### Reporting Agency: United Nations Development Programme Country: Republic of Armenia

### **ANNUAL PROGRESS REPORT**

### No. and title: 00091028 ENPARD Technical Assistance: Producer Group and Value Chain Development

### Reporting period: 01 January – 31 December 2017

### **BACKGROUND**

With funding from the European Union, the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) supports the Ministry of Agriculture of RA in ensuring an efficient and sustainable agriculture that contributes to better living conditions in rural areas. Under ENPARD Armenia a technical assistance component focuses on producer group and value chain development. The component is implemented by UNIDO and UNDP with funding from the EU (2.4 million euro) and co-funding from the Austrian Development Agency (1 million euro). In particular, the project aims to:

- strengthen existing and establish new producer/farmer groups,

- effectively engage producer/farmer groups in value addition activities, and

- strengthen value chains that provide improved access to affordable, better quality food.

Direct beneficiaries of the project include agricultural producers, members of producer groups, cooperatives, as well as Armenian consumers. The project also focuses on women, youth, and other vulnerable groups.

The major accomplishments are presented below.

### **I. RESOURCES**

**00091028 / ENPARD Producer Group and Value Chain Development**

**Total Approved Budget for 2017: USD 873,288**

UNIDO/European Union (EU): USD 528,786

UNIDO/Austrian Development Agency (ADA): USD 344,502

### **II. RESULTS**

The major accomplishments, the actually implemented and planned activities as well as achieved results as per December 2017 are shown below.

**Activity 1.2: Select producer groups**

**Open call for Syunik marz:** The open call launched for high-value non-traditional vegetable groups in Syunik marz to expand geographical coverage of the project activities based on the sustainable model developed in other beneficiary regions. In total, four groups were selected based on the approved methodology and criteria developed by the project. The selected groups are based in Tolors, Vaghatin, Darbas and Angeghakot communities of Syunik.

**Activity 1.4: Establish new producers groups**

**Syunik producer groups:** The Project provided four newly-established Syunik producer groups with energy- efficient tunnel greenhouses with drip irrigation systems to cultivate high-value non-traditional vegetables. The greenhouses installation work was done by the producer groups in partnership with the subcontractor selected for the supply, delivery and installation of greenhouses. The producer groups were also provided with seeds, seedlings and cultivation tools as well as with non-traditional vegetables cultivation and harvesting training and booklets. As a part of the practical component of the training all four producer groups completed the soil preparation and planting of non-traditional vegetables in early October. The harvesting was conducted in November-December and provided additional income opportunity for the groups.

**Activity 1.5: Capacity development of primary producer groups**

**Cooperative Management Trainings and Consultancies for primary production groups:** BSC consulting concluded its subcontract to provide Agricultural Cooperative Management trainings and individual consulting to the primary production cooperatives in 39 communities to assist with specific issues on cooperative management and documentation, including sales authorization contracts, employment contracts, service provision contracts and other related areas. The coaching sessions were arranged in cooperatives’ communities to enable participation of all cooperative members. The participants’ feedback on the training and coaching sessions was very positive. According to them, the sessions met their training needs and the stated objectives. It provided the participants with skills and knowledge directly applicable to their activities. In total, 145 cooperative members participated in the training and coaching sessions in all 6 marzes.

**Management and Agriculture Helplines:** As newly established entities the cooperatives/producer groups needs a point of reference where they can find high quality practical agriculture/management knowledge and skills to successfully cultivate the crops and develop the agricultural cooperatives. To provide this vital assistance to the Project beneficiaries, the Project supported the establishment and operations of Agriculture and Management HelpLines for the Cooperatives and Producer Groups. The Helplines were established in Question and Answer Service (QAS) format and provide farmers with personalized answers to their questions. The Helplines are currently operating in Armenian language and provide consultancy on more than forty topics, including quality seeds and seedlings; maintaining soil structure; integrated pest management; integrated fertilizer management; crop rotation; organic agriculture; anti-hail protection; drip irrigation; greenhouses; harvesting and post-harvest handling; phytosanitary certification; storage; transporting; processing and packaging; human resource management, financial management and accounting, contracting, taxation, marketing and branding, business strategy and business plan development. The beneficiary cooperatives/producer groups receive responses on their query in real-time or through a call back service. The service providers also visited the beneficiary cooperatives/producer groups to get acquainted with their operations and challenges, collect the information on the main agricultural/management issues and provide on-site consultancies around the topics listed above.

**Activity 1.6: Document lessons learned for appropriate legislation for producer groups**

**Lessons learned:** As part of the coaching sessions conducted by the subcontractor in all cooperatives, the lessons learned were documented for appropriate legislation for producer groups.

**Legislation Expert:** To further improve the legislation on producer groups/cooperatives in Armenia, the Project hired an expert to document lessons learned from the past and on-going activities related to the establishment and operation of producer groups/cooperatives and provide recommendations for further development of the legislation in this area. The Expert was responsible for the following:

- Document lessons learned from the past and on-going activities related to the establishment and operation of producer groups/cooperatives;

- Compile and provide information as to the types, numbers, problems and needs of existing producer groups/cooperatives as well as the problems and challenges affecting the development of such groups;

- Study the international experience of producer groups/cooperative development and identify the further effective mechanisms, techniques and approaches that could be localized and adopted in Armenia;

- Provide the recommendations for further development of legislation on producer groups/cooperatives in Armenia.

The final report addressing all the points listed above was submitted in October for sharing with the government and stakeholders for further development of the legislation in this area.

**Activity 1.7: Promote women, youth & vulnerable groups**

**Women leadership and youth, women and vulnerable groups participation:** The promotion of participation and access of women, youth, and other vulnerable groups is among the constant priorities of the project and is addressed on daily basis by the all the cooperatives. The EU project document calls for 40% of the registered producer groups to be women led, and to employ 30% youth. The ADA project document calls for participation of 30% women and 30% youth. The producer groups attributed to each donor component comply with these requirements.

**Gender/youth mainstreaming trainings:** Based on the gender mainstreaming recommendations, the subcontractor was contracted to provide Gender and Youth Mainstreaming Trainings to the groups to further mainstream gender equality and women and youth empowerment into the project implementation. The training module addresses the administrative, financial, community, educational and other barriers for women, men and youth involved in the agriculture and encourage their leadership/active role in the cooperatives. The Training was conducted for all beneficiary groups of the project from Gegharkunik, Kotayk, Lori, Shirak, Aragatsotn, Syunik, Vayots Dzor and Ararat regions.

**Promoting women/youth/vulnerable groups participation and access:** Throughout the implementation, the Project Team continued working with the producer groups to promote participation and access of women, youth and other vulnerable groups. Particularly, the Project Team (i) regularly created the awareness among these groups as to project opportunities and how to access them, (ii) ensure applications for trainings, producer group establishment and assistance, available financial and technical resources are equitably evaluated and awarded, (iii) provided proper guidance to ensure that no discrimination took place.

**Activity 1.8: The establishment of sustainable producer groups**

To ensure sustainability and further expansion of the value chains, the primary production is diversified by expanding fruit/berries, non-traditional vegetables and high-value field crops varieties.

**High-value field crops:** Lentil, pea, chickpea and linen seeds were distributed to 32 cooperatives of high-value field crops, along with guidebooks on cultivation of legumes and an additional note on linseed cultivation. Meanwhile, the State Agency of Seeds provided the test results for all the varieties of seeds, proving that they are of high quality. Overall, 49,800 kg of high-value crop seeds was provided to cultivate 380.5 ha of land. In total, 126 ha of lentil, 83 ha of pea, 39 ha of chickpea and 133 ha of linseed were planted using the seeds provided by the project and more than 300 tons of crops were harvested. Additionally, 433 ha of buckwheat have been planted, using the seeds from last year’s harvest without any additional funding from the project. In 2017, overall over 700 tons of crop was harvested from over 520 ha cultivated area including 150 ha of unused agricultural land. The gross production in high-value field crops value chain was over 600,000 euro in 2017.

**Non-traditional vegetables:** Provision of new varieties of non-traditional vegetable seeds (asparagus, leek, root celery, broccoli, stem celery, fennel, savoy cabbage, red cabbage and arugula) and cultivation trainings for 4 cooperatives in Lori was conducted in April. The 4 cooperatives of Lori marz (Gargar, Koghes, Bovadzor and Vardablur) specialized in cultivation of non-traditional vegetables received 7 above-mentioned varieties of seeds to cultivate 20,000 sq.m (5,000 sq.m by each cooperative). This year, planting of broccoli was organized by the Lori cooperatives themselves without any additional funding from the project. Four more groups in high-value non-traditional vegetables were established in Syunik (Tolors, Vaghatin, Darbas and Angeghakot), to build on the successes of the previous year. Seven of the eight above-mentioned groups are women-led. In 2017, about 10 tons of non-traditional vegetables were harvested . The gross production in high-value non-traditional vegetable value chain was over 10,000 euro in 2017. The production is in high demand and sold in Yerevan and the regions through shops, supermarkets, restaurants. All of the above groups received value-chain specific trainings and manuals on cultivation and harvesting, marketing and management, food safety and other areas.

**Berry saplings:** With the project support 10 berry orchards were established in Shirak, Lori, Kotayk, Gegharkunik and Aragatsotn marzes. High-productivity berry saplings (raspberry, dewberry, strawberry) and cultivation trainings for 10 cooperatives delivered in April - May. The project provided 19,302 saplings to establish the berry orchards. In 2017, anti-hail nets and drip irrigation systems were installed on 10 berry orchards. The fruit/berry production is in high demand and sold in through markets, shops, restaurants. All of the groups received value-chain specific trainings and manuals on cultivation and harvesting, marketing and management, business analyses, and other areas.

**Manual for sustainable producer groups:** The project is finalizing the Manual for sustainable producer groups establishment and operations to share with the producer groups and project partners.

**Grain Cleaning Separators**: The Project procured the Grain Cleaning Separators for Bavra and Tsovagyugh cooperatives. The grain cleaning separators help to improve the harvesting/post harvesting and help to remove the impurities (straws, chaff, weed seeds, soil, rubbish, and other non-grain materials) from the harvested field crops. Grain cleaning improves the ability of the grain to be safely stored, reduces unwanted materials for milling and/or processing, and improves milling/processing output and quality.

**Activity 3.2: Support government agencies and value chain actors to better coordinate, support and link value chain components**

**Cooperation with MoA:** The project regularly met with the representatives of Ministry of Agriculture (MOA) and partner organizations to discuss project major accomplishments, the actually implemented and planned activities as well as achieved results. These meeting also allowed to discuss the cooperation opportunities and replication of successful business models, to avoid duplication of activities, to as well as to better coordinate, support and link value chain components.

**Agro-processing strategy:** To improve coordination and effective interaction between governmental agencies and value chain actors, the agro-processing strategy development TOR was developed, including the following sections: policy review, sector profile, sector opportunities and value chain analysis, stakeholder engagement, sector strategy, implementation arrangements, existing gaps and factors hindering effective interaction, conclusions and recommendations. The TOR was shared with the Center for Strategic Initiatives - established to assist the Government of Armenia in identifying long-term strategic vision for the Republic of Armenia - for their further use.

**Cooperation with ADF:**The project met with the representatives of Agricultural Development Foundation (ADF), to discuss the cooperation opportunities and to avoid duplication of activities. The Agricultural Development Foundation established by the Government to contribute to stable, competitive and modern agricultural development in the country and to provide public extension services. The Project also shared with the Foundation the electronic and hardcopy versions of the training and public awareness documents produced by the Project. The shared documents will be considered for using in Foundation's extension programs.

**NGER Development and Cooperation with UNCTAD:** The project is discussing with the United Nations Conference on Trade and Development (UNCTAD) Geneva office the possibility of development of National Green Export Reviews (NGERs) for Armenia. Through NGERs, UNCTAD works in a close partnership with countries seeking to boost their exports in green sectors and products of comparative advantage and, in turn, facilitate their transition to greener economies, creating jobs and enhancing income opportunities especially in rural communities. In August, the Deputy Minister of Agriculture of Armenia and representative of Embassy of Armenia to Switzerland visited UNCTAD Geneva office to meet with UNCTAD representatives, learn in details about the NGER methodology and discuss the possible implementation in Armenia. Given the expressed interest in developing NGER for Armenia, the project is currently discussing with the UNCTAD the documentation needed for official application for NGER and implementation details. Once the donor approval is received, the documents for NGER implementation will be officially submitted and NGER will be developed for our country including the detailed mapping of green products with high export potential, country-specific final report as well as recommendations for developing export-oriented green products in Armenia.

**Work with business development service providers:** The project worked with a number of business development service providers to ensure the offer of high-quality targeted services to producer groups and other actors in the value chains. The challenges faced by the producer groups/value chain actors and their needs were discussed in details to ensure the offer of high-quality targeted services during the year and beyond the duration of the project. In addition, the service providers of Agricultural and Management Helplines agreed to continue the Helpline operations for free of charge to farmers after the end of the project as well.

**Activity 3.3: Improve access to primary production knowledge, price information, and extension**

Farmers in high-value field crops, non-traditional vegetables and fruit/berries value chains were provided with extensive knowledge about primary production techniques and good agricultural practices, as well as about price information and extension services.

**Training in berry cultivation and harvesting:** The representatives of all 10 berry orchards are being provided 2 sets of trainings on berry cultivation and harvesting. 1st set trainings are conducted on planting, territory design, cultivation and crop protection of raspberry, dewberry and strawberry. The 2nd set trainings are about harvesting, post-harvest activities and storage. The advisory booklets on crops cultivation were distributed to all the cooperatives to enhance their knowledge and abilities to produce good quality crops. The trainings enabled the farmers maximize their productivity and grow high quality crops.

**Provision of information booklets:** The advisory booklets on cultivation of lentil, pea, chickpea, and linseed were distributed to all the cooperatives to enhance their knowledge and abilities to produce good quality crops.

**Training in non-traditional vegetable cultivation and harvesting:** The detailed training in non-traditional vegetable cultivation was organized for 8 beneficiary producer groups. The participants from Lori were provided with the detailed training on planting cultivation and crop protection for 7 types of non-traditional vegetables including of asparagus, savoy cabbage, arugula, fennel, celery, leek, red cabbage. The participants from Syunik were provided with the detailed training on planting cultivation and crop protection for 4 types of non-traditional vegetables. The cooperative members were also provided with training on harvesting, post-harvest activities and storage. The advisory booklets on crops cultivation were distributed to all the cooperatives to enhance their knowledge and abilities to produce good quality crops. The trainings enabled the farmers to maximize their productivity and grow high quality crops.

**Buckwheat processing facilitator:** The project hired Processing Facilitator for Buckwheat Primary Producers to facilitate and strengthen producer groups-processing factory linkages and ensure their effective collaboration. She was responsible for directly working with the personnel, cooperatives' leadership and farmers involved in buckwheat production. The Processing Facilitator helped to ensure the improved production of green and roasted buckwheat, organized the experience exchange visit or Bavra and Tsovagyugh cooperatives, helped to complete the assembly of the equipment and organize the buckwheat packaging in both factories and helped to develop schedule for raw buckwheat supply and payment mechanism.

**Workshop on "Promoting Best Practices in Agriculture":** To strengthen the producer groups’ capacities, the Project organized a workshop titled "Promoting Best Practices in Agriculture" for the representatives of all 43 primary producer groups in October. The following topics were presented and discussed with the participants: Sustainable Agriculture, Management and Marketing Best Practices, Climate Change and Agriculture, Cultivation and Harvesting Best Practices, Local Level Disaster Risk Management, Advancing Business through Entrepreneurial Attitude, Greenhouse Farming - Efficient Technologies and Innovations, Drip Irrigation and Efficient Water Management. Representatives from UNDP, FAO, CARD Agroservice, BSC Support Center, Avenue Consulting Group, National Platform for Disaster Risk Reduction Fund, and representatives of other service providing companies were among invited speakers.

**Workshop on "Enhancing Producer Groups Efficiency in Agriculture":** To further develop producer groups capacities, the Project organized workshop titled "Enhancing Producer Groups Efficiency in Agriculture" for the representatives of all 43 producer groups in November. The topics covered included: Commodity Marketing, Food Safety and Traceability at Production Level, Organic Agriculture, Strategic Thinking in Agriculture, Results Management, Policy Advice for Agricultural and Rural Development Decision-Making, Effective agricultural technologies and equipment. The presentations were delivered by the representatives of UNIDO/UNDP, CARD Agroservice NGO, Shen NGO, ICARE, Impact Solution LLC, Armavir Development Center NGO. The activity allowed conveying production, marketing, technological knowledge with input suppliers, buyers, processors and others that are in regular contact with farmers. The farmers are also linked to the organizations providing relevant research, education and extension services to allow them use these services in the future. The participants’ feedback on the training was very positive. They especially value the opportunity to get practical skills and applied knowledge directly applicable to their activities.

**Activity 3.4: Develop Good Agricultural Practices (GAP) and disaster risk management approaches**

**Drip irrigation for Kurtan berry group:** Installation of drip irrigation system (1 hectare) for Kurtan berry value chain cooperative was completed by the subcontractor. The system will maximize use of available water, low labor and operation costs, increase crop yield, minimize weeds growth and reduce soil erosion.

**Anti-hail and drip irrigation systems for 10 berry groups:** The schematic diagrams of 10 newly established berry orchards, incorporating field sizes, distance between lines and length of each line were developed to ensure the installation of drip irrigation and anti-hail systems on these fields. Schematic diagrams are included in the RfQs for installing anti-hail and drip-irrigation systems. The installation of drip irrigation systems and anti-hail nets were completed in all ten berry orchards established in Aragatsotn, Gegharkunik, Kotayk, Lori and Shirak Marzes. The work was done by the Asshin LLC and "National Platform for Disaster Risk Reduction Fund", the organizations selected for the supply, delivery and installation of drip irrigation and anti-hail net systems. Now, all ten berry orchards are provided with well-functioning drip irrigation and anti-hail systems which will ensure protected and advanced cultivation of crops and availability of quality products for sale.

**Anti-hail and drip irrigation expert:** To ensure the effective functioning of anti-hail and drip irrigation systems, the Project hired an Expert to recommend on design, materials, installation scheme for drip irrigation and anti-hail systems and ensure effective installation of those systems for 10 berry groups in Gegharkunik, Shirak, Aragatsotn, Lori and Kotayk regions. As a part of the assignment, the Expert and Project Team regularly met with the representatives of Asshin LLC and "National Platform for Disaster Risk Reduction Fund"- the vendors responsible for supply, delivery and installation of above systems - to discuss and monitor the progress for drip irrigation and anti-hail net installation in orchards. The specifics of each berry orchard were also discussed. In addition, the Expert and Project team regularly visited the orchards to monitor the work done in each of the orchards and make practical recommendations. As a part of the assignment, the Expert also developed the instruction guides for further effective usage and maintenance of drip irrigation and anti-hail systems that were shared with the project beneficiaries.

**Development of Local Level Disaster Risk Assessment Protocols:** The Project contracted the service provider to develop Local Level Disaster Risk Assessment Protocols. As part of the assignment, the service provider is responsible for:

- identifying major challenges faced by Armenian agricultural producers with respect to the short and longer term effects of adverse weather conditions due, in part, to climate change. Identify key factors over which producers have some reasonable degree of control.

- develop disaster risk assessment protocols to be applied at local level and in the targeted value chains.

- develop risk management tools to be applied at local level and in the targeted value chains.

- develop guide as well as design and deliver the training addressing point 1-3.

**Good Agricultural Practices Protocols.** In addition to the Good Agricultural Practices (GAP) trainings done for all value chains the project is also distributing the GAP recommendations/protocols for cultivation and harvesting of various crops to the representatives of all producer groups.

**Oil Extraction and Oil Bottling Equipment:** The project is procuring Oil Extraction and Oil Bottling Equipment for the Agricultural Producer Groups. This equipment allows increasing the diversification of the products based on linseed. The increase of the market potential of this product and wider assortment of higher value added products provide additional income generating and employment opportunities for farmers.

**Pea Processing Equipment:** The project is completing the procurement of Pea Processing Equipment for the Agricultural Producer Groups that allows peeling the harvested field crop off the pod and having clean product for selling. This equipment is essential for producer groups operations and will help to ensure increase in sales.

**Portable Combined Testers for Measuring Nitrates and Radiation in Agricultural Produce:** The project procured portable combined testers for measuring the level of nitrates and radiation in agricultural produce. The testers will be provided to the agricultural producer groups and partner organizations and will contribute to food safety.

**Activity 3.5: Improve access to better quality production inputs & services**

Agricultural inputs and agro-machinery were distributed to the members of the high-value field crops, non-traditional vegetable and fruit/berry producer groups.

**High-value field crop seeds:** Following an international tendering process, seeds were delivered and distributed to the high-value field crop producer groups. In total, 49.8 tons of four types of seeds were distributed to the groups to cultivate on 380.5 ha of land.

**Non-traditional vegetable seeds:** 7 types of high-value non-traditional vegetable seeds were delivered to the non-traditional vegetable producer groups in Lori to cultivate additional 20,000 sq. m of land. 4 types of high-value non-traditional vegetable seeds, seedlings, cultivation tools were delivered to the non-traditional vegetable producer groups in Syunik.

**Berry saplings:** 19,302 saplings of 3 types of were provided to the berry group. Total area of the berry field is 9,600 sq. m, and the producer groups additionally prepared the land and constructed a fence.

**Agro-machinery:** Vehicle lift was installed and foot brakes were adapted for manual usage of the agricultural tractor (Belarus-3204M), which was transferred to the Ararat cooperative farmers with disabilities. The cooperative members already started to use the tractor in the daily cultivation activities of their orchards.

**ENPARD and UNDP/GEF cooperation:** In cooperation with UNDP/Global Environmental Fund

(UNDP/GEF) and “Eco-Plant” NGO the training on organic liquid biomass fertilizer and its usage was initiated for 6 high-value field crop cooperatives. The training was provided to 62 farmers from these 6 cooperatives on utilization of organic liquid biomass fertilizer. The cooperatives applied fertilizers on dedicated areas to evaluate the effect of organic, low-cost fertilizer and are very pleased with the results.

**Greenhouses for new groups:** Four energy efficient plastic (tunnel) greenhouses with drip irrigation were procured for newly established groups in Syunik region.

**Reserving seeds for next year:** The 32 cooperatives involved in high-value field crop cultivation confirmed that they reserved the part of this year harvest as seeds for next year. All of them completed the storage of next year seeds for lentil, pea, chickpea, linseed and buckwheat. The farmers are very satisfied with the quality of provided seeds including high productivity of seeds, sprouting capacity and suitability for growing on low-irrigated areas.

**Technical support in the introduction and use of inputs:** The Project provided technical support in the introduction and use of unfamiliar inputs and equipment such as anti-hail nets and drip irrigation.

**Activity 3.6: Improve harvesting techniques, post-harvest, and storage**

**Buckwheat factory operation:** A working meeting was organized in Bavra with high-value field crops cooperatives to discuss the schedule for processing raw buckwheat, payment methods and product marketing. Few payment and marketing options were discussed with farmers and are currently being implemented to ensure the factory’s smooth financial flow and sales opportunity.

**Discussion on harvesting and post-harvest activities:** The training provider discussed the harvesting, post-harvest activities and storage with the representatives of 4 non-traditional cooperatives and 10 berry orchards. This helped the cooperative members to enhance their knowledge on harvesting, postharvest activities and storage.

**Buckwheat packaging line:** Automatic retail packaging equipment was procured and installed in Bavra and Tsovagyugh buckwheat processing factories, including high-pressure air compressor. The packaging line allows the packing of all types of cereals from 40 grams to 2 kg. It is planned to pack roasted and green buckwheat in 0,5kg and 1 kg bags for local market.

**Buckwheat husks alternative usage:** To further contribute to the efficiency of the buckwheat processing plants established in two regions of Armenia, the Project hired an expert to conduct a study and present recommendations on the feasibility of utilization of buckwheat hull by-product produced in the plants. In August, the Feasibility Study Expert completed the assignment and presented the Study with the recommendations on the feasibility of utilization of buckwheat hull by-product produced in the plants. Particularly, the expert studied the international experience of utilization of buckwheat hull in producing marketable end product, identified local market for the selected end-products, provided information on required equipment, technology, investment and made financial projections. According to the Study, two primary feasible options of buckwheat hull processing are: 1) production of (orthopedic) bedding (pillows and alike), furniture and textile items, and 2) production of fuel (combustion material). The above recommendations were shared with the cooperatives so that they consider the options in their future activities to enhance by-product usage.

**Buckwheat:** The high-value field crop cooperatives is continuously working with factories in Bavra and Tsovagyugh to ensure the successful processing and selling of buckwheat.

**Combined Harvester:** To further improve the harvesting of the agricultural produce, the Project procured the combined harvester for the farmers. The procurement of a new combine harvester helps the mechanization of crop harvesting, the most labor-intense process in crop cultivation, thereby reducing labor and increasing efficiency.

**Activity 3.7: Build capacities to source quality products and effective supplier networks**

**Sales to WFP:** The project team assisted Bavra and Tsovagyugh buckwheat processing cooperatives to register on the World Food Program suppliers system. This allowed the cooperatives to apply for upcoming WFP tenders. As a result the Bavra cooperative won WFP tender for the procurement of 10 tons of buckwheat.

**Linking to suppliers:** The cooperatives are regularly provided with the information on input suppliers in various areas to ensure the effective operations of the cooperatives. Among the information presented are information on the innovative products, effective technologies, usage details and delivery schedule.

**Product registration:** Eight varieties of products of Bavra and Tsovagyugh cooperatives were registered at the State registry of produce and corresponding barcodes were issued for each product.

**Source quality products:** The TOR is being developed and implemented to help to build the producer groups’ capacities to source quality products and set us effective supplier network.

**Activity 3.8: Support traders, transporters and marketers to better service targeted value chains**

**Linking to vendors:** The cooperatives are linked to new retail vendors (restaurants, shops) to provide their harvest to them on a regular basis.

**Facilitate linkages between producer groups, transporters and marketers:** The TOR is being developed and implemented to facilitate linkages between producer groups, transporters and marketers to better service targeted value chains.

**Activity 3.9: Develop innovative financing facilities and services, and improve access to capital**

Throughout the reporting period, the cooperatives were provided with the information on financing facilities and services offered by banks and other micro-lending organizations to allow the cooperatives to source their invest needs.

**Innovative Financing - Cooperation with IFAD and FREDA:** The meeting has been conducted with IFAD and Fund for Rural Economic Development in Armenia (FREDA) representatives to discuss the financing mechanisms offered by FREDA and the possible ways for cooperation with the cooperatives. The information on FREDA’s activities and possible financing mechanisms has been shared with the cooperatives.

**Loans for Anti-hail Net Installation:** The cooperatives were provided with the information on loans for installing anti-hail system offered by ACBA bank within the framework of trilateral memorandum signed between ACBACREDIT AGRICOLE BANK, the UNDP Armenia Office and ARNAP Foundation (the National Platform of Disaster Risk Reduction). The farmers consider the loan conditions relevant to their needs.

**Financial products:** To further improve the producer groups’ access to capital, the study is conducted of the financial needs for each of the value chains as well as the terms and conditions of currently existing financial products available in the market for sharing with project beneficiaries.

**Communication and Visibility**

An emphasis was placed on communicating the positive impact of the project in 2017 through communication and visibility activities.

**Media coverage:** Media coverage included television programming on a variety of national and regional channels, and stories on many national websites detailing project-related events. Specific topics include the best photo award received during a photo exhibition of women beneficiaries of EU supported projects, ENPARD page in three languages posted on Ministry of Agriculture website, interviews with the Ministry of Agriculture officials, publicity about the Europe Day celebration, publicity about the Harvest Fest, and a success story on women groups.

**Visits by high level officials:** The project sites was visited by Prime Minister, Minister of Agriculture, Deputy Minister of Agriculture, high level officials from the Brussels and Armenian offices of the European Union Delegation and other representatives from international and local organizations.

**Project events:** Project staff and producer groups representatives participated in Europe Day celebration in Gyumri, Vanadzor and Yerevan as well as prize nomination of “Best Woman Entrepreneur”.

**Harvest Fest:** Nine ENPARD supported cooperatives participated in annual “Harvest Festival: Rural Life and Traditions”, held in September in Yerevan. About 100 groups (farmer groups, cooperatives, individual farmers and entrepreneurs, local and international organizations) from various countries presented their produce, harvest samples, traditional craft works, along with traditional home-made food, and fresh, dried and processed agricultural products. The festival serves as a unique platform where farmers, producers, buyers and processors, different organizations and potential donors meet, find new markets, exchange experience and give a start to new collaborations. The participation enabled the groups to build their network of potential buyers, as well as making sales during the expo. In addition, visibility items were provided to the attending cooperatives, including leaflets, business cards, posters, t-shirts, and caps.

**Info clips:** The project worked with Publicis Hepta to develop the Info clips for all three value chains. During the reporting period the info clips were developed for high value field crops, non-traditional vegetables and fruit/berries value chains. All three info clips were widely publicized through Internet and TV.

(<https://www.youtube.com/watch?v=CAKBX9N1uWI>; <https://www.youtube.com/watch?v=BRyr7APU2fc>; <https://www.youtube.com/watch?v=gIxR-Q_XrkM&list=PLTfsnlXnc6HOYki5QRMZS_CliuZyeipHa>)

**Photo Contest:** ENPARD's photo was voted as the best one at a photo exhibition of women beneficiaries of EU-supported projects, organized by the [European Union in Armenia](https://www.facebook.com/eudelegationtoarmenia/?fref=mentions) within the global campaign [#BeBoldForChange](https://www.facebook.com/hashtag/beboldforchange?source=feed_text&story_id=738617712965679), the theme of the International Women's Day 2017 (https://m.facebook.com/story.php?story\_fbid=738617712965679&substory\_index=0&id=472027346291385)

**City format billboards and posters:** The city format billboards and posters were printed and placed in major towns of the project beneficiary regions. High-value cheese, dried fruit and herbs, high-value field crops, fruit and berries posters were placed in Gyumri, Shirak marz and Ashtarak, Aragatsotn marz. Broccoli, dried fruit and herbs, high-value field crops billboards were placed in Vanadzor, Lori marz, Yerevan-Sevan highway and Tsovagyugh crossing, Gegharkunik marz.

**Communication materials:** Updated brochures with thematic infographics were printed to illustrate the progress made and results achieved. The Project developed and published an Infographic to highlight the activities implemented and results achieved by the primary production groups.

**Social media:** Social media (Facebook, YouTube, Twitter) was constantly updated, highlighting advances in project implementation. Responses to questions and comments were posted in a timely manner. Other organizations also shared information about the project.

**Expected Impact:**

Poverty reduction through increased income levels for the local farmers, diversified and sustainable agricultural practices and new employment opportunities.

### **III. FUTURE WORK PLAN**

The activities planned for the next reporting period will include but not limited to the following:

- Conducting National Green Export Review for Armenia

- Identification, integrated business analysis and preparatory work for new Value Chains

### **IV. FINANCIAL IMPLEMENTATION**

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| --- | --- | --- | --- |
| **Funding source** | **2017 Approved Budget** | **Expenditure**  **as of Dec 8, 2017** | **Delivery Rate**  **as of Dec 8, 2017** |
| UNIDO/European Union (EU): | USD 528,786 | USD 459,699 | 87% |
| UNIDO/Austrian Development Agency (ADA) | USD 344,502 | USD 310,320 | 90%\* |
| **Total** | **USD 873,288** | **USD 770,019** | **88%** |