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**Private Sector Competitiveness
Enhancement Program**



PRIVATE SECTOR COMPETITIVENESS ENHANCEMENT PROGRAM

**FY 2009 QUARTER TWO REPORT
JANUARY – MARCH 2009**

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Cover Photo: BDS Workshop, Baku. March 5, 2009

Left to Right: Mobil Penjalyev (Lankaran BDS); Masim Abadov (Ganja BDS), Adalat Nahmatov (Jalilabad BDS); and Indira Asgerova (PSCEP VCS).

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PRIVATE SECTOR COMPETITIVENESS ENHANCEMENT PROGRAM

Quarterly Report

FY 2009 Quarter Two (January – March 2009)

EXECUTIVE SUMMARY

USAID launched the Private Sector Competitiveness Enhancement Program (PSCEP) in October, 2008. In our second quarter of operation, PSCEP transitioned from start-up to implementation, selecting regional Business Development (BDS) providers, forging and strengthening key institutional partnerships, and identifying targets for assistance through sector action plans, domestic resource cost analysis, and BDS client interviews. Major initiatives during this period included:

- Finalization of the Y1 Work Plan. The work plan serves as the strategic and operational map for PSCEP activities for year one. PSCEP's finalized work plan was submitted to USAID and Ministry of Economic Development (MOED) in January.
- Analysis of Domestic Resource Costs (DRC). The DRC analysis assesses the economic, as well as the financial profitability of sectors in Azerbaijan's economy. The first phase of the DRC analysis, undertaken in November and December 2008 focused on the 15 non-oil sub-sectors likely to have the greatest potential for growth of income, trade, and employment. The second phase of the analysis, undertaken in January and February 2009, focused on an additional 15 sub-sectors. A third phase, which will focus on an additional 5 sub-sectors, as well as look at the petrochemical industry, will begin in April 2009. The DRC has received considerable interest from the private sector, other donors, as well as the Government of Azerbaijan (GOAJ). In particular, presentations and dialogue with GOAJ officials during this quarter provided a valuable forum to discuss key policy issues such as the food security program and related agricultural subsidies.
- Qualitative Sector Assessments (QSA) and Action Plans. In the second quarter of 2009, PSCEP consultants undertook Action Plans for cold storage and warehousing, aquaculture, finance and investment, and greenhouse vegetables, as well as began implementation of the poultry action plan delivered in December 2008. In the third quarter, the consultants who assessed these sectors will return to Azerbaijan to implement the respective action plans. Furthermore, the project will undertake QSAs in additional and expanded sectors including: packaging materials, information and communication technology (ICT), and manufacturing support services starting in April 2009.
- Local Business Development Service (BDS) Providers. The project identified the leading BDS providers in the northern, southern, central, and western regions of Azerbaijan through a series of site visits and a transparent, competitively bid process. PSCEP assessed proposals submitted by twelve potential BDS providers— 3 from each region (Guba, Ganja, Lankaran, and Sheki)—in January 2009, with the input from USAID and the MOED. In February 2009, PSCEP selected five regional BDS providers as initial partners for the project. PSCEP invited the BDS providers to Baku for an initial training event to explain the goals of the program in early March. While the long-term contracting mechanism is negotiated, PSCEP has issued short-term fixed price contracts

to the providers as a bridge effort to begin working actively with companies in the regions. We expect to have long-term BDS contracts ready to be signed in late June.

- Competitiveness Innovation Grant Fund (CIGF). PSCEP prepared a grants manual for the CIGF, which we presented to USAID in February and is pending approval by USAID's Regional Contracting Office (RCO). In the third quarter, PSCEP will solicit proposals for initial Request for Grant Applications in information communication technology (ICT) and e-business solutions.
- Investments and Alliance Building. PSCEP strengthened its strong relationships with the Azerbaijan Investment Company (AIC), the Caspian International Investment Company (CIIC), as well as the MOED, our key government counterpart. In February, PSCEP assisted AIC in holding a major investment/private equity conference or "road show" in Sheki. Over 40 companies attended the event, as well as key regional officials such as the Regional executive authority and representatives from the MOED.
- Identification and initial operations with sector anchor firms. PSCEP initiated dialogue and in some cases direct assistance to sector anchor firms. These included Hajigabul Broiler, Devechi Broiler, Beylagan Poultry, OZ-AK Broiler Breeder Farms, Niyazi LLC, and Narmin Poultry in the poultry sectors, as well as leading agro-industrial firms such as Balakans LLC, the NAA Company, Lel, and Girkhbulag Enterprise. PSCEP presented company profiles for a number of these firms to the AIC and the CIIC for investments. In all, including the commercial banks discussed in the following point, PSCEP worked with over twenty enterprises during the second quarter. See the more complete list of companies PSCEP assisted in Annex A.
- Completed Access to Finance Action Plan. PSCEP also initiated dialogue and detailed discussions with over ten commercial banks on the implementation of a sustainable SME lending program and the introduction of new trade finance instruments. In discussions with USAID, PSCEP chose six commercial banks to initiate the debt component of the Access to Finance Action Plan. MOUs with these six banks are being drafted and will be signed in the third quarter.

Expectations for the third quarter are high. Anticipated accomplishments include:

- Signing long-term BDS contracts with our 5 regional BDS providers and solidifying competitiveness plan agreements with client companies.
- BDS providers working directly with over 70 companies (including Baku-based companies), generating increased sales, investments, and jobs.
- Launching the Competitiveness Innovation Grant Fund and awarding the first grants for ICT and e-business solutions.
- Major initiatives underway to increase associative relationships among stakeholders in key value chains, including poultry, ICT, and cold storage.
- Implementation is underway in the access to finance plan with 6 partner banks, including signing MOUs.
- Action Plan implementation in Aquaculture, Cold Storage and Warehousing, Access to Finance, Greenhouse vegetables, Dairy, ICT, Manufacturing Support Services (MSS), Packaging, and Phytosanitary Standards.
- Approved "pipeline" of potential AIC and CIIC investments, of no less than \$35 million, with concrete transaction assistance in these areas.

I. Activities and Accomplishments in the Second Quarter of Fiscal Year 2009

In this second quarter of operation, PSCEP transitioned from start-up to implementation, focusing on the selection of regional Business Development (BDS) providers, strengthening key institutional partnerships, and identifying targets for PSCEP assistance. The activities undertaken in the second quarter (January – March 2009) are detailed below.

A. Administrative and Project Start-up Activities

In January, PSCEP finalized the draft of the field office policy manual. PSCEP took possession of property transferred from World Learning, including a printers, copiers and additional office equipment. The project contracted a translator, a new office assistant, two drivers, a financial sector value chain specialist, and a senior advisor. Offers of employment were also extended to a grants manager and monitoring and evaluation specialist, with the objective to have a fully staffed the project by February.

In February, PSCEP drafted office operations and procedures manuals, comments are currently being integrated into the document, which will be finalized in the third quarter. The project also initiated health coverage for local staff on February 19, 2009. The grants manager and monitoring and evaluation specialist both entered into service in early February. Rebecca Sherwood, Operations Director for Chemonics, was fielded to train and assist PSCEP in finalizing the Grants Manual and to train the local Grant's Manager. Ms. Sherwood also provided valuable assistance in the preparation for the incentive-based subcontracts with the BDS providers, which will be finalized in the third quarter.

In late February, Dr. James Riordan a Chemonics Director and BDS specialist and Aurelie Croze, the PSCEP Project Management Unit (PMU) manager, assisted the program to develop the incentive system for the BDS providers, to provide an introductory training for the regional BDS providers and local staff on the business development objectives of the program. Jim Riordan is one of Chemonics' most senior business development specialists and is the author of two books on the subject. He has implemented incentive-based BDS programs in other countries so his assistance was extremely helpful. Chemonics covered Ms. Croze's trip.

B. Program Activities

Work Plan Completed. The work plan is the key document providing strategic and operational guidance for PSCEP activities for year one, especially during the first six months of operations. In January 2009, we completed the performance monitoring plan, and amended target indicators by increasing several targets such as number of new financial products PSCEP will help to introduce. We submitted the report to USAID in late January; following USAID approval on February 2, 2009, the report was translated and submitted to the MOED.

DRC Analysis. In November-December 2008, senior economist, Dr. Dirck Stryker, one of the pioneers of Domestic Resource Cost (DRC) methodology, conducted an analysis for PSCEP on the first 15 non-oil subsectors. In January 2009, Dr. Stryker returned to

Azerbaijan to initiate the second-phase of the assessment on an additional 15 sub-sectors, including:

- Wheat
- Barley
- Rice
- Feed corn
- Apple juice (for EU markets)
- Citrus (kiwi and feykhoa)
- Tomato paste
- Processes meats
- Bee keeping
- Feed mills
- Carpets
- ICT (computer assembly)
- Catering services
- Protective clothing
- Waste management (used tire removal and brine treatment)

On February 18, 2009, Dr. Stryker held a workshop on the theoretical underpinnings of DRC methodology, the impact of DRC analysis, and the applications of the DRC to policy issues for the Institute for Scientific Research on Economic Reform (ERSRI) within the MOED.

PSCEP finalized the DRC Analysis Report on the 30 sectors in March 2009. Dr. Stryker will return to Azerbaijan in April and May 2009 to do more in-depth analysis on an additional 5-7 sub-sectors including petrochemicals.

Qualitative Sector Assessments and Action Plan Implementation. In January, February and March 2009, PSCEP led the following qualitative sector assessments.

- Poultry Action Plan : In February, PSCEP re-fielded Dr. Tom Fattori, the specialist who produced the poultry action plan in December 2008. Dr. Fattori began the first phase of action plan implementation including:

— A workshop for 15 executives from 13 Azerbaijani poultry companies on February 14, 2009, to present the PSCEP poultry project, customized poultry business models and the action plan.



Tom Fattori: Meeting of Poultry Executives

— PSCEP reached agreement with Hajjigabul Broiler, Devechi Broiler, Beylagan Poultry, and OZ-AK Broiler Breeder Farms to sign competitiveness growth plans with the project and start building company specific business models. Dr. Fattori and PSCEP's poultry value chain specialist, Indira Asgerova, worked directly with these companies, met with key industry representatives, and began laying the groundwork for expansion of value chain activities in the next quarter. For example, the team met numerous times with ASENA, the leading feed mill manufacturer in the country on ways to cooperate in strengthening the value chain. Planning for a workshop/conference in mid-July began as a result of these efforts.

- Finance and Investment Action Plans: Work on the Finance and Investment Action Plan advanced in February, with the consultancies of Roberto Toso (Chemonics) and Richard Currie (Crimson Capital).

— Richard Currie, a trade finance specialist, spent 22 days in country developing the finance action plan in conjunction with Ramal Jafarov, PSCEP’s finance specialist. In consultation with USAID, PSCEP selected six banks for pilot program. They include:

- Mugan Bank
- Bank of Baku
- Rabita Bank
- Royal Bank
- Azerdemiryol Bank
- Bank of Azerbaijan

Richard Currie will return to Azerbaijan in April 2009 to secure the MOUs with these partner banks and to begin the assessment of their SME lending policies.

— Roberto Toso, an expert in equity investment, developed a concept paper and on mezzanine financing. He also met with the Azerbaijan Investment Company (AIC) and Caspian International Investment Company (CIIC) to develop a client-driven Action Plan, including capacity building initiatives in deal flow and generation, due diligence assistance, training and institutional support (for AIC).

• Cold Storage and Warehousing / Aquaculture

Action Plans: In February 2009, PSCEP re-fielded Dr. Gley Bledsoe, a specialist for cold storage and warehousing, and aquaculture.

— The specialist met with a number of aquaculture farms in the Sheki and Lankaran regions—including Girkhbulag Enterprise, N&M LLC, Nazim Bayramov Trout Farm, Caspian Fish—determining that PSCEP should indeed provide assistance to the sector.



Gley Bledsoe testing the pH balance of a fish pond at Girkhbulag in Sheki.

— Dr. Bledsoe also met with the NAA Company in Ganja to discuss the proposed CIIC Investment to upgrade their cold storage / warehouse facility.

— Dr. Bledsoe also began exploring joint venture and GDA-type training programs with numerous US companies in cold storage and refrigerator equipment with whom he has extensive industry contacts. One of these initial contacts is likely to result in a company visit to Azerbaijan in the third quarter to explore next steps.



Apples in cold storage at Ikar MMC.

Dr. Bledsoe is scheduled to return to country in May 2009 for an extended stay to implement the cold storage, aquaculture, and food safety action plans.

• Greenhouse Action Plan: In late March and April 2009, PSCEP fielded greenhouse specialist Peter Wotowiec to prepare the Action Plan for greenhouse vegetable production in Azerbaijan. We are currently finalizing the Action Plan. Implementation will begin in quarter three.

Identification of Local BDS Providers. In December 2008 and January 2009, PSCEP solicited applications from regional Business Development Providers (BDS) interested in working with PSCEP. In February, PSCEP received approval from MOED on the selection of five regional BDS providers.



BDS Presentations at BDS Workshop, Baku March 5, 2009

On March 5-6, 2009, PSCEP hosted a 2 day workshop for the five selected BDS providers with Jim Riordan, to introduce them to the business development objectives of the program. PSCEP also signed Phase I, fixed-term contracts with these BDS providers to identify companies in their region which would be interest in working with PSCEP. Three month bridge contracts will be signed with BDS providers in late April/early May to begin the development of Client Competitiveness Plans and company level assistance while the long-term contracts are being finalized and approved by USAID. PSCEP will implement an innovative, success fee-based contract with the BDS providers. Because this approach is very different for Azerbaijan, developing a contracting template and negotiations with the BDS providers has been a time consuming process. We believe, however, that the investment the project is making now will provide considerable returns in the future.

Investment Promotion. A key PSCEP mandate is to leverage funding and know-how by developing strong relationships with key institutions and, especially, to generate investments. PSCEP worked closely with the AIC and CIIC in holding a second, highly successful regional “road show” in Sheki on March 3, 2009. Over 40 companies attended the presentation to learn “what is private equity,” to gain awareness on the AIC mandate, and learn how USAID through PSCEP and the AIC are working together to generate investments. Following the conference, AIC, CIIC, and PSCEP staff met with over 15 leading companies from the North-West region who were interested in equity investments. PSCEP had worked with local business groups and municipal authorities in selecting and pre-qualifying these companies for the road show.

Following the road show, PSCEP also worked with AIC to develop questionnaires for companies with investment needs. Through the use of these questionnaires, PSCEP will work with AIC and CIIC to better identify companies for investment opportunities. In March, PSCEP’s Finance Specialist and Regional Value Chain Specialist returned to the Sheki-Zagatal Region to interview and evaluate eight potential investment clients for AIC and CIIC. The PSCEP team submitted the company assessments to the AIC and CIIC, for consideration in their transaction “pipeline” (see company list in Annex A).



CIIC Representatives in a B-2-B meeting following the Sheki Roadshow.

PSCEP drafted MOUs with AIC and CIIC. The MOUs will be signed by PSCEP and those companies in the third quarter.

Discussions are also ongoing with BP regarding how PSCEP can work with the Enterprise Development and Training Program (EDTP), implemented by ACDI/VOCA, to localize and develop their supply chain. Work in this area has been delayed by a restructuring of BP's local sourcing and supply departments. We expect that they will continue when this internal process is completed.

Competitiveness Innovation Grant Fund. PSCEP prepared an internal concept paper and draft Grant's Manual for the Competitiveness Innovation Grant Fund (CIGF) that detail the strategic framework behind the PSCEP Grant's program. The project recruited a local grants manager in January, and she began work in February. We fielded an experienced grants specialist from the Chemonics' home office in early February to provide training and to finalize the grants manual for the project. PSCEP is currently waiting for Contracting Officer approval on the Grants Manual. A Request for Applications for ICT and e-business solution Grants will be issued at the end of April 2009.

C. Progress against Program Components

Based on PSCEP's performance monitoring plan for the year 1 work plan, the following progress has been made in the following program components in the second quarter of fiscal year 2009:

1. Enhance Access to Finance: *Investment resources leveraged from lending institutions, equity investors, and/or from own-resources for purposes of investment inside client companies and/or joint investments by value chain participants.*

- AIC road show in Sheki – March 3, 2009
 - Following road show, PSCEP submitted to AIC and CIIC descriptions of 6 companies evaluated by as good investment possibilities. These companies, together with other transactions being discussed with the investment funds, surpass potential investments of \$35 million.
 - PSCEP introduced the CIIC to Agroyurd, a producer of green house vegetables and lettuce and McDonald's supplier, as an investment candidate. Serious discussions are underway between the company and the CIIC on a million plus Manat investment.
 - PSCEP provided the services of Gleyne Bledsoe to review another CIIC investment in Ganja. The AAC company is expanding its greenhouse and packaging facilities and is seeking over six million Manat in investments.
- Selection of 6 Banks for Trade Finance Pilot Program. Targets for each bank are in the \$4-6 million range in Year 1 lending.

2. Promote Employment Growth: *Average annual expansion of employment levels of client firms above the relevant industry trend line.* **Increase Sales:** *Average annual expansion of sales of client firms above the relevant industry trend.*

- DRC results now available for 30 sectors to use as baseline data to measure industry trend lines.
- Under the first fixed-priced BDS contract, BDS providers conducted interviews with approximately 150 companies for PSCEP assistance (See Annex B: Client Interview List). In the third quarter, under the second FPA in May, BDS providers will draft client competitiveness plans for 8-15 companies (each) for the first-tier of PSCEP

cooperation, which will provide the baseline for the sales targets for the first round of bonuses.

3. Enhance Social Capital / Build Associate Relationships: *Number of formal or informal relationships with public or private sector entities such as business associations, international firms, and financial institutions.*

- Discussions with poultry industry and development of concrete ideas towards strengthening the existing national poultry association.
- Discussions with ICT industry representatives on existing associative relationships in sector.
- Close collaboration with Sheki and Zagatala regional executive authorities and municipal authorities in regional development and public – private partnerships
- Discussions with AZPROMO in incorporating their export and business promotion work in Lankaran and Ganja to the work of BDS providers.

4. Build Capacity for Business Development Services to Client Firms

- Five BDS providers in the regions have been selected to work with PSCEP, and given Fixed Price Agreements to begin work with client companies, while the long-term contracts are being approved.
 - Jalilabad Agro-business Center
 - Lankaran Business Center / Azerbaijan Agri-business Center
 - Guba Marketing Center
 - Young Agrarians Non-Government Organization (Ganja)
 - Business Innovation Center (Sheki)
- On March 5-6, 2009, BDS providers were invited to Baku for a two-day workshop with Jim Riordan to learn about PSCEP business development objectives, and the work and deliverables for which they had been contracted.

In sum, PSCEP moved from start-up to implementation during this quarter. The quarter was highlighted by a building of much of the organizational and institutional infrastructure, which is required for a project of this nature to reach a “take off” stage. Specifically, PSCEP focused on formally building the BDS-client organization which is crucial to achieve our objectives; nearly completing the “selection” stage of the sectors that PSCEP will work in through the DRC and Action Plans; and building a portfolio of investment targets. There is still some work to do in these areas. For example, in the third quarter we will complete the ICT and several other Action Plans. We will also finalize the contracting process with the BDS. PSCEP is confident, however, that we are at or fast approaching a tipping or take-off point to produce concrete, measurable results.

II. Activities Scheduled for the Third Quarter of Fiscal Year 2009

A. Administrative/Management Activities

PSCEP is likely to increase the number of staff to include a new administrative assistant in May 2009 and 1-2 Value Chain Specialists in the third quarter. PSCEP will also have its formal launching event in the next quarter.

B. Program Activities

Activities planned for the third quarter (April-June) 2009 include:

DRC Analysis – Part 3. Dr. Stryker will arrive back in country in mid-April to meet with MOED, US Embassy Staff, and other to discuss the results of the first two rounds of the DRC analysis (detailed above). Furthermore, he will begin with the assessment of an addition set of sub-sectors relating to packaging, cold storage, textiles, and petrochemicals, to expand the results and knowledge gained in the previous analyses.

Sector Value Chain Action Plans. As detailed above, PSCEP prepared a number of value chain assessments in quarters one and two. Specifically, in January and February 2009, consultants in finance, cold storage/warehousing, food safety, aquaculture, greenhouses, poultry, and manufacturing support services will be re-fielded to begin Action Plan implementation, solidify MOUs with enterprises and associations in the specified sectors, and begin capacity development activities. In addition, the second round of value chain assessment will begin with packaging materials and ICT.

BDS Provider Services. PSCEP will finalize a second (bridge) FPA and long-term contracts with the 5 selected BDS providers from Guba, Ganja, Lankaran, Jalilabad and Sheki. Under these contracts, BDS providers will work with over 40 client companies to finalize client competitiveness plans in May and June. The competitiveness plans, once approved, will be signed between PSCEP, the client company, and the regional BDS provider, thereby formalizing the relationship to start formal assistance and to being tracking growth of sales, employment and investment in these specific companies; against which BDS bonus targets will be set.

Investments and Alliance Building

- Azerbaijan Investment Company.
 - Finalize MOU;
 - Assist the AIC in focusing its investment portfolio, including providing direct assistance to their investment division to complete transactions;
 - Continue implementation of road shows in Ganja and Lankaran;
 - Coordinate efforts with other donors, especially the EU and the IFC to build synergies and not duplicate efforts; and
 - Begin assistance to target companies in order to catalyze investments.

- Caspian International Investment Company.
 - Finalize MOU;
 - Assess products and discuss new product development;
 - Continue implementation of road shows; and
 - Begin due diligence on and provision of assistance to target companies.

- Kuwait-Azerbaijan Investment Company
 - Begin assistance to this new fund.

- British Petroleum.
 - Re-explore relationship following their re-organization;
 - Develop Action Plan; and
 - Begin delivering assistance in key areas.

- AZPROMO
 - Formalize cooperation at regional level.

Competitiveness Innovation Grants. PSCEP will issue the first RFA for ICT and e-business solution grants in late-April. Once the Grant Manual has been approved by USAID the first grants will be implemented. Additional grant options, in other sectors, will be explored as identified by our VCS, BDS, and technical specialists.

III. Issues

A. Administrative Issues

- BDS bonus structure needs to be formalized and approved.
- Given increase in staff, additional IT procurement will be required, especially computers for new employees.

B. Programmatic Issues

- The relationships with the chosen providers are a critical part of PSCEP's strategy, as designed in the RFP and contract with Chemonics. Undoubtedly, by far the strongest regional BDS providers in the country are those that USAID previously supported through the Azerbaijan Business Assistance Development (ABAD) program, Rural Enterprise Competitiveness Project (RECP) and other efforts. Nonetheless, some of these providers are relatively weak, and none possesses the skills and business strategy experience found in many other countries. They will require additional institutional support, despite PSCEP's limited program budget in this area. This is a major challenge which PSCEP is and needs to continue addressing. For example, we have structured the BDS contracts to include a success/performance bonus – something not common in Azerbaijan. We believe that this system will incentivize the BDS providers to maximize their performance, but they also require considerable time and effort in developing the contracts to be in line with USAID regulations but also in explaining the strategy to the BDS providers. We will continue to explore options to enhancing the BDS delivery mechanism, within our budget constraints.
- The AIC presents a great opportunity for PSCEP, especially in guiding the use of significant GOAJ investment resources and helping to meet program investment targets. Nonetheless, as we get to know AIC better, we are increasingly aware of its major weaknesses as well as the complex labyrinth of institutional, political, and cultural realities in which the organization works. As noted above, this is not just a liability but an opportunity that PSCEP intends to seize. Nonetheless, work in this area will often proceed at AIC's pace. Our job will be to increase that pace as much as possible. In addition to STTA contemplated in our work plan, we will also explore utilizing the services of a financed/investment focused BDS provider to assist the program in these areas.

ANNEX A: PSCEP CLIENT COMPANY LIST – BY SECTOR, April 2009

This Annex lists companies with which PSCEP has been supporting, either through Short-Term Technical Experts, such as Dr. Tom Fattori, Dr. Gleynd Bledsoe, and senior sector experts Roberto Toso, Richard Currie and Pete Wotowiec; PSCEP Value Chain Specialists; Regional BDS support or AIC/CIIC investment support. These are companies with which BDS providers have begun or are negotiating Competitiveness Plans or MOUs. As these plans progress and, beginning in the next quarter, we will provide specific information on these companies, including sales and job figures (including estimated increases), planned investment, specific assistance provided by PSCEP, etc.

Agribusiness / Agroindustry:

1. Balakans LLC, Balakan (proposed to AIC & CIIC)
2. OON LLC, Zagatala
3. Tabriz-A, Sheki
4. Cenub Agro, Lankaran
5. Umman LTD, Lankaran
6. D Fruit LLC, Guba
7. Gafgaz Cannery LLC, Guba
8. . Lel Firm, Sheki (proposed to AIC & CIIC)

Aquaculture:

9. Girkhbulag Enterprise, Sheki
10. N&M LLC, Sheki
11. Nazim Bayramov Trout Farm, Oguz
12. Apex1 Enterprise, Ganja
13. Mission-N LLC

Cold Storage:

14. NAA Company, Ganja (CIIC invested company)
15. Vugar F/E, Ganja
16. Ilgar Mammadov, Ganja
17. Unagro LLC, Guba

Dairy:

18. Pal Sud, Lankaran
19. Bilasuvar Agro, Jalilabad

Finance:

- *Equity Investment Companies*
 20. Azerbaijan Investment Company, Baku
 21. Caspian International Investment Company, Baku
 22. Kuwait Azerbaijan Investment Company, Baku

- *Partner Banks*
 20. Azerdemiryol Bank, Baku
 21. Bank of Azerbaijan, Baku
 22. Bank of Bank, Baku
 23. Mugan Bank, Baku
 24. Rabita Bank, Baku
 25. Royal Bank, Baku

Furniture / Wood:

26. Vusal-N LLC, Sheki

Greenhouses:

27. Agroyurd, Absheron (submitted to CIIC; transaction pending)
28. Agro Timia, Absheron
29. Russian Friendship Society (AZ-RUS Dostlug), Ganja
30. Qocu Greenhouse, Ganja
31. NAA Company, Ganja (CIIC tartetted investment)
32. Kiwi Nuratin, Lankaran
33. Azertehcizat-M LLC, Sheki

ICT:

20. AZEL, Baku
21. R.I.S.K., Baku
22. Bestcomp, Baku
23. Ultra, Baku
24. Sinam, Baku
34. Caspel, Baku
35. AvirTel, Baku
36. KUR, Mingachevir

Poultry:

37. Devechi Broiler, Baku/Guba
38. Hajigabul Broiler, Hajigabul
39. Beylagan Poultry, Beylagan
40. OZ-AK Broiler Breeder Farms, Baku
41. Niyazi LLC, Sheki (proposed to AIC & CIIC)
42. Narmin Poultry, Sheki (proposed to AIC & CIIC)

Feed Equipment:

43. ASENSA Co., Baku

Other:

44. Zagatala Hotel, Zagatala (proposed to AIC & CIIC) - tourism
45. Elba LLC, Ganja – meat processing and packaging (reviewed for AIC)
46. Gadim, Guba – carpet production (reviewed for AIC)
47. Gilazi Kerpil Factory, Guba – construction materials (reviewed for AIC)

ANNEX B: PSCEP CLIENT INTERVIEW LIST – BY REGION, April 2009

Ganja Young Agrarians – Interviewed Companies

	Company	Sector	Sub-Sector / Product	Location
1	"Elba" LLC	Agribusiness	meat processing and packaging	Ganja Region
2	"Neon" Firması	Agribusiness	flour producer and bakery	Ganja Region
3	"Vüqar" firm	Logistics / Agribusiness	Cold Storage	Ganja Region
4	"İslamoğlu" production company	Other	flour producer; water bottler; macaroni producer	Ganja Region
5	"AZrus Dosluq" PC	Agribusiness	greenhouse	Ganja Region
6	"Süleyman adına" KFT	Agribusiness	Juice producer	Ganja Region
7	"Səmədoğlu - Atatürk" companyi	Agribusiness	Dairy	Ganja Region
8	"RDR" LLC	Agribusiness	Processed vegetables	Ganja Region
9	"Suludərə" LLC	Agribusiness	Dairy	Ganja Region
10	"Suliddinoğlu Kəndli Fermer Təsərrüfatı" LLC	Agribusiness	Dairy	Ganja Region
11	"_Samux Quşçuluq Fabrikası İstehsal və emal müəssisəsi" LLC	Agribusiness	Poultry / Eggs	Ganja Region
12	İlgar Mammadov	Logistics	Cold Storage	Ganja Region
13	Gəncə Ət - Süd	Agribusiness	Dairy / Poultry	Ganja Region
14	Qızıl Yem	Agribusiness	animal feed	Ganja Region
15	Jjafarov Vidadi Fazil oğlu	Agribusiness	fruit farmer	Ganja Region
16	"İlkin" LLC	Agribusiness	greenhouse	Ganja Region
17	Sadıkxov Nazim	Agribusiness	Dairy	Ganja Region
18	Hajiyev Hagverdi	Agribusiness	fruit farmer; buffalo meat and cream	Ganja Region
19	"Ammar"	Agribusiness	Livestock	Ganja Region
20	"Porter"	Agribusiness	Livestock	Ganja Region
21	"Famil" LLC	Agribusiness	Livestock / Vegetables	Ganja Region
22	"Tural-Sənan" company	Agribusiness	meat processing and packaging	Ganja Region
23	"Gəncə Qənnadı" PC	Other	Confection	Ganja Region
24	Jardin - Royal	Other	Confection	Ganja Region
25	"Gəmi Qaya ZMH" LLC	Light Manufacturing	furniture production; construction	Ganja Region
26	Word Dizayn	Light Manufacturing	furniture production	Ganja Region
27	Sem-San	Light Manufacturing	plastic pipe production	Ganja Region
28	Dəyirman JTC	Agribusiness	flour production	Ganja Region
29	Abdullayev Qambar	Agribusiness / Textiles	sheep meat; wool and leather production	Ganja Region
30	"Abadlıq"	Agribusiness	sheep meat, wool, leather and cheese production	Ganja Region

Guba Marketing Center – Interviewed Companies

	Company	Sector	Sub-Sector	Location
1	Qafqaz MMC	Agribusiness	Agribusiness	Guba Region
2	Rasif Mammadov	Agribusiness	Agribusiness	Guba Region
3	Gilazi Kerpic	Light Manufacturing	Construction materials	Guba Region
4	Atlant Ailəvi İstirahət və Əyləncə Mərkəzi MMC	Tourism & agribusiness	Tourism & agribusiness	Guba Region
5	UN AGRO	Agribusiness	Agribusiness	Guba Region
6	Baki findiq emali müəssisəsi MMC	Agribusiness	Agribusiness	Guba Region
7	Qusar Konserv Kombinatı MMC	Agribusiness	Agribusiness	Guba Region
8	Siyəzən Şərab MMC	Agribusiness	Agribusiness	Guba Region
9	Ikar-S	Agribusiness	Agribusiness	Guba Region
10	Mars MMC	Agribusiness	Agribusiness	Guba Region
11	Safari MMC	Light Manufacturing	Packaging	Guba Region
12	Çaparxana KFT MMC	Agribusiness	Agribusiness	Guba Region
13	N-KAY-M klinink MMC	Other	Health Services	Guba Region
14	Bakuba MMC	Agribusiness	Agribusiness	Guba Region
15	Quba süd Zavodu	Agribusiness	Agribusiness	Guba Region
16	Xaçmaz Şərab ASC	Agribusiness	Agribusiness	Guba Region
17	Məmmədhusəyin Mammadov	Agribusiness	Agribusiness	Guba Region
18	ASX Broyler	Agribusiness	Agribusiness	Guba Region
19	D-fruit	Agribusiness	Agribusiness	Guba Region
20	Şabran-d	Agribusiness	Agribusiness	Guba Region
21	Saf MMC	Agribusiness	Agribusiness	Guba Region
22	Devechi sharab	Agribusiness	Agribusiness	Guba Region
23	Quba Konserv-2 ASC	Agribusiness	Agribusiness	Guba Region
24	Qədim Quba MMC	Textiles	Carpets	Guba Region
25	Azerpolimer MMC	Light Manufacturing	Construction materials	Guba Region
26	Siyazan kerpic	Light Manufacturing	Construction materials	Guba Region
27	Paknur	Agribusiness	Agribusiness	Guba Region

Jalilabad Agrobusiness Center – Interviewed Companies

	Company	Sector	Sub-Sector	Location
1	Garagashli broiler PC	Agribusiness	Poultry	Neftchala
2	Jalilabad broiler factory Ltd	Agribusiness	Poultry	Jalilabad
3	"Bilasuvar Agro" Ltd	Agribusiness	Dairy	Bilasuvar
4	"Haji Jamalkhan" PFF	Agribusiness	Livestock	Salyan
5	physical person	Agribusiness	Poultry	Jalilabad
6	physical person	Agribusiness	Wine-growing	Jalilabad
7	"Elvin-2" MKM	Agribusiness	Potato growing	Jalilabad
8	Nagiyev Agakhan	Agribusiness	Wine-growing	Jalilabad
9	"Dalga-94" Ltd	Light Manufacturing	Furniture	??
10	"Rauf Sabiroglu" Ltd	Agribusiness	Potato growing	Jalilabad
11	physical person	Agribusiness	Potato growing	Goytapa
12	"Ugur" Ltd	Agribusiness	Wine-growing	Jalilabad
13	"Kristal" Ltd	Agribusiness	Processing	Jalilabad
14	"Hasilli" Ltd	Agribusiness	Livestock	Jalilabad
15	"Huseyn" Ltd	Agribusiness	Wine-growing	Jalilabad
16	Mehtiyev Ramiz	Agribusiness	Potato growing	Goytapa
17	Sadigov Anvar	Agribusiness	Wine-growing	Jalilabad
18	Asgerov Habil	Other	Sənaye (Tomət istehsalı)	Bilasuvar
19	Hasanov Adishirin	Agribusiness	Potato growing	Goytapa
20	Rahimov Ramiz	Agribusiness	Potato growing	Goytapa
21	Madatov Sahib	Agribusiness	Wine-growing	Tezekend
22	Jafarkhanli Turkey Flour-Mill	Agribusiness	Processing	Jalilabad
23	Aliyev Ramazan	Agribusiness	Wine-growing	Jalilabad
24	Shabiyev Mirzabala	Agribusiness	Potato growing	Goytapa
25	Abbasov Shakir	Agribusiness	Potato growing	Jalilabad
26	Kamranov Ayyar	Agribusiness	Potato growing	Goytapa
27	"Viktoriya" KBQ	Agribusiness	Strawberries	Goytapa
28	Hajigabul Broiler	Agribusiness	Poultry	Hajigabul

Lankaran Business Center/Azerbaijan Agribusiness Center – Interviewed Companies

	Company	Sector	Sub-Sector	Location
1	Pal-Sud LTD	Agribusiness	Dairy	Lankaran
2	Umman LTD	Agribusiness	Agrarian	Lankaran
3	Optimal LTD	Agribusiness	Agrarian	Lankaran
4	Lankaran Brick LTD	Light Manufacturing	Construction	Lankaran
5	"Yusif Farmer "	Agribusiness	Agrarian	Masalli
6	Progress -1 LTD	Light Manufacturing	Wood	Lankaran
7	"Masal Mebel "LTD	Light Manufacturing	Wood	Masalli
8	"Farid-Malik va ortaglari"	Agribusiness	Agrarian	Lankaran
9	New Mebel LTD	Agribusiness	Agrarian	Lankaran
10	Bagirli LTD	Agribusiness	Agrarian	Masalli
11	Canub Agro LTD	Agribusiness	Agrarian	Lankaran
12	Nezir LTD	Light Manufacturing	Wood	Masalli
13	"Bitkiler Alemi "	Agribusiness	Agrarian	Lankaran
14	Chinar LTD	Agribusiness	Agrarian	Lankaran
15	Nur-M LTD	Agribusiness	Agrarian	Masalli
16	Tulu LLC	Agribusiness	Agrarian	Lankaran
17	Haci Teymur LTD	Light Manufacturing	Wood	Masalli
18	"Faig Flower"	Agribusiness	Agrarian	Lankaran
19	Hirkan	Agribusiness	Agrarian	Lankaran
20	"Astara Kivi "	Agribusiness	Agrarian	Astara
21	"Damazlig Fermer teserrufati "	Agribusiness	Agrarian	Lankaran
22	"Chingiz" Cattle breeding	Agribusiness	Agrarian	Lankaran
23	"Bal arisi "	Agribusiness	Agrarian	Lankaran
24	"Farid Farmer"	Agribusiness	Agrarian	Lankaran
25	Dostluq Water LLC	Other	Water	Lankaran
26	Dostluq furniture LLC	Light Manufacturing	Furniture	Lankaran
27	Kiwi Nuratin	Agribusiness	Greenhouse	Lankaran
28	Lankaran Transport MMG	Logistics	Transport	Lankaran

Sheki Business Innovation Center – Interviewed Companies

	Company	Sector	Sub-Sector	Location
1	AgroContinental LLC	Agribusiness	Plant growing	Sheki
2	Balakans LLC	Agribusiness	Fruit and Vegetable	Balakan
3	Construction Enterprise JSC	Light Manufacturing	Construction materials	Sheki
4	Aqro Servis LLC	Agribusiness	Fruit and Vegetable	Sheki
5	Agroinvestcom LLC	Agribusiness	Fruit and Vegetable	Sheki
6	Narmin Agro LLC	Agribusiness	Poultry	Sheki
7	OON LLC	Agribusiness	Hazelnut producing	Zagatala
8	Vagif Aliev Mabud	Textiles	Leather manufacturing	Sheki
9	Tabriz-A Small Ownership	Agribusiness	Fruit and Vegetable	Zagatala
10	Magsan LLC	Light Manufacturing	Furniture	Zagatala
11	Azertehcizat-M LLC	Agribusiness	Greenhouse	Zagatala
12	Lel Firm	Agribusiness	Winery	Sheki
13	Qakh-Conserv JSC	Agribusiness	Fruit and Vegetable	Gakh
14	Vusal-N LLC	Light Manufacturing	Furniture	Sheki
15	Rauf Hajiyev Ramiz	Light Manufacturing	Furniture	Sheki
16	Sheki Commercial Firm	Other	Tourism	Sheki
17	Mission-N LLC	Agribusiness	Aquaculture	Sheki
18	Farmer 2000 KFT	Agribusiness	Aquaculture	Sheki
19	Fuad Mammadov Zahid	Agribusiness	Hazelnut producing	Sheki
20	Oguz Repreductor Poultry-keeping JSC	Agribusiness	Poultry / Greenhouse	Oguz
21	Zakatala Hotel JSC	Other	Tourism	Zagatala
22	Sheki Industry Production JSC	Textiles	Weaving	Sheki
23	Sheki Business and Trade Center LLC	Logistics	Cold Storage / Warehousing	Sheki
24	Shahin Sadiyev Sadi	Agribusiness	Fruit and Vegetable	Sheki
25	Umid Recreation and Leisure Center	Other	Tourism	Sheki
26	Jafar Nabiev Asabeli	Light Manufacturing	Furniture	Sheki
27	Nazim Bayramov Rauf	Agribusiness	Aquaculture	Oguz
28	Murad Ismailov Veysel	Agribusiness	Poultry	Sheki
29	Kamaladdin Maharramov	Agribusiness	Aquaculture	Zagatala
30	" joint economy"named after M.E.Sabir	Agribusiness	Aquaculture	Balakan
31	Girkhbulag fishing farm	Agribusiness	Aquaculture	Sheki
32	Niyazi LLC	Agribusiness	Poultry	Zagatala