
<b>COMPONENT 3. Facilitate Market Infrastructure for SMPs</b>															
<b>TASK A: Producer organization development</b>															
<i>LOP result 1: Local projects implemented that increase member services, market access, and productivity</i> <i>LOP result 2: Investment facilitated through producer group projects</i> <i>LOP result 3: Strengthened capacity of farmer organizations to provide better services to their members</i> <i>LOP result 4: Increased productivity of farms in targeted producer organizations</i> <i>LOP result 5: An average of a 100% increase in sales at targeted producer organizations</i> <i>LOP result 6: Increased profitability of farming in targeted producer organizations</i>															
1.Support POs grant programs (nine from Year 2) implementation														Assessment conducted	Component 3 Leader, PO Specialist, Grants/Subcontracts Manager
2. Identify and assess POs and SMPs with high potential														Assessment conducted	Component 3 Leader, PO Specialist
3. Select 10-15 high-potential POs for grant support														Partner POs selected	Component 3 Leader, PO Specialist, Grants/Subcontracts Manager
4. Conduct gender sensitive trainings programs for POs project development (Business Planning, project development, institutional development, risk-management)														Implementation Strategy	Component 3 Leader, PO Specialist, Grants/Subcontracts Manager
5. Complete capacity building program strategy for partner POs (marketing, management, accounting, VCA development)														Implementation Strategy	Component 3 Leader, PO Specialist, Grants/Subcontracts Manager

6. Select SMPs and POs on a competitive basis who will be awarded grants for capital improvements		Tender announced and proposals received	Component 3 Leader, PO Specialist, Grants/Subcontracts Manager
7. Organize study tours or in-country training for POs		Developed Implementation Strategy	Component 3 Leader, PO Specialist, Grants/Subcontracts Manager
8. Conduct roundtable discussions (forums) to present POs' investment projects (or business plans) to potential financial organizations		Roundtable discussions, forums held	Component 3 Leader, PO Specialist, Component 2
9. Develop legislation on agricultural service cooperative and marketing group activity		Implementation Strategy	Component 3 Leader, PO Specialist, Grants/Subcontracts Manager, Component 1a
10. Information support of VCA & ASC activities including technological regulations (articles, conferences, brochures etc.)		Implementation Strategy	Component 3 Leader, PO Specialist, Component 1c
11. Develop educational modules for POs activities for universities		Developed educational modules for POs	Component 3 Leader, PO Specialist, Grants/Subcontracts Manager
12. Develop a reward recognition program for POs		Implementation Strategy	Component 3 Leader, PO Specialist, Grants/Subcontracts Manager
13. Collect baseline data for partner POs and SMPs		Baseline data developed	M&E Specialist, PO Specialist

**TASK B: Development of wholesale markets**

LOP result 1: At least two wholesale and five local/regional markets are established which provide greater access to markets for SMPs  
 LOP result 2: SMPs have better access to services such as cold storage, grading and storage, and other market infrastructure that enhances their ability to market their produce  
 LOP result 3: Private sector financing leveraged for the establishment of wholesale markets



13.Consultation, monitoring, support of 12 prospective market infrastructure locations development		Infrastructure facilities supported	Component 3 Leader, service providers
14.Develop 'Market Information System' for SMPs/POs and markets		SMP/PO market and market infrastructure access improved	Component 3 Leader, Grants/Subcontracts Manager

## Project Communications Plan

Work Plan Activities	2012 Y3Q1			2013 Y3Q2			2013 Y3Q3			2013 Y3Q4			Milestone	Responsible
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
1. Prepare mission <i>Weekly Highlights</i> and submit to the USAID on a weekly basis	/	/	/	/	/	/	/	/	/	/	/	/	Weekly Highlights delivered on a regular basis	COP, Component Leaders, with CPOM
2. Prepare and brand publications (manuals, guidelines) to support components			/			/			/			/	Project one-pager available	Component Leaders, CPOM
3. Update one-pagers for each component	/												Component one-pagers available	Component Leaders, CPOM
4. Maintain and develop the project website	/	/	/	/	/	/	/	/	/	/	/	/	Website developed	CPOM Manager with assistance from IT administrator
5. Maintain and develop the project Facebook page	/	/	/	/	/	/	/	/	/	/	/	/	Events conducted in the regions	CPOM
6. Organize overall Project media events	/	/	/	/	/	/	/	/	/	/	/	/	Media training conducted	CPOM, Office Manager, Component Leaders
7. Prepare and disseminate success stories			/			/			/			/	Success Story reviewed and approved by USAID	CPOM, Component Leaders
8. Prepare articles for industry press and Internet- media on best practices, interviews with beneficiaries, etc.	/	/	/	/	/	/	/	/	/	/	/	/	Articles prepared and disseminated	CPOM, Component Leaders
9. Prepare and disseminate Monthly Bulletin	/	/	/	/	/	/	/	/	/	/	/	/	Monthly Bulletin Distributed	COP, Component Leaders, with CPOM

10. Prepare media clips		Media Clips Prepared	CPOM
11. Prepare issue "briefs"		Issue Briefs are prepared and disseminated	CPOM, COP, Component Leaders
12. Provide support to information/communications activities of the project's partners, ensure proper branding/markings		Support provided (ongoing)	CPOM, COP, Component Leaders

### Project Administration Plan

Work Plan Activities	2012 Y2Q1			2013 Y2Q2			2013 Y2Q3			2013 Y2Q4			Milestone	Responsible
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
<b>1. Project Reporting</b>														
1.1. Quarterly Reports													Reports completed	COP, DCOP, Admin/Fin Dir
1.2. Kherson Office quarterly coordination meeting in Kyiv													Quarterly Kherson Office Plan Defined and Agreed to.	COP, Component Leads
1.3. Annual Work Plan													Work Plan completed and submitted to COR	COP, DCOP, Admin/Fin Dir
1.4. YR 4 Annual Work Plan Discussion/Approval													Work Plan approved	COR
1.5. Supervision of Grant Recipients, Subcontractors, and STTA Consultants													Grant recipients monitored	Grants team, Admin/Fin Dir