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Rural Development in the Region of Meghri project

Semi-annual Report 2013

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Acronyms

AMD	Armenian Dram
APE	Agro-processing enterprise
ASC	Agriculture Support Centre
BDS	Business Development Services
CARD	Centre for Agribusiness and Rural Development
CC	Consulting Company
CHF	Swiss Franc
DRR	Disaster Risk Reduction
FREDA	Fund for Rural Economic Development in Armenia
IPM	Integrated Production Management
M4M	Markets for Meghri project – Rural Development in the Region of Meghri project
M4P	Making Markets Work for the Poor (approach)
MA	Ministry of Agriculture
MCA	Millennium Challenge in Armenia
MHA	Meghri Horticulture Association
NGO	Non-Governmental Organization
OSCE	Organisation for Security of Co-operation in Europe
PO	Producers' Organization (Farmers' Organization)
RMA	Rapid Market Appraisal
SDC	Swiss Agency for Development and Co-operation
SME	Small and medium sized enterprise
SP	Service Provider (could be private, government or donor Organization, NGO)
ToR	Terms of Reference
ToT	Training for Trainers
VC	Value Chain
WRC	Women Resource Centre in Meghri

Basic Information

Country, Region	Armenia, Region of Meghri
Name of project	Rural Development in the Region of Meghri project Markets for Meghri project (M4M)
Project number	7F-05537.02.01
Contract number	81016803
Domain SDC	CIS Division
Domain of cooperation strategy	Economic Development and Employment
Start of project and of current phase	01.12.2009 – 30.09.2010 (inception phase) 01.10.2010 – 30.11.2012 (implementation phase I) Inception and implementation phase are considered as one phase. 17.12.2012 (starting phase II) The project is currently in the sub-phase A of the phase II (17.12.2012 – 16.06.2014)
End of the current phase II	31.12.2016
Scheduled duration	A second 2,5 year sub-phase B is planned for 17.06.2014 - 31.12.2016
Budget of the sub-phase A of the phase II according to contract	1,370,519 CHF
Effective costs inception phase	348,590 CHF
Effective costs of the phase I	1,097,714 CHF
Budget implementation phase II	3,509,192 CHF
Implementing organisation	HELVETAS Swiss Intercooperation, NGO CARD (sub-contractor) – Centre for Agriculture and Rural Development
Main objective of the project	Active men and women small-scale horticultural producers, processors and traders in Meghri have increased their production and profitability and thereby generate increased and sustainable income
Main partners	Women and men lead farmers, farmer groups, local business organisations, traders and other private buyers, Meghri cannery and other processing companies, input suppliers, BDS service providers, credit organisations, local (municipalities) and provincial government

Strategic Review and Outlook

1.1 Main Results

The project results according M4P Logframe are presented at the different levels.

HH (Poverty) level

New 4,7 ha of orchards and vineyards are planted in the spring of 2013. In 4 years period of time with minimal current yield and market prices it would increase income around 35 mln AMD of the farmers. It would make in average around 570 USD per farmer per season or 0,4 USD a day per member of the household.

Growth (Farm) Level

1 300 samplings of cherry and 500 samplings of table grapes were planted in Meghri in the spring of 2013 that makes around 4,7 ha of new orchards and vineyards.

Table grape and cherry were introduced by the project for extending cash earning period from July (when farmer get the first income from sales of persimmon) to late April or early May (when they can income from sales of cherry and grape). Through this initiative farmers are going to sell first products in spring and get cash when they need it most.

Market System change (Service) Level

Project has two local partners in Meghri – Meghri Horticulture Association and Agriculture Support Centre of Syunik marz. Both organisations working with 138 farmers (6¹ out of them are women) involved in production of new crops in the region – cherry and table grape.

Intervention (Project) Level

There are some permanent project specialists working in Meghri office – BDS and Finance specialist, agronomist and project assistant.

Other project staff spent a little bit more than planned of their time working in Meghri.

1.2 Main Changes

Growth (Farm) Level

Two new crops introduced by the project in Meghri: cherry and table grape. The project plans to continue the diversification and introduces in the autumn black current in the middle- and high-mountain villages that is very good from the market point (very demanded and has high price) and from DRR point of view - insignificantly water use and consolidation of slopes from land sliding.

Market System change (Service) Level

There are some initial agreements between farmers and traders and processing companies for delivery of fruits.

Intervention (Project) Level

The positive trend of improving and future development of the relationships with local authorities and Syunik marzpetaran. Although the local authorities still continue sometimes to approach the project with a request to build a water irrigation system in some communities, the project achieved better understanding of project goal, interventions and approached by public and business partners and their acceptance of project functions (to act as facilitator, analyst, developer and innovator). Marzpetaran and local communities have better understanding of the project activities and provide support to the implementation.

The project did preparatory work for signing the Memorandum of Understanding with the Ministry of Agriculture of the Republic of Armenia for sharing of information. The project has several meetings with the Ministry of Economy that expresses interest to share some project costs next year (2014), particularly for conducting an event on attraction of private investments to the Meghri region.

¹ It should be noted that the horticulture is men domain business. Women are mainly involved in home fruit processing. The project works with women mobilizing them in informal group for fruit processing.

2. Introduction

The overall project goal relates to poverty alleviation through increasing of income opportunities at the level of 1 350 households engaged in economic activities in the horticultural sector in Meghri.

This is achieved by *raising production levels* (in terms of productivity and use of land) and engaging in *more profitable activities* in the value chain. *Better access* to knowledge and information and improved use of inputs and technology, access to financial services and capital for investment, better access to the markets and coordination with government allow households in Meghri to increase their income at least for 10 %².

The project focuses its interventions on making *systemic change in related support services* in collaboration with different public (government) and private players (including financial service providers, input suppliers, processing companies, traders, capacity building services etc.) to bring about large-scale and sustainable change. The interventions focus on establishing 'business models' which allow crowding-in and provision of sustainable services.

Target group of project interventions are the households in the region engaged in the horticultural sector with an income that is closely around the national poverty line - 2,2 USD/day/member.

The project in the Phase II has a new project team that consists of 5 specialists, two project co-managers (from CARD and HELVETAS Swiss Intercooperation sides), project assistance in Yerevan and Meghri offices, project consultants from HELVETAS and CARD and supporting staff (accountant, drivers and cleaners). In the first semester of 2013 three project members doing work permanently in Meghri and the other visited a little bit more than it was planned.

The project team had a knowledge trip with the region at the end of January. HELVETAS Swiss Intercooperation's consultants –

Ms. Nicole Clot conducted the DRR workshop and Mr. Matthias Herr conducted an introduction workshop on the M4P approach. All these activities were helpful to the team for elaboration of detailed outcomes, detailed result chains, yearly plan of operation and updated the project document – making relative changes in a few project outputs and outcomes, indicators that measure changes in the market and efficiency of project interventions.

The project works with partners that have the incentive and capacity to deliver improved services benefiting the target group in terms of income changes and employment. This means that the project itself does not provide direct solutions to poor households, but rather seek collaboration with partners that possess leverage and the power to change the way the system works. In the first year of the Phase II of the project such partners were small processing and retailing companies from Meghri and Yerevan, traders and input suppliers from Ararat marz, local municipalities and Syunik marzpetaran, ASC of Syunik and AHM. The project cooperates with other development organisations as SME DNC, UNDP, USAID and OSCE. To the selection of the partners the project applied a key principle follows the rationale of the M4P approach: *work with those that possess leverage and can change the system in favour of many poor households (not only in Meghri).*

Around 143 ha of agricultural land was damaged because of two hails in Shvanidzor, Alvank, Vardanidzor and Karchevan communities at the end of May – beginning June, namely 22 ha - grape, 11 ha - vegetables and 90 hectare - fruit orchards. According to data provided by the community leaders 23 households receiving social allowances have suffered from hail. The approximate number of suffered households in all four communities is approximately 320. The hails made negative impact on the production of fruit in the region. Damaged area has around 40 % losses of fruits.

² Prodoc, p. 23. The project planning to increase income of households for 20 % in case of directed interventions (facilitated provision of technical assistance, access to finance and markets) and for 10 % in case of households indirectly involved in the project interventions (e.g. learning from demonstration plots and copying of good practice in their orchards).

3. Outcomes achieved in the first semester of 2013

Outcome 1: Access to Knowledge, Information and Input Supply

At the beginning of the Phase II, the project conducted information meetings in all 8 supported communities to introduce to farmers, local authorities and small business main project interventions and working approaches. Later, in May, the project in collaboration with Syunik marzpetaran, introduced the M4M to the society and stakeholders in Kapan. The aim of this Public Hearing was to represent the project's mission, scope, priorities and the main activities of 2013 to the local government representatives, mayors of Agarak and Meghri and community leaders, lead farmers and big farmers, Meghri cannery and farmers involved in fruit processing. There was a very active and effective discussion between Government, project and business. The important recommendations were given by the participants that help staff to make project work efficient and more resulted.

The project did sub-contracts with two local agriculture service providers operational in Meghri region – the Agriculture Support Centre of Syunik (ASC) and the Meghri Horticulture Association (MHA). The ASC works with 73 farmers who were introduced to production of table grape. The MHA works with 79 farmers who started to grow cherry in 2013. The project develops capacities of those organisations for efficient provision of demanded services.

The project team hosted a representative from the PUM³ Netherlands Mr. Gijsbert Kroon who provided consultancies to the farmers Nrnadzor, Meghri, Alvanq, Kartchevan and Shvanidzor villages about modern ways of cultivation, spraying and pruning of fruit trees.

The project introduces two innovations in the frame of DRR cross-cutting theme, namely Aquasource biopolymer, which increases efficiency of irrigation through excellent absorption and desorption characteristics and of anti-hail nets for table grape production.

The project in cooperation with the “Ecotechnology” LLC, Yerevan has initiated an introduction of the Aquasource biodegradable polymer usage in Meghri region. Aquasource is a new generation of materials that have the unique ability to absorb and bind in their molecules moisture from irrigation, precipitation, dew and even fog. Later, the material retains moisture to the fruit root underground. There was training for farmers about use of Aquasource and orchards of 18 farmers with 47 trees and around 3 000 m² vegetables were injected as a promotion of introduction of new technology. The injection of Aquasource biopolymer planned to do via two phases. The second phase of injections will be done during third decade of July. The project elaborated an informative bulletin about the polymer usage in Armenian. This information is available to any interested party around Armenia.

As a DRR promotion activity was planned to cover with anti-hail nets 1540 m² of vineyard. Taking account that the grape clusters were in the beginning of the forming process and setting up the anti-hail nets could damage many young and easy vulnerable clusters, only 300 m² of the vineyard at farm of Rafael Gyurjyan in Alvank was covered by the nets. This work was done in close collaboration with the UNDP DRR project in Syunik, Armenian DRR Platform and Syunik Region DRR Team. Because of special structure of the nets, vineyards with trellis were needed for proper installation. Only three farmers were discovered having proper vineyards for installation of the nets and only one of them agreed to use anti-hail net for testing. The main reasons to refuse were additional work for anti-hail net's installation, not believing in the capacity of the nets to prevent the loss, not being familiar with the technology, inability to do cost-benefit analysis for their orchard business, etc.

Unfortunately, at the end of May – beginning of June, hail happened twice in Meghri and destroyed around 143 ha of agricultural land⁴, out of that 22 ha were grape. The project assessment of anti-hail net effectiveness in Rafael's vineyard has shown that it was 100 % while the area which was not covered was damaged by 40%.

³ Netherlands Senior Expert Services provided by Dutch experienced retiree specialists.

⁴ The report about hail damage in Meghri in English was submitted to the SDC on 28 June.

In this case the costs of covering 1540 m² of vineyard with anti-hail nets was 783 790 AMD. Taking into account 12 t/ha productivity of table grape, the farmer would have around 1,64 t that would provide to him the income of 328 050 AMD (calculated by the average market price 200 AMD/kg). The 40 % damage of uncovered vineyard made about 131 220 AMD of losses to the farmer. In case that the warranty of the nets is 10 years the economic efficiency of the technology will be around 167 %. . Currently, when the results are obvious, the interest of the farmers towards the anti-hail net installation is increased.

The project had three discussions with the CARD, Microsoft Lab and Microsoft Innovation Centre about establishment or development of existing (www.e-agro.am) market information system for further development of horticulture in Meghri. The project is in process of developing of information system that provides sustainable flow of information and knowledge between small-scale producers in Meghri and agri-input suppliers, agri-service providers, traders, processors and other stakeholders.

Intervention 2: Support of establishment of commercial linkages between agro-service providers and input suppliers

The project started to create a database of agri-input suppliers and agro-service providers in Armenia. This information will be available at the end of 2013 for Meghri farmers.

Intervention 3: Support spreading of new more productive varieties

The project together with ASC and MHA organised purchase, delivery and planting of 1 300 samplings of cherry (79 farmers) and 500 samplings of table grape (73 farmer) that makes 4,7 ha of new orchards in Meghri region.

Outcome 2: Access to Financial Services

Intervention 4: Promotion of provision of appropriate financial products for VCOs

The project is in process of selection of the company that will conduct the assessment of the financial market in Meghri. The results of

the financial market study will be used for improving understanding of the financial service providers about horticulture market development and their encouragement in provision of more appropriate business models and financial products.

The “CARD Agro-Credit” has signed an Agreement with the Jinishian Memorial Foundation (www.jinishian.org) about allocation of 40 million AMD to lend to small farmers and SMEs in Meghri region.

Intervention 5: Support BDS providers in provision of information and services to VCOs

Within the scope of Memorandum of Understanding (MoU) signed between CARD and the Small and Medium Entrepreneurship Development National Center of Armenia (SME DNC), Mr. Armen Sargsyan is hired to represent SME DNC in Meghri and carry out projects directed to the development of start-up and operating businesses. He works from M4M project’s office in Meghri.

One joint pilot project with the SME DNC and USAID EDMC is in the sphere of the dried fruit production aimed on improving farmers’ knowledge and skills on the production of demanded products, marketing and establishment of a long-term and sustainable relationship with potential buyers. SME DNC conducts trainings on entrepreneurship development, disseminates information about investments in Meghri region and provides loan guarantees through active regional universal credit organizations and banks.

Outcome 3: Improved Market Access

Intervention 6: Support establishment of improved commercial linkages between farmers and buyers

The project identified 16 potential buyers in Yerevan and Ararat region interested in purchase of the products from Meghri region. 11 of them participated in the Business-to-Business meeting conducted on 31 May – 1 June in Agarak. There were 56 participants (lead and big-scale farmers, leaders of communities, processing and trading companies, supermarkets from Yerevan, traders from Artashat) at the meeting in total. The buyers presented their requirement for purchased products to farmers. There were discussions

in three groups about perspectives of cooperation and development of long-term and reliable relationships between parties.

The MHA had initial negotiation with the buyers from Artashat and Proshyan processing company. The parties agreed to have regular monthly meetings to of key representatives for informing each other about progress of harvesting and delivering the products. The MHA expressed the interest to sign the first contract with the buyers and deliver to them around 40 tons of fruits in 2013.

Other possible deliveries will be to Meghri cannery and supermarkets in Yerevan.

The project developed and published 200 copies of the catalogue of fruits produced in Meghri (in Armenian) with the names and addresses of 102 farmers and lead farmers interested in sales of their produce and developing long-term relationships with the buyers.

The catalogue was distributed among participants of the B2B meeting. The catalogue is available in both project offices (Yerevan and Meghri) for any interested person.



Picture 1. Catalogue of fruit produced and horticulture farmers in Meghri

Intervention 7: Support the development of better organizational structures and capacities

The project in collaboration with the SME DNC and USAID EDMC project organised the Training for Trainers in Yerevan for M4M team and two lead-farmers from Meghri. The main topics of the training were HACCP, modern drying technologies, International standards for dried fruits, packaging and labelling. The training was conducted by a food and industrial engineering specialist Mr. Malossi.

As the result of this training in the frame of gender transversal theme 14 famers in Meghri (mainly women) were mobilised in two informal groups for dry fruit production. These groups with project support were linked to Kilikia company, Yervandashat Association⁵ and Arcolad that interested in purchase of dried fruits for export to Russia and Europe.

Outcome 4: Advocacy and Business Environment Development

Intervention 8: Advocacy

Both interventions of the outcome 4 are coordinated by the project co-manager Eugene Ryazanov at the moment. This responsibility will be shifted till the end of the year to one of the project staff.

Eugene has elaborated the concept of the Platform for Agriculture Development in Syunik (available in English upon request). The draft of the concept was provided to and discussed with the SDA and OSCE.

Later in close collaboration with the OSCE was initiated the first platform meeting (on 4th of June, 15 participants from 8 development organisations and marzpetaran). The participants of the Platform decided to have bi-monthly meetings (at the first Tuesday of each second month) at 11:00 a.m. in Kapan with two sessions for discussion. The chairmanship will be on rotation base after 2 meetings. The chair organisation invites participants, does and distributes the minutes of the meeting. The PAD was chaired at the first two meetings by the Syunik marzpetaran and then by other organisations (e.g. Kapan Farmers Association, OSCE, etc.). The project encourages the PAD participants to involve the VCO

⁵ It is the biggest exporter of dried fruits in Armenia.

(farmers, processors, traders) in discussion relevant topics for improving business environment and development of agriculture in Syunik marz.

Intervention 9: Support investment promotion strategy

Although this project intervention was planned for the second half of 2013, the project initiated a dialogue with OSCE and Syunik marzpetaran about conducting a conference with the private investors in Kapan in the end of September. The event will be conducted in close collaboration with two abovementioned organisations.

4. Outputs and Performance according the YPO 2013

The project has encouraged two local organisations – Agriculture Support Centre and Meghri Horticulture Association in provision of technical assistance (training, consultancy), input supply and delivery of products produced by their supported farmers to the traders and processing companies. Although, the project has sub-contracts with those organisations, those contracts based co-financing of the planned activities. While the contribution from the ASC makes 4 %, in case of the MHA it makes 39 %. The project provides assistance to both organisations developing their capacities to be able to provide market (fee-based) services in the future.

The project has to increase orchards from 277 to 310 ha (on 23 ha) according to the prodoc in the Phase II. In the first half of the 2013 the project supported increase of orchards and vineyards on 4,7 ha (20 %). The project supports the planting of new varieties in the autumn as well.

The project tries to rehabilitate 22 ha of the wasteland orchards in Agarak. There were 4 meetings with stakeholders – farmers having the plots at that land, major of Agarak and leader of Karchevan community, USAID Clean Water and Energy project, as well as with the deputy of the Syunik marzpetaran Mr. Doluns and his assistance Mr. Ghazaryan for discussing repairing of the water pump, pipeline and

maintenance of the equipment in the future by the farmers. The project can encourage in the process only 5 owners out of 38 at the moment and needs supports from local authorities in mobilisation of farmers for decision making about future of this 22 ha land and maintenance of watering equipment. Most of the owners of that land have another source of income (working at the Agarak metallurgical plant, Customs and Russian military base) and prefer to keep own land for the future land market price growth instead of it cultivation. Now, the project continues work in close collaboration with Syunik marzpetaran, Agarak and Korchevan communities for conducting a meeting with the majority of land owners for making decision and developing a working plan.

The project tries to encourage agricultural input suppliers in provision of their services in Meghri. The project has established interim exhibition of small agricultural machines and tools in the Meghri office for farmers to examine market demand. This experience provides to the project more knowledge necessary for proper encourage of private business in provision of this type of services in the future. At the moment two grass-cutting machines (1,2 and 0,9 mln. AMD), many pruners and saws were sold. CARD Agro-Service considers this initiative as an opportunity to establish an agri-input shop in Meghri.

The small production volumes of the farmers requires their aggregation in a kind of informal groups having common interest to sale demanded products at the markets with reduced transport costs per unit. While lack of trust towards buyers is common behaviour among farmers in Meghri, the project put efforts in introduction of contractual relationships between parties for developing long-term and trustful relationships in the future.

The project initiated the Platform for Agriculture Development in Syunik and in process of preparatory of a base for initiation of an elaboration of an Investment Promotion Strategy. Both interventions are related to the governance transversal theme where the project team has lack of capacities. It is planned that in the autumn the project will get consultancy on the governance issue from the HELVETAS Swiss Intercooperation governance specialist. Current project experience on governance would be a base for discussion of efficient project interventions and elaboration of a project concept note (similar to the existing DRR pro-

ject concept note) for systematization of governance activities in all project outcomes.

The project team got short introduction on M4P approach in February. It was three days training aimed at learning of “Making Markets Work for the Poor (M4P)” approach and sharing experience regarding the application of this approach in practice. The training took place in Tbilisi, Georgia. 22 participants from SDC projects in Armenia, Azerbaijan and Georgia were trained by Matthias Herr, HELVETAS Swiss Intercooperation consultant with support from his colleagues - Andrew Wilson and Eugene Ryazanov.

This training helped project specialists to develop knowledge on efficient utilization of available resources to leverage change in different market systems (e.g. agri-input supply, sales of farmer produce, etc.) essential for small scale agricultural businesses to achieve large scale and sustainable impact. The project specialists with support of HELVETAS Swiss Intercooperation and Springfield Centre were able to elaborate detailed project outcomes, yearly plan of operation and results chains according M4P methodology. There is need to get asap training course of Springfield Centre for project co-manager Ms. Hasmik Altunyan and Mr. Gagik Sardaryan, CARD director be responsible for the project quality assurance.

The project co-manager Eugene Ryazanov and senior agronomist Armen Zakaryan had one week trip to Tajikistan. While Eugene conducted training on M4P approach in Russian for four HELVETAS Swiss Intercooperation economic development staff from Kyrgyzstan and Tajikistan and did review of their project according M4P frame, Armen had an experience exchange with several local organisations involved in implementation of M4P project getting acknowledge about applied working tools and received results, making own opinion about efficiency of them and possible replication in Armenia. There are a few idea that will be replicated soon, for example, provision of information about disease and pest management for supported crops and direct contacts with agri-input suppliers and other service providers via mobile phones.

5. Finances and Management

The information presented in the Annex 2 is based on project expenses done in Armenia and does not include Helvetas Swiss Intercooperation HQ expenses and not yet approved by them. The main idea of presenting this information is a base for discussion some issues (e.g. capacity building of the project staff) with forthcoming mission of the SDC to the project in Meghri. The financial report of the project for the first semester will be provided separately within 3 months according the SDC requirements.

Although the total expenses in the first half of 2013 make 61 % of the total project budget for 2013 in reality they are less because they include all remuneration of local (national) experts (budget lines 0313.1030-1090) for the whole year.

Project administrated funds were spent only for 13 % because of initiation of project interventions in the way of encouraging existing VCS and VCO pay for the services or sharing costs with local organisations as ASC and MHA. The project in process of conducting some costly activities as baseline study, research of financial service providers, an event for attraction of private investments in the region.

The project has lack of funds for capacity development of the project staff. Available amount of 4 609 CHF is less then costs of M4P training of Springfield Centre in Thailand for Hasmik Altunyan, CARD project co-manager. The project would appreciate to get some additional funds for M4P training of Gagik Sardaryan, CARD director, who is responsible for project quality assurance.

In the first half of 2013 the project team has been standing a lot in Meghri. There is a team working permanently in Meghri: BDS and Finance specialist, project assistant and agronomist. Other team members as project co-manager, senior agronomist, monitoring specialist because of several initial activities had the most of their working time in the first half of the year in Meghri.

The project has signed the MoU with SME DNC. According this MoU the SME DNC for the first time opened a position of the business development specialist in Meghri with the aim to have full office after M4M project. The SME DNC specialist based in the M4M

project office till February 2014 when the organisation will install own office.

The project has a focal point on gender issues. It is Ms. Elza Stepanyan, project assistant in Meghri office. Elza conducted half-day workshop on introduction of Gender in the SDC and HELVETAS Swiss Intercooperation strategies for the project team. The project will have in the second half of the year a gender specialist from the HELVETAS Swiss Intercooperation for conducting a gender workshop for the project team and project partner organisations.

The project co-manage has a meeting with the OSCE about gender development in Meghri region. Later, in collaboration with the OSCE the project conducted a meeting in Meghri with women-managed small businesses for discussion of the opportunities in the frame of the M4M project and OSCE activities.

The project has three students from the International Centre for Agribusiness Research and Education for two months (July – August). They will be involved in conducting of studies on households and work of credit institutions in Meghri.

6. Lessons Learnt

Introduction of agricultural innovations as for example introduction of anti-hail nets should be done in proper time before the beginning of grape vegetation.

Mobilisation of farmers can be better done by the local organisations, local active point people in villages and community leaders that know people, their resources, interests and expectations from the project.

Sharing of information with other development organisations and government at marzpetaran and community levels leads to synergy and complementary of the project interventions, example DRR activities, rehabilitation of orchards, etc.

Although the elaboration of project detailed outcomes and result chains took more time than it was expected, it is important for the project specialists do this exercise themselves for getting better understanding of project interventions and results, and having ownership.

It is important to develop capacity of the project staff for implementation of the Making Markets Work for the Poor (M4P) before starting the project phase for common understanding of project approach, working tools, expected results and planned interventions.

4.2 Support development and implementation of Investment Promotion Strategy (0404,4100)		Tools / deliverables	Expected Results	Indicators	Responsible staff member	Time frame												Budget CHF
						January	February	March	April	May	June	July	August	September	October	November	December	
Activities																		
4.2.1.	Conducts the assessment of governance related issues that impact enabling environment of horticulture development in Meghri	assessment	Clear governance related issues that impact enabling environment of horticulture development	Defined priorities for the project activities on improving of enabling environment	Project Specialists, Consultant												1 000	
4.2.2.	Facilitate an elaboration of the Sector Investment Promotion Strategy	meetings; working group of private and public sectors	draft of the sector investment promotion strategy	discussed draft of the strategy with public and private sector	PM, Project Specialists												1 500	
4.2.3.	Coaching of stakeholders for the implementation of the strategy	coaching; technical support	the strategy is used and implemented by the private and public sectors	share of achieved results were planned in the strategy	PM, Project Specialists													
4.2.4.	Assessment of investment opportunity	assessment of investment opportunities by the project staff and if needed by external consultant/ company	clear understanding of investment opportunities	available information for public and private sectors	Project Specialists, Consultant												1 000	
4.2.5.	Sharing of the information with relevant private and public actors at different events	meetings, b2b and business with government meetings	some joint activities between public and private sectors	number of events; number of joint activities between public and private sectors	Project Specialists													
4.2.6.	Attraction of investments through support the organisations of different events in close collaboration with government at local and governor levels	a kind of conference for attraction of investments to Meghri	companies expressed interest to invest and actually invested in Meghri	number of companies expressed interest to invest; number of companies invested in Meghri; financial volume of investments	PM, Project Specialists												4 000	
TOTAL BUDGET FOR OUTCOME 4:																	11 000	

Legend:

PM Project Manager

M&E Monitoring and Evaluation Specialist

MS Marketing Specialist

SA Senior Agronomist

BDS&F BDS and Finance Specialist

VCO Value Chain Operator (involved private company (companies), FG)

VCS Value Chain Supporter (involved (non)-financial service provider)

VCI Value Chain Influencer (involved state and donor organizations)

Annex 2: Project expenses on 30 June, 2013

Note: The presented project expenses include only expenses done by the project team in Armenia and do not include other project expenses done by the HELVETAS Swiss Intercooperation. It is not final expenses that are not approved by the HELVETAS Swiss Intercooperation. The main idea of their presence here is:

- A discussion of the opportunities for development of project staff capacities with forthcoming SDC mission to the project (in the middle of July, 2013);
- A discussion of some possible reallocation of funds from one part number to another one without any changes in the annual project budget.

Part No	Budget Lines	Budget 2013 Amount, CHF	Available funds per 1.07.2013, CHF	Available funds, %
0202,0000	Local Office	2 460	1 974	80%
0300,0000	Project Implementation	303 258	122 097	40%
0313,1030 -				
0313,1090	Local Experts (national)	53 452	0	0%
0333,6000	Remuneration of national support staff	64 625	38 693	60%
0333,7000	Travel & Representation of Local Experts	17 700	9 421	53%
0333,8000	Equipment	15 000	1 111	7%
0333,9010/ 0333,9020	Operating Costs Meghri office	13 125	5 561	42%
0333,9030 -				
0333,9150	Operating Costs Yerevan office	38 751	24 189	62%
0313,1010/				
0313,2100/ 0313,3100	International Expert (HELVETAS project co-manager)	100 605	47 646	47%
0404,1000	Outcome 1: Information services and agricultural input supply	63 930	55 116	86%
0404,1100	Promotion of sustainable flow of information and knowledge Support establishment of commercial linkages between agro-service providers and input suppliers	25 000	22 622	90%
0404,1200	Support spreading of new more productive varieties	15 000	15 000	100%
0404,1300	Research & analysis ,monitoring	18 930	12 494	66%
0404,1400	Research & analysis ,monitoring	5 000	5 000	100%
0404,2000	Outcome 2: Financial Services	25 000	24 023	96%
0404,2100	Promotion of provision of appropriate financial products for VCOs Support BDS providers in provision of information and services to VSOs	10 000	9 686	97%
0404,2200	Research & analysis ,monitoring	10 000	9 338	93%
0404,2300	Research & analysis ,monitoring	5 000	5 000	100%
0404,3000	Outcome 3: Value chain linkages	40 000	35 231	88%
0404,3100	Support establishment of improved commercial linkages between farmers and buyers Support development of better organisational structures and capacities	20 000	16 081	80%
0404,3200	Research & analysis ,monitoring	15 000	14 150	94%
0404,3300	Research & analysis ,monitoring	5 000	5 000	100%
0404,4000	Outcome 4: Public-private cooperation	40 000	32 871	82%
0404,4100	Facilitate development of investment promotion strategy	5 000	5 000	100%
0404,4200	Advocacy	10 000	8 262	83%
0404,4300	Research & analysis ,monitoring	5 000	5 000	100%
0404,4400	Capacity building for project team and key stakeholders	10 000	4 609	46%
0404,4500	Overall programme research & documentation ; M&E	10 000	10 000	100%
Total Budget 2013:		516 048	312 713	61%