

FAST FACTS

United Nations
Development Programme



Wider Europe: Aid for Trade for Central Asia, South Caucasus, and Western CIS

The 'Wider Europe: Aid for Trade for Central Asia, South Caucasus and Western CIS' project supports countries in the region to benefit from increasing resources available from **Aid for Trade (AfT)** and to harvest the benefits of trade for human development. The project works both regionally and individually with eleven countries in the Western CIS region (**Belarus, Moldova and Ukraine**), in South Caucasus (**Armenia, Azerbaijan and Georgia**), as well as in Central Asia (**Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan**).



©UNDP AfT project (Kyrgyzstan 2011)

Lack of information, knowledge and access constrains farmers and small and medium sized enterprises (SMEs) in this region in identifying the potential market opportunities and potential and existing value chains. The project targets these constraints and endeavours to bridge unmet **needs of entrepreneurs** and enhance private sector's trade capacity, specifically targeting SMEs, farmers and farmers' cooperatives. The project works on the micro level and the macro level, using a two-way approach, as detailed below:

The **AfT Needs Assessments** provide an overview of trade related issues in the country from a **Human Development perspective**, carefully analysing the different competitive sectors and providing recommendations for specific **intervention areas**.

MATTERS OF FACT

The project aims to develop **trade related capacities** in the Europe and CIS region using a holistic approach.

The project develops capacities of SME's and farmers along the entire line of the business process – from business processes (planning, management, and finance), access to finance, over processing, standards, branding and market access (**knowledge, access and productive capacities**).

Eleven national **Aid for Trade Needs Assessments** have been developed.

Budget phase I (2009 -2011): 1.6 mln Euro

Budget phase II (2011 -2014): 4.6 mln Euro

Donor: Government of Finland

The second intervention area targets the development of **trade and trade development capacities** of entrepreneurs and local government structures.

Under the second intervention area, particular activities implemented within the project were designed based on country specific baseline assessments conducted at the beginning of the project, and differ from country to country.

In general, they included:

- a) Trade marketing baseline assessment for export promotion interventions;
- b) Capacity building on trade mainstreaming;
- c) Establishing regional export promotion centers;
- d) Expanding SMEs' access to financial services;
- e) Promotion of environmentally friendly technologies and green commodity production.

All the activities are implemented jointly so that beneficiaries can develop a **comprehensive set of skills** that will allow them to better gain from trade. That way the project develops the capacities of SMEs and farmers along the entire line of the business process – from **business processes** (planning, management, and finance), **access to financial services** (micro finance), over **processing, standards, branding and market access** (**knowledge, access and productive capacities**).

Results so far achieved:

Eleven national Aid for Trade Needs Assessments were developed in Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine and Uzbekistan and one regional review for SPECA countries.

To **strengthen trade capacities** of public institutions and entrepreneurs over 100 trainings reaching over **1500 farmers, entrepreneurs and civil servants** in Kyrgyzstan, Tajikistan and Kazakhstan were conducted. Furthermore, two study tours (Novosibirsk and Yekaterinburg) for project beneficiaries were organized to facilitate the identification of **new markets channels**. Both of these study tours resulted in concrete agreements, and in the case of Novosibirsk, **150 tons of onions** have been shipped already.

With regards to access to financial services, **22 microfinance loans** totalling 269 959.43 US\$ were distributed in Kazakhstan and Tajikistan. The microfinance loans cover business ideas such as ecological greenhouses, meat tinning and other processing lines but also improved cattle housing and improving pedigree of cattle.

Eco-friendly, business sense and clay ...

In Tajikistan, the microfinance activity supported the construction of one eco-friendly greenhouse built with one clay wall, which stores the inner heat as a natural insulation and **does not require any heating system** during winter months. The activity also introduced water saving technologies by installing a drip-irrigation system. In addition, the farmer is only using organic fertilizers. Since its first harvest, more than 900kg of cucumbers (end of February 2011) were produced and were sold at average price of 1.8-2 USD, which is 0.7-1.1 USD cheaper than imported ones.



The *Trade and Export Promotion Center* (TEPC) and the *Batken Market Information Center* (BMIC) were established to provide advisory services to the entrepreneur community in the Sughd (Tajikistan) and Batken (Kyrgyzstan) region. In Kazakhstan, the project supported the development of advisory capacities of the *Women Entrepreneurs Association* (WEA); as a result of this support, WEA has been able to provide **47 business consultations to women entrepreneurs**.

In addition to advisory services, the BMIC also provides market price information via its online database, which on average has **120 users per day**, via **radio stations**

located in markets and regular **heralds**, of which so far **2000** have been sold. In Tajikistan, the project established the AIMS systems that provides agricultural information and market prices via an online database, an **SMS information system**, three **electronic information boards**, a **mapping of agricultural production** and regular **heralds**.

The project also demonstrates that **environmental sustainability** and efficient production can work hand in hand. In Khujand (Tajikistan), the project proved that use of organic fertilizer in **cotton** production results in **higher yields**: yields for the organic cotton were 2.50 tons/ha, against 2.17 tons/ha using mineral fertilizers. As a result, 150 farmers will use the organic approach on part of their cotton production. In Kyrgyzstan, the project supported trainings on organic fertilizer and showed that for example with **tomatoes yields were 10-15% higher** than with traditional fertilizer, while at the same time decreasing cost of fertilizer by 25-30%.



Aid for Trade © UNDP Tajikistan

The future (2011 – 2014)

The project will continue its activities in **Kazakhstan, Kyrgyzstan** and **Tajikistan**. Furthermore, it will also expand and replicate the experiences of these three countries (adapted to the national context) in **Armenia, Georgia, Uzbekistan**. In addition, the project will support aid for trade initiatives in **Belarus, Moldova** and **Ukraine**.

UNDP's Regional Bureau for Europe and the CIS (RBEC) serves 28 countries in Central and Eastern Europe and the former Soviet Union, including those in Central Asia. With its headquarters in New York, RBEC's outfit comprises 22 countries offices and its Regional Centre in Bratislava. The Bratislava Regional Centre (BRC) links the country offices and the RBEC headquarters in New York. The BRC supports country offices by providing policy advice and backstopping services delivered by UNDP's Bureau for Development Policy, as well as by RBEC's regional specialists.

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