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## **REPORT**

### **FINAL EXTERNAL EVALUATION AND IDENTIFICATION MISSION**

#### ***Trade Promotion Projects***

***conclusive phase – 2006-2008***

***Tajikistan (TAJ/61/104) and  
Kyrgyz Republic (KYR/61/103)***

Report of the Evaluation team

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## LIST OF ACRONYMS

AGLINKS	Agricultural Linkages Project, USAID
BSP	Business Service Providers
BSSO	Business Support Service Organisations
CIS	Commonwealth of Independent States
F&V	Fruits and Vegetables
FSQM	Food Safety Quality Management
GDP	Gross Domestic Product
GTZ	German Technical Cooperation
HACCP	Hazard Analysis and Critical Control Points
HQ	Head Quarter
IFC	International Finance Corporation
ILAC	International Laboratory Accreditation Cooperation
ISD	Innovative Solutions for Development, consulting company
ISO	International Standard Organisation
ITC	International Trade Centre
KYR	Republic of Kyrgyzstan
NISM	National Institute of Standards and Metrology
NTC	National Trade Centre
OIML	International Organisation of Legal Metrology
QMS	Quality Management System
SECO	State Secretariat for Economic Affairs (Switzerland)
SME	Small and Medium Enterprises
SPS	Sanitary and Phytosanitary Standards
SQAM	Standardization, Quality Assurance, Accreditation and Metrology
TAJ	Tajikistan
USAID	United States Agency for International Development
WB	World Bank Group
WTO	World Trade Organisation

## A. EXECUTIVE SUMMARY

### Summary table of findings, supporting evidence and recommendations

#### General Recommendations:

<i>Findings: identified problems/issues</i>	<i>Supporting evidence/examples</i>	<i>Recommendations</i>
1. The biggest effects were achieved when the first limiting problems of the industry were addressed	Product development, Food technology improvement, HACCP implementation	In selecting areas of interventions biggest problems with the highest potential for positive effects should be given first priority.
2. Due to availability of stand-by high quality professional expertise above average results were achieved.	International experts were highly appreciated by all. Their reports became guidelines for development and were used by other donor agencies as reference.	The professional expertise needs to be of the highest possible standard.
3. Development activities in Central Asia can be successful, if the programme is built on the existent strengths of the region and of the local population	The project in its entity provided evidence that interventions in Central Asia can be successful	Beneficiaries need to be instrumentally involved in defining success criteria. Sense of ownership needs to be instilled in all local partners.
4. The cooperation of project stakeholders was open and transparent. Project activities were coordinated by trust and not control.	Flat organizational structure. High degree of identification of participating parties with the aims of the project.	With flat organizational structures for project implementation in partner countries results can be achieved more efficiently.
5. Project implementation needs to give a very special attention to the relationship based environment	The quality of personal relationships of ITC personnel were instrumental for success of the project	Personal relationships should be considered as an asset. Establishment of trustful relationships should be part of project's strategy.

#### Operational Recommendations:

<i>Findings: identified problems/issues</i>	<i>Supporting evidence/examples</i>	<i>Recommendations</i>
6. Cooperation with private market-driven institutions is more likely to produce tangible results and become successful than with project-driven organisations	ISD and BC as well as all Kyrgyz consultants were significantly better than Market Plus	Selected project partners should be, if possible and available, market-driven organisations.
7. Project is influenced by the changing environment	Change of Ministers or responsibilities between Ministries	Interventions need to be in a flexible manner, leaving room for adjustments to a changing environment.

<i>Findings: identified problems/issues</i>	<i>Supporting evidence/examples</i>	<i>Recommendations</i>
8. BSPs were successfully involved as beneficiaries and at the same time as implementers	Activities at the enterprise level were carried out by BSP representatives	If beneficiaries can be involved as implementers the project structure can be simpler and more efficient.
9. Complimentarity or coordination of efforts with other donor agencies was achieved through products	Export Strategy, Road Plan for Quality Infrastructure Improvement Laboratories	Networking is not the only way to coordinate with other donors; excellent products of the project also have coordinating effects.
10. Success is not visible, even to close stakeholders, if the results of the project are not communicated appropriately.	Visibility of the project, especially in Kyrgyz Republic, was perceived by many stakeholders as not sufficient.	An action plan to achieve better visibility of project results should be an integral part of every project. The plan should include a foreign perspective as well as national perspective.
11. Cooperation between the project and the SCO office can be improved	Standard reporting was not sufficient to provide a clear understanding of project achievements.	Stronger involvement of SCO office staff in project implementation, without compromising on its independence is advisable. Regular meetings and more than factual reporting is necessary.

### Recommendations on New Areas of Support:

The recommendations on new areas of support are not specific for the sectors under consideration but rather suggesting a process at the end of which the most promising idea will be implemented as the new project. Detailed information on the present status of information as well as on suggested selection criteria are not part of this report but can be found in Annex 6 as a stand alone document. Following steps are suggested:

- Clarification of a realistic starting point of the next phase or of the new project, later than January 2009.
- Exclusion of as many suggested projects as possible, based on the present information.
- Definition of clear tasks for the transition period between end of the present project phase and beginning of the new project. Beside consolidation of the present phase, design of the new phase should be the main aim of the transition period.

The newly selected area of intervention should consider the recommendations which were worked out in the framework of evaluation of the Trade Promotion Project.

- 1 **General Objective and Content** : The objective of the Trade Promotion Projects in Tajikistan (TAJ/61/104) and Kyrgyz Republic (KYR/61/103) was to strengthen the sustainable expansion and diversification of F&V exports. It aimed to build national capacity for trade development, by focussing on business services providers while also addressing institutional issues. Interventions were demand driven, and were built around three pillars formulated as immediate objectives: (1) To improve the export competitiveness of enterprises in the agro-processing sector; (2) To strengthen the Business Support Services Organisations through increasing the quality and range of their services; and (3) To support the finalisation and implementation of the

sectoral export strategy and integrate it in a framework of sustained public-private consultations on trade development.

- 2 The set challenges of the project were addressed at three different levels:
  - Micro level - the fruit and vegetable processing enterprises themselves;
  - Meso level - the level of providers of services to this sector;
  - Macro level - the level of public-private sector interaction.
- 3 The object of evaluation is the second phase of a five-year project, which started in January 2004. The second phase had the duration of 33 months and was implemented between April 2006 and December 2008. The International Trade Centre (ITC) was the implementing organisation from the beginning of the project. The total of 1 million US \$ was allocated for the second phase of the project in each country. At the point of evaluation four more months of implementation of the present project phase were remaining. As vast majority of the set tasks was already achieved, the evaluation team decided to consider only the actual achievement as per time of evaluation, not taking into account the planned activities of the remaining period of time. The evaluation results would certainly be even more positive, if the entire project activities of 33 months were considered.
- 4 The project was implemented in a difficult and constantly changing environment. The achievements of the project need therefore to be understood from the perspective of unstable and unpredictable working environment in which it operated.
- 5 **Relevance:** The project was highly relevant as it reflected countries' strategies for trade development. The project also addressed such relevant issues as regulatory requirements and assistance in sector strategy development. From the perspectives of target groups their satisfaction with the relevance of projects activities was clearly expressed through their active participation.
- 6 **Efficiency:** The project was executed within the given budget; almost all set tasks were achieved, several were substantially overachieved. Value for money as compared to the budget and activity plans as well as benchmarked to other projects can be graded as high; the project was carried out efficiently.
- 7 **Effectiveness:** All the stakeholders recognized that a considerable development leap has been achieved through the project. Quality infrastructure received significant development impulses, participating enterprises obtained practical assistance; the capabilities of business support providers were increased substantially and finally on the macro level significant steps were initiated towards ratification of the export strategy. This was all done in an effective manner according to the plan. There was no doubt for the vast majority of interviewed people that the implemented activities were right in view of the pressing necessities of the sector. These activities were highly appreciated by the beneficiaries on all three levels of project involvement.

- 8 The overall results and outputs of the project can be graded as outstanding. For a project of this size the results and outputs were ambitiously defined, nevertheless they were achieved almost without exceptions in a good manner. Some results had a significant level of overachievement.
- 9 All the planned activities of Immediate Objective 1 were achieved either in good or very good manner, within the time frame and within the available resource base. The Immediate Objective 2 and 3 had minor deviations from the plan, mainly due to reasons which were out of control of the project.
- 10 **Implementation Arrangements:** The project implementation strategy was clear and the logical framework was well structured. ITC's approach was well organized and practical; with very few exceptions beneficiaries had a clear understanding about the way to go and the priority actions to be undertaken.
- 11 The institutional and management arrangements were pragmatic and effective; the interface of foreign and local expertise, the central source for possible misunderstanding in development cooperation was well managed. The coordinating mechanism of working relationships was trust and not control.
- 12 **Impact:** Despite the fact that outcomes and impacts are often difficult to specify during project life time the Trade Promotion Project can claim to have secured many jobs in the processing industry and influenced the service provision sector positively, by enhancing their capabilities, the variety of their services and the quality of its delivery.
- 13 **Sustainability:** The achievements of the project are likely to be sustainable after termination of the project as the beneficiaries and majority of the important stakeholders feel ownership for the achieved results, the prevailing governmental policies are conducive for continuation, the local institutional capacity is sufficient (except for food technology issues) to carry the results forward, the results are affordable, and the innovations are appropriate from the technical point of view. The biggest asset of project's sustainability is the repeatedly mentioned "change of mind" of various stakeholders. They seem to perceive the problems of the sector differently as a result of project's intervention and will certainly approach these issues differently in future, more from the perspective of the requirements of international markets.
- 14 **Lessons Learned** The lessons which can be learned from the project are: 1) Cooperation with private market-driven institutions is more likely to produce tangible results and become successful than with project-driven organisations, 2) in order to achieve the biggest effect the intervention needs to concentrate on the first limiting problems of the industry, 3) All intervention need to be done in flexible manner, 4) project implementation needs to give a very special attention to the relationship based environment, and 5) development activities in Central Asia can be successful, if the programme is built on the existent strengths of the region and of the local population.

- 15 **Best Practices:** As *best practices* of project implementation the following ideas were developed: 1) complementarity of efforts with other donor agencies can be achieved through products as well as through verbal coordination, 2) With flat organizational structures results can be achieved more efficiently, 3) Beneficiaries can be involved as implementers, thus simplifying project structure and making it more efficient, and 4) Stand-by high quality professional expertise is needed to achieve above average results.
- 16 **Constraints:** Various constraints during project implementation were encountered, which, however, did not influence the outcome significantly.
- 17 **Recommendations:** Based on the successful project implementation the following recommendations were elaborated for future project which will be implemented in similar environments: 1) Extreme caution is necessary in selecting the areas of interventions. The biggest problems with the highest potential for positive effect should be given first priority. 2) Beneficiaries need to be instrumentally involved in defining success criteria. 3) Sense of ownership needs to be instilled in all local partners. 4) The partnership needs to be very transparent. 5) The professional expertise needs to be of the highest possible standard.
- 18 **Conclusion:** In both countries, in Tajikistan as well as in the Kyrgyz Republic the project has produced tangible results on all three levels (micro, meso, macro) of interventions. It has been a practical and successful project in a sector with substantial problems. Considering the state of affairs of the fruit and vegetable processing sector, it can be said that the general picture of the sector did not change profoundly although significant foundation was laid for transformational changes in the near future. Major problem areas remain and the scope for continuation of technical assistance in this sector is certainly there.

## **B. EVALUATION REPORT**

### **1. INTRODUCTION**

- 19 On the first sight the Trade Promotion Projects in Tajikistan and Kyrgyz Republic does not differ significantly to similar projects in this field of operation. Closer look reveals, though, that the project had various distinctive parts, which were implemented on professionally deep level simultaneously. All cooperating international organisations in both countries have a strict specialization on one of the issues, either direct support to enterprises, or assistance to business service providers, or quality infrastructure improvement; the Trade Promotion Project incorporated them all at the same time and additionally had some country-specific variations.
- 20 Due to the existence of different project parts and their partly independent implementation the project had more the appearance of a diversified regional programme than of a specific project. In view of this feature of the project the design of the evaluation mission could have been more appropriate giving stronger consideration to its diversified nature.
- 21 The evaluation was assigned and supervised by two organisations, SECO and ITC. The aims of these organisations were not fully identical; whereas ITC seemed to be primarily interested in project evaluation, SECO's interest was additionally in evaluation of ITC as implementing agency and in elaboration of new areas of work. Variation of expectations of contracting agencies is generally a risky situation for the outcome of the evaluation and even more so for the evaluation team. However, it needs to be mentioned that the evaluation framework was clear; the terms of reference specifically mentioned all aspects of interest for both organisations. Additionally, the evaluation team was assisted by SECO and ITC representatives in excellent manner and the results of the project were commonly perceived as impressive by all sides, not providing much ground for disputes or misunderstandings.
- 22 Successful projects provide a good learning opportunity for future project implementation. Therefore, this evaluation report tried additionally to look at the aspect why this project was so successful from organisational development point of view, not confining itself to comparison with set aims but also providing a rationale for its success.
- 23 In the process of evaluation all interviewed stakeholders were willing to share their experience with the evaluation team, which was highly appreciated and significantly eased the evaluation work. The evaluation team was impressed with the organisational high standards of the local offices in both countries and the willingness of National Programme Managers and National Project Assistants to share any available information. Special appreciation goes to the ITC Project Manager and SECO Project Manager, who created an atmosphere of trust during the entire evaluation process. The evaluation was carried out in a very pleasant and open working environment, it has not been perceived as control but as a joint effort to assess the achievements and elaborate lessons learned.

## **1.1. Background and Context**

- 24 The objective of the project was to strengthen the sustainable expansion and diversification of F&V exports in Tajikistan and Kyrgyz Republic. It aimed to build national capacity for trade development, by focussing on business services providers while also addressing institutional issues. Interventions were demand driven, and were built around three pillars formulated as immediate objectives:
- 25 **Immediate Objective 1:** To improve the export competitiveness of enterprises in the agro-processing sector in areas where export competitiveness is determined by activities at the enterprise level (such as product design, quality and safety management or marketing).
- 26 **Immediate Objective 2:** To strengthen the Business Support Services Organisations through increasing the quality and range of their services that can assist potential and actual exporters in becoming more export competitive.
- 27 **Immediate Objective 3:** To support the finalisation and implementation of the sectoral export strategy and integrate it in a framework of sustained public-private consultations on trade development.
- 28 The set challenges of the project were addressed at three different levels, anticipating that sustainable improvements can only be achieved if significant changes at all levels occur:
- Micro level - the fruit and vegetable processing enterprises themselves;
  - Meso level - the level of providers of services to this sector;
  - Macro level - the level of public-private sector interaction.
- 29 The object of evaluation is the second phase of a five-year project, which started in January 2004. The second phase had the duration of 33 months and was implemented between April 2006 and December 2008. The International Trade Centre was the implementing organisation from the beginning of the project. The total of 1 million US \$ was allocated for the second phase of the project in each country.
- 30 The project was implemented in a very specific environment. In order to better understand the situation in which the project implementation took place and the way the assessment was carried out the environment is described in detail in Annex 5.
- 31 Tajikistan and Kyrgyz Republic are both in the process of transformation from centrally planned to market orientated economy. Despite significant changes two decades after independence, the Soviet heritage can still strongly be seen in most sectors of the society.
- 32 Both countries have limited resources, are landlocked, have difficult mountainous topography, have a declining standard of infrastructure, a human capital base which needs adaptation to market conditions, have a poor public management capacity and an increasing number of at least disputable public interventions into the economy. Growth potential exists in few selected sectors (e.g. aluminium and hydropower in Tajikistan, gold and hydropower in Kyrgyz Republic).

Agriculture is an important sector of the economy, 2/3 of total active labour force in Tajikistan and 1/2 of the labour force in Kyrgyz Republic are employed in agriculture; the sector contributes 25-30% of GDP annually. The food processing industry in general and the fruit and vegetable industry in particular are therefore at the centre of national interest.

Official statistics give a dim picture of the business environment, although the changes, at least on paper were significant in Kyrgyz Republic. The majority of people interviewed drew a much gloomier picture of the business environment, as there is a wide spread discrepancy between the letter of the law and the law's implementation. Theoretically both countries are becoming increasingly investor friendly, but practical implementation of these improvements mostly lacks significant results.

- 33 In both countries the political and the economic powers are closely related, the political elite have a big overlap with the economic elite. At present in both countries the tendency seems to be towards stronger monopolization of economic and political powers, which is not likely to foster competition and also not likely to lead to stability.
- 34 From the perspective of finding the right balance between the social obligation towards extended family; the need for constant updating and improvement of the relationship network; the shortages of finance, raw materials, personnel know-how; the outdated processing technology; difficult situation with the raw materials supply; non-existence of established market linkages; avoidance in getting in conflict with the tax administration and possible unfriendly takeover candidates; etc. one can only admire the entrepreneurial spirit of managers and owners of F&V processing industries.
- 35 The project was implemented in a difficult and ever changing environment. The achievements of the project need therefore to be understood from the perspective of unstable and unpredictable working environment in which it operated.

## **1.2. Purpose and Objective of the Evaluation**

- 36 The purpose of the assignment was to carry out a standard end-of-project evaluation as it is performed in technical assistance projects. The main users of this evaluation are SECO as financing agency, ITC as implementing agency and the Governments of Kyrgyzstan and Tajikistan as local implementing partners. These organisations agreed to conduct a final external evaluation and are the first beneficiaries of its results.
- 37 The purpose of the evaluation is to assess the overall performance of the project, assess the level of attainment of objectives and the achievement of results and outputs. Further, to analyse the modality of implementation and the institutional and managerial arrangements. Based on the above results the outcomes and impacts were derived and sustainability of achievements was estimated.

- 38 Lessons learned and best practices are integral part of every evaluation, here caution was necessary in order to elaborate specific lessons based on the results of this project. The constraints which influenced the implementation of the project also needed to be given a special attention. Finally, recommendations were elaborated for future actions in similar project interventions.
- 39 To a minor degree, beside the pure evaluation task, the mission had also the purpose to identify new areas of work.

### **1.3. Executing Modality/Management Arrangements**

- 40 The project had a clearly defined Work Plan and a logframe. The progress was monitored throughout implementation of the project, results were regularly assessed by the project management, and corrective actions were taken as and when required. The logframe provided an effective quality management tool.
- 41 For the management of the project ITC set up local offices in both countries, in which a National Programme Manager and a National Project Assistant were employed. Their responsibility was the day-to-day management of the project. These staff was reporting to the ITC Project Manager in Geneva, who had the ultimate responsibility for the overall project management. ITC provided additionally as a professional institution in the field of trade development support on administrative and technical issues as per upcoming need. Where deemed necessary, foreign short-term expertise was employed in order to provide professional expertise, which is not available in the countries.
- 42 The governance of the project was ensured by the Project Steering Committee, which was responsible for project's transparency and its alignment to the official strategies.
- 43 Operationally, the project was dependent on close cooperation with local business service providers, who were the beneficiaries of project's training activities and at the same time implementers of the learned subject (on-the-job-training).

### **1.4. Scope of the Evaluation**

- 44 Beneficiaries of the project on various levels had opportunities to express their experiences with the project. The evaluation looked at macro, meso, and micro-levels individually as well as on the functionality of the linkages between these levels.
- 45 Besides the general issue of appropriateness of management of the project and institutional arrangements the following evaluation criteria set the agenda for detailed analysis:
- Effectiveness: How do the achievements compare to the set project tasks? Which tangible benefits were delivered by the project?
- Efficiency: Were the available resources transferred efficiently into the achieved results?

Relevance: Did the design of the project target the real needs of the beneficiaries? Was the project design appropriate for the resolution of the set tasks?

Sustainability: Will the flow of benefits continue after termination of the project.

46 Further, possible outcomes and impacts were assessed in order to illustrate the effects the project had on the environment in which it was implemented.

### **1.5. Methodology**

47 The preparation of the evaluation process started in June 2008 with familiarization with project documents and planning of the evaluation activities. The evaluation team consisted of three people, one local consultant for each country and one international consultant. The evaluation process was carried out in close cooperation between the evaluation team and the ITC staff in both countries as well as with the ITC Project manager in Geneva. Additionally, very close cooperation was maintained with SECO project manager.

48 The international consultant visited the project sites in both countries twice; in Tajikistan in July and September and in Kyrgyz Republic at the beginning of August and at the end of August and beginning of September 2008. The last missions in each country coincided with the site visits of ITC and SECO project managers. The evaluation team gathered the information from respondents completely independently from ITC and SECO project managers, nevertheless their presence in the country proved to be beneficial for the outcome of the evaluation results as all unclear issues could be instantly discussed and clarified.

49 The following sources of information were utilized:

- Review of available literature on relevant subjects for the evaluation. (see Annex 7: references);
- Review of project reports;
- Interview of key personnel in SECO and ITC HQ;
- Interviews of representatives of enterprises, business service providers, government administration, other donor agencies, as well as local key informants.

50 Group specific interview templates, which were based on the logframe of the project (immediate objectives and outputs), were worked out and utilized where possible. Specific questionnaires, which can be found in Annex 3, were prepared for representatives of pilot enterprises, broader group of enterprises (except the pilot enterprises), business service providers (consulting companies, associations), SQAM bodies and stakeholders at macro level. The main aim of the information gathering through the suggested questionnaires was to receive information on how the service provision by the project was perceived by different stakeholders. Questionnaires provided a guideline for the information gathering procedure, however, they could not always be followed, e.g. the interviews with SQAM bodies were fully carried out in form of a free

discussion. Annex 2 lists all the names of people interviewed in various groups of respondents. The actual figures on achievement levels were received from ITC project staff independently.

- 51 The evaluation team felt that the description of the environment in which the enterprises operate needed to be given a special attention in order to understand better the achievements of the project or the way they have been assessed. A special report on this topic was prepared and attached in the Annex 5.
- 52 The mission had also the task of identification of new areas of support. The evaluation team decided to separate these two reports, due to the difference of their nature. Nevertheless the report on the new areas of work was strongly influenced by the results of the evaluation. See Annex 6.

## **2. ANALYSIS AND MAJOR FINDINGS**

### **2.1 Overall Performance Assessment**

#### **2.1.1 Relevance**

- 53 The overall goal of the project is to contribute to the sustainable expansion and diversification of exports from Kyrgyz Republic and Tajikistan as important means for supporting economic and social development. The project purpose is to improve the competitiveness of F&V processors in both countries on international markets. The goal and purpose of the project were highly relevant at the start and throughout the project as they reflected countries' strategies for trade development, which lead to improvement of export competitiveness of the sector. The project also addressed such relevant issues as regulatory requirements and assistance in sector strategy development.
- 54 From the perspectives of target groups their satisfaction with the relevance of projects activities and the general aims of the project were clearly expressed through their active participation during project implementation. With very few exceptions, all respondents expressed their gratitude for being part of the cooperation and their desire for continuation of project activities, which is a clear sign that the project was addressing real needs of beneficiaries in a very practical manner and that the project aim still remains relevant.
- 55 The design of the project did not reveal any structural faults; the structure of the project was appropriate to the working environment and was flexibly adjusted to upcoming changes, which contributed to the success of the implementation. The environment which provided the rationale for project implementation did not change significantly from the planning phase of the project. Considering the remaining need for such a project and the effective implementation experience the project is highly recommendable for replication in similar working environments.

### 2.1.2 Efficiency

- 56 The assessment of the evaluation criteria “Efficiency” is normally approached from the more general perspective. If the overall picture is positive, as compared to project’s achievements as well as benchmarked with other projects, a more detailed analysis of efficiency is seldom beneficial as compared to its considerable costs. For a detailed analysis of the efficiency an intensive input of a financial specialist with strong administrative background would be required. Such an approach only leads to valuable additional information if the general efficiency of the project is questioned and specific problem areas need to be identified.
- 57 The budget of the project was 1 Mio. US \$ for each country for a period of 33 months. Considering the necessary administrative costs and personnel costs to run a project of such a magnitude, the budget seems to be on the lower end of the scale. Similar projects with smaller scope for achievements are presently under implementation in both countries with considerably higher budgets. Benchmarking of the project against other SME projects in Central Asia, in some of which the evaluation team members are involved personally, would certainly lead to the conclusion that the project is at least above average efficient.
- 58 The project was executed within the given budget; almost all set tasks were achieved, several were substantially overachieved. Value for money as compared to the initial budget and activity plans as well as benchmarked to other projects can therefore be assessed as very high, i.e. the project was carried out in an efficient manner.
- 59 In the process of evaluation the issue of employing highly rated foreign experts from all over the world (high fees, high transportation costs) was repeatedly questioned. The success of the project is very closely linked to the high quality of foreign expertise, therefore even if their inputs were not cheap; they were certainly worth being employed, due to the outstanding value-for-money quality of their expertise.
- 60 Contribution from the Governments was limited, whenever cash flow was involved; participation of official personnel in project activities has been better. The BSP and BSSO level representatives were partly involved in project implementation, thus ensuring spread of project results with little costs involved. On the enterprise level, the efficiency of project efforts could have been substantially higher with larger investments; funds for carrying out such investments were strongly limited, though. The factors contributing to higher efficiency which were dependent on the project itself were achieved, those which were out of control of the project and in the hand of partners, left some room for improvements.
- 61 The project had a very lean structure, two people in each country and a manager in Geneva. Such lean structures are almost without comparison in development cooperation sector. ITC HQ staff made additionally technical expertise available in a non-formalized manner, thus adding substantial value without additional costs.

### **2.1.3 Effectiveness**

- 62 The relevance of the project purpose remained unchanged over the project life span. Project activities did not have to be adjusted to significantly changing environment. The targeted results of the project towards its purpose remained essential and were implemented in an effective manner.
- 63 All the stakeholders recognized that a considerable development leap has been achieved through the project. In the field of badly needed improvements of the quality infrastructure significant development impulses were introduced by the project, participating enterprises received practical assistance; the capabilities of business support providers were increased substantially and finally on the macro level significant steps were initiated towards ratification of the export strategy. There was no doubt for the vast majority of interviewed people that the implemented activities were right in view of the pressing necessities of the sector. These activities were highly appreciated by the beneficiaries on all three levels of project involvement (micro, meso, and macro).
- 64 The project was a small intervention in the F&V processing sector but its contribution in form of knowledge gain as well as received practical advice is evident and tangible. The assumptions formulated at the beginning of the project were realistic, with the exception of Government's contribution.
- 65 The aim of achieving an increased trade competitiveness of the agro-processing sector might have not been achieved significantly in terms of measurable results but a significant foundation was laid to sustainably achieve this aim in near future. The export figures did increase during the life span of the project, but a direct attribution of these increases to project interventions is disputable. However, the fact that there has been a considerable contribution to the "change of mind" on all levels of the F&V processing sector is the biggest difference the project made. This fact has been expressed strongly by majority of respondents, but it is not a measurable achievement. Additionally to the change of mind, the infrastructure for service provision in the sector, which is a precondition for achieving higher competitiveness on international markets, has been given a significant impulse for development.

### **2.2. Attainment of the Objectives**

- 66 The project provided a very good contribution according to the plan towards the development objective. It was implemented within the time frame and the given budget. The economic development can be considered strengthened through sustainable expansion and diversification of exports of fruit and vegetable products.
- 67 The F&V industry in both countries has a certain competitive advantage on international markets and definitely one on the local markets but in order to achieve a smooth and functional stage of

operations joint efforts of various stakeholders will be necessary. The enterprises need to cooperate more closely, they need to realize that at international markets they are even together not big trading partners. The Government needs to have a development strategy to which all stakeholders subscribe and which is implemented actively.

- 68 The project provided substantial impulses on enterprise level, beside several tangible changes the repeatedly reported “change of mind” of entrepreneurs is by far the most valuable transformation to which the project substantially contributed. The enhancement of the BSPs and BSSOs was another input which has a tremendous potential for improvement of the sector on the long run. The project further did all the F&V export strategy preparation work.
- 69 The attainment of objectives was impressive, it initiated in cooperation with other Governmental and development cooperation activities which are necessary processes for sector development. The task of bringing the fruit and vegetable processing sector to international standards and thus becoming an impulse for positive economic development of both countries is tremendous. Project’s contribution, despite being fully inline with the plan, has not substantially changed the situation of the sector. It has, however, significantly strengthened the preconditions for development of the sector.

### **2.3. Achievement of Results and Outputs**

- 70 The overall assessment of achievements of results and outputs of the project can be graded as outstanding. For a project of this size the results and outputs were ambitiously defined, nevertheless they were achieved almost without exceptions in a good manner. Some results had a significant level of overachievement. Significant overachievements are generally a clear sign of not appropriately selected targets during the planning stage. In comparison to other similar project in the same sector, the set targets were certainly not low, consequently the high level of achievements is even more impressive.
- 71 A detailed description of the activities as well as of the assessment of achievements is given in Annex 4: Evaluation Template, Assessment of Achievements. For specific information please refer to the Annex 4, here only short and generalized information is given for each of the Objectives. The information is provided county-specific, allowing a comparison of achievements.

#### **Objective 1:**

- 72 All the planned activities were achieved either in good or very good manner, within the time frame and within the available resource base. The only possible exception was the indicator of changes of management procedures on enterprise level in Tajikistan. Instead of planned 8 enterprises only 5 cooperating enterprises could report changes. Information was provided, though, that some of the enterprises which did not officially cooperate with the project started implementing some of the advice, e.g. one dairy and two fruit drying enterprises. Additionally, if

changes are not referred to safety and quality management improvement only, then a total of 8 cooperating enterprises had to introduce management changes due to new or improved products. Even if the number of enterprises is at the point of evaluation below the target, the expertise which is necessary for improvement of safety and quality management is available in sustainable manner in the country and will lead to even bigger benefits on long term.

73 The export competitiveness of enterprises in the fruit and vegetable processing sector improved according to the plan. Several enterprises changed product design, introducing new products or adjusting the given products to market requirements; business planning and management improved; marketing is seen from a different perspective, being now more at a core of decision making; and finally quality and safety management improved in some enterprises significantly. In short, it can be said that the export competitiveness of cooperating enterprises has improved, but it should be kept in mind that there is still a long way to go before these enterprises can be graded as competitive at the international markets. The project provided a significant contribution towards a bigger task of achieving international competitiveness of the cooperating enterprises, implementing the set activities in a very good manner.

<b>IMMEDIATE OBJECTIVE 1:</b>			
<b>To improve the export competitiveness of enterprises in the food processing sector, with a primary focus on the fruit and vegetable processing subsector, in areas where export competitiveness is determined by activities at the company level (such as in product design, marketing, quality and safety management)</b>			
<b>Achievements in Kyrgyzstan</b>	<b>Grade</b>	<b>Achievements in Tajikistan</b>	<b>Grade</b>
<b><i>Increase in exports by selected enterprises in the fruit &amp; vegetable sector</i></b>			
Export of pilot enterprises increased by 15-20 % on average from 2006	good	Export of pilot enterprises increased by 5 – 15 % on average from 2006	good
<b><i>Number of enterprises (min 10 for KYR, min 8 for TAJ) taking part in the programme who modify their products / services in view of foreign market requirements</i></b>			
A variety of product and service modifications were carried out in 8 enterprises; additionally several enterprises started packaging in smaller amounts, 5 further enterprises improved their recipes. In total more than 10 enterprises modified their products, some of them on various aspects of product design.	very good	8 enterprises changed their products	very good
<b><i>Number of enterprises (min 10 for KYR, min 8 for TAJ) who change their management procedures in areas covered by the programme</i></b>			
5 enterprises improved food safety and quality management systems; 7 enterprises improved: product promotion, cost analysis, portfolio analysis, and quality management skills.	very good	5 enterprises improved safety and quality management	<i>satisfactory</i>
<b>Output1.1: Improved, in cooperation with local business service providers, export performance of 5 pilot enterprises</b>			
<b><i>Minimum 3 enterprises that improved their export volumes and/or values</i></b>			
Export of pilot enterprises increased by 15-20 % on average from 2006	good	Export of pilot enterprises increased by 5 – 15 % on average from 2006	good
<b><i>Minimum 3 enterprises that upgraded the quality and safety management systems for further certification (e.g. HACCP, ISO 22000), improved the marketing systems and their packaging</i></b>			

3 enterprises are in the process to be ISO/HACCP certified, 2 additional enterprises improved their food safety and quality management systems and elaborated HACCP and ISO documentations. 5 enterprises improved packaging and their marketing system	Very good	5 enterprises have improved their food safety and quality management systems and elaborated HACCP and ISO documentations, 3 are ready for international audit. 5 enterprises improved packaging and their marketing system	Very good
<b>Output1.2: Improved export competencies of a broader group of enterprises in the areas critical for export competitiveness: product design, marketing and quality and safety management</b>			
<b>Number of operational enterprises (min 10 in KYR, min 8 in TAJ) in the sector applying the knowledge acquired in their activities</b>			
12 enterprises improved a variety of operations through the acquired knowledge	very good	11 enterprises improved a variety of operations through the acquired knowledge	very good
<b>Conducted at least 6 trainings, 150 people trained</b>			
16 trainings/workshops were conducted, of them 12 events in the mentioned areas. The total of 396 people was trained, of them 253 people were trained in the mentioned areas.	very good	20 trainings/workshops were conducted in the mentioned areas and 319 people were trained	very good
<b>Level of satisfaction of participants as evidenced by their feedback</b>			
According to participants' feedback, the level of satisfaction was high, with some exceptions.	good	According to participants' feedback, the level of satisfaction was high, with some exceptions.	good
<b>At least 3 marketing missions organised (trade fairs, outgoing missions, buyers &amp; sellers meetings)</b>			
3 trade fares in Moscow, one in Kazakhstan, one in Turkey, one in Kyrgyzstan	Very good	3 trade fares in Moscow, on in Tajikistan	Very good
<b>Number of market contacts established</b>			
A large number of contacts was established during the trade fares	Very good	A large number of contacts was established during the trade fares	Very good
<b>Carried out 1 Market Analysis</b>			
Market analysis of the fruit and vegetable processing sector in Kazakhstan 4 further specific market analysis reports	Very good	Market analysis of the fruit and vegetable processing sector in Kazakhstan 4 further specific market analysis reports	Very good

## **Objective 2:**

- 74 The business support service providers were not only recipients of training activities but they were also involved in implementation, as on-the-job training in real enterprise environment. BSPs improved their know-how as well as the quality of their implementation expertise and additionally they could widen the range of consulting services they offer.
- 75 All set tasks, with 2 exceptions, were fulfilled in good or very good manner. The exceptions are the full ILAC membership in Kyrgyz Republic and the capability of BSPs in the food technology area.
- 76 The ILAC membership is dependent on many factors which are not controllable by the project. Even if the full membership has not been achieved; the steps towards the membership were impressive, considering the environment in which they happened, e.g. KAC's membership has been upgraded from affiliate to associate in ILAC as a first step towards full membership.
- 77 The capability of BSPs in the field of food technology cannot be graded as sufficient. Significant changes of this situation can only be achieved through intensive long term Government

educational programme. The expertise is simply not available in the country and there is no programme in place to produce such an expertise in near future.

- 78 The project provided a substantial input towards strengthening business support service providers, which will assist potential and actual exporters in becoming more export competitive. The input was provided according to the plan with good level of achievements, within the given time frame and budget.

<b>IMMEDIATE OBJECTIVE 2: To strengthen the provision of business support services that can assist potential and actual exporters in becoming more export competitive</b>			
<b>Achievements in Kyrgyzstan</b>	<b>Grade</b>	<b>Achievements in Tajikistan</b>	<b>Grade</b>
<b>Number of Business Services Providers (min 5 in KYR, min 3 in TAJ) that improved quality and range of services.</b>			
7 BSPs improved quality and range of services	Very good	3 BSPs improved quality and range of services, one of them was not too content with the cooperation	Good
<b>Number of Business Support Service Organizations (min 10 in KYR, 5 in TAJ) assisted in the project</b>			
Project assisted 11 BSSO	fulfilled	Project assisted 6 BSSO	fulfilled
<b>Client satisfaction with the knowledge and approach of the participating business service providers</b>			
According to clients' feedback the satisfaction level with the knowledge and approach of the BSPs was high, especially on marketing and quality management issues. On food technology issues the acceptance was low.	Marketing-good Quality-good Food Technology - not sufficient	n/a	
<b>Output 2.1: The capacity of BSSOs will have been enhanced in three priority areas (product design, marketing, safety and quality management)</b>			
<b>Number (min 3 for TAJ only) of selected BSP offering new and improved services;</b>			
n/a		3 BSPs are offering new and improved services	Very good
<b>Conducted at least 6 events / trainings, 90 people trained</b>			
BSPs' representatives participated in all 16 events. In total 91 people represented BSPs at the workshops/trainings.	Very good	20 trainings/workshops were conducted in the mentioned areas and 319 people were trained (103 people were from BSPs).	Very good
<b>Level of satisfaction of participants</b>			
On average, more than 70% of respondents evaluated the results as excellent.	Very good	Vast majority was very content with the trainings, some participants were critical	Good
<b>Associations recognition by private and public sectors as a representative voice for the sector</b>			
Association of F&V enterprises is member of Entrepreneurs Union, Congress of Business Association, and Public Chamber under the President of KYR. It is involved in lobbying.	Good	n/a	
<b>Number of enterprises affiliated to the Association /membership increased from [current number] to at least for 50%</b>			
In 2006 the association united 12 members; in 2008 the number of members increased up to 24 companies.	Very good	n/a	
<b>Output 2.2: The capacity of SQAM bodies and the regulatory infrastructure will have been improved.</b>			

<b>At least 3 trainings conducted and at least 60 people trained</b>			
3 workshop on technical regulation, SPS and reform of accreditation system with a total of 137 participants	Very good	3 workshops with total of 55 participants (at time of reporting). Additional workshop on quality infrastructure and draft legislation on technical regulations was planned for Oct. 2008	Very good
<b>Level of satisfaction of participants</b>			
According to participants' feedback the level of their satisfaction is high	Very good	According to participants' feedbacks, the level of their satisfaction is high.	Very good
<b>A road map for developing the SPS infrastructure</b>			
Developed in November 2006	fulfilled	n/a	
<b>Continued membership in OIML</b>			
NISM Membership in OIML was supported until 2007	fulfilled	Tajikstandart membership in ISO and OIML was supported until 2007 (inclusive)	fulfilled
<b>Membership in IAF</b>			
Membership of KAC in IAF was supported until 2007.	fulfilled	n/a	
<b>Full membership in ILAC</b>			
Full membership is still pending	not fully fulfilled, but significant input	n/a	
<b>Minimum 2 testing and calibration laboratories ready for accreditation</b>			
n/a		Significant progress was made in preparation of TajikStandart's Food Testing Labs in Dushanbe and Khujand for international accreditation according to ISO/IEC 17025 requirements.	good
<b>Complete a road map to improve the SPS infrastructure</b>			
A road map was completed in November 2006	fulfilled	"Review of the National SPS Infrastructure of Tajikistan" and "Policy recommendations on SPS capacity-building in Tajikistan" were written	fulfilled
<b>A seminar on "the WTO Agreement on SPS" for businesses</b>			
A workshop on WTO SPS agreement from a business perspective was conducted	good	A workshop was carried out as per plan	Very good

### **Objective 3:**

- 79 Sectoral export strategies in both countries have not been ratified as official documents. The strategies were worked out in detailed manner and formed the template for working out further government strategies (such as e.g. general export strategy in Kyrgyz Republic) or influenced the implementation of various donor agencies. The impact of the strategy, even if not yet approved, has been substantial. The process of strategy elaboration was integrating and participatory, bringing various public and private players together for discussions.
- 80 Structural and organizational changes in both Governments as well as general hesitation to approve any binding document hindered the final ratification of the strategy. The ratification of the strategy is, however, not clearly stated as an indicator. It is assumed in the document, as

suggested implementation is based on the approved strategy, but in Central Asian context it is not too uncommon to have implementation before the official ratification.

- 81 The carried out activities in the process of elaboration of the strategy and initial implementation of it were performed in good manner, but the final ratification did not take place, due to a variety of reasons, which are out of control of the project. The resources spent on this objective in Phase 2 were insignificant.
- 82 A strategy is only relevant once it is accompanied by a clear vision and willpower of the responsible implementers. The Governments of both countries seem to be still in the process of developing ownership for the sectoral export strategy. Without it, even if it was approved, the strategy would not be a binding document. Not the missing approval of the strategy is an issue, but the readiness of the government to approve it and to implement it accordingly. Decisive steps in this direction are presently undertaken by the Governments.

<b>IMMEDIATE OBJECTIVE 3: To support the finalisation and implementation of the sectoral export strategy and to integrate it in a framework of sustained public-private consultations on trade development.</b>			
<b>Achievements in Kyrgyzstan</b>	<b>Grade</b>	<b>Achievements in Tajikistan</b>	<b>Grade</b>
<b>Resources committed by the private and the public sectors for implementing the strategies</b>			
The export strategy was developed in the first phase of the project but was not ratified due to constant changes in public administration.		Due to the structural and organizational changes, and also change in responsibilities for fruit and vegetable processing sector not much progress was observed in implementation of the strategy.	
<b>Output 3.1: Implementation of the fruit and vegetable processing sector strategy will have been assisted.</b>			
<b>Level of Government awareness on export related problems facing the sector stakeholders</b>			
Export related problems were discussed during the process of updating the Sector Strategy. Government officials participated in trainings and workshops.	Good	Ministries had free access to trade data. Government officials participated in trainings and workshop	Good
<b>Level of satisfaction of the sector stakeholders with the communication process during the implementation of the strategy</b>			
Strategy is not approved, nevertheless implementation started partially already. The participatory elaboration of the strategy had significant positive effects on the entire sector	good	Strategy is not approved, nevertheless implementation started partially already. The participatory elaboration of the strategy had significant positive effects on the entire sector. Sectoral Strategy document was included in other Government Programmes and Strategies.	good
<b>At least 3 meetings organised, total 90 participants</b>			
A workshop was conducted on the sector strategy, 70 participants. PSC meetings	n/a	PSC meetings	n/a
<b>Resources committed by the Government and other stakeholders for implementing the strategy</b>			
Due to the frequent changes in the responsible Ministry (5 Ministers changed since 2006) no continuity of the process could be ensured	open	n/a	
<b>The level of awareness on trade related problems</b>			

PSC Meetings Assistance to relevant governmental bodies, local BSPs, enterprises, and universities through subscription to interactive market analysis tools. Participation (NPM) in working groups related to trade.	Good	Assisted the relevant ministries and local BSPs in access to trade data through interactive market analysis tools. Government officials participated in trainings and seminars. Participation in PSC meetings. Establishment of a barcode association.	Good
<i>Export directory designed in print and in electronic version.</i>			
n/a		Developed the Export Directory of Tajikistan and launched its website (www.exportdir.tj).	Very good

## **2.4. Implementation**

- 83 The project implementation strategy was clear and the logical framework was well structured. ITC as implementing agency identified assumptions related to micro and meso levels. However, the assumption related to Government commitment, playing an extremely important role in implementation, was not explicitly mentioned. Thus, although the feasibility of the project was appropriate for reaching the objectives it was undermined by events outside the control of the project, such as change of responsible Ministries (TAJ) or rotation within the Government and Ministries (KYR).
- 84 The target groups - fruit and vegetable processing enterprises, providers of business services to the enterprises and public-private sector - correspond to the ones that benefited from the project. Taking into account that the project is completing its second phase the participatory and beneficiary-driven process highly contributed to ensuring relevance of the goal and purpose to the needs of the target beneficiaries. They took an active part in the project interventions during project life and are likely to continue to sustain the achieved results.
- 85 ITC's approach was well structured and practical, with very few exceptions beneficiaries had a clear understanding about the way to go and the priority actions to be undertaken. Progress on Work Plan and the Logical Framework Matrix was monitored throughout implementation of the project, results were regularly assessed by the project management, and corrective actions were taken as and when required. The Monitoring and Evaluation table was effectively used as a good quality management tool and was comprehensive in terms of expected outcomes, planned activities and indicators.
- 86 Definition of indicators lacked certain degree of clarity, though. Indicators are generally very specific quantity, quality, time, place and refer to specific groups, they are further clearly measurable. Most indicators of the project logframe did not fulfil these requirements. On the positive side, many indicators were defined openly, allowing maximization of results.

## **2.5. Institutional and Management Arrangements**

- 87 The major key to success of the project lies likely in institutional and management arrangements. The project achieved impressive results with limited budget and very small

administrative structure. The evaluation team concentrated its efforts on understanding the functionality of management arrangements as it has been anticipated that valuable “lessons learned” can be derived in this field.

### **2.5.1. Environment of Trust**

- 88 The interface of foreign and local expertise in development cooperation is the area where most misunderstandings have their origin and consequently have their, mostly negative, influence on project results. The friction on this level is not due to different levels of expertise, but primarily due to cultural and language background of people involved.
- 89 The Trade Promotion Projects had only two people working in each of the offices in Dushanbe and Bishkek. Despite the low number of staff the achievements were according to the plan, which is a clear indication that the regulating mechanism in cooperation of project personnel was trust and not control. Control would have required a much larger number of administrative personnel in the countries' HQs.
- 90 The environment of trust can only be achieved if professional expertise of all people involved is high and additionally they are able to establish good personal relationships with each other. The project seemed to have managed to combine these features.

### **2.5.2 Professional Expertise**

- 91 The professional level of international experts who were involved in the second phase of the project was highly appreciated by all interviewed stakeholders. Several reports worked out by these experts even became standard documents (road maps, export strategy) for other implementing agencies. Local ITC personnel were also highly appreciated by all respondents.

### **2.5.2. Project Management**

- 92 Foreign personnel was almost entirely limited to technical inputs, the managerial and administrative issues were all handled by personnel, which had a similar background in Soviet Union as well as consecutive transformation experience. The only exception was the more independent management of the marketing component in the last year of implementation by the foreign expert himself. The only complains about the management arrangements of the project were in this field. All Tajik BSPs expressed their lack of understanding and also their discontentment about the changes in marketing component of the last year<sup>1</sup>.

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<sup>1</sup> Despite general content with the achievements in the marketing component in Tajikistan various comments for improvement were expressed. E.g. better planning of trainings and seminars was suggested, as some were short noticed and not well delivered; clearer contractual agreements with BSPs would be beneficial; lack of local expertise should have been a reason for stronger training inputs and not for contracting Kyrgyz experts.

- 93 The impression was gained during the evaluation mission that project personnel focused on implementation from the point of view of necessary requirements and not from the evaluation perspective. The staff seemed almost surprised to be evaluated and partly it was surprised that the achievements were in line with the initial plan or even higher. The results of the majority of development cooperation projects are closely linked to set tasks; once a target is achieved the activity is not pursued vigorously anymore. This project e.g. did 20 trainings instead of 6 planned; this fact is even more surprising as training is a fund spending activity. The project personnel seemed not to be guided by success definition from evaluation perspective, which is mostly minimization oriented, but it was guided by a maximization spirit, trying to achieve the maximum with the given resources.
- 94 The backstopping of the project through ITC was effective. Firstly, there was no language and no significant cultural barriers between local staff and the ITC manager of the project. Additionally, ITC has highly professional in-house human resources which can be employed short-noticed and cheap as per need of the project. The pure factual reporting of the project, beside having the advantage of short reports, had the weakness that stakeholders who are not fully familiar with all details of the project lose the overview and get the impression of being insufficiently informed. The evaluation team had difficulties to form a clear picture of project's achievements based on the factual reports only. A similar comment was expressed by the SCO office in Bishkek. The form of reporting might be an issue to be considered for improvement.
- 95 The arrangement that members of BSPs are trained and at the same time utilized as local consultants was an effective and efficient measure. BSP representatives were not only trained but they also had the opportunity to practice the theory under real conditions in their working environment. This methodology increased their know-how but also increased their image as consultants, and lastly it was a very efficient method of implementation.
- 96 Seminars and trainings were focussed on a selected group of beneficiaries, but they were not exclusive. Participation in those project activities was open to outsiders; anybody could participate as long as capacities allowed it. Thus, distortion of competition could be partly avoided and the project results could be spread over a larger number of beneficiaries.
- 97 The project tried not to promote ideals of long-term horizon, but it started its activities from where the partners were. Activities were to a large extent adapted to the absorption and implementation capacity of partners, e.g. very specific low-cost improvements of processing technology was suggested.
- 98 The project selected local partners for cooperation who were all not dependent on the project. They are either Government entities or private for profit entities. Therefore it is likely that termination of the project will not lead to dramatic institutional changes in the sector. These organisations were there before the project and will remain after termination of it. The intensity

of activities is likely to change, but these institutions will continue. The selection of local partners contributed to institutional sustainability.

- 99 Cooperation with other initiatives and specially other projects was mentioned by several respondents as an area in need for improvements. Some of project's outputs became guiding documents for other donor agencies, and even programmes were considered for continuation by other donors. In Kyrgyz Republic Aglinks Project on SME development took not only the ideas of the project but even managed to take over local staff due to their expertise and performance, The World Bank project working on technical regulations and accreditation of laboratories was strongly influenced by the project's achievements. In Tajikistan the GTZ SME Project cooperated closely on the trade fare activity and generally wanted to continue the SME activities of the project. USAID took officially over the "National Export Strategy", which was worked out by the project, and aligned their activities based on this strategy. Project personnel also participated in all relevant network meetings. It was surprising that the impression was gained by some respondents that the project could have cooperated better with other initiatives. The reality does not confirm this impression, the project cooperated with other initiatives and contributed significantly to the joint efforts of development cooperation community, although it was not always evidently visible.

### **2.5.3. Conclusion**

- 100 In contrary to the recommendation of the mid-term evaluation the present evaluation team came after intensive consideration to the conviction that increase of the number of office personnel was not necessary as long as trust and not control is the coordinating mechanism. If there is trust, based on undisputable competence due to professionalism of people involved as well as on personal relationships without significant frictions within the team, organizational structures can be flat and flexible; as a consequence each individual member can have an extremely large span of control in such structures.

## **3. OUTCOMES, IMPACTS AND SUSTAINABILITY**

- 101 The aim of the project was to expand and diversify exports F&V processing products. Information exists indicating an increase of production and an increase of export, e.g. in Kyrgyz Republic (2006-2007) the F&V processing sector showed 59% growth in export value, whereas the members of Association of F&V Processors who were supported by the project achieved even 67% increase during the same period. This quantifiable output can easily be interpreted as a positive influence on the outcome of job creation and thus having a positive impact on poverty reduction. However, as long as the sector still has substantial gray areas and the reliability of statistics is at least questionable, caution is necessary in interpretation of such results.

- 102 The received data is a valuable source of information, but some of the information gathered is likely to be not objectively verifiable. Figures are based on entrepreneurs' verbal responses. It is likely that they response not always corresponds with the actual facts. They might want to please the interviewer, they might hide some information or they simply might not know it exactly. The database was not created for scientific research purposes, but for documentation of success in project implementation. For such a purpose the level of correctness of available figures might be sufficient, but caution is needed once this data is utilized for interpretation purposes.
- 103 Additionally, it is not possible to evaluate project's influence on the attainment of these figures, as in a volatile environment of the processing industry many external factors have their effects at the same time and various projects also provide their inputs simultaneously. Here again one has to rely on the information given by the interviewees, who have the tendency to increase the level of positive influence of the project based on the quality of relationship with project representatives. All figures mentioned in this context are pure guesses and not statistically verifiable. It is an interesting fact, though, that independent of the real statistically verifiable influence of the project almost all respondents without exceptions (on all three levels) perceived the cooperation with the project as beneficial and certainly as one of the main reasons for higher outcomes and positive impacts.
- 104 The assessment of outcomes and the subsequent impacts of project's activities is therefore difficult, as all estimations or assessments are based on vaguely verifiable data in a pool of various influences. However the assessment is done, it will always be liable to criticism for its missing confirmable justification.
- 105 From general point of view one can state that in an environment with a large variety of problem areas, as it is the case in the processing industry of both countries, concentration of inputs on improvement of the first limiting factors has the strongest positive impulse, up to the degree until other factors become first-limiting. The project did concentrate on important problems of the industry, achieving tangible results there. Consequently, the probability that positive outcomes and impacts were achieved is certain, but they are difficult to be assessed exactly in their magnitude.

### **3.1. Outcomes**

- 106 On the micro level the outputs achieved by the project led on the level of pilot enterprises to positive outcomes. The portfolio analysis in Ailana disclosed some products as loss making; termination of production of these products had a direct positive influence on the income as an outcome indicator. Several enterprises mentioned that due to inputs in product development their market position was strengthened, e.g. Ilmi Istehsoli in Dushanbe reported significant product changes due to project influence. Elita in Istaravshan received a substantial grant from

CIDA based on food safety management recommendations made by ITC. As a consequence these enterprises had most likely financial benefits and they certainly managed to secure jobs, if not create some. Some enterprises introduced a marketing department for which they employed new personnel.

- 107 Salaries of some participants of the human resource development programme of the project increased as a consequence of their participation in trainings and seminars. For the enterprises it might have been a negative outcome on short-term view, as either staff turnover or salaries were increased, but for the specialists it was positive. For the food processing sector it certainly was a positive outcome, as the necessity for labour migration reduced.
- 108 On the meso-level of business service providers the project achieved significant outcomes.
- 109 Through the theoretical and on-the-job training project laid a foundation for the development of services of BSPs. Their client base started increasing due to improved references as well as their specific assignments go beyond the know-how acquired through project implementation. Thus, the outcome of the project activities on the F&V service provision sector was substantial as the BSPs were enabled to secure a certain share of the market and are able to exploit it further themselves. The income of BSPs was not only increased in the given sphere of operations but activities in new ventures were started, thus improving the service provision sector.
- 110 On the macro-level the project produced significant outputs, such as e.g. the export strategy papers and the road maps for transformation of the quality infrastructure. Although the export strategies have not been ratified yet, implementation has already started. Both Governments utilize the strategies as templates for elaboration of similar strategies in related fields. The road map for transformation of the quality/SPS infrastructure is also the central document for major bilateral and multilateral donor organisations.
- 111 Even though outcomes and impacts cannot be specified yet, which is a normal fact for most macro-level activities in development cooperation sector, it is likely that on the long run tangible outcomes can be expected.

### **3.2. Impacts**

- 112 The assessment of impacts of project activities during its implementation is mostly premature but certain indications can be derived at this stage.
- 113 On the micro level the present pilot enterprises managed to survive on the market, thus securing the jobs of several hundreds of employees. In an industry which is in the process of consolidation it is already a significant outcome. The poverty reduction impact of project activities was not significant at this stage. The enterprises concentrated on improving their internal procedures, such as technology, products, operations, etc. The poverty reduction impact

is the strongest on the level of interface between raw material suppliers and processing industry, the project improved the preconditions for this interface to function better, but has not yet influenced it significantly.

- 114 The local production of processed F&V products increased during the project life span, thus having a positive impact on the consumption pattern of consumers as well as on export amount and diversity.
- 115 According to many business owners and managers, the intensive programme of trade fare participation, seminars and trainings led to an increase in confidence, better decision-making and change of mind. In transformation towards market-orientated decision making the respondents felt that a significant, even though not measurable, step forward was achieved.
- 116 A positive impact at beneficiary level came from project's capacity-building activities, introduction of innovations and intensive training of representatives food-processing enterprises on ISO 9001 and ISO 22000 (including HACCP). The awareness for importance of these aspects and necessity of their implementation was raised beyond the group of direct partners of the project.
- 117 The BSPs which cooperated with the project set new standards for service provision; other providers are forced now to comply with these new standards. This is a significant positive impact of the project on the service provision industry level.

### **3.3. Sustainability**

- 118 The achievements of the project are likely to be sustainable after termination of the project if the beneficiaries and majority of the important stakeholders feel ownership for the achieved results, the prevailing governmental policies are conducive for continuation, the local institutional capacity is sufficient to carry the results forward, the results are affordable, and the innovations are appropriate from the technical point of view.
- 119 Beneficiaries or stakeholders at all levels expressed appreciation for the activities of the project and the products developed. On the micro level of enterprises there was no doubt about the general appropriateness and necessity for implementation of project activities, in detail some variations for possible future improvements were suggested, though. On the meso level of BSPs and BSSPs the sense of ownership was perceived even stronger. This level is crucial for the future functionality of project results. The representatives of this level were even partly given responsibility in project implementation, which additionally increased their understanding and identification with the results, in which they see substantial business opportunities.
- 120 The sense of ownership on the macro level was strongly expressed by all people interviewed. However, this identification with the project aims and subsequent backing of its activities was not strongly outlived practically by the representatives of the macro level, which was due to

changing importance and urgency of projects aims as a result of constant rotations and alteration of responsibilities on political and administrative levels. With the exception of project activities in the field of laboratory accreditation in Kyrgyz Republic, where suggested project initiatives are still disputable for some representatives of macro level stakeholders, the other project actions and results were strongly owned by the macro level representatives. The export directory was even praised by the president of Tajikistan on several occasions.

- 121 Market orientated fruit and vegetable processing is highly in line with Tajik and Kyrgyz Government's strategy of supporting labour-intensive and market-oriented sectors of the economy, targeting inclusion of poorest groups of the population into the productive process and increasing the efficiency and quality of local service providers.
- 122 The local institutional capacity to carry the achieved results forward is sufficient in the field of marketing and business planning on enterprise level. On technological aspects of food processing the institutional capacity is not sufficient; in order to achieved a sustainable level a substantial input is required, which is far beyond projects' capability. On the level of quality management infrastructure the institutional capacity still needs significant efforts in order to implement project's recommendations and become a functional organisations. The quality infrastructure is still in the process of transformation in both countries, in Tajikistan it is even at the beginning stage of the process. The results of this transformation are dependent on many other factors beside the institutional capacity to carry the results forward; therefore it is too early to assess this aspect. The capacity in terms of human resource potential and access to the required know-how is there, but it is still not clear if there is political will to employ this knowledge as per project's recommendations.
- 123 The project had activities with two different driving forces, on micro- and meso-level the activities were market driven and on macro-level they were policy driven. The project did not subsidize excessively any activity; participants always had to contribute themselves, partly substantially. The market was not distorted through subsidies of the project but supported in order to achieve a functional stage. The products and services which occurred due to project interventions on micro-and meso-level seem to be affordable, if they will be demanded on full market terms still remains to be seen. Initially these services will be demanded by other projects and only to a minor extent by private enterprises. This is already happening at present, where the demand for these services is in existence, but still strongly project driven.
- 124 The implementation of policy driven activities is highly dependent on the political will of the two governments and not their affordability. The suggested actions are certainly affordable and necessary to be implemented; it is just a question of time when and how exactly the suggestions will be implemented. The pace of implementation seems to be hampered by general lack of funds; considering the amounts needed for achieving suggested results the affordability seems not to be as much an issue as the conviction leading to these investments. It is only a question

of time when and how in detail the suggestions will be implemented, but they are certainly affordable from Government's perspective.

- 125 The project utilized technologies which can be continued to be exploited under the local conditions in both countries. The technical innovations were highly appropriate. The orientation was not to find markets for highly sophisticated innovations but to provide solutions to the existent problems within the given environment. Problem orientated approach generally is more likely to implement sustainable innovations.

## **4. LESSONS LEARNED AND BEST PRACTICES**

### **4.1. Lessons learned**

- 126 **Cooperation with private market-driven institutions** The cooperation with market driven organisations was significantly different than the cooperation with project driven institutions. E.g. the business service providers in Tajikistan consisted of two market-driven organisations (Business Consulting and ISD) and one project-driven one (Market Plus). These organisations perceived the partnership with the project differently. Partners who are regulated primarily by market forces and not by the project achievement indicators are more likely to succeed sustainably. Market driven organisations are maximization minded project-driven organisations are often characterized by a minimization spirit. For project-driven organisations the aims of the project provide the measuring scale, for market-driven there is no upper scale, they try to achieve as much as possible.
- 127 Partners with market-driven regulating mechanisms do possess a certain degree of sustainability already, in partnership this aspect is improved; in project-driven institutions the issue of sustainability is strongly linked to the project and its life span. Market driven organisations are not only likely to achieve higher results due to their maximization spirit, but they are also more likely to set up structures which are affordable locally.
- 128 **First limiting problems of the industry** In situations where project interventions into a sector have to be selected strategically, as with the available resources not all issues can be addressed simultaneously, the first limiting problems should have priority. Food processing industry itself has a large variety of problems in both countries, for details see Annex 5, additionally along the F&V value chain significant issues can exercise influence on the results of processing industry. Projects which incorporate all problematic issues of the F&V processing chain have to be very big. The Trade Promotion Project had to make a selection some a very limited number of intervention due its small size. The selection was done in an excellent manner for three levels of interventions. On enterprise level quality issues, marketing and processing technology were selected, on the BSP level human resource development was selected and on

the macro level quality infrastructure and strategy development were chosen; these were most likely the most needed interventions and also those with the highest potential to be successful. However, one should keep in mind, that with the improvement of some problematic issues the importance of other issues increases simultaneously. E.g. the raw material supply will increasingly become a limiting factor. However good the processing plant will be in future, after implementation of all the recommendations of the project, lack of raw materials in required amount and quality can hamper the entire progress.

- 129 **Flexibility** Development cooperation projects tend to value rigid plans and strict implementation as a sign of quality of implementation ability. Project cycles, from planning to implementation are often relatively long; it could easily be 2-3 years from planning up to the start of implementation. In technical cooperation within the business environment the changes occur much faster and require often immediate attention. Projects plans targeting SME development have to have a strong degree of flexibility in order to better address those issues which are perceived by beneficiaries as priorities for intervention.
- 130 **Project implementation in relationship based societies** Both countries, Tajikistan and Kyrgyz Republic are relationship based societies. From project implementation perspective there is a tendency to concentrate on tangible results and outcomes disregarding the human or relationship factor. In Central Asian context relationships are important facts, they are mostly the first things which come into minds of people when problem mitigation strategies are discussed. It is not first of all what needs to be solved, but with whom a solution can be achieved and who of the project staff has the adequate relationship with such a crucial decision maker.
- 131 Disregarding the relationship issue in relationship-orientated societies leads to project results which hardly sustain over the project lifespan. Ownership is strongly linked to people involved. The Trade Promotion Project mastered the combination of achievement of tangible results in a relationship based society in an excellent manner. The lesson learned is that the success of the project was strongly influenced by the management structure, which consisted of people with similar cultural background (way of thinking influenced by Soviet Union and the subsequent transformation of the society). The marketing component was the least influenced by such a cultural thinking, not surprisingly this was the component with certain degree of difficulties.
- 132 In relationship based societies cultural sensitivity of staff is an extremely valuable asset for successful project implementation, if available, people with the cultural background of the region have a substantial comparative advantage.
- 133 **Development Activities in Central Asia** Central Asian region has experienced a decreasing reputation for success potential in development cooperation circles. Despite all the reports on the desolate status of Tajikistan and Kyrgyz Republic, the countries have, as compared to other countries in similar economic situations a relatively good potential to produce tangible results.

- 134 There are significant shortcomings, such as public administration capacity, lack of business orientation, slow reform implementation, etc, but the positive potential should also be kept in mind. The infrastructure is deteriorating rapidly but is still relatively good, human resources are relatively good, there are natural resources with some potential, etc. Project implementation, which is based on locally available strengths and knowledge has a high probability to be successful. The project demonstrated that appropriate implementation design considering local conditions and flexibility in implementation can lead to successful results, even in seemingly hostile (as seen by most development agencies) environment.
- 135 Central Asian countries have excellent human resources. Appropriately qualified personnel has to be attracted for project implementation in the first place, but given responsible positions, they can easily outperform similar projects implemented by foreign personnel, who have much larger difficulties to adjust to the working environment.

#### **4.2. Best Practices**

- 136 **Cooperation with other donor agencies** The cooperation with other development agencies has the purpose to coordinate various efforts and avoid unnecessary overlaps of activities. In reality, though, the issue of distribution of credits or recognition for successfully implemented activities is a major point of contention. Instead of jointly working for higher levels of achievements unnecessary discussions are held about the attribution issues. E.g. in Tajikistan one major international donor firstly claimed to coordinate all donor activities, only later to report most of the achievements of various implementing agencies as their own accomplishments.
- 137 The Trade Promotion Project was criticized by some interviewees for lack of coordination with other donor agencies. Although the name of ITC or SECO was not predominantly mentioned in such network or coordination meetings, project activities can be assessed as in line with the policies or requirements of the sector under consideration.
- 138 Coordination should be done not between the different logical frameworks of donor agencies but firstly by the alignment of these frameworks with the needs of beneficiaries and then only sharing the tasks in various logframes. The project was involved in continuous consultations with the beneficiaries thus providing realistic and highly appropriate products and documents. The high quality of these products (strategy, road map) influenced the work of other donor agencies. Thus, the project did coordinate the work with other donor agencies, not through negotiations, though, but through outstanding outputs, which were taken up by other agencies.
- 139 The coordination with other donor agencies is often better if an expatriate person is heading the local office, as most other donor agencies are headed by expatriates. Coordination is not a task on itself; it should only be a method to achieve better results. Where coordination efforts compete with limited resources for implementation, decision should be made for the best value

for the final beneficiaries, which is not automatically a well coordinated implementation of various donor agencies.

- 140 **Flat organisational structure** Project structures in development cooperation sector are generally very rigid. Project plans are made before the project starts and they are kept as much as possible stable for the total duration of project implementation. The logical framework provides the monitoring guideline. Control is generally the main coordinating mechanism; a substantial organisational setup is necessary to carry out all activities in a properly controlled manner.
- 141 This project had a very flat structure; it was built on trust into the professionalism and personality of people involved and not on control. The project was monitored regularly and this evaluation is certainly also a control measure, but the motivating factor was not how to pass any possible future control, but how to achieve the set tasks.
- 142 With carefully selected specialists and an internal environment of trust, project personnel can develop a strong identification with the project; their initiative is then not limited to minimum achievements according to the logframe, but to the maximum achievements of the set tasks. In such organisations the structure can be very small and almost without hierarchy, which even affects the results positively.
- 143 **Beneficiaries as implementers** Representatives of business service providers were trained by the international project staff and at the same time they were implementers of day-to-day operations with pilot enterprises. Thus, not only these participants of trainings received a chance to apply their knowledge under supervision in a real environment but the project also saved significant amounts of funds in delivering its services. As an outcome of this type of strategy the service provision sector of both countries was strengthened almost as a by-product of project implementation.
- 144 **Stand-by professional expertise** The project could draw on a group of highly qualified and performance tested professionals, partly ITC internal personnel. These experts were employed flexibly targeting specific problems. They were given longer term assignments despite the short-term nature of their inputs, thus continuity of professional input in the area of their expertise was ensured.

### **4.3. Constraints**

- 145 **Participation of the Government** As repeatedly mentioned in previous parts of the report the participation of the Government in project activities left plenty of room for improvement. A project which aims at tangible achievements on macro level is dependent on the quality of cooperation of Government as a partner. For the Government the project aims are not always of high priority, which leaves the project in a vulnerable position

- 146 **Regional approach** The project was designed close to identically for both countries. Comparisons and exchanges of information and expertise could have led to synergies; in practice the exchange was limited. The activities in both countries were implemented almost independently providing only little ground for possible synergies.
- 147 **Visibility** In Kyrgyzstan the project did not achieve a high standard of visibility, many project activities, even if known by stakeholders were not associated with ITC/SECO. In Tajikistan public relations activities were solved in an outstanding manner, setting standards for other development aid projects of the country.
- 148 **Transformation of the sector** The fruit and vegetable processing sector is in the process of severe transformation. The ownership is constantly reallocated, competition is not always guided by economic reasoning, markets come and go without continuity, generally, the industry structure can be described as almost amorphous. Setting up a project for tangible improvement of such a sector is difficult and requires a high degree of flexibility.
- 149 **Linkages along the value chain** The linkages along the value chain are by far not in a functional and predictable stage. Just the interface between the farm gate and processing industry is a black box for improvements. Contract farming is just at its beginning, presently the processing industry still depends on a market which is difficult to predict. The results of processors can be influenced extremely by harvests or by prices on the market, aspects which are out of control of the processing industry. Coordination of various players along the value chain for the benefit of all participating parties is strongly needed.
- 150 **Sector with chronic problems** Projects can only provide selective interventions or “quick fixes”, which is valuable but considering the extent of chronic problems<sup>2</sup> of the F&V processing sector a much bigger input of a longer duration is necessary. As not much can be done towards solving all chronic problems of the sector at least it should be kept in mind that project’s contribution is limited and can only be of a limited nature.
- 151 **Different perception of results** Human resource development activities can lead to an increase of staff turnover on the enterprise level, This is a negative result for the enterprises, although the improved expertise, if remained in the sector, is beneficial from a more general point of view.
- 152 **Responsibility of enterprises management** Even though enterprises agree to make changes, the introduction of these changes at enterprise level is slow. Fragmented ownership structure and hired management can hinder progress or significantly increase the length of decision making processes.

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<sup>2</sup> As chronic problems a large variety of issues can be named: quality of raw materials, unpredictable supply with raw materials, availability of packaging materials (serious issue in Tajikistan), qualification of personnel, outdated and oversized processing equipment, partly obscure administrative and tax regulations, close to no information flow along the value chain, non-established markets, etc. (to name just few chronic problems)

- 153 **Missing driving forces** As long as there is not driving force or absolute necessity for implementation of recommendations they will remain on the level of interesting but practically not applicable information. E.g. unless compliance with quality standards becomes precondition for exports the standards will not be seriously implemented and controlled. There is an increasing tendency towards stronger demand of products with improved quality standards, but unless certain minimum standards are not controlled by law or by buyers, implementation will be slow, despite full conviction of its necessity by enterprise owners.
- 154 **Quality of data** All the collected data is objectively difficult to verify. The quality of official statistics is improving, but still on a low level of credibility. Other figures (processing, export, etc.) were mostly based on estimates of respondents, also not objectively verifiable. Data on perception of project activities is of different nature, i.e. it could be utilized for interpretations.

## **5. RECOMMENDATIONS**

- 155 Recommendations vary dependent on whether the same project is to be continued or a new one should be started. Continuation of the project builds on an already established foundation which needs to be improved only; a new project needs to establish such a conducive environment first, thus the recommendations are on different levels. The aim of this evaluation is to provide recommendation for new projects, as continuation of the present project has not been a serious object of discussion.
- 156 The Trade Promotion Project was evaluated as being successful, as described in previous sections of the report; recommendations are consequently based on positively tested interventions. The recommendations are therefore of “how to do“ nature and not of “how not to do it again” nature. Valuable lessons can be learned from mistakes, but even more valuable lessons can be learned from positive examples. However, caution is required on the issue of transferability of these recommendations in different environments.
- 157 The official project documents for each country have the chapter “Project key principles to ensure sustainability”, this chapter provides an excellent basis for recommendations for any project in development cooperation. These factors were effectively execute in design as well as in implementation of the project and were instrumental in the success of its operations. Section 5.2. provides some recommendations which are based on the project’s key principles but have an additional emphasis.

### **5.1. Issues resolved during the evaluation**

- 158 n/a

## **5.2. Actions/decisions recommended**

- 159 **Strategic selection of interventions** Industries which are undergoing transformational changes need to be assisted in the entire spectrum of their operations. If these industries are additionally in countries which undergo themselves transitional changes, it really does not matter much which field of intervention is selected by the project, as almost any strategic intervention will lead to positive results. It is not so much the question of what to do, but how to set priorities in order to achieve the biggest results with the limited available resources. The first limiting factors (major problems) with the biggest positive effect on the industry should be given first priority.
- 160 **Success criteria based on the perspective of beneficiaries** The success of project activities needs to be measured at least also from the perspective of the cooperating stakeholders. The project will only be regarded successful by beneficiaries if they appreciate the cooperation and perceive it as a profitable undertaking. The aim should therefore be to produce tangible results from stakeholder's perspective. Stakeholders need therefore to be active already in the planning stage or the project has to have flexibility to adjust to their desires at a later stage of implementation.
- 161 **Ownership by local partners** The local partner should be the owner of the project from very beginning. It is believed that demonstration of technical possibilities by an outside partner with gradual handing over of activities to a local agency has by far less chances of becoming a sustainable intervention than strengthening of the existent local potential.
- 162 **Open partnership** It is of crucial importance that all project activities are done in a transparent way, regularly informing all the participating partners about the progress and difficulties of project implementation. There should be openness to react to constructive criticism at any point of the project implementation. This can only be achieved if an environment of trust is established in cooperation. Performance of individuals and of the entire project is highly dependent on identification of participating parties with the aims of the project, the identification can only be achieved in an environment of trust and open partnership.
- 163 **Quality of expertise** The success of the project is highly dependent on the professional expertise of people involved. Local personnel was professionally qualified and had good relationships to decision making circles, the international personnel was highly qualified in the area of their expertise. This combination significantly contributed to the success of the project.
- 164 **New Areas of Work** A detailed report on the topic of "New Areas of Work" is attached in Annex 6. The report was written as a stand alone document, therefore here only a very brief summary of recommendations is given. In order to select the next intervention a whole selection process is recommended, which can be summarized as follows:
- Decision 1: Clarification of a realistic starting point of the next phase or of the new project.

- Decision 2: How should the transition between the present project and the new project be bridged? Should there be a continuation of activities of the present project or should there be only planning of the next phase? If continuation of present project, which activities should be extended?
- Decision 3: Carrying out of the project exclusion procedure. Based on the information available some of the suggested projects can be excluded from further consideration.
- Decision 4: Carrying out of the project selection procedure. After the project with the least potential are excluded a more detailed analysis of the remaining projects should lead to a selection of the most perspective project for implementation. The selection criteria are suggested in Annex 6.

## **6. OVERALL CONCLUSIONS**

- 165 The Trade Promotion Projects in Tajikistan and Kyrgyz Republic was a very successful intervention in a difficult environment.
- 166 **Relevance:** The project was highly relevant as it reflected countries' strategies for trade development. The project also addressed such relevant issues as regulatory requirements and assistance in sector strategy development. From the perspectives of target groups their satisfaction with the relevance of projects activities was clearly expressed through their active participation.
- 167 **Efficiency:** The project was executed within the given budget; almost all set tasks were achieved, several were substantially overachieved. Value for money as compared to the budget and activity plans as well as benchmarked to other projects can be high; the project was carried out efficiently.
- 168 **Effectiveness:** All the stakeholders recognized that a considerable development leap has been achieved through the project. Quality infrastructure received significant development impulses, participating enterprises obtained practical assistance; the capabilities of business support providers were increased substantially and finally on the macro level significant steps were initiated towards ratification of the export strategy. This was all done in an effective manner according to the plan. There was no doubt for the vast majority of interviewed people that the implemented activities were right in view of the pressing necessities of the sector. These activities were highly appreciated by the beneficiaries on all three levels of project involvement.
- 169 The overall results and outputs of the project can be graded as outstanding. For a project of this size the results and outputs were ambitiously defined, nevertheless they were achieved almost without exceptions in a good manner. Some results had a significant level of overachievement.

- 170 All the planned activities of Immediate Objective 1 were achieved either in good or very good manner, within the time frame and within the available resource base. The Immediate Objective 2 and 3 had minor deviations from the plan, mainly due to reasons which were out of control of the project.
- 171 **Implementation Arrangements:** The project implementation strategy was clear and the logical framework was well structured. ITC's approach was well organized and practical; with very few exceptions beneficiaries had a clear understanding about the way to go and the priority actions to be undertaken.
- 172 The institutional and management arrangements were pragmatic and effective; the interface of foreign and local expertise, the central source for possible misunderstanding in development cooperation was well managed. The coordinating mechanism of working relationships was trust and not control.
- 173 **Impact:** Despite the fact that outcomes and impacts are often difficult to specify during project life time the Trade Promotion Project can claim to have secured many jobs in the processing industry and influenced the service provision sector positively, by enhancing their capabilities, the variety of their services and the quality of its delivery.
- 174 **Sustainability:** The achievements of the project are likely to be sustainable after termination of the project as the beneficiaries and majority of the important stakeholders feel ownership for the achieved results, the prevailing governmental policies are conducive for continuation, the local institutional capacity is sufficient to carry the results forward, the results are affordable, and the innovations are appropriate from the technical point of view.
- 175 **Lessons Learned:** The lessons which can be learned from the project are: 1) Cooperation with private market-driven institutions is more likely to produce tangible results and become successful, 2) in order to achieve the biggest effect the intervention needs to concentrate on the first limiting problems of the industry, 3) All intervention need to be done in flexible manner, 4) project implementation need to give a very special attention to the relationship based environment, and 5) development activities in Central Asia can be successful if the programme is built on the existent strengths of the region.
- 176 **Best Practices:** As best practices of project implementation the following ideas were developed: 1) complementarity of efforts with other donor agencies can be achieved through products as well as through verbal coordination, 2) With flat organizational structures results can be achieved more efficiently, 3) Beneficiaries can be involved as implementers, thus simplifying project structure and making it more efficient, and 4) Stand-by high quality professional expertise is needed to achieve above average results.
- 177 **Constraints:** Various constraints during project implementation were encountered, which, however, did not influence the outcome significantly.

- 178 **Recommendations:** Based on the successful project implementation the following recommendations were elaborated for future project which will be implemented in similar environments: 1) Extreme caution is necessary in selecting the areas of interventions. The biggest problems with the highest potential for positive effect should be given first priority. 2) Beneficiaries need to be instrumentally involved in defining success criteria. 3) Sense of ownership needs to be instilled in all local partners. 4) The partnership needs to be very transparent. 5) The professional expertise needs to be of the highest possible standard.
- 179 **Conclusion:** Both countries, Tajikistan and in the Kyrgyz Republic the project has produced tangible results on all three levels (micro, meso, macro) of interventions. It has been a practical and successful project in a sector with substantial problems. Considering the state of affairs of the fruit and vegetable processing sector, it can be said that the general picture of the sector did not change profoundly although significant foundation was laid for transformational changes in the near future. Major problem areas remain and the scope for continuation of technical assistance in this sector is certainly there.