

**Partnerships for Food Industry Development
A U.S./Ukrainian/Moldovan Partnership**

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First Annual Work Plan

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Louisiana State University Agricultural Center

Baton Rouge, Louisiana

In association with

The World Food Logistics Organization,

The World Laboratory, Ukraine Branch, and

The National Institute of Animal Husbandry and Veterinary Medicine of Moldova

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List of Acronyms and Abbreviations

CAC	Codex Alimentarius Commission
HACCP	Hazard Analysis Critical Control Point
LSU AgCenter	Louisiana State University Agricultural Center
M&E	Monitoring and Evaluation
NIAHVM	National Institute of Animal Husbandry and Veterinary Medicine
PFID	Partnerships for Food Industry Development
SAR.....	Semi-Annual Report
USAID	United States Agency for International Development
WFLO	World Food Logistics Organization
World Lab	World Laboratory, Ukraine Branch
WTO	World Trade Organization

Section I. Summary

This document presents the first annual work plan for the Partnerships for Food Industry Development (PFID) Program. This project resulted in USAID approval of a proposal submitted by Louisiana State University Agricultural Center (LSU AgCenter), the World Food Logistics Organization (WFLO), the World Laboratory Branch in Ukraine, and the National Institute of Animal Husbandry and Veterinary Medicine of Moldova. While the project incorporates a global strategy for processing meat, seafood and poultry, it will focus its initial activities in Ukraine and Moldova.

The partners to this proposal have planned a four-year food industry development program involving a five-stage process: 1) industry assessment/crosscutting analysis; 2) assembly of key stakeholders; 3) identification of critical issues, prioritization of needs, and impact on local cultures; 4) development of solution strategies; and 5) implementation of strategies. The proposal provided concrete technical assistance and links among the food industry with U.S. counterparts. Resulting commercial gains for the food industry include improved food plant utilization, and product quality improvement. This initiative is expected to assist Ukraine and Moldova to regulate this industry and facilitate their entry into the WTO.

The Work Plan covers start-up activities, four of the Project's five objectives (the fifth will commence on Year Two) and general management activities. Start-up activities include execution of sub-agreements between the partners and the hiring, orientation and training of any additional staff. Preliminary contacts also will be made to initiate working relationships in Ukraine and Moldova.

Project staff will assess the key issues facing the food industry in Moldova and Ukraine as a first step for the design of solution strategies. This will be done through research and a field study in late May to early June. The findings from these activities will result in an analysis report. This information will be presented to the stakeholders and reviewed by the Technical Committee members, both of whom will contribute to the formulation of the solution strategies in a final strategy report. Based on this report, at least five activities will be initiated

The solution activities will be facilitated by the creation of support mechanisms, at least five of which will be initiated before November. These mechanisms will include networks, collaboration and referrals among stakeholders and those with resources. Capacity building activities also will be conducted so that beneficiaries will develop the skills necessary to improve their food industry operations. A curriculum design will be developed, covering collaborative research, regulatory compliance and effective technologies. At least five educational activities will be conducted.

General activities that cut across the objectives will include the establishment of the teams, communications and reporting procedures. Facility and logistical needs also must be met. Printed and electronic dissemination material will be prepared and staff will establish monitoring/evaluation procedures.

These activities are outlined in the schedule found in Section IV.

Section II. Review of Project Design and Preparation

The Louisiana State University Agricultural Center (LSU AgCenter), its partner, the World Food Logistics Organization (WFLO), and international partners, the World Laboratory, Ukraine Branch, in Kyiv, Ukraine, and the National Institute of Animal Husbandry and Veterinary Medicine, Chisinau, Moldova, presented a proposal to the Office of Agriculture and Food Security, Center for Economic Growth and Agricultural Development, Bureau for Global Programs (G/EGAD/AFS), United States Agency for International Development (USAID). This proposal was submitted in response to a Request for Applications for The Partnerships for Food Industry Development (PFID) Program. The category selected for this proposal was Category I, Meat, Seafood and Poultry.

This proposal was a combined cooperative effort of all partners above, and presented a global strategy which includes:

- Development of a PFID website;
- Production of country assessment studies and regional directories of national and regional associations;
- Developing web-enabled information formats for national, regional and international networking and trade purposes; and
- Promoting the PFID approach to food industry development problems via national, regional and international conferences.

This is a partnership combining complementary strengths and expertise. The LSU AgCenter brings its research and education capacity, as well as its proven record of working with industries and producers. The WFLO represents the “cold chain” industries and brings its state-of-the-art knowledge and worldwide experience in the preservation of perishable products. The LSU AgCenter has an existing relationship with the Ukraine partner since 1992. The Ukrainian partner has collaborated with the Moldovan one. Both East European partners are well connected with the food industries in their respective countries.

The program presented herein was anchored on the following themes: 1) industry awareness; 2) support mechanisms; 3) post-harvest and processing technologies; 4) capacity building; and 5) business partnerships.

This innovative, workable program, as applied to Ukraine and Moldova, was designed to produce a large and positive impact on the key institutions and people involved in the meat, seafood and poultry processing industries. The rationale for selecting these countries included the strength of existing partnerships; the challenges and opportunities presented by Ukraine and Moldova, fledgling democracies with transition economies; and the U.S. partners’ vast and current experience in these countries.

The partners to this proposal have planned a four-year food industry development program focusing on meat, seafood and poultry. They believe that the above themes provide a solid foundation for success of the program. The implementation approach involves a five-stage process: 1) industry assessment/crosscutting analysis; 2) assembly of key stakeholders; 3)

identification of critical issues, prioritization of needs, and impact on local cultures; 4) development of solution strategies; and 5) implementation of strategies.

The proposal provided concrete technical assistance and links among the food industry with U.S. counterparts. Specific commercial gains could be achieved by the program's implementation and USAID objectives in Ukraine and Moldova thereby reinforced. Technical assistance will include assessment of the industry chains and the development of solutions (technology advancement, institutional capacity building, human capacity building); establishment of support systems, linkages and business partnerships; and the understanding and development of food safety, sanitation and standards. Resulting commercial gains for the food industry include improvement in food plant efficiencies, improved plant capacity utilization, and product quality improvement. These are expected to result in increased earnings and employment and potential for the country to export. The adoption and management of technologies will promote efficiencies in the food chain resulting in decreased costs and improved quality. These impacts are also expected to increase the demand for the raw product, which in turn will enhance incomes of agribusinesses and small farmers. The program also reinforces USAID mission strategic objectives. In Ukraine, the program will improve industry efficiencies, value added processing and handling and other expected gains.

Preliminary information gathered in Ukraine and Moldova indicates concerns regarding to standards and quality control management for Category I products. As both nations aspire to join the World Trade Organization (WTO), the program's efforts will also focus on assisting in the development of proper standards that are consistent with Codex Alimentarius Commission (CAC) guidelines. This initiative is expected to assist Ukraine and Moldova to regulate this Category I industry as well as facilitate their entry into WTO.

The Program will address the following issues that were identified in initial assessments as specific to Ukraine:

- The poultry business appears to have greater immediate potential than the meats sector as return on investment is rapid (many of Ukraine's poultry industry has realized the need for that proper management and are revamping older processing plants);
- Protein in feeds is a major constraint - the need for an educational/awareness program is indicated;
- Analyzing the food processing chain and identifying proper investment channels also appear to be needed;
- The industry participants accept the existence of market competition; and
- The meat/poultry sector is undergoing growth; however
- Industry associations are virtually non-existent.

Likewise, the project will address the following issues initially identified as specific to Moldova:

- The consumer buying power in Moldova is very weak due to poor economic conditions;

- Any partnerships in business with outside investors must look to exports from Moldova;
- Cattle/beef sectors are weak at this time and therefore are not ready to exploit an opening of Russian markets;
- Moldovan processors are not able to compete with imported fish and meat (chicken) products in the market due to high production costs;
- Moldova is considering the competitive advantage of “organically” produced foods;
- Standard business analysis procedures – considering alternative endeavors, forming business plans, etc. - are key missing elements in the industry and could be addressed by the Program conducting awareness activities;
- Industry associations are virtually non-existent;
- Good data and statistics are hard to come by in Moldova for the food industry;
- Plants, especially processing units are all operating under capacity;
- Markets in CIS countries are virtually closed to Moldova and entering the European markets is very difficult;
- Processing plant closures and poor economic conditions in the country are leading to worker migration to other European countries; and
- Energy is one of the critical inputs and a high cost element for processors.

Expected accomplishments of this program include: 1) Awareness of critical issues created among leaders in the industry, academic/research institutions and consumers; 2) Industry status report prepared as a baseline; 3) Solution strategies specific to the Ukrainian and Moldovan environment identified; 4) Workable plans for implementation of solutions (educational, awareness, technology support, partnerships and linkages to harness private sector-government expertise) developed and implemented; 5) The understanding and capacity of regulatory and consumer organizations enhanced; 6) Institutional capacity, particularly at local universities and research institutions for training in food safety and, Hazard Analysis Critical Control Point (HACCP) systems, technologies, and regulatory issues enhanced; and 7) Local institutions able to support policy makers in the areas of food safety, sanitation and standards issues, as well as working to align local standards to WTO and CAC guidelines.

The management structure for this program has been designed with the guiding principles of communication and collaboration. To this end a simple and effective approach was proposed to ensure systematically articulated and coordinated implementation without compromising accountability and oversight. Program implementation also includes monitoring and evaluation as integral and indispensable elements of sound management.

Section III. First Annual Work Plan

This section describes the activities relating to four of the Project’s five objectives. Note that activities relating to Objective 5, Foster Business Partnerships, will not commence until Year Two of the Project. These activities are outlined in the schedule found in the next section.

The schedule also lists Project start-up activities, such as negotiation/dissemination/ execution of sub-agreements with WFLO and Ukraine/Moldova Partners so to determine respective roles and responsibilities for each partner. This will include the hiring, orientation and training of any additional staff that the Ukrainian and Moldovan partners require to fulfill their obligations. The Ukrainian partners will draw on their greater experience in project implementation and assume a major role in the orientation of their Moldovan counterparts.

LSU's AgCenter also has to implement the establishment and initial planning of its Project Team, which will include the following:

- The hiring of a full-time Coordinator and the contracting of part-time services of staff from the AgCenter's International Programs staff (particularly the Director and a graduate assistant) and three faculty members; and
- Develop a consensus among the team regarding project methodologies.

Preliminary contacts also will be made to initiate working relationships with food industry and agencies in Ukraine and Moldova and to prepare meetings for the subsequent team visit in May and June.

A. Project Objective # 1 - Investigate the Current Status of the Industry

Project staff will assess the key issues facing the food industry in Moldova and Ukraine, particularly policy and regulation, safety and sanitation, technology, market aspects, and consumer acceptability. This information will provide a necessary foundation for the design of solution strategies.

Initial assessment activities will include document/internet research. Project staff also will identify and meet with key contacts in all segments of food industry chain. This will occur in late May to early June when members of the Project management and Technical Committee (from both LSU and WFLO) will visit food industry sites in the Ukraine and Moldova. Contacts will include key government officials, managers of processing plants, producers, marketing personnel, faculty from academic or research institutes, NGOs and USAID field offices. These contacts will be asked to explain current issues pertaining to technical aspects, sanitation, standards, policy, regulations, markets, export issues and logistics.

The findings from these activities will result in an initial analysis report. This information will be presented to stakeholders as assembly meeting in each country. The input and feedback of the participants will be synthesized, resulting in a consensus and a refined assessment of the food industry.

B. Project Objective # 2 - Develop Awareness for Critical Issues in the Industries

Awareness on the part of all project stakeholders regarding the priority issues facing food industry in the Ukraine and Moldova is necessary for a consensus regarding the solution strategies. When stakeholders participate in the assessment and planning process, then the Project's solution strategies become their strategies. The awareness phase also builds trust in that beneficiaries come to understand that there is some benefit to their participation. The

industry's issues will be identified in a final analysis report, synthesizing the results of the activities covered in Objective #1.

This information then will be presented to the stakeholders and reviewed by the Technical Committee members, both of whom will contribute to the formulation of the solution strategies. Stakeholders will participate in this process through a series of forums that will enable a closer engagement with key actors in the industry, government and consumer groups. The identification of common themes, as well as issues specific to individual environments and customs, will result in the submission, by October 5, of a final strategy report. This report will serve as the key reference in identifying and providing appropriate technical assistance, primarily through the offices of the Technical Committee members. At least five activities pertaining to these solutions will then be initiated during the rest of the period covered in this planning document. These activities will be relevant to such food industry issues and could include the following:

- Post harvest/processing technologies;
- Standards and regulatory compliance;
- Food safety and sanitation of plants, products, and employees;
- Processing strategies;
- Cold chain (availability, limitations);
- Market potential, export potential, infrastructure; and
- Credit.

C. Project Objective # 3 - Formulate Support Mechanisms and Networks

The solution activities will be facilitated by the creation of support mechanisms, at least five of which will be initiated before November. These mechanisms will include the following:

- Networks among food industry players in the Ukraine and Moldova, such as local industry associations, agribusiness groups in the food chain; watchdog associations; government agencies; and local university partners (to enhance research and training capacity);
- Collaboration and referrals between the PFID and other projects or activities by government agencies, academic institutes and non-government organizations (such as the Citizen's Network for Foreign Affairs, which promotes cooperative associations in Moldova);
- Networks between the fore-mentioned players and institutions providing capital or other resources from the United States (the WFLO will be particularly valuable in facilitating such linkages); and
- Improved access to technical information for the beneficiaries.

Beneficiaries will be informed of these mechanisms and their access to those mechanisms will be provided. Documented use of these mechanisms by beneficiaries should occur before December; these could include training seminars, study tours or research activities.

D. Project Objective # 4 - Create Technical and Educational Capacity among Key Institutions

It is vital to achieve this objective so that beneficiaries will develop the skills necessary to improve their food industry operations. A strategy will be developed to build a cadre of trained professionals in each of the client countries who can be the leaders to provide training for the industry as well as guide in research programs. Areas of particular importance include collaborative research, standards and regulatory compliance, as well as effective technologies for processing and preservation.

In the first activity, Project staff and stakeholders will discuss plans for seminars, and training of trainers and other educational activities. This will result in an initial curriculum design, which would be refined through a focus on market infrastructure studies and technical issues of the industry. The latter would include plant layout/design and improved frozen and chilled warehousing, handling and transportation. Plans and procedures for educational seminars and collaborative research programs will be presented in a final capacity building design document. Lastly, it is anticipated that at least five educational activities will be conducted by January 2002. This would include LSU or WFLO-organized seminars and training programs for industry and selected local university personnel both in country and where required in the U.S. or in a third country. The potential for internships will be explored as a mechanism more suited for those who need a short-term exposure to the operation of certain kinds of test equipment or process.

Project staff has found many potential clients who already have sufficient technological capabilities in processing issues. Therefore, care should be taken to design courses that are sufficiently advanced for participants' level of expertise. It also would be appropriate for PFID to utilize the local pool of qualified personnel for the facilitation of their training courses.

E. Management, Monitoring and Evaluation

To ensure that the various Project teams have the capacity to fulfill their responsibilities, some general activities that cut across the fore-mentioned objectives must be achieved. These include the establishment of those teams in the U.S., Ukraine and Moldova, through recruitment (previously mentioned as a start-up activity), discussion of functions, communications and reporting. Facility and logistical needs also must be met. Implementation, meeting and reporting schedules must be clearly communicated to all Project staff. Both the World Library in the Ukraine and the National Institute of Animal Husbandry and Veterinary Medicine in Moldova will be the key point organizations for these activities on the field level.

A one-page project summary and profiles for Ukraine and Moldova will be prepared for use in the host countries and the U.S. A project web page will be designed and maintained so that issues with global implications are publicly available. In addition, the Project staff will establish monitoring/evaluation procedures and calendar activity for year 3.

Section IV. Schedule of Project Activities

Activity	Targets	Indicators	Results
January – April 2001			
<i>Project Startup</i>			
Negotiation/dissemination/execution of sub-agreements with WFLO and Ukraine/Moldova Partners	To determine respective roles and responsibilities for each partner	Cooperative agreement signed and initiated	Each partner conducting activities relating to respective roles
Establishment of LSU and Partner Teams	To ensure that each team has personnel available to fulfill its Program obligations	Documented personnel actions	Each team can initiate activities relating to respective roles
Project Director from LSU AgCenter travels to Ukraine and Moldova during April and May 2001	To execute sub-agreements, establish offices in Kiev and Chisinau, recruit local staff, and initiate contacts with food industry and agencies	Targets documented in trip report completed	All partners understand respective roles, office operation initiated, and contacts and itinerary for industry assessment established
<i>Management, Monitoring and Evaluation</i>			
Preparation of printed dissemination material for the Program	To provide stakeholders with profiles of the Program and of countries of operation	Project summary and profiles of Ukraine and Moldova available	Project staff can share relevant information with each other and with stakeholders
Discussion of functions, communications and reporting	To ensure that each team is properly staffed and oriented	Specific plans for each team	Each team is prepared to conduct activities relating to respective roles
Establishment of logistics, office, communication facilities, etc. in Ukraine and Moldova	To ensure that each team is properly equipped	Documented procurement actions for each team	Each team has equipment to conduct activities relating to respective roles

Activity	Targets	Indicators	Results
May – June 2001			
<i>Objective 1 - Investigate the Current Status of the Industry</i>			
Industry assessment/cross cutting analysis through <ul style="list-style-type: none"> • Document/Internet research • Identification of contacts in all segments of food industry chain • Meetings/interviews with industry, government agencies, etc. 	To identify issues and prioritize needs in all industry sectors relevant to the Project	Initial analysis report synthesized from input from all members of the technical team and submitted in July SAR	Project has initial information to design solution strategies
<i>Management, Monitoring and Evaluation</i>			
Dissemination to all project staff of implementation schedules, reporting schedules and Advisory Committee meeting and schedules	To ensure that Project staff appreciate the operation schedule	Schedules prepared and disseminated	Each project staff member conducting activities relating to respective roles
Electronic dissemination of Project issues	To design and maintain Project web page on the Internet	Web page available to the public	Project issues with global implications are publicly available
July – August 2001			
<i>Objective 1 - Investigate the Current Status of the Industry</i>			
Assembly of stakeholders/provision of information on project and potential implications	To present information from initial industry assessment to stakeholders	Stakeholders meetings from both countries held and documented in following SAR (January 2002)	Stakeholders can provide useful feedback
Synthesis of inputs/feedback from project beneficiaries and development of consensus	To refine and finalize industry assessment	Input from stakeholders documented and submitted documented in following SAR	Project has refined information to design solution strategies
<i>Objective 2 - Develop Awareness for Critical Issues in the Industries</i>			
Identification of critical issues and prioritization of needs/issues	To confirm the issues to be addressed in the solution strategies	Final analysis report synthesized with input from Project staff and stakeholders and documented in following SAR	Project has complete information to design solution strategies

Activity	Targets	Indicators	Results
<i>Management, Monitoring and Evaluation</i>			
Establishment of Monitoring/Evaluation procedures and calendar activity for year 3	To determine Project's M&E system	Project's M&E planning report prepared and submitted in July SAR	M&E system in place and criteria available to measure Project success
September – October 2001			
<i>Objective 2 - Develop Awareness for Critical Issues in the Industries</i>			
Meetings/seminars in client country	To present information from final industry assessment to stakeholders	Stakeholders meetings from both countries held by September 21 st and documented in following SAR (January 2002)	Stakeholders provide recommendations for solution strategies
Review of data/information by U.S. Technical Committee	To incorporate information for solution strategies	Review from each committee member documented in following SAR	Committee member recommend solution strategies in respective areas of expertise
Finalization of solution strategies	To determine specific technical assistance by Project	Strategy report prepared and submitted by in following SAR	Project can provide appropriate technical assistance
<i>Objective 3 - Formulate Support Mechanisms and Networks</i>			
Utilization data and outcomes from objectives #1 and #2 to focus on key mechanisms	To identify appropriate mechanisms	At least five mechanisms identified and documented in following SAR	Mechanisms can facilitate implementation of solution strategies
Confer with beneficiaries	To inform beneficiaries of support mechanisms	Beneficiary meetings held in both countries and documented in following SAR	Beneficiaries know how to access support mechanisms
<i>Objective 4 - Create Technical and Educational Capacity among Key Institutions</i>			
Based on existing information and dialogue with stakeholders, discuss plans for educational/seminar programs and training of trainers	To initiate design of capacity building activities	Initial capacity building design paper prepared and submitted in following SAR	Project has initial design for capacity building activities which includes a pool of potential in-country trainers

Activity	Targets	Indicators	Results
November 2001 – January 2002			
<i>Objective 2 - Develop Awareness for Critical Issues in the Industries</i>			
Initial implementation of solutions	To initiate appropriate technical assistance	At least five activities conducted and documented in following SAR	Project can build on initial technical assistance
<i>Objective 3 - Formulate Support Mechanisms and Networks</i>			
Initial implementation of mechanisms	To initiate appropriate support mechanisms	At least five mechanisms used by beneficiaries and documented in following SAR	Project can build on initial support mechanisms
<i>Objective 4 - Create Technical and Educational Capacity among Key Institutions</i>			
Focus on market infrastructure studies and technical problems of industry with respect of processing, logistics, storage, transportation, standards and food safety/sanitation	To refine design of capacity building activities	Refined capacity building design paper prepared and submitted in following SAR	Project has refined design for capacity building activities
Plans and procedures for educational seminars and collaborative research programs	To finalize capacity building program plan	Capacity building planning document prepared and submitted in following SAR	Project can conduct training activities according to a systematic plan
Implementation of above plans, including seminars in U.S. and client country	To initiate capacity building activities	At least five educational activities conducted and in following SAR	Training participants improve skills relevant to technical areas
<i>Management, Monitoring and Evaluation</i>			
Updated electronic dissemination of Project issues	To update and maintain Project web site on the Internet	Internet site expanded with 50% more web pages	Project issues with global implications are publicly available

Note: Activities relating to Objective 5, Foster business partnerships will not commence until Year 2 of the Project