

Kyrgyz Agro-Input Enterprise Development Project
Twentieth Quarterly Report
July 1, 2006–September 30, 2006

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Acronym List

AAK	Association of Agribusinessmen of Kyrgyzstan
AAT	Agribusiness Association of Tajikistan
ADB	Asian Development Bank
ADU	Association Development Unit
AU	Agronomy Unit
BDU	Business Development Unit
BMP	Best Management Practices
CAR	Central Asian Republics
CGF	Credit Guarantee Fund
CIMMYT	International Maize and Wheat Improvement Center
COP	Chief of Party
CPPs	Crop Protection Products (includes both chemical and biological)
CTO	Cognizant and Technical Officer
GTZ	German Agency for Technical Cooperation
IFDC	An International Center for Soil Fertility and Agricultural Development
JICA	Japan International Cooperation Agency
KAED	Kyrgyz Agro-Input Enterprise Development Project
KAFC	Kyrgyzstan Agricultural Finance Corporation
LSP	Local Service Provider
NADPO	National Agricultural Development Project
NGO	Non-Governmental Organization
NPK	Nitrogen, Phosphorus, and Potassium Fertilizer
PSES	Private Sector Extension Services
RAS	Research and Extension Service
RI	Results Indicator
STC	Short-Term Consultant
SVS	Seminis Vegetable Seeds
TA	Technical Assistance
TACIS	EU Grant-Financed Technical Assistance Program

TEMPUS	EU-Sponsored Program on Education
TES	Training and Extension System
TTC	Technology Transfer Center (a field center featuring new practices and technologies to provide training to agro-businesses)
USAID	United States Agency for International Development

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Introduction

For consistency and ease of understanding, the quarterly reports largely follow the format of the work plan submitted to the United States Agency for International Development (USAID) in October 2004. Progress is reported for each of the four program areas:

- Association development.
- Business development services.
- Media support.
- Agronomic services.

Project Summary

The Kyrgyz Agro-input Enterprise Development (KAED) project is managed by An International Center for Soil Fertility and Agricultural Development (IFDC) and funded by USAID. The primary goals are to support the development of agro-input dealers and to increase agricultural production through the use of improved seeds, fertilizers, crop protection products (CPPs), and agronomic services. To facilitate this goal, the Association of Agribusinessmen of Kyrgyzstan (AAK) has been established. As of September 2006, the Association has 175 dues paying members. Approximately 26% of membership are women. AAK is governed by an elected board of directors and has several working committees.

AAK was formed in Osh but has expanded its influence throughout Kyrgyzstan, having recently opened a small, representative office in Bishkek. In addition to the offices in Osh and Bishkek, AAK has an office in Jalalabat and representation in Batken.

The AAK has become the premier agricultural trade association in Kyrgyzstan, annually hosting several thousand attendees and exhibitors at the popular Silk Road Expo (Agricultural Trade Fair).

Each year AAK conducts field demonstrations designed to clearly demonstrate to farmers and agricultural input dealers the positive impact of quality inputs and advanced technologies versus traditional farming practices and products. Over the course of the KAED project, more than 5,000 farmers, input dealers, processors, extension workers, and partner projects have attended these field demonstrations and other project events related to technology transfer.

The monthly publication of the *Agribusiness* newspaper has a circulation of nearly 2,000 copies with 800 subscribers. The paper is published in the Kyrgyz, Uzbek, and Russian languages for the convenience of its readers.

AAK has demonstrated to the Government of Kyrgyzstan, donor communities, and numerous trade associations supported by other partner projects that the private sector, through associations, can have a voice in the development of Kyrgyz agriculture and national policy.

Program Achievements

All of the proposed results indicators (RIs) for the project are encompassed by the four program components with association development serving as the core of the entire project. The trade association of input dealers is the mechanism that provides the framework to facilitate access to credit and deliver communications, training, and advocacy on a sustainable basis. The supporting units of Business Development, Media, and Agronomic Services provide a value-added package that supports the project's goals to increase agricultural productivity.

On September 27, USAID awarded IFDC an 18-month extension with additional funding to the KAED project. This extension encompasses many of the same program elements as the previous 5 years of the project. However, compared to the original KAED project, the extension

is significantly different, both in terms of implementation approach and geographic focus. The extension calls for the following changes:

1. A decoupling of AAK from KAED direct support.
2. More direct work with agribusiness dealers in the northern oblasts of Kyrgyzstan aimed at developing the input sector in the north and integrating input markets countywide.
3. Competitive grants for the completion of portions of the project's specific activities.
4. Extensive use of local service providers (LSP) and regional short-term consultants.
5. The introduction of a livestock development component.
6. Development of a closer working relationship with other partner projects in an effort to better leverage funds and resources in the course of project implementation.
7. Relocation of the primary KAED office from Osh to Bishkek.

During the 19th quarter, the project staff was very active in each of the strategic objective areas of the work plan.

Association Development Unit

The association development unit (ADU) team is responsible for implementing the AAK advocacy agenda, communications, and training and education for its members.

The executive management, board, and staff of AAK were involved in several significant strategic activities as summarized below.

Planning—The program for regional election of the AAK Board of Directors was prepared. This was a critical step following the activities carried out each year by KAED/AAK staff to ensure grassroots participation in the governance of AAK.

The elections for the board of directors of AAK were held in each of the three southern oblasts, and an election was held in the northern oblast of Chuy for the first time. This latter event symbolized the fact that AAK management and the board were accomplishing their goal of becoming a national association.

During this quarter a great deal of work was completed in planning and preparation for the 5th AAK General Assembly. The assembly was a very successful event attracting over 200 people including AAK regular membership and 42 invited guests.

Following the General Assembly, the AAK staff and new board participated in a 3-day new board member training and strategic planning session. This session was especially critical for the management this year because the AAK board of directors that were elected were all new. As a footnote the AAK board and management have been strongly encouraged by KAED management to consider changing the by-laws to ensure that all future elections do not result in a totally new board. A staggering of the terms for the next 2 years will solve this potentially disruptive practice. Following the meeting with the board and planning session, the AAK staff met with the KAED Chief of Party (COP) to discuss the final details of the Association's Strategic Action Plan. This plan was written by the AAK staff with assistance from short-term consultants and the KAED COP. The strategic plan will serve as a road map when AAK and KAED officially split on October 1, 2006.

Training—The association development specialists attended a 3-day training event conducted by the International Center of Education and Research entitled “Support in Local Initiatives Program.” The program provided ideas and information on programs available to local non-governmental organizations (NGOs) on organizational management.

Membership—Membership growth, development, and recruitment are daily tasks for AAK staff members. The KAED staff and management are constantly exploring new ways to demonstrate the value of membership to current and potential AAK members.

During this quarter an increased level of efforts was demonstrated by the KAED staff to expose potential members in the northern oblasts to the benefits of the project and AAK. A total of 47 members joined or renewed their membership with AAK during this quarter.

Advocacy—Advocacy work on behalf of the members of AAK continued in this quarter. The AAK advocacy agenda is implemented through several venues. Sometimes it involves direct discussions with lawmakers and government officials, and other times it is more in the form of

networking. During this quarter, networking was more prevalent. Several meetings and phone calls were made to lawmakers and ministers inviting them to the AAK General Assembly in an effort to ensure that policymakers are aware of AAK activities and the evolving process of AAK change. As part of networking efforts, the COP and the northern office coordinator met with the new Minister of Agriculture to inform him of new KAED and AAK activities. The Minister pledged his ongoing support for the work of the KAED project staff and AAK's future agricultural agenda.

Agronomy Unit

The primary task of the Agronomy Unit (AU) team is the introduction of new seed varieties, improved fertilizers and CPPs, and development and management of various technology transfer center (TTCs) demonstrations throughout the country. In addition, this unit is responsible for field data collection, processing, and result dissemination. Another important activity of the AU is conducting important agronomy training seminars on a regular basis.

Technology Transfer Centers—During this quarter the agronomy team managed the pre-harvest and harvest activities of wheat, corn, soybeans, red beets, cotton, and vegetable crops from the various TTCs located in four Kyrgyz Republic oblasts.

The agronomy group, assisted by the entire KAED team, held open field day demonstrations during this quarter in the Osh, Jalalabat, Batken, and Chuy Oblasts. These events are critical learning activities for farmers, agribusiness professionals, and government officials. They are designed and managed in an unbiased manner featuring modern agronomic practices and use of high-quality inputs next to plots planted and managed using traditional methods and outdated inputs. The results to date clearly demonstrate the advantages of employing the modern techniques and inputs.

During this quarter, 1,109 participants, of which 384 (35%) were women, took part in the six demonstrations across Kyrgyzstan.

In addition to the field days, special training sessions were held in Osh and Batken where IFDC soil scientist, Dr. Upendra Singh, demonstrated the procedures of properly taking and

analyzing soil samples using cost-effective soil analysis kits. These two events were attended by 343 farmers and other agribusiness professionals.

Private Sector Extension Brochures—The AU team produced technical brochures on vegetable crop cultivation. Leaflets on corn, soybean, red beet, and cotton cultivation were also produced and distributed. A total of 576 copies of technical brochures were written, printed, and distributed throughout this quarter.

The AU staff was involved in field monitoring of the Japan International Cooperation Agency (JICA)/Training and Extension System (TES) Center large-scale cotton demonstration plots in Aravan and Karasuu regions. This is an AAK/TES Center joint venture using JICA funds to introduce and test improved cotton varieties from around the region.

Business Development Unit

The Business Development Unit (BDU) team is primarily responsible for assisting AAK members to access affordable sources of credit, farm store development training, and connecting AAK members with prominent local and international input suppliers and manufacturers.

Credit—During the quarter, the BDU professional staff assisted four AAK clients with credit applications that resulted in \$15,188.00 in loans being extended to AAK member businesses. This credit was primarily used to stock retail farm stores.

Joint Procurement—As a result of intense negotiations by the Executive Director, the BDU manager, and the KAED staff, AAK signed an agreement with two local NGOs, i.e., the TES Center and AgriKredit. The agreement ensures that the TES Center Farmer Groups work directly with AAK members in procurement of inputs in order to obtain credit from AgriKredit. In return, AAK has offered the farmer groups a guarantee on the quality of the seeds, fertilizers, and CPPs purchased. AgriKredit, under this agreement, will transfer the money necessary to fill the order that was developed jointly between the farmer groups and the TES Center agronomist. Once the farmer is satisfied with the product that the AAK dealer has delivered per the terms and conditions of the contract, then AAK will release payment to the AAK dealer. In return for this oversight, AAK will be paid a 1% commission based on the value of each order.

During the quarter, TES farmer groups ordered products from AAK dealers valued at \$2,797.00. To date, AAK has received \$280.00 in service fee commissions.

Sales Data—The monthly collection of sales data and publication of the data in the newspaper has become very important to the AAK members. According to a survey conducted during this quarter, 158 tons of fertilizer was purchased of which 5 tons was compound fertilizer. The fertilizer came from two major regional suppliers.

Additionally, retail sales of input products were monitored. According to this survey, the respondents sold US \$6,970.00 in CPPs during the quarter. The BDU tracked sales of improved seed varieties throughout the quarter also. Sale of vegetable seeds amounted to US \$300.00. Sales of other seeds were:

- Cereal—60 mt.
- Potato—62 mt.

Naturally, the summer quarter is not the biggest selling season for the AAK members and the numbers reflect this fact.

Tracking annual sales turnover was one of the objectives of the BDU during the quarter. It is recorded as annual sales but tracked and updated quarterly. Of the 13 farm store owners reporting, US \$51,260.00 in turnover was recorded. The project goal for this activity was US \$1,000.00 per year per store. Obviously, farm store sales have far exceeded original expectations.

Additional Activities—The KAED project hosted the U.S. Ambassador to the Kyrgyz Republic in Osh during this quarter. The Ambassador gave opening congratulatory and supporting remarks at the KAED-sponsored, AAK-managed Silk Road Expo at the U.S. Embassy-sponsored American/Kyrgyz Rodeo. A private reception was also held in Osh. The COP and AAK/KAED staff attended all of these events.

The first official grand opening of an AAK farm store in northern Kyrgyzstan took place during this quarter in Bishkek. This ribbon-cutting event was presided over by the store owners,

the U.S. Ambassador to the Kyrgyz Republic, the USAID Kyrgyz Republic Country Director, and the KAED USAID Cognizant and Technical Officer (CTO). Several local and city government officials also attended.

The BDU professional staff worked with the American company, DuPont, during the quarter to help them to enter the Central Asian Republics (CAR) marketplace. The company representative agreed to become an AAK member and is working to identify means for introducing DuPont products to farmers and retailers.

Conclusions

Each of the units was actively engaged throughout the quarter in promoting the value of AAK membership. The requirements of the KAED work plan have also been either met or exceeded.

The KAED COP was actively engaged with the staff of both KAED and AAK throughout the quarter, attending staff meetings, and coaching the team on various association development and business management topics.

Annex 1. Association Development Unit Report on Strategic Objectives of the Work Plan

Association Development Unit

Quarterly report for July-September 2006

Category	Activities in Support of Categories	Details	Planned Activities
Elections and General Assembly			
	Support nomination process for candidates—conduct elections	<ul style="list-style-type: none"> • Program of regional election meetings prepared. • Documents for conducting Board of Directors elections prepared. • Elections of AAK Board of Directors for 2006-2007 were held: <ol style="list-style-type: none"> 1. Regional level-representation of four oblasts (Osh, Batken, Jalalabat, Chuy). The following board members were elected: <ol style="list-style-type: none"> 1) Osh Oblast—Alina Adysheva, Executive Director of “Agrovetservice” Ltd. 2) Batken Oblast—Mirzalim Asrankulov, the owner of “Bereke” farm store. 3) Jalalabat Oblast—Lutfulla Yunusov, Director of “Yunusov” seed farm. 4) Chuy Oblast—Bolot Kazakbaev, manager of “Azatoverseas” Ltd.* 2. National level: <ol style="list-style-type: none"> 1) Tashmat Joldoshev—Nookat region public administration, agricultural department head assistant. 2) Attokur Busurmankulov—Director of “Bal Kochot” farm. 3) Orozbai Junusov—Director of “Kok Jar” seed farm. 	Regional election meetings: August 8—Batken Oblast August 10—Jalalabat Oblast August 16—Osh Oblast August 18—north Kyrgyzstan

Category	Activities in Support of Categories	Details	Planned Activities
	Fifth General Assembly	<ul style="list-style-type: none"> • The 5th General Assembly program prepared. <p>The 5th General Assembly was held on August 24-25, 2006, in Issyk-Kul. The total attendance was 201 people including 159 AAK members and 42 guests</p> <p>The following officials attended the assembly:</p> <ol style="list-style-type: none"> 1. Sooronbay Jeenbekov—Chairman of the Agro-Industrial Ecology Committee in the Jogorku Kenesh (Parliament) of the Kyrgyz Republic. 2. Zachary Shelton—Ferghana Valley USAID Program Coordinator. 3. Kalybek Jumaliev—Issyk-Kul Oblast public administration head assistant. 4. Alisher Sakibaev—Chuy Oblast public administration head assistant. <p>The following guests also attended the assembly:</p> <ol style="list-style-type: none"> 1. Nadyrbek Kachkynbaev—Jalalabat ACS. 2. John Baxter—Winrock Water Users. 3. Ikbol Nazarov—Winrock Water Users. 4. Umar Shavurov—IBC Executive Directors. 5. Bekov Torogul—Agrobusiness Competitiveness Center Director. 6. Kasymbek U.Kubanychbek—Kyrgyzstan Agricultural Finance Corporation (KAFC). 7. Tyan Valeriy—Asian Development Bank (ADB). 8. Abduhakim Islamov—Sida. 9. Yosihiko Takano—JICA. 10. Ainura Madraimova—“Aiyl Demilgechisi” Executive Director. 11. Ainagul Nasyrova—TES Center. 12. Taalai Aidaraliev—Seed Farm Association of Kyrgyzstan. 13. Mazbut Boboev—Chairman of AAT Board of Directors. 	
	KAED staff development and trainings on association development	<p>The association development department specialist attended a 3-day training (July 18-20) event entitled “Support in local initiatives promotion.” The training was organized by the International Center of NGO Education and Research—INTRAC.</p> <p>KAED staff attended a training session on the “Use of Soil Testing Kit,” on July 25, conducted by IFDC short-term consultant (STC), Dr. Upendra Singh.</p>	
AAK Strategic Plan			
	Board of Directors Session on Strategic Planning	Strategic planning session took place August 26-27, 2006.	

Category	Activities in Support of Categories	Details	Planned Activities
	Strategic planning review—Board of Directors		
	Communication of strategic plan to AAK members		
AAK Business Plan			
	IFDC work with board and staff to train and develop		
	Board review and modify, then adopt		
	Annual revenue generation will equal annual expenditures by end of project (Identify sources of dues and non-dues revenue and match to expenses of core programs)		
Membership			
	All staff active in contacting individual members	47 members joined or renewed membership in AAK in July-September, 2006.	
		Met with “J- Service” company (animal feed and veterinary products).	
		Met with agribusiness people from Tokmok. Mr. Abdimutalip Suleimanov owner of a small veterinary products farm store, joined AAK.	
		On July 13 conducted meeting with AAK members from the north to discuss their needs and ideas on how AAK can improve their business.	
		Made AAK presentation on the seminar organized by Chuy regional agricultural development project funded by ADB.	
		Met with agribusiness people of Kemin region of Chuy Oblast. Mr. Aitkulov Taalai, Manager of the Kemin Agrohimi Company, joined AAK.	
		Invited AAK members to the 5 th General Assembly of AAK “Jer Azygy.”	
		Invited AAK members for the first farm store opening in the north and for the regional meeting of AAK members.	

Category	Activities in Support of Categories	Details	Planned Activities
		Conducted regional meeting of AAK members in the north and elections of the board members from Chuy Oblast.	
	KAED Credit Specialist is acting as CFO for AAK—report actual paid members		
	AAK Vice-President will act as Membership Chairperson—KAED will work with this person to grow the base	Provided monthly report to the AAK Vice-Chairman on membership status.	
Revenue Generation			
	Dues	\$240.00	
	Fee for service	\$455.00	
	Cost-sharing and participation fees	\$975.00	
	Other revenue		
Advocacy and Lobbying			
	Round Table or other forum in the south		
	Round Table or other forum—national		
	Position papers on policy issues		
	Update policy matrix to track advocacy issues		
Financial Progress			
	Asset base growth initial evaluation		
	Projected core operations and program costs (annual post donor)		
	Revenues as % of costs—initial evaluation		

Category	Activities in Support of Categories	Details	Planned Activities
Other Activities		IFDC/KAED project COP and northern office coordinator met with Minister of Agriculture, Water Resources of Kyrgyz Republic. During the meeting, KAED COP informed the minister on the work that was done in the south and about plans for implementing the KAED project in the north.	

Annex 2. Agronomy Unit Report on Strategic Objectives of the Work Plan

Agronomy Unit, III Quarter Report, 2006				
Objective	Activities	Notes	Details	Planned Activities
Yield Improvement				
	Selection of locations for at least three fall planted TTCs	Use AAK seed company locations where possible		
	Selection of locations for at least three spring planted TTCs	Use AAK seed company locations where possible		
	Plant locations			
	Harvest locations		Harvested wheat, corn, potato, vegetables, soybeans, red beets, and cotton from the TTCs	
	Generate and distribute yield reports		Prepared yield reports on wheat and potato crops from the TTCs	
	Compare farmer results with and without inputs	Generated by November-December survey		
	Track yield reports from Ministry of Agriculture			
Economic Return Improvement				
	Track all input costs for TTC			
		Pest control services	Contracted "Vectra" farm store to provide CPP application service on TTCs. The application service cost was 3,000.00 som (\$77.00).	
	Track farm gate prices for production output			
	Generate and distribute economic return information by crop/variety		Prepared information on the economic return on wheat and potato crops comparing best management practices (BMP) and new varieties with traditional methods and varieties	

Agronomy Unit, III Quarter Report, 2006				
Objective	Activities	Notes	Details	Planned Activities
	Economic comparison from on-farm results of users and non-users of improved inputs	Generated by November-December survey		
	Generate comparison with general farm returns	Basis reports and/or government statistics		
New varieties and crops				
	Obtain wheat and maize varieties from International Maize and Wheat Improvement Center (CIMMYT)			
	Seeds from local suppliers and bazaar or farmer saved			
	Seeds from potential international suppliers			
	Seeds from other donor projects			
	Share seed with state seed-testing farms			
	Track registration of new varieties	Responsibility of commercial companies		
Field Day and Seminar Attendance				
	Winter seminars	Short modules at local meetings, collaboration seminars with Research and Extension Service (RAS), EU Grant-Financed Technical Assistance Program (TACIS)		

Agronomy Unit, III Quarter Report, 2006

Objective	Activities	Notes	Details	Planned Activities
	Field Day events at TTC for AAK	Three per TTC per season for AAK	<p>Three demonstration field days were conducted (tomato, cucumbers, watermelon, onion, sweet pepper, eggplant, and cabbage) in Osh, Batken, and Chuy Oblasts.</p> <p>248 male and 169 female farmers took part in those demonstrations.</p> <p>The demo was conducted in Batken Oblast on July 26. 140 male and 94 female farmers totaling 234 farmers took part in that demonstration.</p> <p>In Osh Oblast on July 21, 69 male and 40 female farmers attended the demonstration.</p> <p>In Chuy Oblast on August 11, 39 male and 35 female farmers attended the demonstration.</p> <p>Conducted two field days (corn, soy bean, cotton, and beet) in Osh and Jalalabat Oblasts. 84 male and 46 female farmers attended the event.</p> <p><i>Osh Oblast:</i> Male—30 Female—19</p> <p><i>Jalalabat Oblast:</i> Male—54 Female—27</p> <p>Conducted field day for Chuy Agricultural Development project funded by ADB farmers. 15 participants attended the seminar.</p>	
		Field visits	On July 5, 2006, five representatives from Jalalabat Oblast administration visited the demo field located in Jalalabat Oblast.	

Agronomy Unit, III Quarter Report, 2006				
Objective	Activities	Notes	Details	Planned Activities
	Collaboration field days with other organizations at TTCs	One or more per TTC per season		
	Private Sector Extension Services (PSES) training workshop		STC, Dr. Upendra Singh demonstrated equipment for testing soil fertility in Osh and Batken Oblasts. There were 343 participants for these demonstrations.	
	Agronomy unit meetings		Conducted CPP and seed committee meetings of AAK on August 23. <i>Participants:</i> Male—37 Female—18	
			Agronomist conducted monitoring activities of the TES Center cotton fields in Aravan and Karasuu regions. Report was written and submitted to TES in July.	
Production and Distribution of Technical Information				
	Maintain library of technical publications			
	Design new publications as needed	Informational leaflets for field day participants	1. Vegetable crops cultivation recommendation 2. Recommendations on soil analysis	
		Booklets for field day participants		
	Track distribution		1. Recommendation on vegetables cultivation—420 copies 2. Recommendation on soils analysis—26 copies 3. Recommendations on corn, soybeans, red beets, and cotton cultivation—130 copies	
	Develop certification program for inputs and crop scouting			

Agronomy Unit, III Quarter Report, 2006				
Objective	Activities	Notes	Details	Planned Activities
Mass Media Campaign on CPP Safety				
	Design and produce			
	Run			
Technical Brochures Distributed				
	Duplicate and distribute through AAK existing brochures from other sources	RAS, TES, National Agricultural Development Project (NADPO), Sida, German Agency for Technical Cooperation (GTZ), AgFin+		
	Produce internal brochures and distribute through AAK	Nitrogen, Phosphorus, and Potassium (NPK) fertilizer, maize production, CPP safety, and others as needed		
Media Campaign on CPP Safety				
	Select target audience	Possibly AgFin+ clients		
	Script the campaign	Possible assistance from international companies		
	Produce and place TV spots			
	Produce and place newspaper ads			
	Produce literature for general distribution			
	Conduct round table or televised seminar			
	Produce and place radio spots			
Introduce seeds from international suppliers		Emphasis on processor links and export potential		

Agronomy Unit, III Quarter Report, 2006

Objective	Activities	Notes	Details	Planned Activities
	Invite suppliers to Osh	Nunhems, Semini Vegetable Seeds (SVS)+, Nickerson Zwaan, Syngenta		
	Establish sales outlets			
	Obtain samples	15+ kinds, varieties as recommended by companies		

Annex 3. Business Development Unit Report on Strategic Objectives of the Work Plan

Business Development Unit Report, IV Quarter, 2006				
Objective	Activities	Notes	Detailed Description	Planned Activities
Credit and Self Investment				
	Assist clients in making credit applications	Fee based, on demand		
		Credits	Asrankulov M. \$5,063.00 Tursunov N. \$5,063.00 Baltabaeva R. \$3,797.00 Tajibaeva A \$1,265.00 Total \$15,188.00	
	Where a member qualifies (i.e., legal activity inputs) support with credit guarantee funds and/or revolving credit funds	Fee based, on demand		
	Assist in joint procurement	TES and AAK cooperation program	Worked with TES Center during July and signed one contract for BT supply. Value of the contract was 43,095.00 som (\$1,105.00). Total value of all contracts is 1,093,084.00 som. AAK total commission is \$280.00.	
	Sub-sector trade missions in CAR			
	Individual business technical assistance (TA)	Negotiated fee, on demand		
	Preparation of business plans or feasibility studies	Fee based, on demand		
		Meetings with credit institutions and other projects		
Legal Sale All Fertilizer Products		From 2003 Baselines		
	Track customs clearance	Available in January		

Business Development Unit Report, IV Quarter, 2006

Objective	Activities	Notes	Detailed Description	Planned Activities
	Track actual procurement	Survey in November and December	1. Osh Krasteks Ammonium Nitrate—131 tons 2. Shakirova Habiba Ammonium nitrate—27 tons Total: 158 tons	
Legal Sale NPK Fertilizer Products		From 2003 Baselines		
	Tracking per above	Survey in November and December	1. “Oshkrasteks” Ämmophos—2 tons 2. Shakirova Habiba Ämmophos—5 tons Total: 5 t	
Legal Sale CPP Products		From 2003 Baselines		
	Monitor local distributor activity	Survey in November and December	Agrozoovetservice—\$6,570.00 Yuldashev Hairulla—\$400.00 Total: \$ 6,970.00	
	Continue to contact international suppliers about setting up distributors	AgroExpo in December	“DuPont” company is interested to begin operating in Kyrgyzstan and ready to register new products in the Kyrgyz Market. DuPont representatives plan to come to the AgroExpo 2006 to start business negotiations with local business entities.	
Increase Sale of Improved Seed		From 2003 Baselines		
	Track AAK member sales activities	Survey in November and December	Orumbai seed shop: Vegetable seeds—\$300.00 Nukok cooperative Potato seed—62 tons Tameki seed farm Wheat—60 tons Total: Vegetables—\$300.00 Cereals—60 tons Potatoes—62 tons	
	Assist AAK members in marketing			X
	Create “Quality and Guarantee” program to promote AAK members products			

Business Development Unit Report, IV Quarter, 2006

Objective	Activities	Notes	Detailed Description	Planned Activities
	Monitor state certification program			
	Monitor market availability and prices	Applies to all products—fertilizer, CPPs, and seed		
Establish Retail Outlet Shops		Year 4—six new shops (14 total)	First northern AAK farm store grand opening ceremony was conducted on August 18, 2006. The U.S. Ambassador, USAID, and officials from the Ministry of Agriculture took part in the ribbon cutting event.	
	Provide credit facilitation for shops			X
	Use Credit Guarantee Fund (CGF) in particular for retail shops			X
	Assist with design, stocking, marketing	Winter training programs for current and prospective farm store businesses; follow up training during season; introduction of animal feed products.		

Business Development Unit Report, IV Quarter, 2006

Objective	Activities	Notes	Detailed Description	Planned Activities
Turnover	Annual Survey	Goal is \$1,000 per shop annual	Farm store turnover: Oyatillo—\$2,000.00 Osh Roza—\$1,500.00 Raihan—\$6,000.00 Agrofighters—\$6,300.00 Vectra—\$1,600.00 Dyikan—\$3,000.00 Hazina—\$3,000.00 Mir Semyan—\$1,650.00 Orunbai—\$2,600.00 Priroda—\$1,490.00 Oshkrastex—\$10,120.00 Agrovetservice—\$5,800.00 Agrovetservice—\$6,200.00 Total—\$51,260.00	
Product diversity	Annual Survey	48 varieties of vegetables		
Establish grades and standards		Coalition effort needed with all members of the value chain		
Manage indoor and outdoor Expo				
Contact affiliated trade associations to discuss management opportunities				
Develop certification program for crop scouting and input use, as well as business management				
Other activities	<p>AAK bank account information as of September 28, 2006</p> <ul style="list-style-type: none"> • Ineksimbank – 2,450,000.00 som • KAFC – 600,000.00 som • Halyk Bank - 464,360.00 som • Demir Bank – 55,480.00 som <p><u>Total: 3,569,840.00 som</u></p> <p>(\$1.00 at 40 som exchange rate AAK total deposits= <u>\$89,246.00</u></p>			

Tables 1-5 in Annex 4 provide details of the value of cost sharing for the project for years 2002-2005.

Annex 4. Cost Sharing and Leverages

Table 1. Value of Cost Sharing in US \$—2002

No.	Activity 2002	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	Association meetings/ member visits	2,086	1,372	854	1,168	2,790	1,228	1,092	10,407	5,010	1,381	272	1,212
2	Field days/ advisory meetings					111	575	430	270	81	220	100	
3	Trade missions/ study tours			400			900						
4	Seminar attendance/ business counseling					100	380		400		329	6,272	270
5	Tenders, Trade Credit or Consignment												10,086
6	Media coverage		135		235		400		200		870	195	110
7	Credit obtained										2,174	2,118	3,260
8	Internships	750	1,500	1,500	1,500	1,500	750			7,000*	7,000	7,000	7,000
9	Grant obtained												
10	Domestic investment by entrepreneurs							235	251	1,804			467
11	Membership registration dues and fees for services			10	56	91	39	54	60	0	585	196	192
	Total US \$	2,836	3,007	2,764	2,959	4,592	5,022	1,811	11,588	13,895	12,559	16,153	22,597
	Accumulative Total US \$	2,836	5,843	8,607	11,566	16,158	20,430	22,241	33,829	47,724	60,283	76,436	99,033

*Intern, Mr. Dilshod Abdulhamidov, funded by Government of Netherlands.

Table 2. Value of Cost Sharing in US \$—2003

No.	Activity 2003	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	Association meetings/member visits	3,359	1,500	96	1,449	2,487	115	320	5,961	885	1,602	507	594
2	Field days/advisory meetings					412	376	820		100		138	
3	Trade missions/study tours	18		1,006	2,520	8,000	6,050		36,000				
4	Seminar attendance/business counseling			2,636			1,836	178	432	672		3147	515
5	Tenders, Trade Credit or Consignment												
6	Media coverage	250	1,250	1,070	3,750	1,517	433	1190	135	950			
7	Credit obtained	6,000	8,000	14,000									
8	Internships	7,000*	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
9	Grant obtained						4,000*						
10	Domestic investment by entrepreneurs											100	
11	Membership registration dues and fees for services	611	584	160	182	645	353	424	709	76	175	197	44
	Total US \$	17,238	18,334	25,968	14,901	20,061	20,163	10,252	50,237	9,683	8,777	11,089	8,153
	Accumulative Total US \$	116,271	134,605	160,573	175,474	195,535	215,698	221,950	272,187	281,870	290,647	301,736	313,889

*EU-Sponsored Program on Education (TEMPUS) grant.

Table 3. Value of Cost Sharing in US \$—2004

No.	Activity 2004	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	Association meetings/ member visits	3,505	2,559	1,175	319	1,689	1,299	1,966	8,764	4,975	844	540	2,790
2	Field days/advisory meetings			235		63	725	594	408	136			
3	Trade missions/study tours			2,700			70	900	900	1,000			
4	Seminar attendance/ business counseling			14	7,344		672	189					23,400
5	Tenders, Trade Credit or Consignment												
6	Media coverage	730	180	45	390	845	345	240	370			1,794	475
7	Credit obtained			12,940		1,200	11,820		2,365	1,182			
8	Internships	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,375*	7,375*	8,875**
9	Grant obtained						4,000					9,050	6,200
10	Domestic investment by entrepreneurs												
11	Membership registration dues and fees for services	694	717	554	223	212	350	902	34	1,000	1,127	6,683	3,319
	Total US \$	11,929	10,456	24,663	15,276	11,009	26,281	11,791	19,841	15,293	9,346	25,442	45,509
	Accumulative Total US \$	321,818	332,274	356,937	371,673	382,682	408,963	420,754	440,595	455,888	465,234	490,677	535,736

* = The media and public relations department has a U.S. Peace Corps Volunteer working on newspaper development on a part time basis (25% x \$1,500/month).

** = AAK has a full-time Peace Corps Volunteer working as a Small Enterprise Development Officer (100% x \$1,500/month).

Table 4. Value of Cost Sharing in US \$—2005

No.	Activity 2005	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	Association meetings/member visits	1,146	1,084	687	1255	1762	1,380	273	5,971	1,041	871	3,420	402
2	Field days/advisory meetings						2,562	140	250	122			
3	Trade missions/study tours				900								
4	Seminar attendance/business counseling	327	579	2,812			164	284	328			2,100	
5	Tenders, Trade Credit or Consignment												
6	Media coverage		560	1,145	708	364	985	176			647	1,090	247
7	Credit obtained												
8	Internships*	8,875	8,875	5,375	6,360	5,720	3,800	1,500	5,000	5,316	0	0	0
9	Grant obtained												
10	Domestic investment by entrepreneurs												
11	Membership registration dues and fees for services	523	818	1,300	774	109	1,201	748	1,694	336	3,640	4,640	177
	Total US \$	10,871	11,916	11,319	9,997	7,955	10,092	3,121	13,243	6,815	5,158	11,250	826
	Accumulative Total US \$	546,607	558,523	569,842	579,839	587,794	597,886	601,007	614,250	621,065	626,223	637,473	638,299

*= The Intern (Mr. Dilshod Abdulhamidov) funded by the Government of the Netherlands spent several days working with the Winrock AgFin⁺ Project during these months. The cost share amount reflects a deduction from the base rate of \$7,000.00 per month according the number of days he worked there during any given month. Also included is the U.S. Peace Corps volunteer working for AAK @ \$1,500/month).

Table 5. Value of Cost Sharing in US \$—2006
(Updated –September 27, 2006)

No.	Activity 2006	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	Association meetings/ member visits	1,032	360	8,170	1,032	102		180	14,754				
2	Field days/advisory meetings						2,234	3,011		975			
3	Trade missions/study tours												
4	Seminar attendance/ business counseling	589		185	568	54		454					
5	Tenders, Trade Credit or Consignment												
6	Media coverage	224		1,400	990	370	240		190	960			
7	Credit obtained		6,585	7,980		4,940		5,063	10,125				
8	Internships*												
9	Grant obtained												
10	Domestic investment by entrepreneurs												
11	Membership registration dues and fees for services	1,547	519	1,180	1,144	575	552	865	5,264	695			
	Total US \$	3,392	7,464	18,915	3,734	6,041	3,026	9,573	30,333	2,630			
	Accumulative Total US \$	641,691	649,155	668,070	671,804	677,845	680,871	690,444	720,777	723,407			