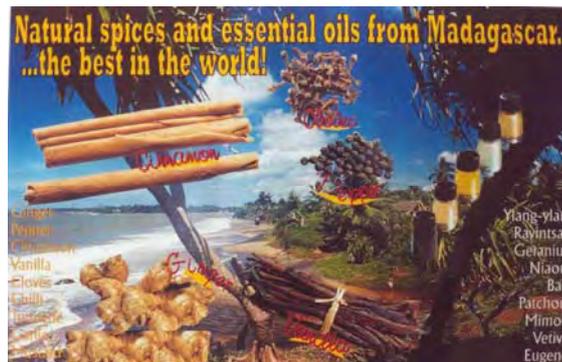




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# SEMI-ANNUAL REPORT

## AUGUST 2007 – JANUARY 2008



February 2008

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The BAMEX project is implemented by Chemonics International Inc. and its partners.

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

## ACRONYMS

ABC	Agribusiness Center
ACSM	Agence de Café de Spécialité Malagasy
AG	Assemblée Générale
AGOA	African Growth Opportunity Act
AKH	Association Koloharena
ARKH	Antenne Régionale Koloharena
BAMEX	Business and Market Expansion
BCI	Business Centers Ivoharena
BFV- SG	Banky Fampandrosoana ny Varotra – Société Générale
BOA	Bank of Africa
CA	Centre d'Approvisionnement
CCI	Chambre de Commerce et d'Industrie
CCIAA	Chambre de Commerce, d'Industrie, d'Artisanat et d'Agriculture
CCS	Corridor Coffee and Spices
CEM	Caisse d'Epargne de Madagascar
CKH	Coopératives Koloharena
CNKH	Confédération Nationale KoloHarena
CNRIT	Centre National de Recherche Industrielle et Technologique
CR	Commune Rurale
CTHT	Centre des Techniques Horticoles de Toamasina
D1 Oils	D1 Oils Company
DRDR	Direction Régionale du Développement Rural
EAM	Entreprendre A Madagascar
EIE	Etude d'Impact Environnemental
ERI	Eco-Regional Initiatives
ESSA	Ecole Supérieure des Sciences Agronomiques
EUREP-GAP	European Retailers and Producers working group for Good Agricultural Practices
FAO	Food and Agricultural Organization
FCE	Fianarantsoa Côte- Est Railway
FCPA	Fonds de Commercialisation des Produits Agricoles
FIBATRA	Fikambanan'ny Bazary Tranonjro
FIEFE	Fonds d'Investissement pour les Entreprises Favorables à l'Environnement
FOFIFA	Foibe Fikarohana Momba ny Fambolena
GCV	Grenier Communautaire Villageois
GEL	Groupement des Exportateurs de Litchi
GEXSI	Global Exchange for Social Investment
GLOBAL-GAP	Global Good Agricultural Practices
IFC	International Finance Corporation
IFDC	International Center for Soil Fertility and Agricultural Development

J&J Group	J&J Biofuel
IMRA	Institut Malgache de Recherches Appliquées
KH	Koloharena
LAP	Litchi Action Plan
MAEP	Ministère de l'Agriculture, de l'Elevage et de la Pêche
MAP	Madagascar Action Plan
MBS	Malagasy Broadcasting System
MCA	Millenium Challenge Account
MECIE	Mise en Compatibilité des Investissements avec l'Environnement
MFI	Microfinance Institutions
NEB	Nutrient Enhancing Balancer
OEC	Opérateur Economique
OFMASEM	Office Malgache des Semences
OMH	Office Malgache des Hydrocarbures
ONE	Office National de l'Environnement
ONUDI	Organisation des Nations Unies pour le Développement Industriel
OTIV	Ombona Tahiry Ifampisamborana Vola
PAM	Plantes Aromatiques et Médicinales
PCG 2005	Plan Comptable Général 2005
PCL	Plate-forme de Concertation pour la Filière Litchi
PCP - Riz	Plate- Forme de Concertation et Pilotage de la filière Riz
PEP Export	Private Entreprises Partnershp Export
PPRR	Programme de Promotion des Revenus Ruraux
PSDR	Projet de Soutien pour le Développement Rural
SADC	Southern Africa Developement Community
SME	Small and Medium Entreprises
TCP	Technical Cooperation Program
TIAVO	Tahiry Ifamonjena Amin'ny Vola
UCV	Union de Commercialisation et de Vente
US	United States
USAID	United States Agency International Development
USDA	US Department of Agriculture
USG	United States Government
WWF	World Wide Fund for Nature

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# **Madagascar Business and Market Expansion (BAMEX)**

## **August 2007 – January 2008**

### **Semi Annual Report**

#### **1. Overview**

##### **1.1. Main Achievements**

The BAMEX Program has reached the mid-point of its fourth and last implementation year. This report presents the last six months of achievements, which prove to be highly satisfying. The following results of the program deserve to be highlighted:

1. Over \$1.3 million in additional sales were achieved by agribusinesses and farmers' associations. For the litchi value chain we assisted Koloharena producers and participating businesses to get GlobalGAP certification by enhancing their organizational skills and developing a quality management system. With the certification farmers earned nearly \$50 per ton more than they would have with non certified litchis.
2. The value of contracts signed between producers and purchasers reached \$340,000, as compared to \$234,750 which was forecast. These results illustrate our success in helping actors in value chains to work together.
3. We initiated the development of a jatropha oil impregnated charcoal and firewood substitute, primarily intended to be used by rural population. The preliminary results show that it is as or more efficient than charcoal as a cooking fuel.

Helping the Business Centers Ivoharena (BCI) become self sufficient was also among our core concerns. Once the transition is complete, the BCI will be in a position to provide for their own needs and will work without any financing from BAMEX.

We also continued helping farmers' organizations, namely the Koloharena (KH), find potential buyers to sell their products on both domestic and international markets. Training sessions and supervision were organized to enhance their technical, administrative, and organizational skills. Together with ERI, we revised and updated the statutes, by-laws and the procedure manual of the KH movement. Such initiatives were taken with the aim of helping the KH take their future into their own hands. In parallel, structures for production, collection, storage, processing, and shipping were introduced to facilitate the marketing of their products at the international level.

In addition, we contributed to achievements outlined in the Madagascar Action Plan (MAP), a framework document developed by the Malagasy Government in order to expedite and better coordinate the development process. As BAMEX works in synergy with various partners from the public and the private sectors and in collaboration with the members of USAID Eco Regional Alliance, we contributed to the achievement of MAP through our involvement in starting up the Double Green Revolution. BAMEX presented to the Ministry of Agriculture the results of the study on the financing of agricultural inputs with a view to creating a guarantee fund to facilitate access to credit. BAMEX also helped foreign investors promote and propagate improved seeds, which will substantially increase agricultural productivity. Additionally, we are providing support to the Road Show in the United States through the provision of souvenir items based on agricultural and handicraft products.

Furthermore, an assessment of BAMEX is ongoing to identify the impacts of its interventions among beneficiaries. The results of these assessments will be taken into account in the "stocktaking" exercise launched by USAID.

For the next six months, we are preparing to transfer at least four new technologies and management practices in order to achieve our targets for the year. Moreover, we still expect about 50 visits from farmers' organization and firms for financial and business services through the BCI. On the marketing side, our support will benefit mainly Koloharena producers of aromatic and medicinal plants (raw materials and essential oils), ginger, bananas and rice. And for investors, we continue to provide support to companies working on jatropa.

## 1.2. Achievements Compared to Targets

The table below shows BAMEX's progress toward accomplishing targets established in our monitoring and evaluation plan.

<b>Agriculture and Natural Products</b>				
<b>LEVEL</b>	<b>RESULTS INDICATORS</b>	<b>TARGETS</b> August 1, 2007 to January 31, 2008	<b>ACHIEVEMENTS</b>	
			<b>From</b> August 1, 2007 to January 31, 2008	<b>% completion</b>
USAID EG 5.2	Number of agriculture-related firms benefiting directly from USG supported intervention	15	26	173%
EG 5.2	Number of new technologies or management practices made available for transfer as a result of USG assistance	4	4	100%
Result Module 1	Increased value of sales of selected products from BAMEX clients	\$ 741,000	\$ 1,348,239	182%
Expected Result 1.1	Number of persons trained with BAMEX support	75	480	640%
Expected Result 1.2	Number of clients showing improved understanding of market requirements	25	18	72%
Expected Result 1.3	Value of contracts between farmer associations and agribusinesses	\$ 234,750	\$ 342,211	146%
Result Module 2	Number of farmer associations and assisted firms using business and financial services	242	251	104%
Expected Result 2.1	Volume of credit given to farmer associations and assisted firms with BAMEX support	\$ 46,000	\$ 55,893	122%
Result Module 3	Number of farmer associations and assisted firms using agricultural inputs	15	31	200%
Expected Result 3.1	Development of a law on bio – fuels	Law adoption	- Bill drafted - Biofuel action plan developed.	
Expected Result 3.2	Development of legal and regulatory framework for agricultural inputs: seeds	Credit system implementation	4 preliminary bills on seed regulation prepared.	

## 2. Main Activities and Results

### 2.1. Top priority value chains

#### 2.1.1. Litchis

##### A. Achievements

##### a. Marketing:

The following table provides an overview of the project's trade achievements through the 2007 harvest and export season.



	<b>Contracts by Koloharena cooperatives</b>	<b>Koloharena cooperatives and firms involved</b>	<b>Sales by Koloharena cooperatives</b>	<b>Sales by firms</b>	<b>Total sales</b>
<b>Targets</b>	5	10	\$ 50,000	\$ 1,226,000	<b>\$ 1,276,000</b>
<b>Achievements</b>	8	12	\$ 77,111	\$ 1,257,200	<b>\$ 1,334,311</b>

These results were obtained thanks to the cooperation between the various teams of BAMEX, including the Koloharena marketing support unit and the Business Centers Ivoharena (BCI) of Manakara and of Toamasina. Connections made by the project include the following:

- the Cooperative Koloharena (CKH) « Vagnona » of Lokomby, Manakara, with the Company Ramanandraibe Export for the provision of 500 tons of GlobalGAP certified litchis;
- the CKH Fanevan' Analanjirofo with Rosin Export and GETCO for 100 tons of certified litchis;
- the CKH Fanevan'Iazafo with GETCO for 90 tons of certified litchis;
- the CKH Fanelon'Iazafo with Faly Export, GETCO, SCRIMAD, and SAMA for 180 tons of certified and standard litchis.

Of the 870 tons of litchis contracted by the CKH, at a value of \$ 262,222, real sales secured revenue of \$ 83,333 for 276 tons of marketed litchis - which translates to an average return rate of 31%. This rate was caused by the premature opening of the litchi season, which restricted the availability of fruit at the beginning of the harvest and forced companies to diversify their supply sources.

##### b. Technical Assistance to Koloharena:

For the implementation of GlobalGAP referendum, Global Good Agricultural Practices (previously known as EUREPGAP, European Retailers and Producers Working Group for Good Agricultural Practices), we focused our efforts on supervising producers and supporting companies. Traceability, of which hygiene assurance and quality organizational management are a part, provides two of the major aspects of GlobalGAP standards.

Given that the majority of the Madagascar litchi harvest comes from small scale farmers, the concepts introduced by the referendum are difficult to implement, since the value chain has several levels of intervention.

Given the magnitude of the contract between CKH Vagnona of Lokomby Manakara and the Ramanandraibe Company – 500 tons of certified litchis – we provided very targeted support which

included assistance provided to the CKH on contract negotiation and technical assistance, including training sessions, brochure and poster edition, and radio broadcasts, with a view of the following:

- Understanding of the referendum by producers themselves;
- Distribution of technical information and the monitoring of its application;
- Constitution of special units within the CKH to take on specific functions required by the adoption of the referendum, such as technicians for geographical referencing and plantation control, fruit quality controllers, delivery committee.

For Toamasina, we supported the Koloharena through intermediation with exporters by organizing a roundtable and “one-on-one” meeting sessions. On a national scale, all CKH also benefited from technical and organizational training sessions. We trained 310 producers from Manakara and 30 representatives from Toamasina on health standards and quality management. In Manakara, 95 CKH members, both quality controllers and delivery agents, were trained on the certification process, the referencing of land plots, and on delivery procedures and all related documents. BAMEX conducted these trainings with the cooperation of BCI – Manakara, BCI – Toamasina, the CNKH (*Confédération Nationale Koloharena*), the “*Centre des Techniques Horticoles de Toamasina (CTHT)*”, and ERI – Fianarantsoa.

c. Assistance to Enterprises and the Value Chain:

- Preparation of the 2007 harvest season:

In keeping with its support to the litchi value chain through the “*Plateforme de Concertation de la Filière Litchi (PCL)*” and the “*Groupement des Exportateurs de Litchis de Madagascar (GEL)*”, BAMEX contributed to the set up of informational exchange sessions on the value chain prospects (Toamasina, September 13 and 14, 2007). The framework document of the value chain, the “*Litchi Action Plan*” was adopted during the meeting.

Regarding its implementation, we participated in the development of various procedure manuals for quality management at the level of each link along the value chain: producers, carriers/ collectors, exporters, and cardboard manufacturers. After validation of the manuals, BAMEX hired Cabinet Miaramita to conduct a diagnosis of the direct actors in the value chain so as to draw out the points to be improved among the actors and to decide on what capacity building would be required. In that respect, on November 20, 2007 we organized a communication session on the basic elements of the quality manuals, of which a synthesis was edited and distributed to the thirty-five exporters.

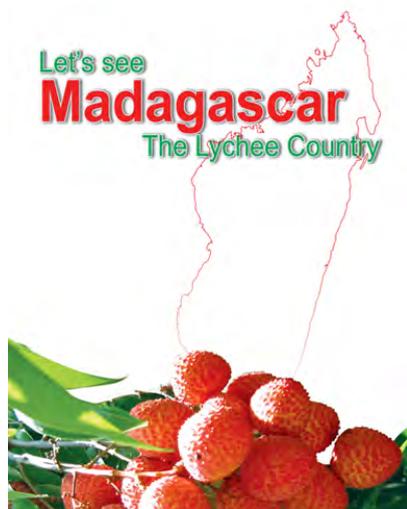
More specifically, regarding with their litchi supply from the Manakara area, the Ramanandraibe Company benefited from our knowledge of the EUREPGAP/GlobalGAP certification to better respond to the demand of their client. In addition to supervising the CKH “*Vagnona*” of Lokomby in their bid to be the exclusive supplier of litchis for the Ramanandraibe Company, BAMEX and BCI-Manakara supported the company in communication and field activities.

For Toamasina, our support to the PCL and the GEL consisted of lobbying on behalf of the exporters and their request of financial support from International Finance Corporation (IFC, World Bank). The funding was intended for the acquisition of technical assistance to comply with GlobalGAP requirements and certification. Thus, twelve exporters marketed their litchis supported by GlobalGAP certificates, thanks to the financial support received from the IFC and World Bank.



- Expansion of the Madagascar Litchi Market:

One of the challenges found in the Litchi Action Plan (LAP) is the strengthening of the litchi's position in existing markets and accessing new opportunities. In order to access these opportunities, the GEL opted to participate in the 2008 session of Fruit Logistica's "International Fruit and Vegetable Show" which will be held in Berlin, Germany from February 07 to 09, 2008. BAMEX supported the development of communication aids, which consisted of brochures, posters, and 'kakemonos', and will ship them to the show. We also participated in the committee for validating GEL's value chain internet site.



With regard to the American market, BAMEX continues to support the PCL, the GEL and the Ministry of Agriculture MAEP), so that the Malagasy litchi value chain complies with US regulations with an ultimate goal of exporting to that country. In addition to the plantation of "Les Vergers de Madagascar", which is already a test site for an initial study on pests, the production sites of "La Savonnerie Tropicale", "MadaExotics" and "Masoandro" are lined up to become low pest prevalence sites as well. Monitoring has been provided by MAEP agents in collaboration with the Department of Entomology in the Faculty of Sciences at the University of Antananarivo. The opening of the US market to Malagasy litchis depends on the continuing talk between the two governments with regards to the value chain compliance and to USDA recognition of MAEP following the survey activities.

#### B. Next steps, constraints and recommendations

Major Constraints	Recommendations
Dependence of the value chain on rainfall cycle and abundance (opening of harvest season)	Integration of the value chain through the involvement of exporters in production (technical and financial supports)
Non availability of main actors for early preparation of value chain actions: central mobilization and organization overlapping with individual preparation of season	Planning and implementation of activities by PCL, GEL, ministries, and support bodies to be completed from April to August
Adaptation to the contracted fruit supply system which is still fragile	Reinforcement of intermediation actions for the creation of links between producers and exporters
Hesitation of exporters to invest in putting their supply chains in compliance with new market requirements	Reinforcement of communications on the need to integrate the value chain in order to face global competition
Lack of technicians possessing knowledge on the implementation of production and marketing systems adapted to new market requirements	Reinforcement of partnership among Operators / Ministries / Support Bodies / Training Centers with regard to training sessions

#### Next Steps:

- Monitoring of PCL/GEL participation in the "Fruit Logistica" show;
- Monitoring of the continuation of activities on phytosanitary surveillance;
- Support to PCL in the preparation and implementation of 2008 activities.

## 2.1.2. Specialty Coffee

## A. Reporting Period Achievements:

## a. Strategy

The strategy adopted by the BAMEX Program consists of strengthening the value chain through the promotion of quality coffee production. The goal is to demonstrate and train potential producers to adopt improved and appropriate techniques for producing “quality”. Such techniques involve improving coffee collection and processing by promoting “wet coffee processing”.



## b. Objectives

The objective set for the 2007-2008 season is to group together 25 mixed tons of red cherries of Arabica and Robusta coffee from producer groups located in the targeted program intervention areas. Throughout the collection process, quality assurance is required. Quality is rewarded through an increase in the price of the coffee, which will contribute to improving household incomes and to improving the economic status in the intervention area.

The objectives set out in the course of the season were also to continually improve the quality of coffee production through capacity building among coffee growers regarding the regulation of the whole chain, from production to the technique of assessing the quality of the coffee in the cup.

## c. Results

## ▪ Marketing

Target sales (\$)	Sales by Koloharena (kg)	Value of sales by Koloharena (\$)	Value of sales by supported enterprises (\$)	Total value of sales (\$)
8,000	37,000	8,150	2,000	10,150

## ▪ Production of Gourmet Coffee

The operations for promoting and expanding the action zones for producing gourmet coffee enabled 37 tons of coffee (mixed Arabica and Robusta) to be collected from 110 producers. 32 tons of Robusta coffee cherries were collected in the area of Tolongoina and Manampatrana, and 5 tons of Arabica coffee cherries were collected in the area of Anjoma-Itsara, Fanjakana, and Mangidy.

Producers therefore ensure the delivery of cherries to the collection points and the collection agents are the ones who control the quality of delivered products and who weigh the products. The 11 agents also deal with the organization, collection, and routing of cherries to the processing stations.

Apart from the wet processing sites of Anjoma-Itsara and Tolongoina, a processing station has also been set up in Manampatrana which brings the current number of wet coffee processing agents to 12.

In order to strengthen the technical capacities of the coffee grower “*Associations Planteurs de Caf *”, 200 coffee producers were also trained on the techniques and organization of gourmet coffee collection, the wet coffee processing, and the quality standards to be observed when producing gourmet coffee.

**Summary Table of the coffee collection and processing season**

	<b>Robusta Zone</b>	<b>Arabica Zone</b>	<b>Total</b>
Number of processing sites	2	1	3
Number of collection points	3	5	8
Number of collection agents	6	5	11
Number of processing agents	7	5	12
Number of participating producers	65	45	110
Quantity of collected red cherries (kg)	31,530	5,250	36,780
Quantity of produced 'parched' coffee (kg)	5,160	945	6,105
Ratio parched coffee/cherry coffee	1/6.1	1/5.5	

- Structuring at the Value Chain Level

The activities for structuring the Specialty Coffee value chain came up with the emergence of a Koloharena Federation which currently groups together 12 villages included in the rural municipalities of Anjoma Itsara, Fanjakana, and Mangidy, with 400 members registered. The objective of the federation is to improve the working conditions of members working on agricultural and livestock activities through the adoption of new techniques and the negotiation of support in terms of agricultural inputs and equipment, as well as product marketing. All members practice coffee growing by following the techniques advocated for gourmet coffee production.

With regard to the evaluation of product quality and following the cupping activities carried out on an annual basis, an association called “**Agence Café de Spécialité Malagasy**” was created. Its members consist of representatives from the entities involved in the value chain, which are producers, operators, and support bodies. The main activity of the association is to put in place over time a system for evaluation and certification of coffee quality for each origin or for each producer. This is the framework in which the “Taste of Harvest” and the session for training / retraining in sampling took place on November 21 and 22, 2007 at the premises of “Corridor Coffee and Spices”, with the participation of 10 operators and representatives of “Associations Planteurs de café” from Moramanga, Manampatrana, and Isorana. The objectives consisted of:



- Evaluating the quality of products from the program for strengthening the specialty coffee value chain;
- Conducting evaluation exercises for capacity building among cuppers;
- Initiating the producers representing the Koloharena associations on the importance of quality evaluation in order to improve the coffee production techniques at all levels of the process;
- Accounting the recently constituted sampler panel.

## B. Next Steps, Constraints and Recommendations

### a. Constraints to be faced:

Among the constraints faced in promoting this value chain, the following may be noted:

- The cost of developing areas that may be cultivated (irrigation, watershed management ...) is beyond the means of local producers;
- Huge social constraints: insecurity, bushfire, cattle theft, traditionalism, etc ...

b. Proposals for improvement

Some points still remain to be improved for strengthening the value chain. For the continuation of collaboration, efforts will focus on the following:

- Reinforcement and monitoring of village-based nurseries and demonstration plots among leader producers;
- Increase in the number of small units for wet coffee processing in communes which participated in the operation; and
- Setting up of a strict control system at all levels of the process in order to guarantee the quality of Malagasy gourmet coffee.

c. Next six months priorities:

- Access the international potentials for the specialty coffee and organize the export of, at least 02 tons of green coffee;
- Organize exchange visits between the grower associations from Sahendrana and Anjomatsara in order to better orient farmers in the management of “Centers of Excellence”;
- Organize the commissioning of the “**Agence Café de Spécialité Malagasy**” in Madagascar so as to strengthen actions for promoting gourmet coffee;
- Organize a day for Specialty Coffee with a view to gathering all actors in gourmet coffee.

2.1.3. *Jatropha Curcas*

A. Reporting Period Achievements:

The period from August 2007 to January 2008 is a pre-seasonal period. *Jatropha* planting will start in February 2008. Thus, D1 Oils and its growers for the region of Ambatondrazaka, including the Koloharena, are preparing a plantation of 200ha.

In the realm of investment, two new major investors received direct support from BAMEX in their study of the prospects on *jatropha* in Madagascar and facilitation of meetings, which ended up with a decision to invest.

Furthermore, three new technologies for increasing the value of *jatropha* were developed: candle manufacturing, manufacturing of *jatropha* oil burning stoves and fuel.



a. Assistance and Technical Support to Producers:

▪ Promotion of the *Jatropha* Value Chain:

We continued our efforts in awareness raising and information distribution regarding *jatropha*: the possible areas for cultivating, the assets, the interests and the economic and environmental impacts. Such actions were conducted for the benefit of visitors who came to request information at the BAMEX office in Antananarivo and at BCI in the regions, namely Ambatondrazaka and Fianarantsoa. Since August 2007, the BAMEX project received over 30 inquiries about *jatropha*, 5 of which are future major investors and 2 of which received particular support because they decided to settle in Madagascar and their documents are being arranged. We also continued maintaining the *jatropha* showcase site at the Iavoloha presidential palace.

- Training on Technical Maintenance of Jatropha

The jatropha plantations in the region of Ambatondrazaka, which are estimated at a total of 220ha, are currently 6 to 18 months old and are now in the maintenance phase. Therefore, in September 2007, in collaboration with the BCI Ambatondrazaka and the D1 Oils Company, we organized several practical training sessions on jatropha maintenance techniques. Monitoring and control of technique application was thereafter undertaken every 15 days and small illustrated cards showing the operating mode were developed. A list of all training sessions organized during this reporting period is provided in *annex 1*.

- Analysis of the Quality of Jatropha Oil

Currently small scale oil extraction activities, including the activities of the CKH, are conducted to meet demands in jatropha oil by soap makers and the cosmetics sector. In order to support such producers, with the “*Ecole Supérieure des Sciences Agronomiques*”, we conducted the characterization of quality of the produced jatropha oil.



The analyses related to the content of the oil in the grains, the oil organoleptic specification, and the determination of the major quality norms: density, acid index, saponification index and composition into fat acids. We highlight here that the average content in almond oil for Ikalamavony (65.9%) is higher than that of the samples from Lokomby (59.5%). Although the quality of the oil is the same, the result of the study showed that the grains collected from the Western part of Madagascar contain more oil than those from the Eastern coast of the country. Such difference will be an important factor for the choice of future jatropha production areas. A simple demucilagination technique was developed to improve and stabilize the oil quality. It will enable producers to sell the oil at a more motivating price.

b. Support to Jatropha Market Development:

- Preparation of Producers to Jatropha Trade:

2 jatropha products are now put forward on the market:

- Jatropha grains as seeds: an increasing demand in jatropha grains is now recorded due to the increase in plantation areas undertaken by the existing growers and by newcomers.
- Jatropha oil is also starting to be subject of demand but production is low because there are not enough grains yet.

With a view to preparing jatropha producers such as Koloharena, the following actions were completed:

- Collection and distribution of information on the prices and quality of grains;
- Awareness raising among producers on the importance of market and the necessity for storing grains;
- Support to Koloharena in Fianarantsoa on delineating the potential sites for collecting mature grains;
- Support to organization of oil production by CKH in Fianarantsoa in order to optimize oil extraction on “Bielenberg” presses which are currently available locally.

▪ Short and Medium-Term Market Evaluation in Jatropha Grains and Oil:

- It is estimated that demand in jatropha grains as seeds will undergo an explosion in 2008 and 2009. Serious investments in jatropha plantations will relate to 100,000 ha in the whole of Madagascar, which will require close to 500T of seeds.
- Soap manufacturing enterprises such as the “*Savonnerie Tropicale*” will be major customers very soon with a market of 20,000T oil/ year. Right now, enterprises in cosmetics are the immediate purchasers of jatropha oil with a demand of 10T/year at a high price of 4.000Ar/liter. An order for at least 50 Liters of oil per month has been launched by the Bioaroma Company after a test order of 15 Liters in October 2007.

▪ Promotion of Manufacturing and Use of Jatropha-Made Soaps and Candles

In collaboration with the “*Centre National de Recherche Industrielle et Technologique (CNRIT)*”, we developed 2 techniques for valorizing jatropha:

- Production of jatropha made candles;
- Production of jatropha made soaps.

These activities were initiated in order to motivate jatropha growers by proving to them through tangible examples that people may obtain products which are useful in their daily life and thus an opportunity to secure additional income source.

We therefore organized several training sessions in December 2007 in order to transfer to Koloharena the techniques for making jatropha soaps and candles. The objective was to conduct demonstration sessions for the members of the Koloharena movement in Ambatondrazaka. 65 participants were accounted for, including women and other inhabitants of villages, aside from the Koloharena. Practical sessions closed the training. Participants showed increasing interest for the use of such products at household level and also in producing and marketing such products for income generation. Cooperatives know where to get supply in raw materials (apart from jatropha) and have charged supply centers with the purchase of required inputs.



▪ Research on Jatropha Fuel

In keeping with the promotion of the jatropha value chain and increasing jatropha’s value, we developed, with researcher Verenako Blaise, a jatropha oil impregnated charcoal substitute for cooking on an adapted stove. It will therefore be possible to use such fuel to replace coal, fuel wood or paraffin which will primarily be used by the rural population. A technical card was developed which contains directions for manufacturing the stove, using the fuel, and instructions on how to use it for cooking.

The following are a few advantages of the stove and the fuel:

- Jatropha coal boils 1liter of water within 11mn versus 22mn for charcoal.
- 500 g of rice can be cooked in 1.5l water.
  - \* Jatropha coal: boiling time 23mn; cooking time 43mn.
  - \* Charcoal: boiling time 38mn, cooking time 48mn

The results of this research will be circulated in the coming months among farming organizations. Similarly, training sessions will be organized for Koloharena but also for other associations showing interest in Ambatondrazaka and Fianarantsoa

c. Investment Promotion

In pursuing our activities for promoting investment in jatropha in Madagascar, we continued providing advice and monitoring of progress made in the sector.

▪ Support for the Installation of “Group J&J” in Madagascar

J&J Group is a South African company planning to invest in Madagascar in jatropha. BAMEX support involves:

- Inquiry and information provision on the bio-diesel sector: market, technical data ...
- Facilitation of contacts and communication with partners and ministries, namely the Ministries of Agriculture and Transportation;
- Accompaniment in field visits.

The group made the decision to invest in:

- Planting jatropha in Fianarantsoa and oil palm tree in Manakara;
- Taking over the 3,000ha concession of “Palmeraie d’Ambila” in Manakara;
- Operating the Fianarantsoa railway network – Manakara “FCE”;
- Setting up a bio diesel plant in Manakara and a fuel transportation infrastructure in the port of Manakara.



The group is drawing up investment contracts, the amount of which would be close to US\$50 million.

▪ Support to the Installation of the NEO Company

NEO Company is developing bio-fuel projects in several countries in Africa. It came to Madagascar for prospecting and the collection of primary information with the goal of eventually investing in the jatropha value chain.

BAMEX support involves:

- Inquiry and information provision on bio-diesel sector: market, technical data ...
- Facilitation of contact and communication with partners and ministries, namely the Ministries of Agriculture and Transportation.

The group made the decision to invest in:

- Planting 35,000ha of jatropha in the area of Bongolava over 2 years;
- Setting up of a jatropha oil extraction plant;
- Investment on the rural electrification market.

The group completed the drafting of its business plan which envisions an investment of €10 million and an experimentation parcel of 5ha has already been put in place.

▪ Support to the Development of D1 Oils Madagascar Investment

We have continued to pursue our collaboration with D1 Oils and between August 2007 and January 2008, our activities focused on the technical supervision of growers in the area of Ambatondrazaka. We also worked together to conduct a test on a Chinese press that D1 might buy and extend with the

1st Tinytech press. We continued establishing relations between future developers who are interested in jatropha and D1 Oils.

- Advice and Orientation to Future Investors

Several other developers received our advice and recommendations. Such future investors are reflecting before making a decision. These developers include:

- OIJ Paper from Japan;
- Global Exchange for Social Investment (GEXSI) from Germany;
- Emerging and Clean Energy Fund from Netherlands;
- African Biofuel d'Asie (Thailand+Malaysia+HongKong).

A complete list of existing and future investors is attached in *annex 2*.

d. Support and Accompaniment of KH in the Management of PSDR Funds

15 Koloharena associations previously received from PSDR 12 million Ariary for maintenance work on planted jatropha plants. We provided to the BCI the monitoring and supervision of such associations in the use of the following types of funds:

- Monitoring and control of funds management tools such as account keeping books, OTIV book, cash book, the various vouchers required by PSDR procedures;
- Good control of bidding documents, minutes, service provision contracts;
- Monitoring and control of progress on field work: firebreak and weeding;
- Overall reminders on procedures and the necessity of keeping written traces of activities, namely changes in members and renewal of executive members;
- Recall of training sessions on managing and keeping accounts according to PSDR procedures.

B. Next Steps, Constraints and Recommendations

The next step on jatropha will be the expansion of jatropha plantations and the accompaniment of producers in marketing jatropha grains and oil. We will also work on promoting the products from jatropha in the soap and cosmetics sectors. We will undertake training and demonstration sessions on the use of products from jatropha.

We will also organize a workshop in order to draw the balance sheet of actions on the value chain and share the gains with partners before the end of BAMEX. Overall, we will continue promoting the value chain, promoting investments, pursuing the research on press and setting up a pilot unit.

Finally, we will continue to provide technical assistance activities through plantation and PSDR funds management.



## 2.1.4. Rice

## A. Reporting Period Achievements:

## a. Table of sales achieved

Target (\$)	Supplier	Buyer	Quantity (Kg)	Achievement (\$)
25,000	Ivolamiarina Cooperative	Wholesaler in Tana Local customers	2,425	1,034
	Tanambe Cooperative	Local customers	47,600	26,445
TOTAL			50,025	27,479

## b. Setting up of a Structure for Production, Collection, Machining, and Shipping of Pink Rice for Lotus Food

In order to inform the Lotus Food Company on the current status of pink rice production, the results of the study and inventory were communicated to them. 3kg of pink rice samples were also sent by the Cooperative following the request by Lotus for tasting. The result was that Lotus Food addressed a letter expressing their intention to purchase one container of pink rice from the Cooperative of Amparafaravola in 2008.

For better organization of such shipping, BAMEX, in collaboration with ERI, conducted an operation for putting in place a structure for production, collection, machining and shipping, based on the quality and delivery criteria required by Lotus Food.



Ivolamiarina Cooperative of Amparafaravola will guarantee the achievement of the project in collaboration with the National Koloharena Confederation. 23 members from 7 grassroots associations (AKH) will provide 51 tons of paddy according to required standards and will use Fanampy Rice Mill committees for machining. The CNKH and ARKH Toamasina teams will deal with proper shipping by handling with the product right from its departure from the Fanampy Rice Mill plant. Their role will consist in fulfilling the various formalities and monitoring the work of the various service providers and technical services. The BAMEX Program will continue to provide periodical monitoring of the operations and to inform customers of the season development.

## c. Workshop for Presenting the Structure for Production, Collection, Machining, and Shipping of Pink Rice and for Training the Members of the CKH and the Koloharena of Amparafaravola

13 Koloharena members from the CKH of Amparafaravola were trained on the use of working documents for managing pink rice export on November 06, 2007. The training was followed by a workshop for presenting the structure to be put in place and 28 participants attended the session.

The session started with the presentation of the proceedings for constituting the structures related to the processing of pink rice, followed by the expected results, and ended up with the presentation related to the provisional cost of the operation.

d. Organization of 2008 Pink Rice Season with the ERI Program

Following the setting up of relevant structures, the BAMEX Program worked on purifying pink rice seeds with FOFIFA. It was indeed noticed that the pink rice variety line is still very heterogeneous and may reduce the quality of machined rice in the medium term. 150 kg of pink rice seeds were therefore sent by the Cooperative, 120 kg of which were obtained after purification and the Cooperative of Amparafaravola then distributed them to participating producers. The ERI Program and BAMEX held a meeting for assessing the progress of the operation and noted that 18 Koloharena members already created pink rice plantations.

B. Next Steps, Constraints and Recommendations

The next steps to be undertaken by the cooperative are the monitoring of the plantation and production operations with ERI Program. Stringent criteria in production techniques were already communicated to the Cooperative and the BAMEX Program will provide the information on an ongoing basis regarding the development of the production season.

Although the various structures have been put in place, good coordination by the people in charge of organizing the Koloharena must exist and a sound communication system must be established to reach the professionalism level required to meet the contract.



The diverse challenges presented assume that some arrangements formulated in the following recommendations must be made:

- To achieve homogeneity in the product delivered to Lotus Food: seed screening, cleaning in fields, selection before entry into collection warehouse, electronic screening during machining, probing of samples of conditioned product account, among others, for the quality control points to be taken into account by the people in charge of the operation.
- Facilitating/ extending producers should be remunerated according to the importance of their activities. The fees entailed by the monitoring and control are already integrated in the purchase cost of the paddy delivered to the warehouse.
- The product may have the required qualities but in the face of the differences noticed regarding the standards on rice in Madagascar and in the United States, the CNKH must be able to find with Lotus Food an adequate classification for the product to be exported in order to avoid refusal at borders for non-compliance. Nonetheless, the instructions marked on bags must come from Lotus Food and be mentioned on the sale contract.
- Information flow among all actors, and particularly between the Ivolamiarina Cooperative and the CNKH, must be smooth so as to be able to meet the commitments in the best conditions, including systematic weekly shipping.
- The CNKH should advise Lotus Food on the development of any situation related to the conduct of the project in order to entertain confidence.
- The CNKH, with BAMEX support, should have with Lotus Food to enter into financial negotiations sufficiently ahead of time in order to meet the requirements of the diverse operations (collection, transportation, machining, transit...) opportunely.

### 2.1.5. Aromatic and Medicinal Plants (PAM)

#### A. Reporting Period Achievements:

##### a. Development of the PAM Market

We continued putting producer organizations in touch with potential customers and therefore strengthened and boosted the relation with IMRA and Homeopharma.

- Support to Cooperatives (CKH et UCV) in Marketing PAM to IMRA

At the invitation from IMRA, the cooperatives were instructed to deliver an unlimited quantity of *Mollucu nicodilis* (*Aferontany*) and of *Euphorbia herta*. It was recalled that the cooperatives have 4 months until March 2008 to complete such collection. Furthermore, young plants of *ravintsara* were proposed to cooperatives for plantation. The company will establish a contract with the cooperatives so that it may be the exclusive customer regarding the sale of *ravintsara* leaves from the plants granted to it.

- Support to Cooperatives (CKH et UCV) in Marketing PAM to Homeopharma

The Homeopharma Company prepared a list of the products they look for most and a list of plants they would probably like to produce from a plantation. 8 cooperatives will draw a list of products they may provide and their estimated production capacity for the year 2008 by specifying the product names, the monthly production capacity and the production expansion possibility for the coming years. The following products are under negotiation and require more in depth studies: *romba*, *Psiadia*, tagette and *voandrotra* (jamblon).



- Establishing Relations Between CKH and Potential Foreign Purchasers:

Several meetings were organized in order to identify possible partnerships and foreign enterprises indicated their need whereas BAMEX and the CKH presented their potential in terms of PAM.

- GREENTECH: an SME specialized in cosmetics looking for new aromatic plants containing active raw materials for cosmetics and collaboration in supply. The CKH will propose plants that can be found currently in their areas.
- Daniel Jouvence from ROCHER Group: specialized in cosmetic products, looks for essential oils and cosmetic.

- Participation by BAMEX in a Meeting on AGOA (African Growth Opportunity Act) on November 29, 2007.

This meeting was held at the USAID offices with an expert of AGOA, BAMEX and two representatives from enterprises working in spices and essential oils: Homeopharma and Trimeta. The mission of the expert in Madagascar was to discuss with the Malagasy stakeholders and partners with a view to preparing a National AGOA Strategy for Madagascar and a Workshop on AGOA in 2008. In addition to the recommendations, the possibility was advanced for American customers to conduct prospecting missions in Madagascar so that they may know the local situation properly. Finally, it was suggested that thematic AGOA workshops would be held per sector: textile, spices, and handicraft. Such problems and recommendations will be taken into account in the development of the AGOA strategy.

## b. Technical Assistance in Increasing the Value of PAM

We brought our expertise in supporting Koloharena in their project for increasing the value of PAM, namely for essential oil extraction. On the other hand, IMRA requested from BAMEX some essential oil samples produced by producer associations. Three suppliers sent samples on which IMRA will conduct analyses.

Association	Zones	Essential oils (HE) sent
Nelson	Ambatondrazaka	HE Niaouli HE Eucalyptus
CKH Manasoa	Brickaville	HE Niaouli HE Cinnamon bark
Producer Association	Moramanga	HE Cinnamomum camphora

In collaboration with ERI, the actions will involve:

- The organization of training on techniques for production, processing, negotiation, standards and quality;
- The promotion of « Quality » culture among the various actors in the value chain;
- The organization of production and/or collection;
- Prospecting equipment and materials for treatment (drying), processing (essential oil extraction) and product conditioning;
- Support to commissioning and optimization of processing units such as stills.

## B. Next Steps, Constraints and Recommendations

The objective is to put at the disposal of actors some tools so that they may tap the real potentials in the value chain. The point will be to develop information cards on buoyant PAM products such as *Eugenia*, *Centella*, *Mandravasarotra*, *cinnamon essential oils*, *ginger*, *niaouli*, etc... The list of producers and buyers will be updated and we will develop an awareness raising guide on the procedure and regulation in force with regard to operating PAM with the Ministry of Water and Forests and the Ministry of Trade.

The coming actions consist in supervising producers in collecting medicinal plants for IMRA from January to March, as well as planting ravintsara plants.

With regard to Homeopharma, the supplies from Koloharena are expected, and supervision and technical assistance will accompany production and marketing for PAM.

We will organize training sessions for producers in order to improve the quality of produced essential oils. It will be about extraction technique and quality control.

We will continue supporting the BCI Toamasina and put forward an application for financing stills.



## 2.2. Cross – Cutting Activities

### 2.2.1. Results Module 1: Market Opportunities Enhanced and Expanded

#### A. Expand New Market Opportunities

##### a. Information Center

During this period, three major activities took place at the BAMEX Documentation Center. Thus, apart from the weekly production of project notes, the Center continued the monthly production of the BAMEX rural magazine: “Kolotsena” which, in addition to being dispatched to BCI and other partners was increased to be distributed among Koloharena cooperatives.

Finally, a systematic updating of the database for electronic management of project documents was conducted which currently accounts for 2,775 documents inventoried and classified. In general, the documents the most looked for involve the value chains in which the project intervenes, such as jatropa, rice and litchi. Visitors averaging 15 to 20 people per month come from project partners, economic operators, and students.

##### b. Website

The website [www.bcmad.com](http://www.bcmad.com) continues working and provides information that is useful to Internet users. It was noticed that the Internet site became increasingly more and more visited with a total visit number of 64,455 between August 2007 and January 2008. Detail is presented in the following table.

Summary by Month										
Month	Daily Avg				Monthly Totals					
	Hits	Files	Pages	Visits	Sites	KBytes	Visits	Pages	Files	Hits
<a href="#">Jan 2008</a>	6769	4217	1814	451	6655	4831803	13993	56245	130734	209859
<a href="#">Dec 2007</a>	6301	4207	2444	582	7343	4703709	18060	75783	130422	195355
<a href="#">Nov 2007</a>	6405	4119	2037	395	5738	3883632	11875	61121	123597	192160
<a href="#">Oct 2007</a>	4354	2535	1197	351	4507	1856422	10883	37111	78613	134976
<a href="#">Sep 2007</a>	4244	2294	799	204	3189	1731532	5939	23194	66538	123080
<a href="#">Aug 2007</a>	3628	2042	624	119	2362	2002373	3705	19358	63324	112473

#### B. Increase Ability to Respond to Market Requirements: Strengthening the Entrepreneurship Capacity of the Koloharena Structures

##### a. Reporting Period Achievements:

##### ► Institutional Support

- Training at the CNKH :

In keeping with developing and making the Koloharena movement sustainable, a diagnosis of the administrative and financial management was carried out at the CNKH. There arose the need for capacity building among the confederation with regard to administrative procedures: purchase management, stock management, cash management, sound bookkeeping and improvement of

reporting system. 10 participants from members of the committee of CNKH and ARKH were trained at Ambatobe on November 13 and 14, 2007 on the modules of administrative and accounting management and the reporting system. Thanks to this training the participants were able to capitalize on new gains regarding the accounting and administrative management of the Confederation.

- Training in Export

In keeping with the professionalization of Koloharena on exporting, a mission was conducted in Toamasina from October 15 to 18, 2007 as a practical training regarding export procedures. The aim was to familiarize the CNKH with the administrative proceedings for exporting agricultural products. Surveys with public and private bodies dealing with international trade and everything related to it were conducted. At the end of the mission, the CNKH was able to wrap up into a manual the procedures to be followed for agricultural product export.

- Support for Obtaining a Vehicle and Formalization of Administrative Papers:

After a TOYOTA DYNA truck was bequeathed by USAID to the CNKH, we accompanied the CNKH in obtaining the technical elements related to formalizing the documentation of the vehicle:

- The estimate for the clearance and related formalities with the people to be contacted;
- The formalities for obtaining the registration of the vehicle, the respective rights and the resource people to be contacted;
- The formalities for obtaining the trade tax, the taxes to be paid and the insurance fees to be paid.

Support was also provided in the establishment of the procedure manual and use of the truck in order to put in place an optimal management of the vehicle and to ensure its safe movement. Management tools accompanying the manual were at the same time devised and make up the Annex of the manual.

- Conduct of the CNKH Committee Meeting:

In order to prepare the CNKH for the year 2008, the Confederation organized a committee meeting on November 15, 2007 at Ambatobe to present the progress status of the activities of the CNKH and the regional ARKH. The modalities for marketing litchis and the systems for distributing profits among the diverse structures were also discussed given the fact that the Cooperatives use the CNKH documents (statistic card and NIF) for the sale of their products. The CNKH committee members also took advantage of the meeting to present the documents designed for the use of the truck bequeathed by USAID.

- Participation of the CNKH in the Forum for Consulting and Steering the Rice Value Chain (PCP – Riz):

The position of Koloharena within the “PCP – Riz” is strengthening. The president to the CNKH was invited to attend the General Assembly (AG) of the forum which took place at “Hôtel Ifarihy Ivato” on September 03 and 04, 2007 and 70 participants, including BAMEX, attended the AG. The challenges raised during the workshop were to launch the green and sustainable revolution in rural areas, to increase the agricultural value added, and to promote agribusiness. BAMEX responded to these challenges by encouraging a market oriented approach (in the light of red and pink rice) and by putting at the disposal of producers some appropriate information systems for adequate decision making at opportune times (magazine Kolotsena on force account with the magazine for the Observatory of Rice). The main objective of such meeting was to prepare the forum for the coming year and to elect a new board of directors. At the end of the meeting, the president of the CNKH was elected again within the board of directors which will lead the “PCP – Riz” for the coming four years.

The group of producers to which the Koloharena are part, made resolutions to better organize the rice value chain which include:

- Information distribution regarding rice production up to producers;
- Putting in place of regional “PCP – Riz”;
- Facilitation of issuance of producer card, as well as purchase of agricultural materials at affordable prices.

► Assistance with Participation at Agricultural Fairs

- Foire Fier- Mada.

For the ninth edition of the International Fair of Rural Economy in Madagascar from August 1 to 5, 2007, 6 cooperatives from Toamasina and 2 federations from Fianarantsoa participated by occupying three stalls, with support from BAMEX and ERI. Our support materialized at three levels in order to complete the participation of Koloharena: Organization of product collection, logistic organization and especially organization of sales.

Wrapping and labeling of products were so made as to better highlight the quality, improve their appearance, and give the maximum information with regard to their origins and especially to show to Koloharena the approaches and technical detail to be followed in practice as skill transfer.

The Koloharena exhibited diverse products which were specific to their region of origin, and which were exhibited and put to sale:

- Two varieties of red rice (Angitra and rojomena) from the Koloharena of Ambatovy;
- Two varieties of rice (pink rice and Makalioka MK 34) from the Koloharena of Alaotra;
- Spices such as pink berry, cinnamon, ginger, and curcuma from the Koloharena in the Eastern region;
- Handicraft products such as basketry made of vetiver, jatropha byproducts (oil, soaps, and lamp) as well as jam from the Koloharena of Fianarantsoa.



Other products, such as banana, coffee, honey, coconut, young plant varieties, dry grains, foraha grains, decorated the three stalls.

Regarding sale, over 80 % of exhibited products were sold. In addition, the fair enabled the Koloharena Cooperatives to promote exchanges, prospect outlets, examine their products/ prices compared with other competitors, and especially develop partnerships.

- ARKH Atsinanana Roundtable and Open Doors.

Following the setting up of the ARKH Atsinanana, an open door session followed by a roundtable was organized jointly by ERI and BAMEX in Toamasina. Diverse local, regional, and national partners, public entities, and private operators were invited to this session. Thus, the BAMEX intervention focused on communication and promotion through the media, prospecting supplier partners, and roundtable facilitation.

12 Cooperatives participated in the roundtable and 12 stalls were mounted to display the products of the cooperatives such as handicraft, spices, vegetables, fruit, young plants, jatropha, and products from other suppliers. The CNHK also ran a stall to display its activities. Three supplier partners were approached for contribution. They were Guanomad, Agrivet and Proimpex.

- Guanomad provides the Koloharena with the opportunity to purchase on credit fertilizer via OTIV or BOA with repayment over 9 months. Demonstration sessions may also be organized;
  - Agrivet may support the opening or the supply of sale centers such as Supply Centers and organize training to sellers and users grouped together into associations. It may provide payment facilities, as well as payment periods going up to 60 days depending on the product;
  - Proimpex offered to be purchaser of Koloharena products, namely spices and essential oils.
- ▶ Capacity building at all levels (CKH, ARKH, CNKH) on Negotiation, Quality and Sales Instruments
- Training of Koloharena on Quality Management.

In keeping with the marketing support offered to the Koloharena, a training session on quality management according to the EUREPGAP/GlobalGAP referendum was conducted during the week of October 22, 2007. It was training on best hygiene practices for harvest and transportation, as well as on the relevant provisions regarding the control points. 30 members from the CKH Fanilon’Iazafo of Maromitety, Fanevan’Analanjrofo of Fénérive – Est and Tambahra of Ranomafana – Est benefited from such training.

- Training of Koloharena in Negotiation Techniques

In collaboration with the ADAPT Firm, we organized a training session in negotiation techniques for the Koloharena in the region Alaotra Mangoro. This activity is in keeping with the capacity building for the Koloharena with regard to marketing. 18 KH members participated in such training, including the representatives of KH of Ivolamiarina, Alaotra Mirindra, Fiavotana, Miray, Rindran’Alaotra, Avotra, Hanitry ny Ala, Kintan’ny Rindran’Ala, and Tongalaza Beforona.

The different phases of a negotiation process, key elements of negotiation techniques, and behavioral adaptations in delicate situations were the object of the training. Practical cases, simulations, and real experiences occupied the major part of the training in order to ensure good ownership of the techniques by Koloharena. Active participation by Koloharena was noted during the training.



- ▶ Organization of Transactions to Increase Sales: Facilitating Linkage with Private Operators
- Putting in Place of the Koloharena “Sale Point” in Toamasina :

Prospecting was conducted in Toamasina in order to put in place the Sale Point for better marketing and increase in sale volume by Koloharena, Ankirihiry was selected because of its role as a supplier for the markets of Toamasina and the availability of the space for the KH. Several meetings were arranged with the association called FIBATRA (Fikambanan’ny Bazary Tranonjiro), which was responsible for the market. The application to have an authorization to put it in place was addressed to the Head of Service of Markets and the Mayor’s office of Toamasina. The urban municipality gave its authorization after reviewing the location with the head of protocol and person in charge of market. In return, the KH will pay to the municipality a commission corresponding to the spaces occupied per sale day.

Several organization meetings were organized with ERI program to organize and structure the management of the Sale Point with the ARKH of Toamasina.

- Support to Value Chains:
  - Litchi Value Chain

For the purpose of supporting the 6 Cooperatives of the regions Analanjirofo and Atsinanana in litchis marketing, several meetings were organized to see the current status and to structure collaborations in the future, with participation by Tropical Fruit, Faly Export, GETCO, and SCRIMAD. The linkage was created between the CKH Ranomafana Est and Tropical Fruit, the CKH Maromitety and Faly Export. The CKH Fénérive Est and Anivorano already identified GETCO and SCRIMAD as partners. It is marketing litchis according to EUREPGAP standards and the KH members who were ready for such litchi marketing were listed.

Moreover, a litchi roundtable was initiated by BAMEX in Toamasina to provide producers and producer organizations with an opportunity to discuss directly with Toamasina exporting enterprises on the 2007 conventional litchi season, among others, SCRIMAD, GETCO, SAMA, and Faly Export. Similarly, the target KH of Fénérive Est, Maromitety, Anivorano, and Andrambolahy participated in this meeting with ERI Program. Here are some of the results:

- SAMA and the CKH Dronga of Andranambolahy signed a contract for the collection of 40 tons of late litchis;
- SCRIMAD granted a quota of 65 tons for Fanilon'Iazafo Maromitety ;
- GETCO committed to take respectively 90 tons and 50 tons of litchis from Fanevan'Analanjirofo and from Fanevan'Iazafo of Fénérive-Est.

- Aromatic and Medicinal Plant (PAM) Value Chain

In keeping with the collaboration with Homeopharma, the Cooperative Tongalaza of Beforona pursued the delivery of fresh ginger, and concluded a contract for 1ton 200 kg per year. Of course, it is a small volume order but the price is in favor of the Koloharena, as it is four times more than the usual market price and this is meant to conserve the quality of the product. Furthermore, a negotiation with NORMATRADE, still with Beforona, for a quantity of 10 tons per month was concluded. For this contract, volume plays a major role apart from continuity. A test delivery of 2 tons was conducted.

With regard to *foraha*, through its subsidiary EXPAM, Homeopharma managed the supply orders for their foreign customers (Belgium, United States, and New Caledonia). A meeting was arranged to boost the project for grain supply, already previously discussed with the CKH of Lokomby. The cost study for the provision of *foraha* of Manakara yielded a price in the order of Ariary 1,400 per kilo brought to Tana. Homeopharma proposed to deliver the raw oil the current price which is between Ariary 17,000 and 18,000 per kilo. Therefore, BAMEX planned to have information exchanges with the EXPAM Company regarding their needs and the supplies from Koloharena to be able to plan the activities over time.

In Ambatondrazaka, a roundtable was organized by BAMEX for the Cooperatives of Ambatondrazaka, to which Homeopharma was invited for participation in order to facilitate and to strengthen partnerships between operators and producers. We had a favorable response from them, given that currently Homeopharma obtained the agreement in principle from a French enterprise for setting up a trading group abroad. So, a solid partnership with Koloharena producers is in their favor.

- Rice Value Chain

Lotus Food sent a letter expressing their intention to purchase pink rice. As we received the order confirming the purchase of one container of pink rice, i.e., about 18 tons of machined rice, we supported the Cooperative Ivolamiarina through the setting up of the structures in order to ensure collection, processing, and shipping of pink rice by following the standards and quality required by the Company. To do so, the Cooperative Ivolamiarina will ensure the collection and the machining whereas the Confederation will take in hands the packaging and the shipping of the product.

Apart from promoting products on the international market, the Cooperative Ivolamiarina also received with our support an order for pink rice at the premises of a wholesaler customer of Antananarivo. The customer launched a weekly order of 500 kg pink rice. As the customer noticed that pink rose enjoyed good perception among consumers, he doubled his order.

- Banana Value Chain

Accompanied by the BAMEX team, the CNKH signed a contract for collaboration with a local banana ripener. The contract provides for a monthly sale of 20 tons of green banana from the East region at a price that may be revised at each delivery by referring to the market price. Regarding the implementation of the contract, the cooperatives of Beforona and of Andasibe were contacted to be the partners of the CNKH.

- ▶ Promotion of Products with Great Potential and Awareness Raising on Market Opportunities
  - Participation of Koloharena in Regional Workshop on Putting in Place the Subprojects for Socioeconomic Development of the Ambatovy Project.

With support from BAMEX and ERI Programs, the ARKH of Toamasina and of Alaotra Mangoro were able to participate in a workshop on November 16, 2007 for the presentation of the 7 special socioeconomic development projects in the Region, the major themes of which are development of agriculture and marketing of agricultural products. The Koloharena were able to develop their experiences in the area of production and marketing of agricultural products that will serve as basic recommendations for the intervention strategy of the Company. Such strategy consists of integrating producer associations in the supply for the catering of 5,000 employees. On such occasion, the Cooperatives Koloharena, represented by the ARKH, were able to register with SNC Lavalin to be able to bid in the existing market.

- ▶ Managing the Information System on Product Supplies, Input Needs, Equipment Diffusion and Spread of Information Bulletin
  - Implementation of the Information System :

With a view to improving the quality and availability of information inside and outside the Koloharena movement, as well as to supporting the Cooperatives Koloharena in marketing, a collaboration contract was established between the CKH of Rive Est and those of Rive Ouest Ambatondrazaka in order to implement an information system. This contract guides the organization of information collection among the Cooperatives, the Business Center Ivoharena, and BAMEX, as well as the appointment of a person in charge of information collection within the Cooperatives. The system will facilitate information transmission within the Cooperatives, even among KH members.

- Collaboration Contract with MBS Ambatondrazaka.

Collaboration with MBS station of Alaotra Mangoro for the production and distribution of a radio program entitled IVOHARENA (a program related to the new information system) was concluded

with support from BCI Ambatondrazaka and the person in charge of each station. The initiative was taken on in order to support the information and communication system of KH. It will serve as tools for transmitting information on agricultural products, process, market trends, business opportunities and a mini report on practical topics that will assist producer organizations. The same program will be broadcast again on the Amomix channel, of which a journalist will ensure the production in collaboration with MBS.

b. Next Steps, Constraints and Recommendations

- Skill transfer on trade procedures applied in Madagascar, export procedures, as well as shipping organization;
- Training in negotiation techniques for the ARKH et the CKH of Fianarantsoa;
- Development of a manual for management of the ARKH and the setting up of a Sale Point in Fianarantsoa ;
- Finalizing the lists of PAM of the CKH of Ambatondrazaka and supervision on negotiating the protocol framework with Homeopharma; supervision for contract finalization;
- Prospecting outlets for red rice in Europe; supervision for starting the procedures for export to the United States regarding the order by Lotus Food;
- Negotiation with Shoprite and Jumbo for bean supply (according to the production quantity by the members of the alliance).

C. Strengthening linkages along selected supply chains

► Training Sessions for Input Retailers and Distributors in Fianarantsoa and in Lac Alaotra:

Some training sessions for agricultural input retailers, distributors, and managers of Koloharena supply centers in the areas of Fianarantsoa and of Lac Alaotra were provided in collaboration with CropLife and Marotia association. There were 19 participants for Fianarantsoa, including 9 supply center managers of Koloharena and 10 representatives of retailers and distributors in town, and 23 participants for Ambatondrazaka, including 5 supply center managers of Koloharena and 18 representatives of retailers and distributors in town.

Visits to the agricultural input Sale Points were started in December 2007 by the BAMEX team (Person in charge of inputs and Fianarantsoa BCI marketing agent) in order to define the training needs. The training sessions aimed, on the one hand, to promote the input sub sector by granting the technical and management know how and, on the other hand, to contribute to an increase in agricultural productivity and income in rural areas through the improvement of services by agriculture advisor to producers, which was conducted by input retailers and distributors. Thus, the training themes involved knowledge of products, marketing, business management, communication techniques, and information techniques.

► Launching the Demonstration on Additive Fertilizers:

BAMEX supported the Ministry of Agriculture, Livestock, and Fishing (MAEP) in launching a campaign for demonstrating additive fertilizers called Nutrient Enhancing Balancer, or “NEB”, which are liquid fertilizers for the treatment of seeds and liquid and granulated fertilizers to be mixed with liquid. NEB products provide a range of services containing types that may adapt to a multitude of plants. In the United States, reduction by half of the usual dose of fertilizer plus an additional dose of additives has a lower cost when using 50% of the usual fertilizer dose but increases on average the yield of several crops by 6%, namely maize, wheat, groundnut, and vegetable crops. Furthermore, 5 days are gained regarding maturity for rice in Vietnam.

BAMEX contributions included:

- Logistic support by a US expert for his stay in Madagascar, with the objective of having the products known to MAEP technical team, as well as to other involved development actors, and of initiating the launching of demonstration tests;
- Participation in monitoring the demonstration parcels which are being put in place by MAEP.

#### D. Strengthening Research on Applied Production Technologies

The related challenges consist of transmitting to producer organizations the research carried out on processing agricultural products in order to create added value and to strengthen the capacity of producer organizations and agribusiness enterprises regarding technology through research and distribution of techniques and equipment likely to enhance productivity and quality of agricultural products.

##### ► Identification of Input and Equipment Suppliers:

Guanomad is the producer and distributor of the organic fertilizer called Bat Guano. It provides the Koloharena with the opportunity of purchasing fertilizer on credit via OTIV or BOA with repayment over 9 months. Demonstration sessions may be organized.

Agrivet is a distributor of quality seeds and phytosanitary products in Madagascar. It may support the opening or the supply of sale centers such as the KH supply centers and organize training for sellers and users who are grouped together into associations. It may provide payment facilities with a payment period reaching up to 60 days according to the product.

Proimpex is a manufacturer of agricultural materials; namely the conical weeding device. This company also proposed to be a purchaser of Koloharena products, namely spices and essential oils.

SITAM is the representative of the Delaplace and Mouzon companies in Madagascar which manufacture and sell agricultural materials. One of their flagship products is called Tropicultor, a system on which there may be set plows, a sowing device, a mechanical reaper which may be pulled by animals but includes also a tool carrier.

The following actions will be programmed:

- Visit by BAMEX and ERI to the equipment prototype for SITAM;
- Demonstration sessions will be programmed on the Guanomad fertilizer and the Tropiculteur material;
- If Koloharena producers are interested in the equipment, it will be possible to envisage collaboration with SITAM and Guanomad for its extension in the Koloharena regions;
- Koloharena support for purchasing such equipment may be envisaged via the FIEFE line.

##### ► Collaboration with European Industrialists on Technology

The SAID (Sud Agro Innovation and Development) Firm organized a business meeting at Colbert in October 2007 which was a follow up to the arrival of a group of representatives from 8 French enterprises operating in the sector of oil production and fiber. BAMEX organized meetings with Malagasy enterprises and actors in this sector, as well as producer organizations. These French and Belgian representatives came for prospecting in order to find opportunities for investing in the island, to develop partnerships and to find suppliers or purchasers of materials.

## 2.2.2. Results Module 2: Increasing the Capacity and Use of Business and Financial Services

### A. Strengthening Business Services Providers: BCI

#### a. Achievements:

#### ► Global Achievement Chart (Activities, Visitors, Clients, Priority Value Chain, Types of Support/ Services)

During this period, the four BCI had: 240 visitors, 11 file openings and 55,000,000 Ariary in additional sales thanks to the support and supervision provided by BAMEX.

Here are the details:

REGIONS	VISITORS	CLIENTS
Toamasina	32	2
Fianarantsoa	87	4
Manakara	15	2
Ambatondrazaka	106	3
TOTAL	240	11

In keeping with the coordination of BCI, we monitored and closely supervised the activities according to the following outline:

- Development of magnitude and preparation of sustainable BCI;
- Monitoring of the performances of Business Centers Managers (BCM), accompaniment and advice;
- Preparation of BCI transfers.

With regard to the preparation of BCI sustainability, several meetings were arranged with the host entities to see and specify the future status of BCI. Thus, the BCI Toamasina will be included with the CCI (Chambre de Commerce et d'Industries) Toamasina with the name of BCI Incubator, and keeps its identity but with activities oriented instead to accompany a new project.

In the case of Fianarantsoa, a discussion took place with the CCI, which relates to the future system/status of BCI Fianarantsoa. Thus an agreement was arrived upon between the parties, and will be ruled by a protocol to define the regulatory framework.

In the case of Ambatondrazaka, discussion is still ongoing with FCPA (Fonds de Commercialisation des Produits Agricoles) to define the long term strategy to provide the sustainability of BCI Ambatondrazaka.

#### ► Monitoring the Performances of BCM, Supervision and Advice:

Particular attention was drawn to BCI Toamasina following the renewal of BCM. Various advice, support, and supervision were provided at the organizational level of service, namely support in marketing, market information and establishing of relations between cooperatives and companies. Also, support for recovery was granted by Fianarantsoa. Capacity building among BCM was planned, and BCI Toamasina benefited from training in PCG 2005 and in financing package in November 2007. Another training in PCG 2005 and *Business English* will be on for the BCI of Fianarantsoa, Manakara, and Ambatondrazaka. Details of activities for each BCI are attached in *annex 3*.

b. Next Steps, Constraints and Recommendations

Let us note that BAMEX's main challenge for this last six month period, before its project end, consists in building capacity among Managers and in transferring the skills required in information tools and management in order to ensure continuity and reliability in the services that the BCI provide to Koloharena, other producers, cooperatives and enterprises in the future.

Regarding the provision of sustainability for BCI, there remains to specify with host partners the future status of the services and their position in the organization chart, especially for the cases of Ambatondrazaka. Let us note that a long term strategy will be to be defined with each host partner in order to ensure its capacity either to pay the financial charges of services, or to propose fee paying services.

Finally, regarding the transfer of BCI of Fianarantsoa, Manakara, and Toamasina, once the new permanent committees of CCI are well established, the negotiations on the transfer of furniture and equipment will be the object of our last mission.

B. Strengthen Financial Services

a. Achievements

- Collaboration with Microfinance Institutions (MFI):

We pursued our efforts to support Farming Enterprises and Organizations by facilitating access to financing according to needs in equipment, materials or working funds. To that end, our support relates to the purchase of husking machines, motor cultivators, diverse materials and granting cash credits in favor of farming organizations, namely Koloharena and SME.

In addition to our usual financial partners, for example *Entreprendre à Madagascar*, we were able to diversify our relations with other microfinance actors, namely the MFI TIAVO. A Memorandum of Understanding was signed to facilitate the financing of Koloharena and other Farming Organizations in the regions of Fianarantsoa and Manakara.

- Training and Capacity building:

We continued the training sessions on credit culture and entrepreneurship culture in Fianarantsoa, Manakara, Ambatondrazaka, and Toamasina. In addition, the farming organizations benefited from training sessions on streamlined accounting, as well as calculation and analysis of costs to help them improve their management capacity and to sensitize them to the entrepreneurship spirit and credit culture.

- Organizing a Workshop on Financing

In keeping with the promotion of the FIEFE funds and with establishing sustainable activities by BCI in Fianarantsoa and Manakara, we organized a workshop on financing entitled « Financing: Development Tool» in December 2007. About fifty participants from Financial Institutions (MFI, Banks), support bodies, farming organizations and SME participated. The objective is to inform the public on the various financing options and the facilitation mechanisms that respond to the needs of customers with a view to promoting and supporting the sustainability of such financing mechanisms.

- Credit given to BAMEX – Supported Farmer Associations and Assisted Firms

- FIEFE

During the last 6 months, the credit granting committee made up of EAM, BAMEX team and CEM examined the financing documents from farming organizations and from small and medium enterprises. 90 % examined documents secured support to FIEFE financing. The projects financed rice growing, essential oils, acquisition of diverse materials and equipment such as straw seating removers and motor cultivators.

Financing granted under FIEFE funds have reached an amount Ar 76,361,330, or \$ 42,422. Close to 400 members benefited from this support. As to the other financing types such as farming and GCV, loans granted to 80 beneficiary members from Koloharena amount to Ar 9, 235, 900 (\$ 5,131). Details on loan grants are attached in *annex 4*.

- FCPA

With the collaboration of local commercial banks, the “*Fonds de Commercialisation des Produits Agricoles*” (FCPA) continues to finance operators in the agribusiness sector and the farmers’ organizations. Let us recall that it is a mechanism of financing which functions in the form of third party detention.

For the 2007-2008 season, which began in July 2007, 25 requests and 16 files were financed jointly by FCPA and two banks, Bank of Africa and BFV SG. The total amount of withdrawn financing represents \$ 2.4 millions. The stored products are consisted of paddy, various seeds, white rice, corn and clove.

Support to farmers’ organizations, via the private operators, relates to the supply of 2,073 Tons seeds and 6,604 Tons of fertilizers for a total amount of \$ 5.9 millions. 18 farmers’ associations profited from this support and 13 private Operators contributed to these operations.

Details of the operations are provided in *annex 5*.

- Collaboration with MCA (Millennium Challenge Account):

Thanks namely to our support, setting up the guarantee and refinancing funds is currently ongoing at MCA. Quite like the FIEFE, CEM is also the manager and monitor of the use of funds borrowed by authorized MFI. The objective is to promote the microfinance sector by putting at their disposal refinancing funds of \$ 4 Million in favor of authorized MFI in MCA intervention areas and institutional support for \$1 Million through endowed materials, as well as capacity building in favor of CEM and MF Institutions.

- Inputs Credits:

Following the studies made on the mechanism of a financing system for input credit, we pursued our negotiation with the Ministry of Agriculture and the other actors involved in the mechanism proposed by consultants for the mobilization of the Counter Value Funds as guarantee funds. Currently our proposals for putting in place the mechanism are at the stage of being reflected upon at the Ministry.

#### b. Next Steps, Constraints and Recommendations

With regard to constraints, procedures for finance granting still seem to be cumbersome and lengthy, especially because of missing information in the back up documents, which delays their assessment. To remedy this situation, we continued capacity building among farming organizations in techniques for mounting documents.

Regarding access to financing in the region of Toamasina, we encountered some problems among resource people in charge of mounting and presenting financing projects. Thus, since October 2007, we have made the arrangement of recruiting a new team in order to boost again the activities of BCI in that region, and especially to support the ongoing financing documents.

### 2.2.3. Results Module 3: Enabling Environment for Private Enterprise Development, Trade and Investment

#### A. Support the Development of a Law on Bio-Fuels

Some modifications were added to the previous draft law, of which BAMEX was the main initiator. A meeting for presenting the new draft law was held on October 11, 2007 in the premises of Office Malgache des Hydrocarbures (OMH). As it was planned to be presented for a parliamentary session in November 2007, its adoption was put off following the change in the Minister of Energy. The draft law nevertheless received the commitment of the new Minister and will be presented to the Parliament this year.

As a supplement to the law on bio-fuel and following the roundtable on sustainable development of fuels organized by BAMEX and WWF, we established an action plan from recommendations by participants. This plan involves:

- Setting up of a national strategy regarding bio energy;
- Setting up of tools enabling investments; and
- Setting up a structure and incentive tax and land tenure measures for the development of bio fuel.

A budget was assigned to the action plan and we also conducted meetings with the Director of Energy, the Director of Natural Resources in the Ministry of Water and Forests, and EDBM in order to present such plan. The objective is to support the Government in identifying the actions to be conducted in the sector because bio fuel is part of official commitments in the Policy of the State. The goal is that the Government owns the initiative. An inter-ministry meeting will provide the next steps in order to formalize the program of the Government in the sector.

#### B. Support the Development of Legal and Regulatory Framework for Agricultural Inputs

Following the workshop on seeds conducted by MAEP in June 2007, during which BAMEX shared the results of studies completed by IFDC in January 2005 on the seed sector in Madagascar, FAO and MAEP, under the Technical Cooperation Program (TCP) hired 2 consultants to conduct a mission with a view to strengthening the seed sub-sector. A meeting for final presentation was held on December 20, 2007, which consisted in a medium-term review of all work by the consultants, and BAMEX was called upon to give opinions on the results presented.

The results presented consisted of:

- A law draft project on the Protection of Obtained Plants;
- A law draft project on registration into the Malagasy official catalogue;
- A law draft project on quality control and varieties certification;
- A law draft project on the establishment, duty, organization, and working of OFMASEM (Office Malgache des Semences);
- A proposal of organization chart for OFMASEM.

BAMEX highlighted the primary importance of financial prospecting for setting up and commissioning of OFMASEM, more particularly for sustainable financing.

### 3. Budget Monitoring

#### A. Detailed Budget (obligated amount)

On January 31, 2008, the total obligated amount allocated to program BAMEX rose to \$ 5,262,497.

The following table indicates the details in the obligated amount for each fund source:

SOURCE	AMOUNT
DA Funding	\$ 4,246,159
Prime Funding	\$ 300,000
ESF Funding	\$ 491,338
REDSO Litchi Funding	\$ 225,000
<b>TOTAL</b>	<b>\$ 5,262,497</b>

#### B. Expenses by source of funds

Source	Invoiced through July 2007	Estimated payment Aug 07 – Jan 08	Total estimated invoiced through Jan 08
DA Funding	\$ 3,484,129.65	\$ 423,531	\$3,907,660.65
Prime Funding	\$ 299,886.63	-	\$ 299,886.63
ESF Funding	\$ 491,334.41	-	\$ 491,334.41
REDSO Litchi Funding	\$ 225, 539.38	-	\$ 225, 539.38
<b>TOTAL</b>	<b>\$ 4,500,890.07</b>	<b>\$ 423,531</b>	<b>\$4,924,421.07</b>

#### C. Number of signed contractual documents:

The following table shows the number of signed contractual documents as of January 31, 2008:

Documents	TOTAL Invoiced through January 2007
Contracts	123
Purchase orders	2,497
Memoranda of Understanding	55

## **ANNEXES**

- 1** - Liste des sessions de formation organisées
- 2** - Liste des grands investissements en cours et à venir dans la filière biocarburant
- 3** - Activités par BCI
- 4** - Récapitulatif des crédits octroyés
- 5** - Activités FCPA

## Annexe 1 : Liste des sessions de formation organisées

VOLET	THEME	BENEFICIAIRES	LIEU	PARTICIPANTS	PERIODE	FORMATEURS
Jatropha	Techniques d'entretien du Jatropha	KH	Ambatondrazaka	6	Septembre 2007	BCI ABZ D1
	Fabrication et utilisation du savon et de la bougie de Jatropha.	KH et autres habitants du village	Ambatondrazaka	65	Decembre 2007	CNRIT BAMEX
Riz rose	Structure de production, de collecte et d'usinage du riz rose	KH	Amparafaravola	13	Novembre 2007	BAMEX Consultant
Specialty Coffee	Techniques et organisation de collecte, normes de qualité, traitement par voie humide	KH	Anjoma Itsara, Sorana, Tolongoina, Mana mpatrana	102	Août- Septembre 2007	CCS BAMEX
Litchi	Référentiel EUREPGAP et techniques de culture de litchi	KH	Manakara	28	19/06-21/07	CTHT
	Référencement des parcelles et Eurepgap Contrôle de qualité et livraison	Contrôleurs de qualité des KH et techniciens FKH	Manakara	92	27/08-11/09	BAMEX BCI Manakara RAMA Export
	Formation en normes sanitaires et gestion de la qualité	KH	Manakara			
	Formation en matière de gestion de la qualité	Exportateurs	Toamasina	30	22 au 29/10	BAMEX
Formation en matière de gestion de la qualité	Exportateurs	Tamatave	8	20/11	Miara-Mita BAMEX	
Intrants	Connaissance des produits, marketing et business management	Gérants des centres d'appro des KH Revendeurs et distributeurs	Fianarantsoa	17	08 au 17/01/08	Croplife MAROTIA BAMEX
			Ambatondrazaka	21		
Financement	- Montage de dossiers et conditions d'éligibilité FIEFE - Comptabilité simplifiée - Calcul et analyse des coûts - Culture de crédit et culture entrepreneuriale	PA – PV – CNKH – ARKH	Tamatave	55	23/24 Juillet 2007	BAMEX CEM
			Ambatondrazaka		26/27 Septembre 2007	
			Manakara		05/06 Décembre 2007	
	Montage de projet et PCG 2005	BCI Tamatave Entreprises exportatrices Prestataires de services	Tamatave	15	13 Novembre 2007	EAM BAMEX
	Recyclage PCG 2005	BCI Partenaire hôte CKH Entreprises	Ambatondrazaka	10	21 au 25 janvier 2008	Prestataire BAMEX
Commercialisation	Technique de négociation	BCM CA CKH	Ambatondrazaka	18	06 Décembre 2007	Prestataire BAMEX

**Annexe 2 : Liste des grands investissements en cours et à venir dans la filière biocarburant**

<b>Stés</b>	<b>Origine</b>	<b>Matières traitées</b>	<b>Objectifs</b>	<b>Situation 2007</b>	<b>Zones</b>
D1 Oils Madagascar	Britannique	Jatropha	20.000ha	Plantation 2.500ha	Ambatondrazaka, Vakinankaratra, Boeny
GEM Biofuel	Britannique, Australie	Jatropha	250.000ha	Plantation 15.000ha	Androy, Atsimo andrefana
MMF-Tom investment	Israel	Jatropha	500.000ha	Plantation 500 à 1000ha	Androy, Anosy
Jatro- solution	Allemand	Jatropha	5.000ha	Etude de projet Identification terrain	Haute matsiatra Betsiboka
J&J Group	Sud Afrique	Palmier Jatropha	3.000ha de palmier 5.000ha de jatropha	Etude de projet Demande pour concession de palmeraie	Vatovavy Fitovinany Haute matsiatra
Sté NEO	France	Jatropha	35.000ha	Etude de projet, Acquisition terrain	Bongolava

### **Annexe 3 : Activités par BCI**

#### **- BCI Fianarantsoa**

La réalisation de BCI de Fianarantsoa se distingue par son intervention interne et externe à travers l'encadrement aux niveaux des filières, à l'accès au financement et au renforcement de capacité.

Grâce aux concours du BCI Fianarantsoa dans l'élaboration du business plan, la CCIA Fianarantsoa, son partenaire hôte, bénéficie d'un financement de la Chambre de Commerce de Hambourg. Ce financement servira pour la mise en place et l'exploitation d'un Cyber Entreprise à partir du mois de novembre 2007. Ce nouveau projet renforcera les offres de services de la CCIA Fianarantsoa et du BCI.

#### **Appui à la gestion**

Par ailleurs, le BCI Fianarantsoa continue son assistance à la Coopérative FY pour faire fonctionner la nouvelle unité de transformation de fruits et légumes. Une coopérative qui vient de recevoir un nouvel investissement de 100.000US\$ acquis avec l'appui de l'ONUDI. L'assistance du BCI s'effectue à travers un stagiaire en gestion mis à la disposition de la Coopérative FY.

#### **Appui marketing**

- Aussi, BCI Fianarantsoa a apporté son appui au BCI Manakara et la Coopérative Koloharena dans la préparation et la mise en œuvre de la campagne litchis 2007. Il s'agit d'un appui et encadrement technique lors de la mise en place du référentiel Eurepgap auprès des Koloharena de Manakara.

- Pour la filière artisanale, le BCI de Fianarantsoa, met en relation la Coopérative GROPROAFIVE avec la société FAYOS Toulouse pour l'exportation de paniers en fibre végétale. Une transaction a été conclue pour l'exportation de 300 paniers en France

- Pour la filière jatropha, il a été prouvé au cours du deuxième semestre que la demande en graine et en huile de jatropha existe. Aussi, le BCI/BAMEX a essayé de lancer d'une part, une première commercialisation d'une quantité de 3.000 kg de graines pour semences. D'autre part, une mise en relation a été faite avec une entreprise cosmétique BIOAROMA. En guise de test, une livraison de 15 litres d'huile de jatropha a été réalisée suite à la commande de BIOAROMA. Les ventes ne sont pas encore importantes vu les demandes qui émergent mais désormais, une segmentation de marché serait possible.

#### **Promotion des investissements**

Avec l'appui de BAMEX Antananarivo, BCI Fianarantsoa accompagne un nouvel investisseur J&J group venant d'Afrique du sud dans la démarche de prospection et d'installation pour le projet de jatropha et d'huile de palme. En outre, Il travaille en étroite collaboration avec le programme ERI pour contribuer à la préparation de la campagne de jatropha pour 2008.

#### **Accès à la formation**

Pour le renforcement de capacité, l'appui est caractérisé par la formation en culture de crédit et montage de dossier de financement, la formation en procédure administrative et comptable, la formation en procédure douanière pour les entreprises exportatrices et la formation sensibilisation des exportateurs avec PEP export.

<i>Formation</i>	<i>Cible</i>	<i>Participants</i>
Culture de crédit et montage de dossier de financement	Koloharena	28 membres
Comptabilité simplifiée	Koloharena	14 membres
Procédure administrative et comptable	Koloharena	30 membres
Procédure douanière	Entreprise exportatrice/ importatrice	15 entreprises

### Accès au financement :

Voici la situation récapitulative des dossiers élaborés par le BCI Fianarantsoa :

<b>Communes</b>	<b>Dénomination</b>	<b>Type de projet</b>	<b>Montant du prêt</b>	<b>Situation actuelle</b>
Ranomafana	OEC Tropic Village	Hôtellerie	102.010.452Ar	Crédit en cours
Ilakaka	OEC Soafaniry	Pierre précieuse	5.448.000Ar	Crédit en cours
Miarinarivo	CKH Narindra	Décortiqueuse	7.416.000Ar	
Fianarantsoa	OEC Coop FY	Transformation	10.256.000Ar	Insolvabilité
Ambalavao	OEC Dr Alain	Jatropha	355.000.000Ar	Dossier livré
Sendrisoa	AKH Soamiaradia	Rizipisciculture	4.800.000Ar	Dossier EAM Fianar
Lokomby	AKH H3M	Riziculture	3.800.000Ar	Dossier EAM Fianar
Lokomby	AKH Taratra	Culture de tomate	3.410.000Ar	Dossier EAM Fianar
Ialamarina	AKH Santatra	Décortiqueuse	5.255.000Ar	Dossier EAM Tanà
Lokomby	AKH Tranambo	Décortiqueuse	5.375.000Ar	Dossier EAM Tanà
Ialamarina	CKH Miaramitsinjo	Collecte	10.000.000Ar	Dossier EAM Tanà
Ialamarina	AKH Mivonona	GCV	2.000.000Ar	Dossier EAM Tanà
Sendrisoa	AKH Miaramiavotra	GCV	7.000.000Ar	Dossier EAM Tanà
Ambohimasoa	ASS Laniera	Riziculture/Pisciculture	2.000.000Ar	Dossier EAM Tanà
Ikalamavony	ASS Sedera	Culture associée	5.455.897.066Ar	Dossier livré
Ikalamavony	OEC Anjarasoa	Culture associée	130.891.293Ar	Dossier livré
Sahambavy	OEC Randrianarivo	Canards mulards	576.679.333Ar	Dossier livré
Ambalavao	OEC Soalandy	Broderie	3.800.000	Dossier livré
Manampatrana	CKH Vonona	Machine décortiqueuse	En cours d'élaboration	
SENDRISOA	AKH Miaramiavotra	Rizipisciculture	En cours de lecture	
SENDRISOA	AKH Miaramirona	Rizipisciculture	En cours de lecture	
SENDRISOA	ASS Lovasoa	Rizipisciculture	En cours de lecture	
FENERIVE EST Tamatave	KH VORONTSARADIA	Alambic pour : Distillation d'essence de feuille de girofle	Vérification de dossier	

**AKH** : Association Koloharena ; **CKH** : Coopérative Koloharena ; **FKH** : Fédération Koloharena ;  
**ASS** : Association non Koloharena ; **OEC** : Opérateur économique

- BCI Ambatondrazaka

L'apport de BCI Ambatondrazaka est aperçue à travers les appuis octroyés, d'une part au niveau des producteurs koloharena, organisation producteurne et d'autre part, au niveau des entreprises et sociétés.

**Appui à la gestion**

Le BCI d'Ambatondrazaka octroie ses appuis au Koloharena pour le déblocage et suivi du fonds PSDR pour l'entretien des plantations de jatropha curcas. Ainsi, le BCI a été chargé de faire le suivi, le contrôle de la gestion des fonds ainsi la préparation du rapport financier.

Le décaissement de la première tranche du fonds PSDR a été réalisé pour l'entretien des plantations de Jatropha curcas. L'utilisation du fonds concerne 14 associations Koloharena sur une superficie d'environ 100 Ha. Le fonds est destiné à réaliser des travaux d'entretien des plantations de jatropha (sarclage et fertilisation) et des pares feux autours de chaque parcelle.

Les travaux sont quasiment achevés mais des rectifications ont été portées sur les livres de comptes. Jusqu'à ce jour, plus de huit millions ariary (8 424 000Ar) ont été décaissé par onze associations koloharena, issues de 3 coopératives Koloharena.

**Appui marketing**

- **Lancement officiel des semences de riz produites par Castells Madagascar.** L'appui a été caractérisé par le lancement officiel de la commercialisation des semences de riz produites par la Société Castells Madagascar SarLU. Cet évènement est l'aboutissement des efforts soutenus de la part du BCI, de BAMEX/USAID ainsi que les promoteurs du projet, dont notamment les techniciens de Semillas Certificadas Castells. Les semences produites par la Société Castells Madagascar sont mises au marché officiellement pour cette campagne. Avec l'appui du BCI, la journée a vu la participation de tous les acteurs dans la filière riz. D'autre part, le BCI Ambatondrazaka a participé à la mise en place du réseau de distribution de la Société en partenariat avec les centres d'approvisionnement des Coopérative Koloharena.

- **Projet d'exportation de riz rose avec Lotus food.** Dans la continuité de l'effort de responsabilisation des producteurs à l'économie de marché. Le BCI Ambatondrazaka a appuyé le lancement de la campagne de production de riz rose dans le cadre de la collaboration avec Lotus Food pour l'exportation d'un container de 20 pieds de riz rose d'Amparafaravola. Une réunion de mise au point a vu la participation des producteurs décidés à assurer la production du riz rose. Par ailleurs, les responsables de la CKH Amparafaravola et les producteurs potentiels ont confirmé leurs engagements dans le projet qui concerne 12 ha de riziculture améliorée, avec 22 producteurs. Ces derniers sont pratiquement disposés à suivre l'itinéraire technique SRI, sans utilisation de produits chimiques. De ce fait, la campagne de production est déjà lancée.

- **Mise en relation fournisseur d'intrants et Coopérative Koloharena.** Dans le cadre de l'appui à la mise en relation des coopératives avec les fournisseurs, les techniciens de la Société Agrivet, ont programmé une séance de formation avec les Producteurs Vulgarisateurs des associations Koloharena de la CKH Alaotra Mirindra Tanambe. Cette activité a permis aux producteurs d'approfondir leurs connaissances sur les itinéraires techniques à appliquer avec les nouvelles semences de cultures maraichères.

**Appui au financement**

Le BCI Ambatondrazaka est sollicité pour appuyer les Koloharena au montage de dossier de financement.

Six projets ont été accordés dont 5 projets pour l'acquisition de matériels agricoles, c'est-à-dire, deux dépailliers pour la Coopérative Ivolamiarina et l'AKH Tojohery et trois motoculteurs pour l'AKH Tahiry, Toky et Nambinina. Enfin, un financement de fonds de roulement pour la plantation de géranium au profit de l'association Meva Aromatika, le tout pour un montant de 42 millions Ariary. Dès que les crédits sont accordés, le BCI assure le suivi des avancements des projets.

### **Accès à la formation**

- **Mise en compatibilité avec l'environnement.** Renforcement de capacité des acteurs dans l'application de l'Etude d'Impact Environnementale (EIE) et du MECIE, organisée conjointement avec l'ONE et la région Alaotra Mangoro. Ont été rappelés la nécessité de faire l'EIE avant la mise en place et la mise en œuvre des activités des entreprises. C'est-à-dire dans la phase d'étude, dès que les paramètres techniques sont suffisamment précisés dans les documents de projets. D'autre part, les participants sont tenus de rappeler à leurs clients ou partenaires respectifs que l'étude d'impact environnemental est un processus intégré à la réalisation de l'études de rentabilité du projet elle-même.

- **Utilisation des outils d'analyse du marché.** Dans le cadre de l'appui à l'exportation, le projet cadre intégré et le service d'appui à l'exportation du ministère de commerce ont organisé un atelier régional de vulgarisation des outils d'analyses du marché. Plusieurs organismes et opérateurs ont été formés à l'utilisation des outils performants de création et d'analyse des profils de marché d'exportation. L'utilisation du TradeMap, Product Map et Mac Map permet d'aider les exportateurs à mieux comprendre et évaluer la potentialité des marchés ciblés. En se référant à la vision de la région Alaotra Mangoro et au MAP, les connaissances acquises pendant la formation constituent un véritable outil de travail pour atteindre les objectifs d'exportation.

- BCI Toamasina

Quant au BCI Tamatave, ce centre met en exergue leurs appuis par la mise en relation des producteurs avec les opérateurs et la fourniture d'information sur le marché que ce soit pour les producteurs et /ou exportateurs. Aussi, leurs réalisations sont perceptibles sur le plan marketing, l'accès à la formation à part les divers appuis à la gestion.

### **Appui à la gestion :**

**Collaboration entre BAMEX, MCA et la CCIAA de Toamasina.** La collaboration de BAMEX avec le programme MCA continue et cela en vue de coordonner et harmoniser les actions dans la région Atsinanana. La possibilité d'un éventuel transfert des activités du BCI à ABC a été avancée par l'USAID. D'autant plus que MCA prévoit de mettre en place un centre ABC à Toamasina en plus de celui déjà implanté à Vatovandri. Toutefois, la Chambre de Commerce a déjà son propre plan de pérennisation pour le BCI en le transformant en centre incubateur. Une rencontre entre MCA, BAMEX et la Chambre de Commerce s'impose. L'important est que, après le retrait de BAMEX, les opérateurs et associations appuyés pourront encore trouver les services dont ils auront besoin pour augmenter leurs ventes aussi bien sur le marché local qu'à l'export.

### **Appui marketing**

- **Information sur le marché SADC.** Dans le cadre de collaboration avec la Chambre de Commerce de Tamatave, CCIAAT, partenaire hôte de BCI à Toamasina, le BCM a, organisé conjointement avec la CCIAAT et Friedrich-Ebert-Stiftung l'atelier SADC le 11 et 12 septembre. Cet atelier a pour objectif de présenter les informations relatives au Southern Africa Development Community, en terme de cadre commercial et d'ouverture de marché. Les opérateurs économiques, les organismes d'appui, et les autorités décentralisées ont été les principales cibles.

- **Préparation de la campagne de l'etchis à Toamasina.** Suite à la table ronde exportateurs-producteurs du 8 novembre, le BCM Toamasina accompagne les CKH pour effectuer un suivi auprès

des opérateurs participants le 12 novembre 2007. L'objectif était de renforcer les décisions prises lors de la réunion, pour finaliser leur accord et aussi d'initier les associations aux approches commerciales.

#### **Accès à la formation**

- **Formation sur le Montage de projet et le PCG 2005 à Toamasina.** Elle a débuté le 13 novembre, 15 participants sont cibles comme suit : 2 du BCI, 6 des entreprises exportatrices, 1 entreprise travaillant dans l'écotourisme, 4 entreprises prestataires de service et 2 d' ONGs.

- **Formation des membres du GEL (Groupement des Exportateurs de Litchi) le 20 novembre 2007.** Suite au diagnostic du Cabinet Miara- Mita auprès des sociétés exportatrices de litchis par rapport aux procédures de gestion de qualité, une formation relative aux recommandations du Cabinet est prévue. En effet, la vulgarisation et la mise en application des normes et procédures en matière de qualité se font à travers des séries de formations au niveau des producteurs auxquels interviennent les organismes d'appui à l'instar de MCA, PPRR, ERI et CTH. Notons que les collecteurs et les transporteurs ont été formés par le GEL. Ils s'agissent d'une formation des formateurs. Ainsi, les responsables de qualité et de suivi/contrôle seront renforcés aux nouvelles exigences de l'EurepGap afin de les aider à contribuer à la bonne qualité du litchi. Les participants formés assureront à leur tour, les formations du personnel de leurs stations respectives selon le plan de travail élaboré précédemment.

#### - BCI Manakara

Le BCI Manakara concentre ses appuis et accompagnements au niveau des filières, en particulier, sur la filière litchis, suite au défi relevé par BCI et BAMEX dans la région de Manakara. Pourtant, des activités de gestion et de formation et certains accompagnements ont pu être réalisées grâce à l'appui de BCI Manakara.

#### **Appui à la gestion**

**Elaboration du manuel de procédure de la coopérative de Lokomby.** Suite à la demande de la Coopérative, le BCI Manakara et ceux de Fianarantsoa œuvre ensemble pour la conception de Manuel de procédure pour cette Coopérative. Ainsi, il a été conclu l'insertion de 7 rubriques concernant les activités de la coopérative dans le manuel.

#### **Appui marketing**

- **Mise en place du référentiel Eurepgap.** Pour la préparation de la campagne de litchis 2007, le BCI Manakara encadre les Coopératives Koloharena dans l'établissement des référencements des parcelles de cultures de litchi. Et ce, pour la mise en place de certification EUREPGAP de la Société Ramanandraibe et Koloharena.

Ainsi, Il a été fait un appui à l' identification des producteurs ayants plus de 10 pieds de litchi (367 sur 700 regroupés dans 64KH sur 70 recensés, ayant 7895 pieds de litchi sur 10093 recensés auparavant) ; la désignation des contrôleurs internes de chaque KH qui vont veiller au respect des normes exigées pour la certification EUREPGAP (91 producteurs pour 64 KH); Organisation des équipes qui vont faire le référencement des pieds de litchi de ces producteurs (levé GPS, remplissage des fiches parcelles, signature engagement de chaque producteur à respecter les normes EUREPGAP).

- **Normalisation du produit miel de la Région Vatovavy Fitovinany.** Le BCI Manakara est sollicité par la Région et le DRDR pour renforcer le groupe de travail pour la **mise en place de la plate - forme miel**. Une structure régionale pouvant résoudre les différentes problèmes de la filière : qualité, approvisionnement en matériels, débouché, sont attendus.

#### **Promotion des investissements**

Le BCI Manakara a été aussi sollicité pour accompagner J&J group dans l'investigation pour la mise en place d'un projet de bio carburant et d'huile de palme à Manakara. Ainsi, la délégation fut composée de Mr Steve Collins de J&J Group, Bob Weber, économiste spécialiste en biocarburant, Elas Randrianarisoa spécialiste en palmier du MAEP et de Mark Freudenberger de ERI Fianarantsoa. L'objet de cette mission était de voir les réalités sur le terrain quant à la plantation actuelle de la palmeraie de Marofarihy ainsi que les possibilités d'extension, aussi de visiter la ville de Manakara pour la mise en place de l'usine de biocarburant. Par conséquent, une présentation du projet de J&J a été réalisée auprès des autorités décentralisées notamment la Région Vatovavy Fitovinany, en présence du DRDR et du Maire de la CR de Marofarihy et de Mizilo.

#### **Accès à la formation**

**- Formation des contrôleurs de qualité des KH.** Le BCI de Manakara a dispensé conjointement une formation avec le responsable de la campagne de litchi de Rama Export Manakara. 21 personnes issues de 16 KH de la Commune de Bekatra et de Vohimasy bénéficient de cette formation de deux jours. Elle a pour objet d'expliquer aux koloharena producteurs les conditions exigées pour la certification EUREPGAP pendant cette campagne de litchi.

**- Formation en gestion de qualité et respect de l'hygiène du fruit du litchi pendant la campagne.** Cette formation a été octroyée au producteur Koloharena. Au total, 250 producteurs ont assistés à ces 5 séances de formation. Ces séances ont également été l'occasion de valider avec les producteurs les 38 points de collecte.

**- Formation de la Koloharena Tragnambo en gestion simplifié.** En parallèle à cette élaboration du manuel de procédure de la coopérative, l'Expert Junior a organisé une journée et demi de formation en comptabilité simplifié pour les membres de cette KH pour qu'elle puisse bien gérer la décortiquerie dont EAM vient d'accorder le financement. Actuellement, tous les apports de sa part sont prêts. Il reste alors la signature de la convention entre les deux parties et le déblocage du financement.

**- Formation sur la transformation des fruits et légumes du 27 décembre au 29 décembre 2007.** Il s'agit d'une formation financée par la FAO, assurée par les formateurs du CAF Antsirabe à laquelle participent dix huit membres du Centre Koloharena de Lokomby. Le rôle du BCI était de sensibiliser les producteurs sur terrain à participer à cette formation qui a pour objectif d'initier et voire même former ces producteurs qui sont actuellement en pleine récolte à transformer les fruits et légumes (séchage, confiture, jus...) permettant ainsi la valorisation de ces produits sur le marché local et national.

## Annexe 4 : Récapitulatif des crédits octroyés

LOCALITE	ACTIVITE	BENEFICIAIRE	OBJET DU CREDIT	MONTANT
<b>FIANARANTSOA</b>	<b>Produits naturels</b> Paddy/riz	KH Narindra	achat décortiqueur Construction hangar	<b>10 000 000 Ar</b>
	Agriculture/riz	KH Santatra	Achat décortiqueur	<b>5 279 000 Ar</b>
	Agriculture	CKH Fianarantsoa	GCV	<b>5 380 200 Ar</b>
	Tomate	CH Taratra	Equipements	<b>3 901 000 Ar</b>
	Artisanat	E/se Soalandy	Fds de Roul et Eqpts	<b>4 100 000 Ar</b>
<b>MANAKARA</b>	Agriculture/Riz	KH Tranambo	Décortiqueur	<b>4 890 000 Ar</b>
<b>Antsirabe</b>	<b>Mine/Lapidairerie</b>	Madacana Tovohery	Achat equipt lapidaire rie	<b>7 800 000 Ar</b>
	<b>Produits naturels</b> Semences pomme de terre	YMCA	Fonds de roulement	<b>16 400 000 Ar</b>
<b>AMBATO</b>	<b>Produits naturels</b> Riziculture	KH Tahiry	Achat motoculteur	<b>5 200 000 Ar</b>
	Paddy/riz	CKH Ivolamiarina	Achat dépailler	<b>10 000 000 Ar</b>
	Riziculture	KH Nambinina	Achat motoculteur	<b>5 200 000 Ar</b>
	Riziculture	KH Tojohery	Dépailler	<b>8 450 000 Ar</b>
	Riziculture	KH Toky	Motoculteur	<b>5 650 000 Ar</b>
	<b>PAM</b> HE Geranium	Meva aromatika	Fonds de roulement	<b><u>8 357 000 Ar</u></b>
			<b>TOTAL</b>	<b>100 607 200 Ar</b>

## Annexe 5 : Activités FCPA

**Opérations FCPA et BANQUES :***(En Mios Ar)*

Campagne	Nombre de dossiers reçus	Montant total demandé	Nombre de demandes recevables et éligibles	Montant d'avances allouées	Montant d'avances décaissées
2006 - 2007	31	10 501,10	24	3 873,30	3 443,2
2007 -2008	25	10 077,00	16	4 984,20	4 325,2

**Appui aux associations paysannes :**

Région	Semences (kg)	Engrais (kg)	Nombre d'associations bénéficiaires	Nombre d'opérateurs	Valeur (En Millions d'Ariary)
Alaotra	<b>2 073,4</b>	1 290,0	14	5	5 066,1
Antananarivo	-	4 754,0	3	7	4 967,9
Antsirabe	-	5 60,0	1	1	593,6
<b>Total</b>	<b>2 073,4</b>	<b>6 604,0</b>	<b>18</b>	<b>13</b>	<b>10 627,6</b>