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Expansion of Kyrgyz, Tajik and Uzbek local smallholder organic agriculture and forest-based food products to EU Markets



Summary of the Project:

The proposed project aims to:

- Boost the **competitiveness of micro, small and medium enterprises (MSMEs)** in the agri-food sector of Kyrgyzstan, Tajikistan and Uzbekistan through increasing the efficiency and sustainability of production and processing of food products from smallholder farming and forest management operations
- Promoting the **sustainable management of natural resources**, in particular of agricultural, forest and pasture lands, through organic production practices, which reduce adverse impacts on climate change and enhance natural biodiversity compared to intensive agriculture practices
- Establishing sustainable **high-quality value chains for Central Asian food products** to EU markets through improving collaboration and coordination of stakeholders along the value chain, particularly of
 - smallholder producers
 - food processing/manufacturing enterprises
 - traders to EU markets
- Strengthening **enabling environments for local agri-food and forestry systems** to fully explore their market potential in local and export markets through promoting certification of selected food products in line with market and relevant food hygiene requirements, which will enable market access for smallholders
- Increasing the **capacity of local advisory services** (e.g., on marketing, certification, legislation, financial literacy etc.) to facilitate the entrepreneurial capacity of local smallholders through the establishment of an on-line knowledge platform;
- Support **gender equality and sustainable economic development targeting women**, youth, internally displaced persons (IDPs) and ethnic minorities through long-term stable employability.

Proposed activities will be implemented in 3 countries involving:

- Kyrgyzstan: Batken, Jalal-Abad, Osh and Talas Provinces – all together around 4 000 farmers and forest owners (80% women)
- Tajikistan: Khatlon Province (Bokhtar, Khovaling, Qabodiyon, Qumsangir, Vakhsh), Sughd Province (Asht, Ghafurov, Isfara, Konibodom) – all together around 5 000 farmers (80% women)) and
- Uzbekistan: Andijan, Fergana, Jizzakh, Namangan, Samarkand, Sirdaryo and Tashkent Provinces – all together around 6 000 farmers (90% women)
- Total number of beneficiaries (farmers and forest users/owners) will be at least 15 000 individuals, with focus only on small-scale farmers and forest users. Most of involved beneficiaries are women, due to traditional heritage of the region to involve women into food item farming, collection and processing. Regions are selected according to co-applicant and local stakeholders provided information on locations and annual volumes.

The key stakeholder groups include:

- Small-scale farmers and forest owners (incl. women, youth, IDPs and ethnic minorities);
- Local provinces/municipalities (19 – according to number of agricultural and NTFP collection locations);
- Private-sector companies/food processing factories (at least 5 – 6 – including co-applicants), all together more than 1500 employees + seasonal workers, including women and youth, 60%);
- Institutions providing advisory services in the agri-food sector (at least 5 – 6 – including co-applicants);
- CA-EU traders and brokers (1-2);
- Final consumers in the EU markets (with focus on Baltic states, German-and-French-speaking countries).

The target groups and final beneficiaries:

- **(1) Local small-scale farmers and forest users:** will benefit from the promotion of innovative agricultural and forest management practices (e.g., organic farming, sustainable forest management), the provision of market information, certification, building of business skills and similar measures ultimately contributing to increased farm incomes.

- **(2) Rural women and youth:** benefit from gender-sensitive analyses and design activities along the investigated value chains in Kyrgyzstan, Tajikistan and Uzbekistan. Trainings will particularly address the needs of these target groups, thereby improving their market access, incomes and overall empowerment.
- **(3) Local communities:** benefit through the introduction of more sustainable management practise in agricultural and forestry production systems, which will enhance the stability and levels of ecosystem services provided (e.g., water, soil protection). In addition, local communities will benefit from improved incomes and livelihoods (e.g., creation of new employment opportunities) for their members.
- **(4) Local advisory service providers:** benefit via an improved portfolio of training measures provided by the proposed project, which will help local advisors to upgrade their capacities and skills and to provide higher quality advisory services in the long-term.
- **(5) Central Asian food processing MSMEs, traders and export retailers:** will benefit through increased participation in high-value markets characterized by increasing demands for organic and sustainably produced products. The project will increase their capacity to comply with market requirements and quality standards in these markets.
- **(6) European and Central Asian consumers:** will benefit through the improved availability of organically certified Central Asian food products in the domestic and European markets, in line with the increasing popularity of environmentally and socially conscious consumption patterns and healthy lifestyles. The project outcomes will respond to these consumers' concerns for food product quality and safety, while simultaneously improving market participation of smallholder producers and processors from the project region.

The main actions are targeted towards:

- Improvements of the local agricultural and NTFP production systems;
- Enhancement of the quality of food products through support of standard development and certification, product promotion and marketing;
- Building of professional capacity of smallholder producers including financial literacy and business administration knowledge. Since women are significantly involved in the production/ collection, processing and storage of agricultural and NTFP products, it is important to include women and youth in all trainings and decision-making processes
- Improvement of rural advisory services for smallholder producers and processors

To enable market access for Central Asian MSMEs different certification schemes can be used. It is essential to establish in Central Asia a certification system for organic farming and responsible forest management, which reflects the preferences of traders and final consumers in the target markets. At the same time, this system should be affordable to small-scale producers and processors with regard to auditing cost, as otherwise their product price will be affected negatively and certification would not be attractive for investors and exporters.

The increase of professional capacities of entrepreneurs and job seekers shall be attained via an online knowledge/ training platform incl. such topics as certification, legislation, market requirements, financial literacy, business plan development and related aspects, which will enable access of local producers and processing MSMEs to local and global markets. This will be backed-up by the project's efforts to establish more efficient agricultural and forestry practices, to improve the quality of food products, and to intensify training, communication and coordination along the entire value chain.

The main actions are targeted towards local food promotion through marketing and communications, special attention will be paid to availability of advisory services and creation of professional portfolios for each country selected food item/product and development of video promotion material. The project will mainly target agricultural and forestry lands, in order to contribute relevant UN SDGs through promotion of sustainable ecosystem services, sustainable and efficient landscape management towards the target groups of the project. Therefore, the project will support promotion and formation of an organic farmer and forest user smallholder groups in order to lower costs for auditing, marketing and promotion as well as to optimize logistics and production costs. Certification and organic farming are not only important marketing components, but also essential tools for sustainable natural resource management and usage.

Thereby the proposed project will contribute to enhancing the productive capacity and economic welfare of smallholder farmers and forest users, as well as small-scale local food processing enterprises in the selected countries, in line with national policy priorities. The project will assist these small-scale agricultural producers and processors to increase their knowledge and skills levels, to adopt improved production and processing technologies, supported by the establishment of well-functioning community-driven agricultural and forestry extension services, and to finally improve their access to the European market.

Component-1: Enabling business environment for smallholder producers and agri-food MSMEs

Specific objective:

- To mobilize stakeholders of the agri-food and NTFP value chains to conduct a participatory assessment of the barriers and opportunities for smallholder agricultural producers and MSMEs
- To identify jointly with stakeholder's local priority products/ practices with potential for the EU market and suitable interventions
- To analyze and improve the productivity and sustainability of current smallholder farming and forest management practices in order to increase their international competitiveness
- To improve market information and linkage of smallholder producers and MSMEs.

Activities:

Activity 1.1. Participatory assessment of current value chains to identify barriers and opportunities for smallholder agricultural producers and MSMEs

Activity 1.2. Socio-economic analysis of current farming and forest management practices and identification of improvement potential

Activity 1.3. Facilitating market information and linkage of smallholder producers and MSMEs

Component-2: Promotion of intra-regional and international trade

Specific objective:

- To assess market requirements in high-value markets
- To facilitate the establishment of a national Organic certification system
- To facilitate the adherence to pertinent quality standards during product handling and storage through establishment of modern logistics centers
- To improve customer awareness and image of organic food and non-timber forest products in domestic and high-value export markets

Activities:

Activity 2.1. Assessment of EU market requirements and establishment of a national certification system.

Activity 2.2. Pre-processing site and storage facility enhancement

Activity 2.3. Central Asian organic and NTFP food brand promotion campaign to increase product awareness and demand in local and export markets

Component 3: Increased professional capacities of smallholder producers and MSMEs

Specific objective:

- To assess the effectiveness of the rural advisory service system and to identify gaps in current support offers
- To develop training programs aimed to increase the capacity of small-scale agricultural producers and MSMEs on food and non-timber forest product quality management
- To develop entrepreneurship and managerial skills of small-scale agricultural producers and MSMEs
- Increase local smallholder entrepreneurship capacity through establishment of on-line learning platform/e-service

Activities:

Activity 3.1. Mapping of and improving access to the rural advisory services system

Activity 3.2: Training and skill development on food and non-timber forest product quality management

Activity 3.3: Building entrepreneurial capacity for both women and youth, establishment of on-line training/knowledge platform