



---

## Community Action Investment Program Tajikistan, Uzbekistan, & Kyrgyzstan

### Quarterly Report (July 1 – September 30, 2004)

Cooperative Agreement # 122-A-00-02-00017-00

---



## TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	5
PROGRESS DURING THE REPORTING PERIOD .....	7
<b>INTERMEDIATE RESULT #1: PARTICIPATORY AND DEMOCRATIC PROCESSES</b>	
<b>STRENGTHENED AT THE COMMUNITY LEVEL.....</b>	<b>7</b>
<i>Community Mobilization Training.....</i>	<i>8</i>
<i>Public Meetings .....</i>	<i>8</i>
<i>Local Government and Community Advocacy.....</i>	<i>10</i>
<i>Key Lessons Learned in Obtaining Government Support.....</i>	<i>11</i>
<b>INTERMEDIATE RESULT #2: IMPROVED COMMUNITY SOCIAL SERVICES THROUGH</b>	
<b>COMMUNITY ACTION.....</b>	<b>12</b>
<i>Infrastructure Projects Completed or Under Implementation as of September 30,</i>	
<i>2004, by Country.....</i>	<i>12</i>
<i>Highlights of Community Projects.....</i>	<i>13</i>
<i>Self-Initiated Projects in CAIP Communities .....</i>	<i>14</i>
<b>INTERMEDIATE RESULT #3: CREATION OF SUSTAINABLE AND SHORT-TERM JOBS .....</b>	<b>15</b>
<i>Economic Development Overview .....</i>	<i>16</i>
<i>Economic Development Impact .....</i>	<i>19</i>
<i>Microcredit and Alternative Finance.....</i>	<i>20</i>
<i>A Selection of Social and Youth Programs .....</i>	<i>20</i>
<i>Overview and Up-date on Job Creation .....</i>	<i>21</i>
CHALLENGES AND OPPORTUNITIES .....	22
<i>Traditional Attitudes .....</i>	<i>22</i>
<i>Involvement of Women.....</i>	<i>22</i>
APPENDIX 1: CAG CURRICULUM .....	23
APPENDIX 2: FACILITATING MARKET DEVELOPMENT .....	25





## Executive Summary

Mercy Corps began implementation of USAID's Community Action Investment Program (CAIP) in the Ferghana Valley, Tajikistan, and Turkmenistan in May 2002. When work within the confines of the Turkmenistan government made operations there unrealistic, this country was dropped from the CAIP portfolio (April 2004). Services in the Ferghana Valley began added Kyrgyzstan in June 2003. CAIP strives to mitigate conflict in vulnerable regions of Central Asia by strengthening democratic and participatory processes within communities and by providing community members the necessary tools to address sources of tension, which might otherwise lead to conflict. CAIP works together with communities to alleviate sources of tension directly by implementing projects to improve social services and to increase economic opportunities in those communities. Mercy Corps' CAIP Program Objective is to help prevent conflict by promoting broad-based citizen participation in targeted areas; resulting in improved standards of living, more active and engaged citizens, and more open, accountable local government. We currently work 135 communities in 3 countries: Kyrgyzstan, Tajikistan, and Uzbekistan.

As of September 30, 2004, Mercy Corps' CAIP has attained the following objectives:

- Completed or currently executing 328 sustainable community projects (infrastructure and social), directly benefiting 665,502 people.
- Provided short-term employment to 1,830 people on community infrastructure projects; and created 686 long-term jobs.
- Leveraged in-kind contributions to community projects, an average thirty-eight percent of total project costs.
- Established 65 democratically-elected Community Action Groups (one in each community), each with 8-12 members, an average of 25% of whom are women. These groups facilitate community-wide participation in decision-making, using techniques developed as part of the CAIP program.
- Conducted consensus-building workshops and numerous public meetings in each community, transferring skills in participatory methods to over 500 CAG members, which many have replicated in their own community meetings without Mercy Corps guidance. Over 6,000 community members have been introduced to participatory methods during such community meetings.
- Introduced and strengthened advocacy skills in communities so they may obtain further support for community projects after the CAIP project ends, either from within or outside their communities. These skills help ensure the sustainability of community activities for the long-term.
- Conducted the first three modules of a specially developed training program with all CAGs, building skills in application of development principles, transparency and accountability, and conducting meaningful public meetings, reaching over 500 CAG members and numerous community members.

Detailed profiles of CAIP communities are available at <http://caip.usaidcar.info/> Profiles include basic demographic information as well as Mercy Corps' conflict rationale for selecting each community.

Overall Progress Towards Targets (USAID-specified indicators, coded in Web-PRS)

Code	Description	Impact		Unit
1.1	Number of communities with CAIP projects	135		Community
1.2	Number of projects implemented without donor support	Dozens (anecdotal evidence) and Increasing		Project
1.3	Percent of costs covered by community or local government contributions	Cash	In-Kind	Percent
		Negligible	36%	
2.1	Number of projects maintained by the community	520		Project
2.2	Number of beneficiaries	665,502		People
2.3	Number of communities that tap into other USAID or donor programs in the region	10		Community
3.1	Number of people employed through community projects	1,830		People
3.2	Number of people employed after infrastructure project completed	686		People
3.3	Number of people trained	4,500+		People

Progress per country

	TAJ	UZB	TKM	KYR	Total	Diff.
<b>Communities</b>						
Expected	35	26	10*	4	75*	
Achieved	105	26	0	4	135	+60

<b>Projects</b>						
Expected	170	113	0	8	291	
Achieved	214	105	0	9	328	+37

<b>Beneficiaries</b>						
Expected	182,000	135,200	0	20,800	338,000	
Achieved	322,842	319,150	0	23,510	665,502	+327,502

<b>Project Value</b>						
Mercy Corps	1,643,202	1,788,036	0	179,447	3,610,685	
Communities	1,143,707	1,003,662	0	78,660	2,226,029	
Total	2,786,909	2,791,698	0	258,107	5,836,714	
% Community	41%	36%	N/A	31%	38%	
MC Budgeted	2,375,000	1,835,500	578,000	150,000	4,939,000	

\*Note about the figures in this report: The CAIP program was suspended in Turkmenistan in early 2003, pending national-level government approval. As of the time of suspension, CAIP had been working in three communities, and anticipated working in an additional seven. Mercy Corps officially withdrew from Turkmenistan in April 2004, leaving us with 65 CAIP communities in Uzbekistan, Kyrgyzstan, and Tajikistan.

## Progress During the Reporting Period

The three Intermediate Results of CAIP are:

1. Participatory and democratic processes strengthened at the community level;
2. Community social services improved through community action; and
3. Creation of sustainable and short-term jobs.

This report describes CAIP progress during the July 1 to September 30, 2004 Quarter of implementation toward meeting each of these three IRs. CAIP takes an integrated approach to community empowerment with cross-cutting themes addressed throughout the implementation of each IR. Cross-cutting themes include: participatory decision-making, transparency among community members and with local government, inclusion of underrepresented groups such as women and youth, sustainability of infrastructure projects and of community action groups, and continuous capacity-building. Implicit in all of these themes is the goal of conflict prevention by reducing tensions within communities that could lead to conflict.

### Intermediate Result #1: Participatory and democratic processes strengthened at the community level

Empower citizens to take an active role in defining and fulfilling community needs, alleviating tensions that might otherwise lead to conflict

*Expected Results over the 3-year life of CAIP:*

At least 75 communities will be better able to cooperatively identify common problems, design and implement solutions through civic action and collaboration with local authorities and social service organizations. This process will strengthen local democratic processes through participatory planning, critical thinking/problem solving, accountability and transparency. As a result, community social capital is increased (generalized trust, community-based trust, and trust in institutions).

*Results to Date:*

Mercy Corps CAIP achieves Intermediate Result #1 through the development and mentoring of Community Action Groups (CAGs) to perform as catalysts for community-level democratic processes. CAGs are trained in the areas of meeting facilitation, optimizing input in community decisions from all sectors of the community, participatory decision-making, consensus building, practicing transparency and accountability, and working with local governments. As these skills are modeled by CAGs, other community members become inspired to voice their opinions and work toward community consensus. As the sense of empowerment grows, community members become more hopeful about the future of their communities, their families, and themselves. This, in turn, decreases overall tension and desperation within communities, thereby reducing the likelihood of conflict.

Three primary means by which Mercy Corps strengthens participation and democratic processes at the community level are: 1) the provision of training, 2) the instigation and facilitation of public meetings, and 3) the development of partnerships between communities and their local governments. Sustainability of these approaches is assured through train-the-trainer courses

that continue to spread leadership and facilitation skills after the completion of CAIP; through the establishment of patterns of using of public meetings for problem solving; and through the building of mutual trust and confidence between community and their local governments.

### **Community Mobilization Training**

The Mercy Corps CAIP teams and Community Action Groups (CAGs) in each CAIP community received extension training in community mobilization and facilitating public meetings early in the CAIP program. Now that they have practiced these skills for over two years, it was determined that these concepts should be reinforced and enhanced prior to the end of the program. Mercy Corps' CAG Curriculum provides this training foundation in our CAIP communities. The CAG Curriculum consists of six modules:

- 1. Development Principles**
- 2. Transparency and Accountability**
- 3. The Value of Public Meetings**
- 4. Community Participation/Mobilization**
- 5. Conflict Resolution Skills**
- 6. Sustainable Communities**

A brief description of the topics covered under each of these modules may be found in Appendix 1 of this report. During this quarter, thirty CAGs in the Ferghana Valley received training on the first three of the six modules.

#### ***Shifoko'r Community, City of Uychi***

The CAG members of this community acknowledged that they were having difficulty contacting the community inhabitants, holding the street meetings, and sharing information with residents. However, after the CAG received the training module on Public Meetings, members indicated that they had new tools to use to engage a variety of community members in public discussion. The CAG specifically noted the value of learning about different communication styles. Fayzullo, the head of Shifoko'r Mahalla Committee, has worked in his position for many years and has held hundreds of meetings. He told Mercy Corps that now he knows how to handle the public meetings effectively.

Mercy Corps Tajikistan CAIP is also putting more and more emphasis on capacity building trainings targeted toward specific needs identified by community members and CAIP team members. Training themes for community members completed to date include: conflict resolution; establishment of users' associations; institution building; facilitation; leadership, project design, monitoring and evaluation; civil society development; involvement of women and youth in community decision-making processes; micro credit; business development; increasing agricultural production; development of Mini Hydro Stations; achieving NGO status; and sanitation and hygiene.

### **Public Meetings**

Hundreds of public meetings were held during this reporting period. All Mercy Corps CAIP communities conducted meetings to determine community needs, coordinate community activities, resolve conflicts over infrastructure projects, and/or consider next steps. As we move

through the third year of CAIP, we witness continual improvement in communities' abilities to conduct effective, meaningful public meetings.

A critical aspect of an effective meeting is diverse participation. By the end of this quarter, Mercy Corps communities had an average of 18% participation by youth and 36% participation by women in public meetings. Additionally, most CAGs include women, and many have several youth members. The power of the traditional patriarchal society continues to influence participation, however, and Mercy Corps staff finds this to be a continuing challenge. One young female national staff member tells a story of a male CAG member in Andijon who adamantly complained that, "all our problems are caused by the women," while simultaneously declaring that, "the women do only what we (the men) tell them to do." This led to a public discussion of the potential benefit of giving women a true voice in the decision-making processes of the community. Likewise, youth have traditionally been included in community projects only as laborers. However, now about 20% of all CAIP communities have youth representation on their CAGs and/or have formed separate Youth CAGs, which provide input to the larger group. As might be expected, the participation of women and youth in community meetings continues to be somewhat reliant on the nature of the projects or issues being discussed. But, as the value of the contribution of these sectors is realized by the communities, their inclusion in other efforts increases.

#### ***CAIP Communities Approve Cluster Projects***

In an effort to provide assistance to communities neighboring CAIP sites and to help improve relations among those communities, Mercy Corps CAIP Tajikistan is implementing "cluster" projects in non-CAIP communities throughout Khatlon and Rasht Valley. Several tasks must be accomplished before cluster communities can be given the opportunity to select projects. First, and most importantly, complete agreement must be voiced by the Community Action Group in support of the commitment to fund projects in other communities. Then, with assistance from CAG members, Consensus Seminars are conducted in those cluster communities where such agreements are made, Project Implementation Teams are formed, and implementation of the projects begins under the direction of the CAG from the neighboring community. CAIP staff members have already observed significant outcomes from the cluster agreements, two of those include: 1) improved relations between communities that formerly clashed over access to resources and other issues; and 2) the empowerment of CAG members who are being placed in a position where they are able to advocate for the interests of neighboring communities as well as their own. In addition, it is hoped that these kinds of cross-community relationships will contribute to Mercy Corps' CAIP's goal of developing Community Action Groups, or similar representative committees, in non-CAIP communities.

This cluster initiative has increased the number of communities in which CAIP Tajikistan operates from 35 to 105. CAIP Ferghana Valley has very recently begun pursuing a similar approach.

#### ***Neighboring Communities Join in Beshkapa to Achieve Positive Results for All***

A CAG member of this community stated, "Community members are completing the project of asphaltting the roads which united the two neighboring communities. The current project was very successful project; the point is that it helped the communities to solve the problems. As these communities are located far from the district center and it helped to solve the problem of distance of vitally important objects, such as hospital, polyclinic, social and economical objects, markets which are located far from the community. The new public transport routes along the new asphalted roads to the district center have been started."

## Local Government and Community Advocacy

A key part of IR #1 is to empower communities to better advocate for their needs with local government, ensuring communities will thrive after the CAIP program ends. Mercy Corps has approached this challenge by first conducting intensive training on participatory methods, to foster constructive dialogs within communities. As communities have grown stronger and more confident in selecting, designing, and implementing projects, they have also developed skills for collaborating with local government agencies in partnership on many of the projects. Relationships are being established between communities and their local governments, to the point where many communities are eliciting government support in planning and funding projects without Mercy Corps intervention.

One member of the Istiqbol Community noted, "We have been addressing the local hokimiyat for years, asking them to help us to extend the gas and water pipelines, to bring electric supply, but these were all unsuccessful attempts. While working with CAIP team we've learned hugely and decided to act in a different way. We've appealed to the hokimiyat once again, but this time with an offer, rather than with a demand. We have said that we need a gas supply and we can afford to purchase some of the materials, while the montage, welding and other physical work will be handled by the local workers themselves (as a part of traditional "hasher" collective work), all we ask from you is to help us purchase the pipes needed for project implementation. The hokimiyat chiefs liked the offer; they've supported us and delivered the needed amount of pipes. That's how we understood that we shouldn't be demanding for help, we should offer them a way to help us out, they definitely will come in for any aid asked."

Mercy Corps views this as an indication of increased trust and dialog between local governments and communities, thereby alleviating tension that might lead to conflict. It also indicates a shift in attitudes of the communities, who recognize that many government representatives genuinely intend to make improvements in social services through infrastructure. Of equal importance, as governments witness drive and commitment within communities, they begin to view community members as viable, capable partners in the development process. Both sides are coming to realize the benefits of increased collaboration. It is our expectation that these partnerships will continue after the CAIP program ends, thereby increasing the likelihood of sustainability for these communities.

The following are some examples of CAIP CAGs advocating for their needs before the local government and succeeding without Mercy Corps intervention. In many cases CAGs are obtaining sizeable government contributions. Examples include government contribution of an electrical transformer, government assistance with technical drawings, and provision of large equipment, such as cranes. Though we do not have an exact count of the number of these self-initiated projects, we know of at least four in Uzbekistan, two in Kyrgyzstan and two in Tajikistan that have occurred during this quarter.

Community residents are learning how to address their issues and problems to government officials. These stories show how community members are becoming proactive in advocating with local government and other partners to address their needs.

### ***Kokand: Community Meeting with New Hokim Begins a Partnership in Urganjibog***

A community meeting was held with city Hokim, Usmanov M. in mid-October. The meeting was independently organized by the active people of the community and the main aim of the meeting

was to inform the Hokim about the start of a new project and familiarize him with projects that had already been completed in cooperation with Mercy Corps and USAID. Hearing that an additional 30% of total cost was needed to complete the project, the Hokim agreed to work with the Hokimiyat and with the Contractor Organization to secure the additional funds needed and to assure timely and high quality completion of the project.

The “Welcome to Urganjibog Community” sign also attracted the Hokim’s attention and he mentioned that this kind of board should be installed at the entrance of each of the 61 communities of Kokand City. Additionally, the Hokim offered to organize the culture days of other cities in the community, such as Margilan and Khorezm, for the purposes of reinvigorating the local history, traditions and customs.

The CAG, along with other community members, discussed with the Hokim several important issues, including the lack of transportation and electricity, as well as the need for the current project—a sports gym for youth. The value and importance of cooperation to meet the needs of the community was stressed. The meeting took place at the gym construction site, and, by the end of the meeting, the Hokim proudly placed the first brick, creating a celebratory atmosphere for all.

After the meeting, community residents emphasized how new it was for them to feel comfortable working as a partner with the Hokim.

***Khatlon: CAIP, Community and Local Government Work Hand in Hand to Improve Medical Facilities in the Nosir Hisrav District***

In an effort to speed-up the rehabilitation process of the Bakhor Infectious Diseases Department Building, the Bakhor CAG and PIT, together with the Department’s Head Doctor and local and regional government officials, organized a five-day community volunteer work period to repair the building’s roof. The “hashar” was not only an effective way of accomplishing an important community project, but it also brought together representatives from Pamiri, Uzbek and Kulyabi backgrounds to address a common goal. Local government provided significant financial and technical support for the project and was extremely influential throughout mobilization efforts.

For the same project, the community members with the leadership of the head doctor received donations of health equipment that are worth over \$10,000 from the Tajikistan Red Cross and Red Crescent Society, and the Asian Development Bank. Community members hope to use this and other projects like it as a stepping stones toward similar projects in the future.

**Key Lessons Learned in Obtaining Government Support**

1. While conducting these types of projects, CAIP staff has learned to be cautious about the amount of involvement requested from government. Local government has the tendency to try to dominate the project selection process, as well as, project planning and implementation, if given the opportunity. CAIP needs to constantly be cognizant of the program’s grass roots, bottom-up origins to ensure that projects are community-driven, while at the same soliciting government support where appropriate to help create a more collaborative relationship between community and government.

2. When government commits to making a contribution of some sort, it is important to stress the importance of holding the agency accountable for honoring the commitments. While community members fear the power of authoritative figures, our experience has shown us that when communities stand up to governmental agencies and demand they be held accountable for promises, that governmental officials will usually try to do everything in their power to follow through on their commitments.
3. Our experience indicates that the community residents traditionally addressed their problems to the khokimiyat, state government, regardless of the type of problem. We've learned that it is much wiser to contact the government agencies that deal directly with the particular issue. For instance, if there a drinking water problem – ask the water department to help, lack of gas supply – talk to the gas department, absence of electricity – ask the electric department to assist, and so on. This approach has proven to be most effective.

## **Intermediate Result #2: Improved community social services through community action**

Improve standard of living and empowerment in CAIP communities, which leads to a decrease in potential for conflict.

*Expected Results over the 3-year life of CAIP (including expansion activities):*

Completion of 4-7 small infrastructure projects in 75 communities, for a total of approximately 300 projects. Over 392,000 beneficiaries (an average of 5200 per community) will have gas, electricity and/or similar services through the provision of improved infrastructure, human and physical resources, including improved community ownership and responsibility through existing or new associations, maintenance committees and users-groups/associations. Expenditures of \$37,500 to \$75,000 expected per community.

*Results to Date:*

By September 30, 2004, CAIP communities have completed or are implementing 328 infrastructure projects in communities, reaching 665,502 beneficiaries. Total project value is \$5,836,714, of which 38% is community match. The majority of infrastructure projects will be finished by mid December 2004, with a few continuing until the end of March, 2005. In addition, over 320 social projects have been conducted within the 135 Mercy Corps CAIP communities.

### **Infrastructure Projects Completed or Under Implementation as of September 30, 2004, by Country**

	<b>TAJ</b>	<b>UZB</b>	<b>TKM</b>	<b>KYR</b>	<b>Total</b>	<b>Notes</b>
<b>Expected</b>	170	113	0	8	291	Suspension of TKM program Fewer & larger projects in UZB
<b>Achieved</b>	214	105	0	9	328	
<b>Deviation</b>	+44	-8	0	+1	+37	

The main categories of CAIP infrastructure projects are provision of electricity, asphaltting of roads, repair and remodeling of schools, drinking water systems, community centers and gas lines. Extensive community outreach is conducted by CAGs to assure high participation rates in community meetings where projects are selected.

Examples of the long-term impact of these infrastructure projects include:

- Many CAGs are initiating working together to hold social events and to continue improvements within their communities without outside assistance.
- Sport leagues have been actively practicing using facilities renovated and built by CAIP community.
- During this quarter, regional and city governors have started supporting CAIP communities with a variety of types of assistance: technical advice, equipment, and labor. Teams and CAGs developed relationships with the specialized technical departments to get their support and contribution to the larger projects like electrification, gasification, and telephone line installation projects.

Details about specific CAIP community projects is available at <http://caip.usaidcar.info/>

### **Highlights of Community Projects**

#### ***Hygiene and Sanitation Trainings in Jirgital Mercy Corps CAIP Communities***

In an effort to compliment CAIP infrastructure development projects that are tied to health, CAIP has begun introducing Sanitation and Hygiene trainings for CAIP community members. The trainings focus on developing participants' understanding of how to improve hygienic conditions in and around the home, how to avoid contracting water borne diseases, and how to improve the hygienic conditions of latrines.

Trainings have been held in the communities of Sari Kenja, Jailgon, Dombrachi, Sysik Bulok and Kara Kenja. The top priority for Mercy Corps CAIP has been to provide trainings to Muk Su communities where Mercy Corps and NSIFT have teamed up to provide an extensive water supply system. Sari Kenja, in particular, has had severe typhoid outbreaks in the recent past resulting in significant loss of life- all of which could have been prevented with improved awareness of sanitary conditions and the threat posed by decontaminated drinking water. The trainings will continue in Tajikobod, Garm and Nurobod CAIP communities and the participants will, in turn, be charged with disseminating the information to other residents of their communities.

#### ***Water User Association Trainings***

During September 2004, a total of 60 CAIP community members from over 40 communities participated in USAID TARF supported trainings entitled, "Establishment of Water User Groups". The three three-day trainings, provided by the Central Asian Alliance for Water based out of Osh, Kyrgyzstan, took place in Shartuz, Garm and Jirgita in Tajikistan, with the intent of assisting communities in the development of sustainable water users groups. The trainings focused on developing long lasting structures capable of managing community and region-wide drinking and irrigation water systems. The participants had the opportunity to learn about various approaches to water user system management from experienced trainers and the interactive training encouraged the participants to share their own lessons learned from working on such initiatives in their communities.

In particular, the participants learned how to develop work plans, constitutions, fee-collection structures and systems for mobilizing constituents and providing transparency. Next steps include continued technical support and follow-up trainings from Mercy Corps staff in the formation of the water users groups and cross-community exchanges to encourage peer support for such groups.

### ***A School for the Istiqbol Community***

Though a large community of 8,400 residents, Istiqbol does not have a school. Because there's no school in the community, children have to travel distances of seven to eight kilometers to get to the neighboring schools, walking on a highway, which is very dangerous. Every year at least three to four children get killed in car accidents, and the number of those who get injured is countless. For this reason and other hazards, such as dogs, children are afraid of going to school. Consequently, sometimes they do not attend and sometimes parents must spend much of their day escorting their children back and forth. Residents report having spent years knocking on doors and requesting assistance from the government. After receiving training and experience through CAIP, they took a different approach. The residents went to the local hokimiyat with an offer: a partnership in which the community would help with labor if the government would provide construction funds. Before approaching the hokimiyat, the community had already leveled the ground for the school construction and constructed a small shade-house for the workers to have for resting and eating. Seeing this community commitment, the hokimiyat yielded to the pressure of the initiative group and allotted money for the construction. The total estimated cost of the project is 312,000,000 UZS and construction began April 1, 2004. The school will serve 720 students, as both an elementary and a middle school. The hokimiyat has also promised to provide furniture and other basic school supplies.

### ***Youth Construction Brigades Being Formed in Khatlon***

Following intensive efforts made to increase youth involvement in community-driven projects, 96 qualified youth from 12 CAIP core communities formed construction teams. Previous mentors, Community Action Groups, Project Implementation Teams and MC staff, have worked together to identify mentorship opportunities for youth over the past year and half with many youth hoping to further build on the skills they have obtained. As a result, youth came up with the idea to form construction brigades, comprised mainly of electricians, carpenters, masons (bricklaying and plastering), welders, and painters.

The brigades have been formed in each core CAIP community and the youth groups have been supplied with construction tools. With hard work and a high level commitment will come the opportunity for the youth apprentices to graduate into paid laborers for CAIP infrastructure projects. Community members believe the initiative will accomplish many things. First, the initiative will help develop the skilled labor force necessary for small-scale construction and rehabilitation in the regions where CAIP operates. Second, the project will engage unemployed youth and build self-confidence. Last, the project will develop marketable skills among youth who rely on overseas construction work to provide for their families.

### **Self-Initiated Projects in CAIP Communities**

The highlight of this quarter's infrastructure projects was the increasing numbers of projects being self-initiated within Mercy Corps CAIP communities. As CAGs and their larger communities improve their relationships with their local governments, increase their confidence in their ability to create a better quality of life, and gain hope and enthusiasm about the future, they are

implementing social and infrastructure projects without the assistance of Mercy Corps. Some examples identified during this quarter include:

- The residents of Yoshlik community have come up with the plan to acquire “appliances for wedding ceremonies” that would be used by the whole community whenever needed. Several skilled craftsmen among the residents have volunteered to build the appliances, while one of the CAG members was selected to monitor the project. Community members are currently collecting funds for this project
- The residents of an Andijon community have just begun leveling and asphaltting the streets of their mahalla, without assistance from Mercy Corps. A large public meeting was held at which this project was selected. Labor and materials are being provided by the community members and one resident has been selected to monitor the project.
- The Kokand community, Urganjibog, has been collecting funds to build themselves a mosque. According to the CAIP Kokand Team Report (September 2004), “The most pleasant news for the team was that the community members have completed the construction of new building of mosque. The construction of mosque was (one of) the highest priority problems of the community members which was selected in the first consensus seminar. After a series of prioritized projects have been implemented and no money was available for the community, CAG together with community members took initiative and collected money for the construction and they involved the sponsors who live in the community. To the question asked by the team how the community members could be able to solve the big problem and find financial means for the construction of mosque, community members answered that skills and work experiences in the program and the lesson learned from the trainings were not lost, and currently, many problems might be resolved successfully by fundraising. Currently, works for more than 3,500,000 sums has been completed. Mercy Corps estimated the rest of works for the final completion of the mosque at approximately 1.200.000 sum.”
- The Beshkapa CAG has worked together with their Youth Council to organize several social events and activities in the communities to support mobilization process and to help keep the youth in their mahalla engaged and involved in healthy activities.

### **Intermediate Result #3: Creation of sustainable and short-term jobs**

Improve standard of living in CAIP communities through increased incomes and job opportunities. Communities will be better able to meet needs from own resources, leading to decrease in potential for conflict.

*Expected Results over the 3-year life of CAIP:*

At least 75 communities will benefit from increased or sustained job opportunities and incomes through employment on infrastructure projects and participation in community economic development projects.

*Results to Date:*

## **Economic Development Overview**

Over the last quarter, the economic development teams in both Tajikistan and Uzbekistan have continued to implement programs using the business development services approach (see Appendix 2) to support the development of small and micro enterprises. Economic officers have continued to expand and strengthen the capacity of national partners to support small and micro businesses. A leasing incentive program in Uzbekistan has provided farmers with a new form of alternative financing not previously accessible. In Tajikistan, the opening of a production facility for wax paper has allowed the creation of new jobs, lower cost inputs to honey makers, and expanded services to members of the beekeepers association.

The upcoming quarter will see follow on and expanded work with Junior Achievement of Uzbekistan and Tajikistan as Mercy Corps builds on the network established by the Youth Institute. At present, twenty-five schools and hundreds of students have up-to-date text books and materials and are benefiting from well-trained teachers. We are beginning a second phase of the project that will expand and enhance youth entrepreneurship with a regional contest (for financing of student-run companies) and the introduction of additional programs in formal and informal settings.

In both Tajikistan and Uzbekistan, economic officers will focus on four key economic sub-sectors where opportunities are greatest and where strong partnerships with local organizations allow sustainable services to micro and small enterprises well beyond CAIP: greenhouse enterprises; livestock and animal husbandry; fruit and vegetable processing; and beekeeping and honey production.

### ***Greenhouse Enterprises (Uzbekistan)***

Following two successful conferences this quarter with the Andijon Farmers Association, Mercy Corps has recruited an Agriculture Officer to develop a small-scale agriculture extension and greenhouse infrastructure program. Working with Andijon's Farmers Association, a group of three to four agriculture agents will be trained to provide long term technical and material assistance to a new group of greenhouse operators in selected CAIP sites. A corresponding selection and training of farmers in these sites will allow the construction of 6-10 specially designed greenhouses. A short-term consultant will not only train the extension agents but will also introduce techniques for growing highly profitable cool weather crops such as cut flowers, strawberries and other alternatives to the current staples of tomatoes and cucumbers.



Participants of the Andijon Farmers' Association Greenhouse Enterprises Seminar observe strategies to prevent disease in greenhouses. The conference participants also received a number of printed resources.

Future programming in the greenhouse sector will provide sustainable long-term employment and incomes to farmers throughout Ferghana Valley, Uzbekistan.

### ***Livestock and Animal Husbandry (Tajikistan)***

After providing livestock loans to nearly two hundred small farmers in Khatlon and Raasht Valley region of Tajikistan, Mercy Corps has followed up with a series of animal husbandry trainings. These trainings were conducted by specialist from the Tajikistan Agriculture Institute, in close cooperation with local officials and the Ministry of Agriculture. The loans and follow on training represent a substantial economic benefit to CAIP communities as is illustrated by two examples below.

- Abdusalom Yuldoshev, a loan client from Vatan community of Shaartuz, received approximately \$1,000 US that he used to purchase two milk cows and to reconstruct a small barn. He now sells five liters of yogurt and four liters of milk each week, providing long term income to his family.
- Two female clients from Garm community, Tojiniso Kamolova and Zamira Badalova, have received training and loans for cattle breeding and selling agriculture products. Both women have produced long-term jobs for community members and are benefiting from increased incomes.

The final quarter of CAIP will see the establishment of an artificial insemination center in Raasht Valley. This center will provide for increased income and improved animal husbandry that will benefit Raasht residents for many years to come. Mercy Corps will work closely with local and regional agriculture officials and communities to not only provide this essential business service, but also to raise the awareness and capacity of veterinarians and farmers to utilize and profit from the new service.

### ***Fruit and Vegetable Processing (Uzbekistan)***

During this last quarter, Mercy Corps has partnered with Ziroat Seed Association and Winrock's Farmer to Farmer program to provide technical assistance and specialized training to CAIP community fruit growers. The key challenge identified for fruit growers is a lack of market access. Each year tons of fruit is lost to wastage due to inadequate storage, transport, and processing. For the remainder of CAIP, Mercy Corps will continue to conduct projects to address this area, including additional linkages to existing fruit processors, establishment of new processing facilities, and technical assistance that encourages better methods of storage, and transport.

### ***Beekeeping and Honey Production (Tajikistan and Uzbekistan)***

The recent opening of the Navobad Beekeepers Association Wax Paper Production facility in Raasht Valley, Tajikistan highlights Mercy Corps' ability to identify and build the capacity of local organizations to provide essential support and services to micro and small enterprises. After registering in May of this year, the Navobad Beekeepers Association has opened a facility near Garm that provides five long-term jobs and a key input at low cost and high quality for thousands of Raasht Valley beekeepers. This facility and the long-term improvement to the business atmosphere of the Raasht region are one part of an overall strategy to create a more enabling environment for micro and small businesses. Based on the success of this program, Mercy Corps has begun work with the Ferghana Beekeepers Association to enhance this organization's ability to provide services, including wax paper production.

## *Other Project Activities*



Bazaar managers look on as community residents complete work on the Shaartuz regional bazaar. The bazaar reconstruction will be complete on October 31<sup>st</sup> and will provide sixty new spaces for sellers as well as improved spaces for an additional sixty merchants. Many of the merchants who have participated in the project are young men and widowed women. In addition to the long-term jobs created short term employment and on the job training was provided to twenty community residents.

### Bazaar Renovations:

October 31<sup>st</sup> will mark the official opening ceremony of the Shaartuz regional bazaar. A similar project has been initiated in Garm, Tajikistan and will provide new selling spaces to approximately sixty Raasht Valley merchants. The renovation of these two bazaars has added a long-term capacity for income creation and has addressed the demand for market access to over one hundred isolated, rural merchants.

### Vocational Rehabilitation:

Working closely with the Buston secondary school, Mercy Corps has initiated the renovation of vocational rooms. The project will provide both male and female training areas and materials for vocational educators. Similar projects are planned in other CAIP renovated schools this fall. In a complimentary program designed to build the long-term capacity of vocational educators, MBM Group will be providing a teacher training program for fifteen Labor Market teachers. The program is designed to improve teachers interactive teaching methods and encourages teachers to include job placement and practical career skills in the curricula.

### Master Apprentices Projects:

In this quarter Mercy Corps has continued to use the traditional master and apprentice relationship to create short-term and long-term employment for youth. In addition to the formation of a limited liability textile company in Takalik, employing eleven young women, two managers and two full time teachers, Mercy Corps has worked with apprentices and masters in Rishton, Uzbekistan. This fall Rishton masters will complete training with twenty young women who will have the experience to continue working with these masters or begin their own sewing enterprises. Mercy Corps will continue to use on-the-job training to provide short-term and long-term employment. A number of master and apprentice programs will be developed this fall and next spring in both Uzbekistan and Tajikistan.

### Youth Entrepreneurship (Student Companies):

During this quarter, a total of twenty-five schools (15 in Tajikistan and 10 in Uzbekistan )have fully implemented the Junior Achievement economic education program. The program will be enhanced and expanded in the upcoming quarter, adding components to finance student companies, use business computer simulations, and introduce specially designed programs to encourage and support youth entrepreneurship. In this effort, Junior Achievement Uzbekistan will

be hiring a full time coordinator to work in Ferghana Valley, Uzbekistan. Junior Achievement Tajikistan will continue to support the existing student companies and provide follow up training to teachers of business in secondary schools.



Two participants and an adult mentor from the Summer Youth Institute prepare “somsas” as a part of their student company. Junior Achievement conducted five days of hands-on training for twenty-five youth participants in Chimiyon, Uzbekistan. Small companies formed at the institute continue to function and youth will continue to learn as Junior Achievement follows on this work with youth in Tajikistan and Uzbekistan. (August, 2004)

The Summer Youth Institute conducted in August of this year included one hundred and eighteen youth from thirty communities and four regions (three Uzbek and one Kyrgyz). Adult mentors from numerous CAGs also participated in the youth institute. The institute has strengthened the extensive network of active youth in Uzbekistan and youth are now sharing the lessons of the institute with their communities.

### Economic Development Impact

To date, the economic development component has completed or committed funds for:

**31 projects in Tajikistan committing approximately \$351, 158** in project funds of a budgeted \$295,000

**33 projects in Uzbekistan committing approximately \$194, 346** in project funds of a budgeted \$285,000

### Project Breakdown by Type

#### *Uzbekistan*

Business Training and Roundtables.....	9
Technical Assistance.....	7
(Includes Farmer to Farmer and other on site technical assistance)	
Economic Infrastructure.....	11
Alternative Financing (Leasing).....	2
*Projects with a Youth Focus.....	5

#### *Tajikistan*

Business Training and Roundtables.....	15
Technical Assistance.....	8
(mainly for animal husbandry)	
Economic Infrastructure.....	3

Microcredit.....	300 clients
Projects with a Youth Focus.....	4

**Summary**

<b>Total Projects:</b>	<b>64</b>
<b>Total Committed Funds:</b>	<b>\$545,504</b>
<b>Average Project Size (excludes microfinance):</b>	<b>\$4,610</b>

**Microcredit and Alternative Finance**

While microcredit has been a significant part of the CAIP economic development component in Tajikistan, the demand for micro credit in Uzbekistan has continued to be very low. This can be attributed to the location of CAIP sites outside the usual service area of Mercy Corps microfinance partner, as well as to the nascent nature of businesses in CAIP sites. The slow pace of lending in Uzbekistan and the small number of loans lead to a decision to shift the focus in CAIP areas away from micro-lending to alternative finance and support of new and emerging businesses and sectors. Two immediate results were the development of a pilot leasing incentive program targeted at farmers and development of a greenhouse development program. Both programs offer CAIP farmers long term finance and support to improve their agriculture production and income. These programs have been outlined above.

As of October 1, 2004.

Total Clients since inception:	207
Original CAIP capital:	\$250,000
Current CAIP portfolio:	\$286,000
Estimated Job Creation:	560 long-term jobs

***Khatlon, Tajikistan***

Since the start of the CAIP Business Development program, the National Association of Business Women has provided loans to 143 entrepreneurs from the CAIP communities of Shaartuz, Kabodiyon and Beshkent districts in the total amount of \$183,000. Repayment of loans is 99% and loan capital continues to be distributed.

***Raasht Valley, Tajikistan***

Since the start of the CAIP Business Development program, Oriyon Microfinance Program has provided loans to 164 entrepreneurs in the amount of \$103,000 from the CAIP communities of Raasht Valley. Loans have been disbursed in the sectors of agriculture production animal husbandry, poultry, and service. Loan repayment is 100%.

**A Selection of Social and Youth Programs**

To compliment its technical and infrastructure programs Mercy Corps economic officers and mobilization staff work with youth and community leaders to design social and youth programs. These programs address the special social needs of communities and seek to raise the awareness of and inclusion of at risk populations in CAIP activities.



In this photo poor families receive clothing from a master tailor. Many of the CAIP economic projects include special events designed to raise the awareness of the poorest and most disenfranchised members of communities. In Tajikistan Mercy Corps has worked closely with Dilsuz Association of Invalids, actively involving teenage boys whose fathers are physically disabled. A project in the upcoming quarter will see the purchase of agriculture equipment to provide long term employment to Dilsuz association members who, in turn support, the disabled members. (August, 2004)

### ***Disabled People and Economic Development***

Twenty-five participants discussed how disabled individuals and their families could fully participate in society and received information on CAIP econ programs. This meeting and others has lead to the development of projects with the Dilsuz Association for Invalids.

### ***Labor Migration Legal Training***

This training conducted in cooperation with local government officials provided Garm community members with the practical aspects of migration and laws regarding it.

### ***Women and Youth- Key Players in Business***

This program was a contest and celebration with the sellers of the Shaartuz bazaar. It was conducted in connection with the recent renovation and benefited the youth sellers and many widowed and other very poor women who sell at the bazaar. The contest and celebration included social activities and contest to select the "Best Baker, Best Seller of Vegetables" and many others.

## **Overview and Up-date on Job Creation**

In the last quarter economic officers have continued to track, verify and update totals for job creation. This effort has resulted in generated a substantial increase in the number of reported and verifiable long term and short term jobs. In the upcoming quarter Mercy Corps will continue and expand efforts to both create but also track the range of jobs created both directly and indirectly from project activities.

It is important to note that Mercy Corps' approach is based in long-term economic sustainability and this requires a variety of interventions that will not always lead to immediate employment opportunities. Creating these economic building blocks and supporting enabling environments is a significant contribution that may not be reflected quantitatively, but is absolutely necessary to correct the economically devastating factors present in many CAIP areas. For this reason Mercy Corps has avoided artificially construed interventions that create instant employment but that not meet requirements for long-term viability.

Total-to-date job creation in Mercy Corps CAIP, from infrastructure projects and economic development efforts is 1,830 short-term jobs and 686 long-term jobs.

## Challenges and Opportunities

### Traditional Attitudes

Many of the challenges faced by CAIP are related to cultural attitudes and traditional ways of operating within communities. These traditions can be contrary to the objectives of CAIP, but they can also be used to help increase cooperation and learning. For example, the tradition of hashar is very helpful when mobilizing communities to implement projects, but when large numbers of children and women are required to work in the cotton fields, attention to community needs cannot be addressed, resulting in a loss of momentum on projects and community mobilization. CAGs have learned to actively plan for the requirements of cotton-picking season in their expectations and to continue with occasional social events during this season to help keep communities vibrant and engaged.

Additionally, the strong tradition of hiring people based on their connection to family or friends must be constantly addressed by Mercy Corps teams, in order to assure fairness and high quality work. Along this same vein, we continue to see occasional resistance to transparency about budgets and project costs. However, Mercy Corps transparency boards in all CAIP communities have greatly increased people's comfort level with public announcement of budget information.

### Involvement of Women

In much of Central Asia, women are expected to keep their interactions and contributions to the areas of child rearing, and traditional household and agricultural work. Their participation in community activities is generally limited to food preparation and clean-up. Voiceless in the political decision-making, women's issues are usually left unaddressed by community leaders. But they have found a voice and a forum in the Community Action Group (CAG). CAIP strongly encourages women's participation in projects, teaches community leaders about the importance of women's roles and is achieving great progress in helping women gain more respect in their male-dominated communities. The number of women members of the CAGs ranges from three to five out of ten to twelve total members, and their contributions in this capacity are positively men's views of the value of the inclusion of women in all aspects of community decision-making.

#### ***Women's Conference in Hoja Obi Garm***

Following the Regional Women's Forum that took place in Chilu-chor Chashma, Shartuz, the CAIP Women's Steering held a week-long Women's Conference in Hoji-Obi-Garm. In addition to receiving funding from Mercy Corps CAIP, the Steering Committee was able to solicit assistance from the OSCE who provided a financial contribution of over \$1,000- or more than 30% of the project's total cost. A total of 59 participants from 12 CAIP core and cluster communities participated in the activity. The Women's Conference focused on presenting informational sessions on issues especially pertinent to women, such as: "Gender Equality", "Women's Rights", "Women and Business", "Women and Politics" and "Reproductive Health". Qualified trainers and facilitators from several local NGOs conducted the sessions together with Mercy Corps CAIP staff. As so frequently happens when a marginalized population is suddenly given an opportunity to express itself, the women became very involved in the activities.

## CAG CURRICULUM

### **1. Development Principles**

- a.* What is the international development?
- b.* Mercy Corps: goals, programs around the world, mission statement;
- c.* International NGOs-who are the NGOs working in this region?
- d.* USAID-goals, programs in the area, mission statement;
- e.* Values/principles-what are the main principles of international development?
- f.* Civil society framework.

### **2. Transparency and Accountability**

- a.* MC model-how do we [promote transparency and accountability?
  - i.* Finance and accounting procedures;
  - ii.* Rehabilitation process;
  - iii.* Procurement;
- b.* Transparency boards;
- c.* CAG accountability;
- d.* Principles of accountability and transparency.

### **3. The Value of Public Meetings**

- a.* Role of public meeting in community;
- b.* Skills for holding large public meetings;
- c.* What makes a good meeting?
- d.* When should you hold a large public meeting.

### **4. Community Participation/Mobilization**

- a.* What is community mobilization?
- b.* Interaction between community-government-business;

*c.* Representation: how do you ensure representation? Why is it important?

*d.* Civic participation;

*e.* Grassroots mobilization;

*f.* CBOs.

## **5. Conflict Resolution Skills**

*a.* Community "mediation";

*b.* Family to family "mediation".

## **6. Sustainable Communities**

*a.* Community Plan;

*b.* Resources;

*c.* Working with local government;

*d.* Advocacy.

## Appendix 2: Facilitating Market Development

