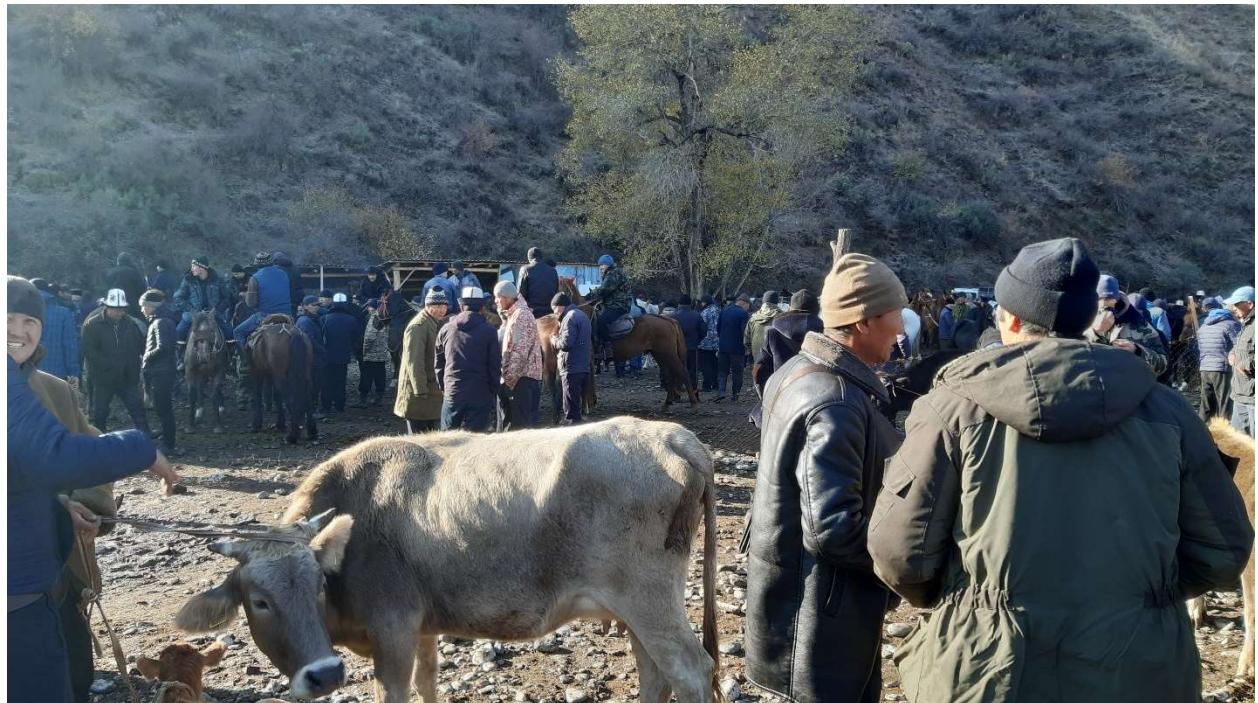


## **External, end of 2-nd phase evaluation of the BAI ALAI Small Business and Income Creation Programme in Alai and Chon Alai; 2018 – 2022**



**AGROSERVICE**  
Dr.Martin Mautner Markhof  
Anara Baijumanova

November 2021

## Table of Contents

1. Main findings within the 4 value chains.....	1
1.1. Cattle VC.....	1
1.2. Apiculture VC .....	2
1.3. Tourism VC .....	4
1.4. Handicraft VC .....	5
1.5. Project management .....	7
2. Relevance .....	8
3. Coherence.....	9
4. Effectiveness .....	10
4.1 Logframe, indicators and current achievements .....	10
5. Efficiency .....	14
6. Impact.....	18
7. Sustainability.....	18
8. Recommendations .....	20
8.1. Project management .....	20
8.2. Cattle VC.....	21
8.3. Apiculture VC .....	22
8.4. Tourism VC .....	23
8.5. Handicraft VC .....	23
9. Annex - Literature consulted.....	26
10. Annex - Applied methodology.....	28
11. Annex - Minor remarks to effectiveness .....	29
12. Annex - Gender.....	31
13. Annex - Climate Change.....	33
14. Annex - Access to finance in rural areas.....	34
15. Annex - Short remark on COVID-19 impact.....	35
16. Annex - Donors landscape and applying .....	36
17. Annex - Matrix targets – outlook – proposed actions .....	38
18. Annex - Targets of the project and the evaluation .....	43
19. Annex – Map of target area and key data.....	44
20. Annex - Economic analysis, the ideal approach .....	45
21. Annex - List of interviewed stakeholders (internal only).....	46
22. Annex - Mid-Term Evaluation ToR.....	50

### Currency exchange, 19 October 2021

100 KGS = 1.01EUR

100 KGS = 1.18 USD

100 KGS = 1.095 CHF

100 EUR = 9,883 KGS

100 USD = 8,480 KGS

100 CHF = 9,126 KGS

## Acronyms

AI	Artificial Insemination
AKF	Aga Khan Foundation
ARIS	Kyrgyz Republic's Community Development and Investment Agency
ATMP	Access To Markets Project
BAP	Bai Alai Small Business and Income Creation Programme in Alai and Chon Alai
BDS	Business Development Services
BWA	Business Women of Alai Association
CAFIN	(Regional) Central Asia Financial Inclusion Program
CAR	Central Asia Region
CBT	Community Based Tourism
CC	Climate Change
CHF	Swiss Franc
DAC	Development Assistance Committee
EEU	Eurasian Economic Union
FDFA	Swiss Federal Department of Foreign Affairs
FMD	Foot and Mouth Disease
GDP	Growth Domestic Product
GoK	Government of Kyrgyzstan
HSI	Helvetas Swiss Intercooperation
IFAD	International Fund for Agricultural Development
KGS	Kyrgystani Som
KO%	Killing-Out%
KR	Kyrgyz Republic
LED	Local Economic Development
LMDP	Livestock and Market Development Programme
LSG	Local Self-government
LSG	Local Self-Government
M4P/MSD	Market for Poor/Market System Development
MCICP	Multi-country Investment Climate Program
MFI	Micro-Finance Institution
MSDSP	Mountain Societies Development Support Programme
NI	Natural Insemination
NPO	National Program Officer
OECD	Organisation for Economic Co-operation and Development
PPT	Power Point Presentation
PSI	Public Service Improvement
PUC	Pasture User Committee
SBI	Small Business Initiative
SDC	Swiss Agency for Development and Cooperation
SED	Sustainable Economic Development
TES	Training & Extension System
TNA	Training Need Assessment
ToC	Theory of Change
ToR	Terms of references
VAP	Voice and Accountability Project
VC	Value Chain
WED	Women's Entrepreneurship Day

## 1. Main findings within the 4 value chains

The Bai Alai Small Business and Income Creation Programme in Alai and Chon Alai is dealing with four value chains; cattle, apiculture, tourism and handicraft.

### 1.1. Cattle VC

BAP II is targeting primarily, a) increased income from livestock for farmers, b) better animals, i.e. crossbreeds through improved AI and NI, c) improved fodder production for winter time, and d) improved pasture management in order to reduce number of animals. Currently the levels of animal productivity are low – due to poor nutrition in summer and winter time, due to outdated cow sheds and due to poor genetic.<sup>1</sup> It was useful to promote the improvement of **cow sheds / barns** by the project. More than 50 farmers followed without further support by BAP II the blueprint, recognising the necessity to have better barns, mainly to protect the animals against cold stress and wind. In principle beef cattle can increase their body heat production as a response to severe cold exposure by increasing their metabolic rate, if these cattle can eat more during cold weather. It seems that there is always a shortage of fodder in winter time and in order to meet maintenance requirements, a barn should provide protection against cold stress. Farmers also should provide warm water to the animals, as cold water would require additional efforts (calories) of the cattle to heat the cold water up in their bodies. Many farmers are not aware of that.

**Fodder production for winter period** is partially neglected and there are many farmers purchasing hay from the northern areas of the country without any own fodder production. Consequently farms in Chon Alai and Alai face frequently shortage of winter fodder due to limited production during summer time. The reasons therefore are that farmers are not familiar enough to understand fodder management and cattle are usually getting 13 – 15 kg hay and hay from sainfoin per day plus barley. BAP II took some efforts to supply through “seed funds” quality sainfoin seeds to farmers (as a COVID measure) and to convince them to engage more in fodder production. However, at project start there have been 15 ha of sainfoin in Chon Alai and Alai and in 2021 there were already 221 ha – considering only the benefitting farms; in percentage a big increase, however still negligible when considering all farms. Today, most farmers do not care much about the quality of seed and there is also no evidence that seed traders provide information on cost/benefit and cultivation practices; that is not even to be expected in Europe. The winter fodder production in general is strongly neglected, with the results that many farmers are selling animals at an inopportune time, i.e. when running out of fodder instead selling when the final slaughter weight is achieved.

Fodder supply in summer time happens on **summer pasture** management, which are poorly managed so that there are serious problems with over-pasturing and consequently landsides. Currently farmers have almost free access to community owned summer pastures, as the **Pasture User Committees** (PUC) are not self-governed bodies that manage pastures according to self-determined goals, but a kind of community based organisation without the right to determine the fees for the summer pastures, as they are fixed by the local authorities. The preparatory work and the calculation of the pasture fee (which are currently much too low) for the coming season is made by the PUCs. However, these PUCs have - even if well managed - limited influence on the political decision as the local authority approves finally the pasturing fee. This fee is for political reasons kept much too low so that all animals are going to the summer pastures; additionally farmers send illegally more animals, than they pay for. Shepherds have the incentive to sell as much “pasture tickets” and therefore do not reduce the number of animals. Today the pastures around the villages are heavily used and without doubt most areas are overgrazed. Reason therefore is the weak local authorities, who formerly managed the pastures rigorously, and the underperforming PCUs. Furthermore pastures in remote areas, usually higher up in the mountains, are not yet accessible due to missing gravel roads and bridges or are not widely used because of the lethargy of the farmers.

The increase of livestock weight is measured by the project team several times a year with a measurement tape. However, no clear data are available and also a mobile scale is not available.

The **insemination** is a core activity under the cattle component; there is the Natural Insemination (NI) done by purebred bulls, usually purchased locally from breeding farms in I-Kul, Naryn and Talas and made available to farmer, partially on a credit basis. A few dozens of farmers have purchased, partially with the help of the credit scheme from AgroCreditPlus, being closely linked to TES, pure breed Angus Aberdeen bulls for their own herds and are using them also as “service” to other interested farmers. More than 1,000 offspring have been produced. Again there is no evidence that these bull owners provide serious advices.

Additionally there are few insemination technicians offering Artificial Insemination, again with purebred bulls, mainly Angus Aberdeen. At least 300 crossbreed offspring have been produced by AI; mainly meat races like Angus, but also

<sup>1</sup> See also: World Bank: Kyrgyz Republic: Livestock Sector Review: Embracing the new challenges; 2005

Brown Swiss and Simmental. From the “vets” only few will remain, as it needs substantial experience to make this service a business. Tools and equipment in form of nitrogen tanks for cars and also for storage are needed, but being too expensive for the insemination technicians. NI and AI are currently offered for the same price, i.e. KGS 1,000 per cow (plus transport in case of AI) and is developing well.

**Advisory services concerning feeding, nutrition, fodder production and medical services** are hardly available. The veterinary services not covering well the target area. Private veterinary services focus apart from Artificial Insemination (AI) service on prescription of medicines and that takes place only against payment. Governmental veterinary services seem to be almost non-existent and it was reported that all governmental advisors, including the ones for agriculture / crop production, show a poor performance; one reason could be that they are often younger graduates even from university without any practical experience. An exception is the governmental vaccination programmes, where State Veterinarians play a leading role. According to law, the State Veterinary Inspection is in charge of ear-tacking calves before getting three months old, but practice shows that the vast majority of animals, even on the animal market, below 1 year have no ear-tags.

**Cattle are sold at animal markets**, mainly to other farmers, but also to traders, butchers and slaughterhouses. Most animals observed in the Gulcha cattle market are not ready for slaughtering. It seems that usually younger animals are traded among farmers, whereas the price for crossbreeds are higher, linked to their higher weight, but most likely not due to their higher killing-out percentage (KO%).<sup>2</sup> The local animal markets serve primarily to the local farmers who buy and sell their animals there among each other. The presence of traders purchasing fattened bulls or old cows for butchers and slaughterhouses seems to be limited and also the presence of butchers and slaughterhouse owners too. As these markets are not serving the final buyer, the prices recorded are not very meaningful, as no one knows if the purchased bull one year old or two, will be finally sold with profit in his third year. Data and studies are missing regarding the killing-out percentage (KO%)<sup>3</sup> of crossbreds compared to local breeds; such studies would help to convince farmers about the profitability of crossbreds and provide the project team with data needed for steering the project.

## 1.2. Apiculture VC

The targeted impact is an increased economic inclusion of producing households in Chon Alai and Alai, in particular also of women and youth; this will be achieved by increasing sales within the honey value chain and through providing sustainable local business support structures to all producers and entrepreneurs within this apiculture VC.

Moving to the output level, BAP II is providing to farmers **access to infrastructure, equipment and medical inputs**. Here the project is involving local carpenters to produce beehives. In the beginning, more carpenters produced beehives and beekeepers bought them. However, the latest development is that beehives are made out of polyurethane foam. The beehives from such a material and expensive but protect bees in winter from freezing, and in the summer from overheating. Bee families in such hives, use less power and supplies to maintain the necessary temperature in the bee colony, therefore bees can use this power to engage in growing brood and harvesting honey. As a result, the harvest of honey is (up to) 30% higher than that of hives from other materials.<sup>4</sup> These beehives fit also excellent both in stationary and in nomadic apiaries and they have been already observed by a beekeeper in Jarbashi village in Chon Alai. However, for financial reasons, many beekeepers will still stick to the wooden beehives.

Medical inputs are needed and also advise how to deal with diseases. E.g., the deadly varroa milt is a serious danger for the beehives. Since 2018 the beekeepers use hydroxyl acid and formic acid as preventive measures in late August -September and in spring and they also use as miticide amitraz stripes; currently thermal treatment against varroa is not applied. Antibiotics, as not allowed in honey production in Kyrgyzstan, are not used.

A state veterinarian, being a beekeeper himself was trained too by BAP II, but he is only coming to farms when paid for; therefore no governmental advisory services are available, one of the current bottlenecks in enlarging beekeeping.

Concerning having **access to high breed bees**, the situation is continuously improving. The more advanced beekeepers are purchasing mainly the bee queens and beehives from Ukraine, mainly the purebred Karpatka, but also Carinthia from Austria was purchased. It seems important that the geographical area, where the queens are coming from, have a similar environment with mountains. Currently the beekeepers are building up their bee colonies but later

<sup>2</sup> The KO% determines how much saleable carcass weight is obtained from the live animal and crossbreeds might have 60% whereas the local breeds have 50% or less.

<sup>3</sup> The KO% determines how much saleable carcass weight is obtained from the live animal and crossbreeds might have 60% whereas the local breeds have 50% or less.

<sup>4</sup> <https://beehouse.global/en/pochemu-penopoliuretan-preimushchestva-ulev-iz-penopoliuretana/>

on they will sell their surplus colonies to the colleagues within the honey cooperatives. The systematic breeding of bees needs certified buffer zones and obviously the progress is slow as land has to be rented from local authorities. Furthermore, the certification of breeding farms, including buffer zones, is carried out only every three years. At the moment, Alai cooperative has provided the documents to the regional department of agricultural development and is waiting for the start of the official acceptance of documents for certification.

The beekeepers met are trying their best to apply sound bee keeping and respect **standard quality and sanitary practices**. The lead firms like Nomad Store and Aman GreenFood are providing advice in order to get honey of the requested quality for export to Japan (Nomad Store) and China (Aman GreenFood). Interesting that Aman GreenFood tries to export to China, one of the biggest exporting countries with incredibly cheap honey. Nomad Store is doing some extra efforts in regards of organising the cooperatives as coop management is weak; that is the case especially in bookkeeping, finances and bank transfers and cost calculation. Then again, the cooperatives seem reluctant as the buyer should not get too deep insights in the finances of the beekeepers and their cooperative.

The **awareness of farmers for quality is improving**; e.g. beekeepers purchased recently uniform packaging material according to standards. Despite some improvements, until today most beekeepers see **honey production as a side business**. They have often less than 50 beehives and produce 15 – 20 kg per beehive. Yields could be higher if the stationary apiaries would be given up in favour of the nomadic apiaries as then beekeepers could follow the blossoming flowers that provide more fodder for the bees. According to BAP, more than half of the beekeepers are moving their beehives around and nevertheless the yields are rather low. In general, the feeding of bee is not well understood; e.g. sainfoin could serve cattle and apiculture VC but this double purpose use is hardly considered. Also stationary beehives – often in the garden or within the farm walls - are not supported by additionally grown plants that provide floral resources for bees so that bees would find more fodder for their honey production.

A crucial point for the beekeepers is marketing and sales. BAP II has in mind to support **stable linkages to output markets**. In the Midterm Review<sup>5</sup> it is mentioned that the Kyrgyzstan honey is only competitive in the premium sector. So far Kyrgyz honey is not a premium product and therefore it has to compete pricewise with the world market. However, from a later marketing perspective, honey should be marketed as a premium product.

For improved marketing, but also joint input supply, beekeepers have formed **two honey cooperatives**; however the process to joining the cooperatives is slow as out of around 200 beekeepers in Chon Alai and Alai, only 46 of them are members of these two agricultural cooperatives.

Assuming that each beekeeper has between 56 and 70 beehives with a yield between 17 and 24 kg honey per beehive, all 200 beekeepers in Chon Alai and Alai would then have up to 14,000 beehives. The Alai honey cooperative has 17 active farmers according to the production table 2021, and they produce 20,800 kg honey with 1,175 beehives; i.e. 17 kg per beehive. The Chon Alai honey cooperative has 22 active farmers according to the production table 2021, and they produce 29,520 kg honey with 1,231 beehives; i.e. 24 kg per beehive.

Beekeepers do **retail sales mainly to neighbours** and relatives for an average price of KGS 350 per kg at farm gate; this price includes packaging. Sometimes relatives are a kind of marketing channel as through it honey is sold to their colleagues. Also the diaspora in Russia orders honey from relatives in rural areas. When selling larger quantities for export in bulk, beekeepers get KGS 240 – 250 per kg. Whereas most beekeepers complain about this low price, without knowing the production costs, some bigger farmers like this kind of selling larger quantities, as much less work is involved as if selling glasses of 0.5 kg to friends.

In general, the management of the **honey cooperatives** seems to need support; the cooperative in Alai has a manager in his 40ies, who is enthusiastic about honey production and does it well and not in small scale; i.e. having more than 100 beehives. However, the management of the coop needs more support. Similar can be said for the Chon Alai cooperative, where the manger is an older and well respected person, however eventually with not sufficient business minded thinking.

Among others, the production costs of honey in Chon Alai and Alai are unknown as no gross margin calculations are done, neither for stationary nor for nomadic apiaries. Also therefore beekeepers are reluctant to sell to their own cooperative as they do not know if they break even or not. Summarizing it can be stated, that the honey cooperatives are not functioning well, and agricultural advices are hardly available for their members. On the long run the honey cooperatives need branding, packaging and labelling – activities currently done by Nomad Store with substantial

<sup>5</sup> HELVETAS: BAI ALAI Small Business and Income Creation Programme in Alai and Chon Alai; Midterm Review; Kirgizstan, March 2021

USAID support. It would be nice if the coops could do filling, packaging, labelling and exporting as well; however, it is most likely too early for taking these activities over. Finally also a sound financing mechanism for the cooperatives is not established yet; it would need a retainer of e.g. 5% of all sales through the cooperatives in order to have some financial resources to maintain the agricultural cooperatives.

Currently the companies Nomad Store and Aman GreenFood buying from the cooperatives are active on the **spot markets and no stable relations** with the beekeepers have been established yet. Consequently no one knows if an export business can be repeated in the following year. One of the marketing problems is that no beekeeper knows the real buyers in China, Japan or in other countries. Bottling, labelling is not done yet and no good trade mark established yet. E.g., export to Japan mentions the Beekeeper Association instead of calling the cooperative a cooperative.

Apart from the volatile export markets, the only stable market participants are the relatives and friends of the beekeepers, who purchase the honey from around KGS 350 / kg at farm gate; these individual sales are accepted by the cooperatives. It is not happening yet, but as soon as more rural persons start beekeeping, the less profitable this “nearby” market of friends will be.

### 1.3. Tourism VC

This VC is targeting a) **increased income and employment from tourism** or local tourism service providers increase turnover and margins. To achieve this impact, more tourists have to spend more time and money in the region, the quality and diversity of tourism services have to be improved and new tour products, packages, services and products developed. The daily spending of the tourists should be increased: i.e. moving away from the focus on backpackers. Obviously the **very poor standards of the guest houses** are determined by the historical development of the tourism in Chon Alai and Alai. It has been the backpackers who came first and they obviously set a price level for an overnight stay with breakfast of USD 8 per day, which is still valid. Kyrgyzstan has not developed a tourism standard yet and the former Soviet standards are outdated. As the legislation is missing, there is also no legal basis to “demand” something; however, the standards should be set anyway according to markets.

BAP II is supporting tourism service providers, including around 50 guest house owners, in order that they improve their services and the basic tourism infrastructure. The evaluation team stood overnight in **guest houses** in Gulcha (KLARA), in Daroot Korgon (Ak-Bata), in Sary Mogul (CBT) and in Sary Tash (Pamir-Extreme). As the mission took place in October 2021, all guest houses have been already closed as they are not used to operate in winter time; consequently they had no heating systems in place. However, the services have been poor because many guest houses have no toilets and hot showers inside the guest houses; the food, dinner and breakfast, was of poor quality and quantity and in general the service standard was low; with the exception of Pamir-Extreme, that is well prepared also for winter tourists, no staff was speaking English. Again with the exception of Pamir-Extreme, the hygiene was very poor and the beds have been old with poor blankets. Finally, and that is highly interesting, all guest houses have been far less comfortable than the private homes visited, when talking with farmers, beekeepers or handicraft women. Some owners are currently building new houses, which are again rather motels than guest houses; they might have improved sanitary issues and heating, but will largely lack any authenticity of Kyrgyz life. The so-called guest houses are often simply motels, i.e. small hotels along the main road which are frequented by travelling businessmen. One guest house owner in Daroot Korgon mentioned that annually there are **2,000 overnight stays by local people and 200 by tourists**; tourist pay twice the fee but get besides breakfast also dinner. From this point of view it is understandable that the service is oriented on local travellers and the tourist provide a kind of extra income, but are often not the target group.

Guest houses should offer a **friendly atmosphere**, with traditional furniture, lots of carpets and blankets, heating system / oven in place to warm the main living room, also in summer time; therefore it needs a visit with an interior designer or architect from the area to make people aware of current mistakes. The hygiene has to be improved, beds and sheets have to be very clean and indoor bathrooms and toilets have to correspond to modern standards. Also cooking and food in general has to be improved; no rice soup in the morning, no imported cheese, no local sausages if not of extreme good quality; missing is partially local beer and fermented horse milk; western tourists eat the meat also with their eyes, meaning it has to be free of fat and bones; ready to enjoy and eat; good tea is needed; most tea is of poor quality today and coffee often undrinkable.

Better is the situation with **yurts**. Partially they are located in the backyard of the guest houses as additional room for tourists, but mainly they are erected somewhere in the plain nature. Therefore, the owner has to rent a land from the government and then he builds up his yurts; despite some improvements, most of them do not have facilities like outside toilets and warm water.

Furthermore, service providers have to acquire much more **hospitality skills**; additionally one guest house owner mentioned, that he has difficulties to find interested young people for guest house services; he was looking – on a beautiful but remote place - for cooks, waiters, room maids, cleaning ladies, etc. Part of the problem is that most of these jobs are seasonal jobs and people from rural areas need full time employment and not just summer jobs.

The evaluator could see limited investments into infrastructure, with the exception of Pamir-Extreme. Two existing guest houses are constructing new, additional houses or renovating an existing one. Furthermore, many guest houses seem to act as a basis camp, where luggage is dropped before starting to a trekking tour, partially on horse, from yurt camp to yurt camp. Most of these yurts are set up in spring and removed end of summer. Also new yurts are going to be set up, however not many of them will have western comfort with toilets and warm water facilities.

Furthermore, BAP II I supporting the development of **new and diversified tourism products** and the target area in Chon Alai and Alai should become an attractive tourism region. In the interviews, the evaluation team heard often that new routes are under preparation, partially for walking but also for horse riding. Apart from that, not much new products have been encountered. Asked what tourists can do in a remote place like Daroot Korgon or Sary Mogul, the answer was cooking masterclasses, which is surprisingly having the poor food served in guest houses in mind. Also workshops in handcrafts have been mentioned. However, there seem to be very few things tourist could do in the villages, as there are often **no “cafes and roadside biz offering quality food and services”**; furthermore in some villages alcoholic drinks seem to be hard to get.

**Tour guides** are available but often have very limited English language skills, so that again someone else is needed for a tour. Obviously good experience was made with school teachers, as they have holidays during summer times, when schools are closed. Also **horse riding** is not well developed, especially due to a lack of suitable horses;<sup>6</sup> this activity fits well as Kyrgyz are nomads and lived all their life on horses, just 100 years ago. There are already guides for horse-trekking who can provide beginners lessons; however even these guides have to be trained how to handle tourists.

Whereas the **investment into tourism infrastructure** is modest, despite interesting new accommodations like the Alpine Tourist Dome, more efforts are done to promote Kyrgyzstan as a tourist destination. The image of Kyrgyzstan is already good and the challenge is to offer something when the tourists are indeed coming. To a great deal the recovery of the tourism in Chon Alai will depend in the opening of the border to Tajikistan as most visitors come to see central Asia and not Kyrgyzstan alone.

The so called **Community Based Tourism (CBT)** is not always community based and also not always a kind of tourist information desk, where traveller get recommendations. At least in Sary Mogul, the CBT owns two guesthouses and recommends only family members as tour guides.

A crucial issue is that the border zone to Tajikistan is closed now and therefore the inflow of tourists into Central Asia is reduced; usually the international tourists book round tours, covering Tajikistan, Kyrgyzstan and also Uzbekistan.

#### 1.4. Handicraft VC

This VC is targeting a) **increased income and employment from handicrafts**, b) improved quality of handicraft products and c) increased sales and added value from handicraft. Along the VC, the project facilitates **access to quality inputs** for handicraft producers, mainly women. This is done through the **Business Women of Alai Association (BWA)** that coordinates bulk orders of quality inputs and uses pre-financing scheme for inputs; the needed funds have been provided by BAP II as working capital. The originally envisaged barter arrangements to facilitate input supply are not taking place.

**Access to finance** is a problem. It was sad that the evaluator discovered that there are women in the villages, capable to produce colourful, traditional handicrafts like carpets and bags, but **not being in the position to purchase the necessary raw material** due to lack of funds. An amount of KGS 6,000 would be sufficient to purchase e.g. wool and to process it; having this funding would allow women to produce in winter time some products on “stock” and to earn some additional income when selling the products on their own – partially to neighbours and relatives but possibly also through guest house owners.

The project furthermore encourages the handicraft producers to follow the **market requirements and quality standards**, which are mainly instructed by the buyers such as Nomad Store and TUMAR. The involved handicraft

<sup>6</sup> The lack of suitable horses for tourists is amazing, given the sheer abundance of horses with very limited commercial use.

women are trained in technical skills, but also in marketing and others. The provided training is partially paid by BAP II and Nomad Store is one of the paid training providers. Additionally, Nomad Stores and also TUMAR provide training on their own, especially when it comes to specific requirements as it is in the self-interest of the outlets to get good handicraft products. TUMAR is currently designing a shoe line in wool and women will be needed to produce them soon; that will require information and training, provided by TUMAR to meet the internal quality standards.

The observed **quality of products** leaves room for improvements, mainly as the women do currently not specific works; it is rather that way, that everyone does everything instead of getting specialised in certain areas. Furthermore, there are no group leaders installed for each unit, e.g. weaving, who instruct the others. This division of work would improve the quality and the productivity too. It was also discussed that the women in Chon Alai are processing the local wool, that is partially not suitable; therefore better and longer wool is needed from the north. At the first glance it makes sense to use locally available raw products, but as soon as quality requirements are getting stricter, the supply of raw material needs to be organised as the materials cannot be sources any longer in the neighbourhood.

The handicraft producers are looking for **stable linkages to output markets** and the project – following the MSD approach – is connecting producers with owners of marketing channels. The sales to Nomad Store are based on a commission, i.e. women are supplying the outlet stores with products and are getting paid as soon as the products are sold in the outlets. That can result in quick sales and payments but also in delayed payments when products are waiting long time for customers. The risk is mainly with the women producers. The situation is better when it comes to firm orders e.g. by TUMAR, as then the product will be paid as soon as delivered to the company in the required quality.

Nomad Store is trying to get additional orders and was recently successful with a bio-cotton product, that has been coloured by the BWA in Daroot Korgon. So far these successful contracts are needed by the handicraft women but cannot be considered as stable linkage and sales forecasts are not possible.

As the **BWA has no commercial department** looking for long term partnerships with exporters and other buyers, the performance remains weak regarding sales. Neither the BWA nor the handicraft women have a clear understanding how to approach local markets – also through online shops – and export markets. Other opportunities for additional sales of handicrafts can be seen in linkages with new local buyers as hotels, guest houses, tour operators, handicraft shops and drivers as these persons are as well in contact with tourists and could increase their sales revenues while offering access to other markets to the BWA and their women.

Finally BAP II is facilitating **advisory services to local needs**, including for women and youth. The evaluator encountered that **BWA is very weak in all financial and management aspects** and is not in the position to provide advisory services. Furthermore, the owners of outlet stores provide advisory services regarding product quality and design, so that the products sell better in the stores. However, these services are partially paid by BAP II or not available; the latter is the case if the “service provider” is not interested in advising the potential client. It is therefore questionable to call business partners like purchasing companies or trade agencies “advisory service providers”.

Concerning **institutional set-up and support**, it was observed by the evaluation team that the handicraft group is a synonym for the BWA, which should not be the case. A **BWA should support all women interested to start a business** – in training, access to finance, marketing, etc. The supported women dealing with handicraft should then **form an association or cooperative** to jointly produce but mainly market their products.

In the “Bai Alai” Small Business and Income Creation Programme Phase II, First Progress Report 2019, it is stated that the “BWA provides consultations to artisans on proper cost calculation, writing business plans for those who want to submit proposal to investors, grants or micro finance offices...”. That does not reflect reality and the evaluator got the impression that the BWA staff itself would need all these support services.

In case that women in a specific region consider handicrafts as a good business opportunity, the BWA should assist these women in forming a cooperative, company or association in order to do business. In other words, a BWA is a service provider and facilitator, but it is not the handicraft cooperative and these two should be clearly separated. That is not the case yet.

Currently the **BWA** is based in Alai, in Gulcha village and has a branch office in Chon Alai, in Daroot Korgon; each one has more than 150 registered members and out of them around 20 each can be considered active members. Whereas in Alai, the BWA is not interested any longer to share their skills and contacts with other women, as that would increase the competition and then most likely reduce the price level, the group in **Chon Alai is much more open minded** and is also actively encouraging other women to join – in order to produce more, also in order to be in the position to accept bigger orders with strict time lines.

Another difference could be felt in the approach; whereas the women in Alai, in in Gulcha, were rather slow, could not answer quickly questions regarding turnover and profit despite the presence of their accountant and overall seemed not to be highly motivated. The group in Chon Alai, in Daroot Korgon, formed around the woman running the Ak-Bata guest house, were open minded, fully of enthusiasm and willing to expand to offer more women in the area additional income sources. Part of this enthusiasm might derive from the equipment for wool processing, jointly provided by SDC and USAID within COVID programmes. During the visit of this facility, the women mentioned that they need later on one working space where all could cooperate as many processing steps are done jointly. Actually the workshop for wool processing is far away from the Ak-Bata guest house, where women meet to do handicrafts together.

**Wool processing** is an additional source of income for local women. Using the donated wool processing equipment, these women are able to produce 3 simple quality carpets per day, each costs KGS 6,000 for the local market. In total, the women in Chon Alay are processing around 3,000 kg wool per year; in the past farmers were burning the wool on the pasture. However due to stricter quality requirements, better wool than provided by the local sheep breed has to be purchased; this is done in the north of Kyrgyzstan.

The BWA in Chon Alai, in Daroot Korgon, said that the turnover in 2020 was KGS 862,000; assuming only 20 women involved in this BWA activities, that would result in a turnover per head of KGS 43,100 or CHF 471; assuming that there have been 205 members, the revenues would be CHF 46 per women and year. Almost 10% of the revenues is needed for electricity, the revenues are not the net profit.

Finally, the evaluation team met a woman in Sary Mogul who is **listed as a beneficiary**, but she has never heard about BAP II and the trade mark “Bay Alay”. In other words there are certainly many women interested to get commercially into handicraft production, but basic information is missing.

Without doubt the quality of handicraft products is improving due to training provided by BAP II and also due to contacts to ambitious sales outlets that have enabled by the project; consequently also the sales and added value from handicraft are increasing. However, due to the **limited awareness of the BAP II activities in favour of handicraft development**, many women are somehow excluded from this sector, that still offers much bigger opportunities, also in terms of financial revenues. Estimated many hundred women more are willing to join a handicraft group.

### 1.5. Project management

The project team made a **very motivated impression** and it is for sure capable and willing to scope with the challenges. According to MSD approach, direct interventions have to be avoided as far as possible as MSD is rather trying to modify the incentives and behaviour of businesses and other market players. E.g. Nomad Store is satisfied with the cooperation as it has sufficient incentives from the work with handicraft women or beekeepers; however in the long run, the women and beekeepers will not be satisfied as the so called service providers will block them the way to better clients and final buyers.

However, there are occasions, when training and coaching are needed and the best would be if the project team does it itself. **Facilitators** for cattle, honey, handicraft and tourism could do data collection – together with colleagues from M&E, **could provide lessons**, could elaborate manuals and booklets about relevant topics and so on. It seems that in practice that is not the case in this project and whenever there is a training need, paid service providers are called in.

The project team might spend too much time in the office and not enough time in the fields; also Osh as location of the branch office is not very fortunately chosen; **Sary Tash would have been a more appropriate location for the project office** as it needs to be close the beneficiaries.

The weak point of the project team is not getting enough involved in daily problems and therefore eventually also not to understand the difficulties in the ground in great details. BAP focuses on 4 VCs and undertakes efforts to improve the revenues within these VCs. The overall goal of the Project is to increase economic inclusion of producing households in Alai and Chon Alai through increased income and employment (including self-employment) – in particular also for women and youth by (i) increasing productivity and sales of producers and small businesses in selected sectors and (ii) creating new women and youth led businesses and by increasing turnover of existing ones. That indicates clearly that the focus should be on the well-being of the producing households and therefore it needs a close cooperation with the rural poor.

The evaluation team got the impression, that the BAP team does not have a deep enough understanding of the actual problems and difficulties on the ground; for example the opportunity of doing the household

survey with own staff was missed; it would have tremendously increased the mutual understanding; maybe now the enumerators have a better understanding, but that is lost except the figures shared with the project. An the enumerators of course could not solve any problems within small talk, as the hardly knew about BAP. The evaluation team has the impression, that more communication – e.g. through the local WhatsApp groups would be helpful.

To a certain extent, there is an uncritical view on the project and for sure the Helvetas team leader in Osh uses too much time to “defend” his team and the achievements. On one side it is expected from a boss that he “protects” the team and that is well understood. However, the **main task of the project team including the team leader is to increase the income and employment in the selected value chains and not to “demonstrate” that targets have been achieved according to logframe**. However, here it would need guidance also from SDC side, that no one is interested to demonstrate how successful the project was in achieve in target indicators, it is about changing the world a little bit towards getting better within the project duration for the targeted rural people.

## 2. Relevance

The context of the Bai Alai Small Business and Income Creation Programme in Alai and Chon Alai (BAP II) remained largely unchanged and the **concept of the project is still very relevant**. It was and is aiming to increase sales within the four value chains cattle, apiculture, tourism and handicrafts. Additionally BAP II is intending to build up sustainable local business service providers. Not much is known about **priorities and policies of local governments** in Chon Alai and Alai, but for example Mr. Abykeev Temirbolot, Head of Chon Alai rayon («akim»), explained during his visit at the TES Crossbreed Bull Demonstration Day that farmers have to reduce their number of animals and improve their feeding. This is fully in line with BAP II. Another interviewed farmer reported, that local authority recently declared that farmers are lazy during the summer months, when animals are on the pastures, and that the farmers should start additional income generating activities like producing honey.

The **needs of the private sector and the local population** is on income generation and in this respect all four VCs are of relevance. Cattle breeding is the main activity; however, tourism and handicrafts offer additional income opportunities, especially for women. Whereas tourism, when thinking on guest houses, need substantial upfront investments, handicrafts can be made with limited starting capital. Both VCs offer much more opportunities than currently used. Indirectly linked to business activities are the skills of the local population, which is in general of poor standard; that is valid for all four VCs. Therefore trainings offered by BAP II are of importance and relevance and should be enlarged, by topics and by audience. Most training needs are clearly linked to a specific VC, but for example English classes are wanted by at least tourism and handicraft VCs.

The **quality of the design** concerning the objectives and targeted results are good and in line with the local government policies. However, the **indicators of success are of poor quality** as at a large extent not SMART.<sup>7</sup> Not being SMART takes away the pressure from the project team to do meaningful data collection and leads indirectly to a poor M&E.

The **development activities** in the selected four value chains are an adequate response against poverty. However, combining income generation to combat poverty with job creation is often not feasible, as increased productivity is in many cases achieved by reduction of the labour force. It is more appropriate to focus on increase of income (not turnover) and having achieved that will allow the entrepreneur to expand with the additional profit into other business which will result again in job creation. Tourism was hit strongly by COVID but the other sector not that much. **Migration to urban areas is going on**, as no attractive, full-time jobs are available in the target area. It will need additional income generating activities during winter time to employ people especially in tourism and honey production the whole year.

The **Theory of Change** (ToC) is saying that in order to reduce poverty in Alai and Chon Alai through the creation of income and employment opportunities specifically for young women and youth in selected markets, the project has to support four selected value chains. The mentioned support is focused on the building of capacities and incentive private and public market players, who will then become empowered to deliver the sector specific services. Better services will on the long run contribute to better performance of small enterprises and enhanced inclusiveness of the selected value chains.<sup>8</sup> BAP II is applying the MSD approach, focusing very much on optimising the market functions

<sup>7</sup> To make sure your goals are clear and reachable, the linked indicators have to be SMART: Specific (simple, sensible, significant). Measurable (meaningful, motivating). Achievable (agreed, attainable). Relevant (reasonable, realistic and resourced, results-based). Time bound (time-based, time limited, time/cost limited, timely, time-sensitive).

<sup>8</sup> See: Cost Benefit Analysis of the Project Bai Alai, Kyrgyzstan

and making sure that relevant and reliable service providers are around. The evaluator is convinced that a more direct intervention through the project team e.g. in marketing by jointly searching for new markets for handicrafts apart from established shops would have been more successful. The ToC is not the best way forwards, as many interventions cannot be undertaken as eventually in conflict with MSD. Having a team with around 20 employees on the ground, would allow more direct interventions, even if that would partially mean to intervene in and to "torture" the market. The dilemma in development aid is well known, that supporting an individual here and there would be a disadvantage for other non-benefiting individuals and therefore a group approach is in principle a good choice. However, sourcing out some trainings to specialised companies means also to advance this company. Why not to advance more the final beneficiaries of the 4 VCs, the cattle ranchers, the beekeepers, the tourism service providers and the handicraft women? The evaluator thinks that working in a very indirect way like currently done, is not the best way forwards and therefore the current ToC shows substantial deficits.

Altogether all 4 VCs are relevant and if there would be sufficient remaining budget and time, SDC should continue working with all of them. Altogether, the BAP II project objective – focusing on **reducing poverty** in Alai and Chon Alai **through increased income** and employment (including self-employment) – in particular for women and youth is furthermore valid and consistent with the different needs of the direct and indirect beneficiaries.

The current **monitoring and results measurement system of BAP II is not convincing**, as socio-economic performance data are largely missing. Obviously many data are used from the recently done household survey<sup>9</sup>. As confirmed by Helvetas, these data are self-declared statements from partially beneficiaries without any cross-checks, not even randomly. The evaluator would have preferred to get detailed, double-checked data from 200 typical beneficiaries and non-beneficiaries and to work on them with extrapolation. Apart from a questionable survey based on self-declared statements of beneficiaries and non-beneficiaries, also the calculations e.g. in the Cost Benefit Analysis cannot be traced as it seems that a large number of assumptions are integrated in the pure mathematical approach.

Finally, some targets and indicators are vaguely formulated. Taking the very first indicator in the logframe as example: Output 1 Productivity / efficiency is increased. The indicator is the "animal weight gain". The baseline is the given weight of a 3-year old cattle with 229 kg and the target is to achieve a 15% increase in weight gain. Some questions arise:

- What does the weight gain say about the increase of productivity? If the input (fodder) increases in the same amount as the output (weight gain), then the productivity remains the same.
- The cattle VC focused a lot on genetic improvements, but concerning weight gains that seems to be of minor importance; main success factors have been seen in better stables and more fodder.
- Looking back it is obvious that not all cattle increased their weight substantially, but only the ones of the benefitting farms; well, how have these farms been selected? Are these farms representative for the overall group in terms of number of animals, financial and educational skills? No they are not, as benefitting farms are those ones that participated in insemination programmes, AI and NI; in a certain way it could be said that the more active farmers, interested in improving the genetics, as well as the ones, able to finance the bulls, are the benefitting ones and they are doing better.
- The reports are saying how many animals have been analyses (100 in the pilot and 100 in the control group), however how many of the total 54,000 cattle are achieving the target?

According to the reports, the increase in weight was measured before and after the summer pasture. That is also an unusual approach as weight gains should happen over the year so that in fact it would have been better to measure the same animal every year before or after the summer pasture, but not before and after in one year and assuming that this is the average weight gain. Literature is saying that most animals are losing weight during winter time due to poor feeding. Finally, the measurements of weight are done by auxiliary tools (weight tapes); using a mobile scale would have been better and would have provided transparency for farmers and objective results, also as an awareness raising activity.

BAP II implementing team is most likely focusing too much on meeting the performance indicators on the paper. More important would be to change the economic performance on the ground; farmers do not have to reach a weight gain of 15%, most likely they are also happy with 10%, especially when not considering the genetic improvements.

Important to highlight that poor data cannot be used as a management tool to steer the project.

### 3. Coherence

<sup>9</sup> AKF/MSDSP RELU: Household Survey Bai-Alai project; March 2021

The **objectives and strategies of BAP II are coherent** with the new 5-year Development Plan of the Kyrgyz Government as well as with the priorities outlined in the current Country's Development Strategy 2018-2040. However, it has to be said that both strategy papers are rather general and vague. It is mentioned to increase the availability of financial services to the population and business entities and that harmonises well with BAP II's activities under access to finance. Furthermore it highlights the goal to improve food security and poverty alleviation through better land resources management and more developed irrigation systems. BAP is trying to improve the pasture management, a small part for the overall land management. The most serious discrepancy between BAP II and the strategy 2021-2026 lies in the understanding of the free market. Whereas BAP II due to MSD approach clearly favours – eventually too much - the free market, the GoK is intending “to introduce a system of guaranteed and regulated public procurement of agricultural products for government agencies with a large number of consumers, such as the Ministry of Defence, Ministry of Internal Affairs, Ministry of Education and Science, and the Ministry of Health.” This is an obvious difference of the understanding of market economy and on GoK's side it is a fall-back into Soviet legacy, assuming that the government can do better than the market and this approach largely failed all over the world; it is also contradicts the SDC approach of improving the free markets. Apart from this mentioned point, the strategy identified agriculture and processing as one of the 4 development priorities along with mining, hydropower and tourism.

Within the National Development Strategy of the Kyrgyz Republic for 2018-2040, there is a rather short chapter about “Agroindustrial complex and cooperation”. It highlights the orientation of the government towards making the agricultural sector and agroindustrial complex more competitive, promoting organic agricultural products grown in mountainous and foothill areas, supporting cooperatives and agglomerations in order to get into processing and value adding and finally to increase incomes of the local population. BAP II targets primarily to support rural producers and entrepreneurs, including women and youth, to increase sales within the selected value chains and here the correspondent vehicles to move ahead are the Business Women of Alai Association and the honey cooperatives. Overall BAP shows several similarities with the GoK strategies and programmes and can be regarded as being coherent.

## 4. Effectiveness

It is measured as extent to which the objectives and results of an intervention have been achieved or can be expected to be achieved. The effectiveness is usually analysed from a quantitative point of view by comparing the achieved numbers with the original indicative numbers. The assessment of the logical framework in terms of figures is difficult, as the provided figures within progress reports and especially the CBA, are based on innumerable assumptions, so that it is not obvious if the targets will be achieved or not. Therefore, the evaluation team focuses more on qualitative statements when analysing the effectiveness.

### 4.1 Logframe, indicators and current achievements

In the paragraphs below, the achievements of targets towards the logframe are described and also critical comments to the statements in the Progress Report 2021 (January 1 – August 31), Year 4 are made. It should be mentioned again that almost all indicators are not SMART.<sup>10</sup> Furthermore, many projects describe in the progress reports their achievements, providing various arguments why the target was achieved and not so often why they have not been achieved. However, within BAP II the project team does hardly try to prove the achievements of the formulated targets; that might be a hint, that also the project team did not have sufficient data to prove the achievements,

#### ***Output 1 Productivity / efficiency is increased***

Productivity usually measures the rate of output per unit of input; in this respect an increase in total number is not meaningful, as the productivity remains the same, if the outputs have been increased by the same rate like the inputs.

Cattle VC: Animal weight gain / Baseline: weight of a 3-year old cattle is Kg 229 / Target: 15% increase, i.e. 263 kg  
 This indicator should be reached only by the cattle of the around 3,000 benefiting farms, out of 17,000. As the project is dealing with improving genetics, summer pastures and winter feeding, most likely a combination of all three entry-points are responsible for achieving the targeted result. For comparison only, a 3-year old bull in Switzerland could weight 1,000 kg.

<sup>10</sup> To make sure your goals are clear and reachable, the linked indicators have to be SMART: Specific (simple, sensible, significant). Measurable (meaningful, motivating). Achievable (agreed, attainable). Relevant (reasonable, realistic and resourced, results-based). Time bound (time-based, time limited, time/cost limited, timely, time-sensitive).

Looking at the BA Yearly Report 2020, Year 3, it becomes evident, that the weight gain are relevant only for the animals of the supported farmers; the number of all cattle of all 299 target households is 3,740 in 2020, out of 54,833 cattle in the programme area. Therefore the target of the project is to achieve a 15% weight increase of the 3-year old cattle of the supported households; i.e. less than 7% of all households are supported.

It is for granted that the animal weight in all categories has increased over time from pre-pasture season to the pasture season. However, the comparison should not be done before and after summer pasture, but at any date in the year compared with the results exactly one year later. E.g. before summer pasture in 2020 with before summer pasture in 2021; only that is comparable, especially as animals are often losing weight during winter time due to poor feeding. It would need to focus only on ear-tagged animals and to put these animals once a year on a scale to determine and note their weight. The measurement of the weight has been done four times per year, but important is to have it at least once a year exactly at the same date.

The weight gain in the pilot group as indicated in the BA Yearly Report 2020, Year 3 was much better than in the control group, however even the control group without support from BAP achieved in 7 out of 8 measurements the target of kg 263. In other words, an indicator is not meaningful at all, if achieved even by the non-supported participants. In addition, the Progress Report 2021 (January 1 – August 31), Year 4 shows weight gains in the supported group of 3-year old bulls and heifers of kg 221 and kg 268 whereas the control group reached only kg 204 and kg 254. Finally the question remains, if not all the animals should have reached the weight gain and not just the few supported ones.

*Apiculture VC: Number of bee colonies / Baseline: 867 / Target: 5,000*

Assuming that the number of bee colonies should be increased over all beekeepers in Chon Alai and Alai, it can be stated that in the two supported honey cooperatives each beekeeper has between 56 and 70 beehives. As there are all together 200 beekeepers in the target area, it can be extrapolated that the 200 beekeepers would have together around 12,600 beehives. This figure is based on the average number of beehives per beekeeper in the cooperatives. Even if considering that beekeepers not organised and supported in the cooperatives are performing at a lower level, it seems to be evident that the target of 5,000 bee colonies is already met. The production increased, but it is not known if the productivity increased too.

*Tourism VC: Money spent per tourist/day / Baseline: USD 15 / Target: USD 25*

The evaluator heard that it is unknown how many tourists are visiting Kyrgyzstan, because each border crossing is registered, but no differentiation is made between e.g., a Chinese business traveller and an international tourist. Because of a missing baseline, naturally no one can say if international tourist are spending in Chon Alai and Alai USD 25 per day or not.

Based on literature review, field observations and interviews with guest house owners and with tour operators, no number can be indicated. However, it seems that the envisaged tourists is not exclusively any longer the back packer. New accommodations like Pamir Extreme and the Alpine Mountain Domes have prices of USD 25 and more for 1 person per night, so that tourists staying there, are spending definitely more than the targeted USD 25.

*Handicraft VC: Number of people active in handicraft production / Baseline: 35, 100% women-led / Target: 150, 20% male and 80% female, 40% youth*

Most likely this indicator focuses only on the handicraft women organised in the Business Women of Alai Association (BWA) in Alai with a branch in Chon Alai, as the target area must cover hundreds if not thousands of women involved in handicrafts. Also here the indicator is not SMART as how should “active in handicraft production” being defined? Making one pullover or handbag per year or per month? The two BWA offices told the evaluation team that around 20 women are very active in each office; Helvetas branch office Osh is claiming that *322 women are active, some maybe not as active as others but nevertheless, they also receive orders and produce products which are mainly sold by sales channels through BWA*. However, the target of 150 is not very meaningful, as there are thousands of women sitting at home and having sufficient time to do handicrafts, if there would be more orders. Nevertheless, it can be assumed that out of these thousands of women, at least 150 are making some money with handicrafts, with and without the assistance of the BWA,

To learn more about the situation, the evaluation team did a short telephone survey with 20 benefiting women according to the beneficiary list; 10 from Chon Alai and 10 from Alai. (However, it has to be stated that a lot of numbers from the beneficiary’s list were not operating at all or the persons did not answer.) The ones from Chon Alai mentioned: 8 out of 10 are working with the BWA as 1 woman stopped to work with BWA and 1 woman is selling outside the cooperative. 4 out of 10 had no sales at all in 2020 and 2021. 6 out of 10 women sold in 2020 in total USD 2,050, equivalent to USD 205 per interviewed women. 6 out of 10 women sold in 2021 in total USD 2,100, equivalent

to USD 210 per interviewed women. In Alai, 6 women from Alai said that they are not working with BWA and 1 woman said that she is working with BWA from time to time. In Alai 6 out of 10 women sold in 2020 products for USD 1,250, equivalent to USD 125 per interviewed women. 7 out of 10 women sold in 2021 in total USD 1,650, equivalent to USD 165 per interviewed women.

The main products or activities in Chon Alai have been carpets from wool / Kyrgyz carpets-shyrdak, spinning of wool ordered / bio cotton and washing the wool for BWA Chon Alai, bags from wool, doing TAAR for decoration of bags and covers, blanket from pieces of fabrics (textile). - The main products in Alai have been carpets / Kyrgyz shyrdak / wool carpets, bags and woven taars.

The main suggestions from these women in Chon Alai are that it needs better supply channels for raw materials (wool) from north part of Kyrgyzstan, equipment to wash the wool, better access to finance and trainings in technology and design. They also mentioned that BWA should improve its marketing of BWA handicraft products. Especially the women want constant orders from clients to earn more. Linked to that, more new clients have to be acquired. – The women in Alai need better marketing, more orders from clients, wool processing equipment, better supply of good quality wool and also access to finance.

### ***Output 2 Quality standards introduced and enhanced***

**Cattle VC: Number and % of cattle meeting EEU export market standards in terms of traceability and vaccinations / Baseline: 0 / Target: 50%**

In the available documents, which have been made accessible to the evaluators, no information concerning EEU export market standards in terms of traceability and vaccinations could be found. The evaluators contacted also in writing Mr. Stanislav B. Buben, Director of Department for Agroindustrial Policy of the Eurasian Economic Commission, but the email remained unanswered.

Vaccination programmes against main diseases like foot-and-mouth disease (FMD) and brucellosis are taking place and they are organised and financed by the GoK. However, in most cases the farmers have to pay for the veterinary services, even if not for the vaccine itself. Therefore many farmers do not let their animals get vaccinated. There are no statistics available about number of vaccinated animals in correspondence with EEU export market standards. The traceability is based in general on ear-tagging and all cattle older than 3 months have to be ear-tagged according to Kyrgyz law. In practice the animals get ear-tagged, and consequently registered in the livestock database, by the end of the first year. A visit at the animal market at Gulcha confirmed that impression, as hardly any young animals were ear-tagged.

Regarding this indicator, no positive nor negative statement can be made as data are missing and there is no distinctness about the EEU requirements.

**Apiculture VC: Number and % of honey producers meeting market standards (f/m) / Baseline: 0 / Target: 50%**

The Kyrgyz as well as export markets have legal requirements for honey quality. One of the criteria is in Kyrgyzstan that the use of antibiotics in beekeeping is forbidden by law in Kyrgyzstan and laboratory analyses linked to the foreseen export to Japan have shown that there have been no residues from antibiotics. Just sticking to antibiotics, does it mean that at project start all benefiting beekeepers of the project used antibiotics as the baseline was 0%, i.e. no one fulfilled the market standards. Most likely a not well formulated indicator. Worthwhile to mention that BAP project team prepared a simple written instruction in Kyrgyz and Russian that follow the technical regulation plus video is done on HACCP requirement.

In addition, the Progress Report 2021 (January 1 – August 31), Year 4 mentioned that the TES-Center, Nomad Store, and representatives of the local rayon veterinarian departments of Alai and Chon-Alai regions were trained on quality management, but interesting enough not the beekeepers. In 2021, Nomad Store initiated assistance to both beekeeper cooperatives with quality monitoring farmers; however, it remains unclear why not the farmers – called in the logframe honey producers - have been trained directly.

**Tourism VC: Level of satisfaction of tourists with tourism services offered / Baseline: 48% / Target: 85%**

The indicator is by far not precise enough to provide a meaningful insight into the achievements. It would have required a SMARTer indicator like level of satisfaction of tourists with food or hygiene. As already mentioned, the number of tourists visiting Kyrgyzstan every year is unknown. No statement concerning the achievement of this indicator is made by the project team and also the evaluation team is not in the position to do so. – In principal questions regarding to satisfaction are vague; satisfaction with a guest house or a tourist region could be measured much easier and more objective in the overnight stays.

The handicraft VC has not such indicator.

***Output 3 Market access established for producers and entrepreneurs, incl. women and youth***

The indicator “Number of contractual agreements between producers and lead firms” is not a SMART indicator as it would need a clear definition of “contractual agreement”. It might be interpreted as “signed and binding contract”, but that does not seem to be the case in all VCs.

Cattle VC: *Number of contractual agreements between producers and lead firms / Baseline: 2 in cattle / Target: +9*  
 Cattle are sold at animal markets, mainly to other farmers, but also to traders, butchers and slaughterhouses. Most animals observed in the Gulcha cattle market are not ready for slaughtering. It seems that usually younger animals are traded among farmers, whereas the price for crossbreeds are higher, linked to their higher weight, but most likely not due to their higher killing-out percentage (KO%).<sup>11</sup> - No comments can be provided to this indicator.

Apiculture VC: *Number of contractual agreements between producers and lead firms / Baseline: 1 / Target: +5*  
 Currently the honey cooperatives are cooperating with Nomad Store and Aman GreenFood; the negotiations between Agroway and the cooperative in Chon Alai are on hold, as the price ideas are too far apart.

Tourism VC: *Number of contractual agreements between producers and lead firms / Baseline: 1 / Target: +30*  
 There are many agreements between service providers in Kyrgyz tourism and lead firms like NoviNomad LLC.

Handicraft VC: *Number of contractual agreements between producers and lead firms / Baseline: 2 / Target: +30*

The document Bai Alai – Small Business and Income Creation Programme, Project Document for Phase II, June 2018 to May 2022 seems to provide some hints on contractual agreements as it is written there that the BAP intervention is facilitating linkages and negotiations between BWA and exporting companies. In fact that does not clarify anything as contractual agreements is now replaced by linkages. One could argue that the exchange of business cards between two parties is already establishing a linkage. It would have been more meaningful to focus on turnover between parties.

- It is also mentioned that there are, mainly oral, agreements with Tumar Shop, Terme Art, Nomad Store, Uulman, Felt Art studio, Taar Style, Nakta KG, Kyrgyz Kilem, Datka Kilem, Daari, Kurak, and Pamir fiber.

Handicraft VC: *Number of new local brands established / Baseline: 1 / Target: 4 local brands*

According to BAP II the following brands have been developed: With love by Alay – handicraft, Datka Honey – two cooperatives’ brand with differentiation of two regions: Datka Honey Alai and Chon-Alai, Visit Alai – tourism, Boobek coffee shop – a coffee shop in Gulcha, Nomad Coffee shop – a coffee shop that was built in Sary-Tash village but was not opened yet due to the pandemic. - In modern marketing it need branding. However, how much these developed brands help to establish and improve market access is unclear. Here again, key financial targets of the brand owners would be more meaningful.

***Output 4 Advisory services offer adapted to local needs, incl. for women and youth***

Not very clear what should be achieved under this output; also available reports do not provide satisfactory information as often it is just explained what advisory services are generally needed, without providing more insights in baseline and targets. All VCs have their service providers; e.g. cattle VC sees AI technicians as service providers, but it is not sure that they provide besides specific services also advises. That is also reflected in the fact that the headline talks about advisory services and the specific targets only about service providers: Number of service providers linked to input providers or other relevant actors and number of service providers who have adapted their service offer to the needs of local, producers and entrepreneurs including women and youth led. For the future it would be better to look at profits or at least turnovers for evaluating service providers as adaptation and linkages are vague and not SMART indicators.

***Output 5 Financial products are adjusted to local conditions, incl. for women and youth***

*Number of financial (i.e.: bank, MFI) and non-financial institutions (i.e.: business accelerator centres, local SME development funds, etc.) that provide initial financial support to producers and entrepreneurs in the selected sectors / Baseline: 0 / Target: 4*

Assumed that financial support is defined as providing and issuing credits, the project undertook some efforts to make credits available at favourable conditions to bull owners for insemination purposes. Also beekeepers enjoy a financing option for their beehives. Finally, not directly linked to BAP II but to the bull owners, Aiyil Bank additionally provides a kind of leasing agreement for breeding bulls.

<sup>11</sup> The KO% determines how much saleable carcass weight is obtained from the live animal and crossbreeds might have 60% whereas the local breeds have 50% or less.

Several financial products are adjusted to local conditions, but not by commercial banks. These adjustments are mainly subsidies by SDC or the GoK and therefore not sustainable. Training concerning financial literacy was provided, however, most clients are still unbankable.

*Number of producers and entrepreneurs using adjusted financial products / Baseline: 0 / Target: 3,000*

As above the “financial products” are not well defined, here the “adjusted financial products” raise question marks. It should be emphasised again that the credit takers have to adjust to commercial banks, rather than the other way around. Keeping financial records and using bank accounts for all business revenues and expenditures could already help tremendously. First steps to improve financial literacy have been done, but it needs many more.

#### **Output 6 Local business support dialogues fora are strengthened and include both men and women**

*Number of dialogue platforms/mechanisms established / Baseline: 0 / Target: 4*

*Number of critical initiatives to benefit the value chain development are identified and implemented. / Baseline: 0 / Target: 2 per sector*

The evaluation team has not encountered these business support dialogues fora, but obviously some stakeholders are trying to solve actual problems like export of honey into the EU. The export of honey but also other foodstuffs depend on the national Food and Veterinary Office, which must work at high standards to get accredited by the EU. Exporting companies such as Aman GreenFood, NurBal, Dary TanShany, and Nomad Store can do some lobbying but at the end the Ministry of Agriculture has to get its institutions for food safety approved. According to BAP there have been other initiatives too, but most of them have not yield any fruits for reasons that are largely behind BAP’s responsibility.

- According to the evaluator, the indicator is not very meaningful.

This chapter provides little knowledge, mainly because the indicators are not SMART and therefore not specific enough to be measurable. The missing actual success quota in progress reports indicates that the project team faces the same issues. Having been 15 days in Kyrgyzstan, it is hard to make a perfect judgement. In case there would be sufficient budget and time, the evaluator’s recommendation would be to continue with this project and with all 4 value chains. **Considering the limited time span of the next (exit) phase of BAP and the limited financial resources, the evaluation team recommends to continue with the apiculture and handicraft VCs.**

## **5. Efficiency**

The budget for the value chains shows a bigger portion for cattle and for the remaining value chains almost equal budgets.

Items	CHF	%
Services Headquarters (HQ)	251 340	8
Local Office (LO) of Contractor	191 090	6
Long-term experts	951 636	32
Short-term experts	77 400	3
Local support	350 880	12
Cattle VC - administrated project funds	372 745	12
Apiculture VC - administrated project funds	347 130	12
Tourism VC - administrated project funds	229 756	8
Handicraft VC - administrated project funds	205 004	7
Gender mainstreaming - administrated project funds	23 019	1
Total	3 000 000	100

After a slow start in 2018 regarding budget expenditures, a common development, the administrated funds had over the following years rather equal amount of budget spent. Looking at the expenditures, it seems that the cattle VC has spent around 89% of their funds, apiculture only 29%, tourism 65% and handicrafts 71%.<sup>12</sup>

Within the cattle VC, the main recipients have been TES centre, Shepherds and Sydyk Vet Service (Kalmurat J.). In apiculture VC Nomad Store, TES centre and Agroway. In the tourism VC CBT Alay, HoReCa, PU Destination Osh, Asylbashev creative and Peak Evolution Media; finally in the handicraft VC BWA, Institute for Sustainable Development Strategy and Association Daaairy. Overall TES centre is with more than CHF 90,000 the biggest recipient

<sup>12</sup> The evaluator’s own calculation based on shared information about actual spending.

of project funds. As it a principle of this project not to assist individuals, no farmers, beekeepers, guest house owners and handicraft women have been supported or financed directly. That is an extraordinary approach; often development projects distribute too many tools, i.e. any kind of hardware; here we see the contrary. Only training and services are financially supported by BAP II.

The overall budget of CHF 3 million is not too big for this kind of project and the overall duration, however using half the budget for own staff and offices and the remaining one for service providers and few donations within the COVID special activities, i.e. seed funds and equipment for handicraft women in Daroot Korgon, is not fully convincing. Some more materialized support would have been appreciated; e.g. wool for poor women.

The **modalities and operations** of the HSI-AKF consortium, including the ones of MSDSP as part of AKF, while BAP II implementation is slightly complicated. Out of the 4 value chains, only the cattle VC is managed by AKF. However, when it comes to insemination, then the AI is managed by MSDSP, while NI is outsourced to TES centre, a donor driven NGO based in Osh. Not having AI and NI under one responsible body has the advantage to create a kind of competition between these two organisations. Nevertheless, it seems to be rather a disadvantage to have different players in the cattle sector instead one.

While Helvetas, and AKF have their HQs in Bishkek, all 3 implementing partners (Helvetas, AKF, MSDSP) have their branch offices in Osh. These three implementing partners plus TES centre are diluting slightly the Swiss SDC image, which is not as strong as e.g. USAID, because implementing partners naturally promote primarily themselves. The Helvetas team argues that it has no right to pretend being SDC staff, but it could stronger introduce the project and point out at each occasion that this is a SDC project, implemented by various partners. Currently the project beneficiaries and the population often knows Helvetas, and AKF/MSDSP, but surprisingly many people do now know that SDC covers altogether 4 value chains.

SDC promotes and applies since a long time the **Market System Development** (MSD) approach; BAP is designed that way that the implementing partners make sure that the right service providers are in place. Furthermore, BAP implementers try to intervene as little as possible directly in order not to disturb the market.

As due to the MSD and the entire VC approach, all added values are summarized as the project's success. It is done correctly, however it leads to misunderstandings, as in most of the development projects, the donor wants to know how the target group – e.g. the smallholders, the handicraft women, etc. – is performing and how their socio-economic circumstances are improving. BAP shows only clearly how the entire VC is performing. Assuming that an input supplier is selling extremely well high price GMO seeds to farmers, the overall performance of the VC could show a huge added value while bringing the farmers close to bankruptcy. To understand better how the individual stakeholders in a VC are performing – with a view to the eradicate poverty – it would be good to list sub-group benefits according to each stakeholder group.

To provide a practical example, information is missing how well farmers are selling cross breeds to the final buyers, i.e. slaughterhouses and butchers. The information how successful all farmers together are in producing and selling fattened crossbred cattle cannot be found in the current set-up. The evaluator is not saying that this information is not there and that progress in not taking place, but it is hardly visible and maybe even harder to measure.

BAP sees the role of service providers not only in doing e.g. insemination, but also in advising farmers how to prepare cows better for AI. Indeed, that would be the ideal case but reality is different as the technician is paid for insemination and therefore he keeps the time his visit as short as possible whereas the farmer might have many more questions for which he does not get satisfying answers. As there is not governmental public agricultural advisory in place, at least not in the fields, it is important to make sure by the project that the demand is covered by the offer, that both stakeholders have the same goal. The evaluator is aware that "MSD does not intend to provide immediate relieve to human suffering. Hence, depending on the target population, **MSD alone might not lead to the required tangible results** on a specific target group within the time frame of a project. This is usually the case when targeting very poor and disadvantaged / marginalised groups or people in economically underdeveloped areas – i.e. people who struggle to access any market in the first place. In this case, one might plan for interventions as part of the project, e.g. direct provision of skills training to extreme poor, asset transfer to the very poor, to enable these people to engage in a market (labour, product or service markets)."<sup>13</sup> The interaction between experts who know and farmers who want to know, could be improved, even if BAP has to finance the first steps.

---

<sup>13</sup> SDC: Managing MSD projects. Internal guidance paper for SDC head office and cooperation office staff. Version June 2017

Altogether, the **project's intervention logic** is valid with the above mentioned limitations. Looking at the ToC-like PPT, the evaluation wants to briefly summarize as follows.

**Cattle VC:** AI and NI are increasing the (genetic) productivity and improve quality of the cattle. It is very likely that this will result in increasing the value of sales by cattle farmers including women and youth, but convincing proves are still missing, partially also because not so many crossbred cattle have been slaughtered yet. There is no doubt that brigadiers already are making more money, as a pure breed Angus bull costs around USD 1,165 and the brigadier gets for each successfully inseminated cow USD 9,90 so that he can recover the purchasing price of the bull after 118 inseminations.

There are some question marks concerning winter and summer feeding as actually the shepherds do not properly use pastures. Despite awareness raising activities, shepherds are looking to maximize their revenues and that is achieved by bringing as many as possible paid cattle to the mountain pastures. It is not that shepherds do not understand the sustainable pasture usage (rotation), it is about shepherds having no incentive to reduce their salaries by reducing the number of pastured animals.

The evaluation team talked in detail with the PUC in Sary Mogul and did not have the impression, that the PUCs have a budget line for payment to local trainers and incentive mechanism for shepherds. The head of the PUC, a very honourable and motivated older man, mentioned that despite proposing detailed budget – showing planned activities like seeding herbs or using electric fences - to the local authorities does not result in the approval of the proposed pasture fees that has to cover all the envisaged activities. To make it black and white, the project has to target the local authorities – as the only authorized change makers - and not PUCs and shepherds to substantially increase the summer pasture fees in order to retain farmers sending their animals there.

Concerning winter fodder production, BAP II promotes to grow more sainfoin, barley and to make more hay. Talks to farmers have shown that slowly a reorientation towards increased fodder production is taking place and that the importance of quality seeds is recognised; however as soon as not BAP II is providing seeds within a revolving credit facility, farmers immediately switch to cheaper and not certified seeds. As mentioned several times, the governmental agricultural advisory service is not in place and unfortunately there are also no private sector trainers locally available, because of the missing market.

**Apiculture VC:** Also this value chain shows a similar set-up and the overall target is to increase the income of the beekeepers. The applied intervention logic builds up on breeding, production skills and quality management and marketing.

Marketing, as a key area, is targeting high prices for the beekeepers in internal and external markets; that is to be achieved by three interventions. The first one deals with agricultural cooperatives that should be obviously the vehicle to move the entire group of 200 beekeepers forward, even if actually less than 50 are members. The approach is good, however the understanding of a cooperative is not widespread yet. The second one focuses on establishing market linkages with local buyers (Nomad store, OVOP, local tourist operators) and that fails short as this approach bears the risk that the honey cooperatives are becoming a raw material supplier, a supplier of a commodity who can be exchanged overnight without problems. It is good to start these market linkages but as a mid-term goal it needs more active steps towards export markets, heavily supported by the project team and here especially by the Business Facilitator in charge. The third intervention deals with market linkages between cooperatives and export oriented buyers; in fact that is very similar to the second intervention. Missing is here direct step in building up a brand, getting own filling, packaging and labelling lines and especially developing skills to approach clients abroad – without making use of Nomad Store or Aman GreenFood. That cannot be achieved overnight, but is urgently needed and at the same time that is the point where a MSD approach comes to its limits, as market linkages are hardly feasible between future competitors.

A final point is the access to finance. System changes should be achieved by training youth and women in business plan writing and economic analyse. The evaluator sees economic analyses and business plan writing as useful, especially if the plans will be submitted to commercial banks. The proposed idea that interested buyers make an agreement with cooperatives and interested beekeepers on providing equipment on barter/leasing principles is not realistic as already elaborated in connecting to the BWA. This access to finance suggestion or ToC is not viable and the way to approach commercial banks is missing completely; so in contrast to the other interventions in breeding and quality, this part is the weakest one.

**Handicraft VC:** The intervention logic according to the Growth & Access Vision 2022 is grouped into technical skills improvement, input supply, product development and design, marketing and order coordination and institutional

development of the system partners. Concerning input supply, it has to be said, that women in villages often do not have the finance to purchase the needed raw materials. This is a weak point of the sector, not the project. However, some measures to overcome the missing inputs would be recommended. Furthermore, the branding of products is not well developed yet, especially when it comes to export. The marketing and order coordination already show the dilemma of the handicraft intervention as it cannot be sufficient if “Lead Firms are satisfied with the quality and timeliness of the handicraft products orders and willing to place more orders”; this approach leads directly towards anonymously supplier that can be replaced overnight. Till today the handicraft producers have not established sustainable market linkages because they have no access to markets but just to intermediaries. It is mentioned in a BAP report that “*BWA managed to initiate collaboration with new lead firms like Uch-Art, Vorotnikova Art Studio, and Folk Shop in Germany through Nomad Store*“.

**Tourism VC:** The tourism intervention logic of BAP II builds on destination management, online booking platforms and others. It seems that Kyrgyzstan is on a good track regarding destination management and branding of the country as a holiday paradise. Many people are curious to visit the country as soon as the pandemic will allow it. However, the basic infrastructure is not in a good shape yet. Whereas the internal MTR sees waste management and sanitation as an increasingly challenge that needs reactions now, the evaluator see the challenge rather to direct the tourism in Chon Alai and Alai upwards from backpackers to at least international middle class tourists who are more than willing to spend at least USD 35 per day. Therefore, it needs substantial improvement of quality of accommodation, sanitary and hygiene standards and much better food, using as much as possible local products, including excellent angus beef, kits, local potatoes and all kind of milk products, especially cheese. Also the services related to tourists, hosts (!), cooks, room maids, receptionists, guides and drivers need better training; HoReCa association is one of the training institutions and even more training is heavily needed, to offer better services with higher revenues and if possible an all year round tourism.

It seems that the project team is approaching the tourism problems on a (too) high level and forgetting that booking platforms and social media can spoil a destination, if in practice the needed infrastructure and services cannot be offered. As most international tourists do not speak Kyrgyz nor Russian, English language skills are very important and e.g. English language classes are not yet offered. For the evaluation team it was also interesting to see how little credit cards are accepted; here it needs a reorientation of drivers and guest houses to modern non-cash payments.

Summarizing the project’s intervention logic is still valid but it will need some adjustments.

At least one **strength of BAP II** is that it covers all stakeholders due to MSD approach as it is very important to have all stakeholders on board and to create for them an enabling environment. The weaknesses might be too little direct intervention and to spend too much time on administrative issues like report writing.

The **quality of logframe** is poor as not SMART; see Chapter Effectiveness - Logframe, indicators and current achievements. The clarity and internal consistency of the stated objectives are evident. BAP II is focusing on reducing poverty in Alai and Chon Alai through increased income and employment (including self-employment) – in particular for women and youth by supporting local producers and entrepreneurs, including women and youth, with an aim to increase sales within the selected value chains, purpose and results.

The project set-up is logical and the four value chains are applying the same approaches to achieve the overarching goal to increase income and jobs.

The **objectively-verifiable indicators of achievement** were not well-chosen; see Chapter Effectiveness - Logframe, indicators and current achievements. It has to be highlighted again, that several cost calculations and also a CBA were done, however it does not become evident how many targets have been reached. That is not only a weakness of the project team – stating with missing data collection since the beginning of the project –, but partially information is missing. For example it is unknown how many tourists are visiting Kyrgyzstan; each border crossing is registered, but no differentiation is made between a Chinese business traveller and an international tourist, both are non-resident visitors. Because of a missing baseline, naturally no one can say if tourist are spending in Chon Alai and Alai USD 25 per day or not.

According to the knowledge of the evaluator, a **data verification (of achieved targets) by third parties** did not took place and also the evaluation team could not grasp the chosen approaches. Main criticism is that there are much too many underlying assumptions involved or not verified data from household survey.

The **project team in Osh** and on the ground in Chon Alai and Alai made personally a professional and highly motivated impression. Professionality always goes hand in hand with the capability to react quickly on changing

circumstances. The project staff as close as possible to the rural beneficiaries knows best when and how to react and the team should be encouraged to be more pro-active.

## 6. Impact

An impact is a goal in the future and it should be prepared by various activities now, which then in the best case will result in achieving the mentioned target. BAP is aiming to increase the economic inclusion of producing households in Alai and Chon Alai, in particular also of women and youth in the four selected VCs; that means, these households should increase revenues and profitability. Chon Alai has a population of around 25,000 persons and Alai one of 72,000; in total around 100,000. According to the logframe, 18,000 beneficiaries should be targeted and according to the Progress Report 2021 (January 1 – August 31), Year 4 the target is almost achieved, as the cattle VC shows alone 14,127 beneficiaries; furthermore, apiculture VC has 1,185, tourism 990 and handicrafts 1,355 beneficiaries.

The second impact indicator foresees a net change in income (additional sales minus additional costs) of USD 1,700,000 and the actual achievement is due to the progress report USD 2,885,123, corresponding to more than USD 160 from project start in 2018 until August 2021. The biggest contributor to this achievement is the cattle VC with USD 1,388,644, followed by tourism with 703,756, apiculture with USD 655,229 and finally handicraft with USD 137,494. According to the shared reports, both impact targets are achieved, however despite considerable efforts from both sides, it was not possible to trace these figures back. Also the yearly and progress reports do not convincingly explain these figures.

E.g., the project claims to support 322 women within the BWA and then it shows that 1,355 persons, mainly women, are benefiting from the handicraft VC. A precise definition of “beneficiary” would help. The evaluation team interviewed a “beneficiary” in the handicraft VC, who never heard about BAP activities. That might be an exception, but clear definition set at project start and more and better data collection would increase the transparency of the project’s success. To avoid misunderstandings, the evaluator is not saying that no **tangible lasting and positive impact** has been reached, but that the provided information is not sufficient to confirm the numbers mentioned in the reports.

**Females and youth were impacted by BAP II the same way as men;** nevertheless the financial benefits are not shared equally as women and youth get lower salaries or their work remains often unpaid as they are family members.

An **unintended impact** is expected by creating a donor dependency. Beneficiaries get reluctant to invest further, as they know that another project will follow. E.g. IFAD and GIZ will come with similar projects soon. BAP never contributed to individual beneficiaries but provided material support only to groups in the sense of “public money for public goods”. However, it will not be feasible to completely eliminate this unintended impact; e.g. a women who won in a competition a yurt, discovered that it makes sense to apply at all development projects, as all of them are looking for the best candidates and having won something sometimes, is already a “qualification”.

In the farming business worldwide, as in many other sectors too, the moto is up or out. While planning long-term impacts, it is important to consider that in 20 years’ time from now just **20% of today’s farms** will remain and the other rural people will be gone to Osh and Bishkek. Furthermore, the arable land and unfortunately most likely also the number of animals will remain. Only if fewer animals will provide in absolute figures better results than today, the number of ruminants will decrease as well.

The **change of mind-set** through training is usually the biggest achievements of development projects. This is a lasting change but maybe even harder to quantify. Because of lower investment needs, the **honey and handicraft VCs might have a greater impact** than cattle and tourism VCs. Trained handicraft women with market access will continue and expand their production. Access to raw material and to markets apart from Nomad Store and the few other similar ships will be essential for getting a bigger impact.

## 7. Sustainability

The evaluator has elaborated a matrix with relevant criteria to assess the degree to which the projects results are likely to be sustainable beyond the project’s lifetime. See table in Annex - Matrix targets – outlook – proposed actions. BAP II’s overall goal and development objective is to realize financial benefits for all VC stakeholders and increase sales within the selected value chains as a result of the project interventions. Here the focus is on financial benefits that is the stronger target as increased sales do not need to increase financial benefits. Furthermore, the evaluation team

assumes that the financial benefits should reach primarily the farmers, handicraft women and smaller guest house owners and not the finance institutions, seed suppliers, machinery dealers and shops in towns.

A project is sustainable, if it is profitable, socially balanced and environment-friendly. As all VCs are profitable for the farmers, handicraft women and guest house owners, they will continue their activities. As none of these VCs causes social conflicts, the linked activities will also continue. Regarding not harming the environment, one has to look more critical at the cattle VC, as one of their targets to reduce the overall number of cattle, was not achieved. In 2018 the headcount showed 50,442 cattle in the project area, i.e. Chon Alai and Alay rayon, in 2019 already 54,023 and in August 2021 54,833. There is no doubt that the high number of animals is destroying the pastures around the villages and at least along the main streets. However, instead of giving up the cattle VC due to environmental problems, it would be better to focus mainly on the reduction of the overall number instead of e.g. insemination.

It is difficult to estimate the impact on the **economically disadvantaged, male/female farmers and youth** within the four VCs. Being poor usually means having no cash reserves, no collaterals and often limited education. Therefore they are indirectly excluded from the benefits, as they cannot invest in new beehives, have no money to purchase a bull or to renovate a guest house. The situation is better in the handicraft sector, as the needed investments are small; e.g. purchasing wool to knit a pullover. Most likely, wealthier women do not get too deep into handicrafts as they or their families have sufficient money so that this side job is not needed. However, as soon as poor women are trained in the production of handicrafts and as soon as a market outlet is there, the activity will continue beyond project's duration.

Very little statements exist in the project reports regarding **systemic changes**. According to Helvetas,<sup>14</sup> a systemic change includes three key aspects; a) systemic change is about sustainable and scalable impacts; b) change is about the dynamic structures of a system and c) change requires enhancing processes. The change in the mind-set of project beneficiaries is the most lasting change that can be achieved; supplied seeds and tractors and wool might disappear or break, but new idea, especially if already proven successfully, will stay. The impact of BAP II comes partially from direct interventions like giving seeds as in kind COVID contribution to experience the difference between good and bad seed quality. This is not always sustainable because unfortunately some recipients will move back to poor seed quality. However, others will be convinced to look for high quality seeds in the future, knowing that it pays off to work with better inputs. This induced change is partially sustainable and it is scalable, as it can be done not only in one village but in several. As soon as the induced change is getting dynamic, it is not disappearing again and is a self-propelling change. Finally, changes need a change process, an intervention – based on a sound project design which should be reflected also in a good logframe.

Coming back to Helvetas's elaborations on systemic changes, there it was explained that for creating employment opportunities, a project may contribute to introducing or improving market functions that support private sector growth. It is indeed the target employers who possess the motivation, know-how, and resources to make changes to their business practices and secure more clients/customers and increase sales, revenues, and profits. These contributions by a project can be referred to as "systemic changes". As mentioned earlier, the Midterm Review wrote about tour guides, but at the same time that is valid for all sectors, that it is **difficult to achieve systemic changes as companies only invest in and focus on their own staff and have little interest to contribute to the overall sector**.<sup>15</sup> Most likely the BAP II did not ensure any systemic changes but the sustainability of some results seems to be granted; the VCs in handicraft and apiculture seem to be very stable and will last longer than the project duration.

Beneficiaries show **regional ownership and responsibility**, but mainly as individuals as all groups are hardly cooperating together; handicraft women, seed and beekeepers' cooperatives are poorly developed. Mainly because the individual financial engagement in the projects is limited, the ownership is also limited; Only if someone invests heavily – according to his means - in a project, then there is ownership. Most development projects are characterised by an attitude "let us try it as we have not much to lose". In other words, the missing personal financial involvement is in most cases preventing the "investors" to continue. Another major factor is that some beneficiaries are convinced that after end of the SDC project, others like GIZ and IFAD will follow, eventually even with more support and donations. Unfortunately that prevents actual beneficiaries to continue or to invest on their own, as someone will come. A minor issue is that the project is coming from the international donor, eventually from Osh – but not from Gulcha or Daroot Korgon.

<sup>14</sup> <https://www.helvetas.org/en/switzerland/how-you-can-help/follow-us/blog/inclusive-systems/what-is-systemic-change>

<sup>15</sup> HELVETAS: BAI ALAI Small Business and Income Creation Programme in Alai and Chon Alai; Midterm Review; Kirgizstan, March 2021

## 8. Recommendations

Good project design is reflected in a logical framework with SMART indicators; this is not the case within BAP II. However, instead of arguing if targets have been achieved or not – and by wasting a lot of time doing so – it is recommended to look at the overall target of BAP II and that is increasing the profit along the four VCs, with a specific focus on the poor ones, i.e. farmers and handicraft women and to a lesser extent the guest house owners as they are due to the fact having a guest house already better off.

The evaluation team wants to bring forward for the last (exit) phase of BAP after May 2022 – but partially these recommendations can be implemented from now on - the following strategic and specific recommendations for the project management and the specific four value chains. It is always hard to stop investing into something that is more or less advancing. Given the fact, that SDC intends to reduce the number of VCs after May 2022, it is recommended to keep apiculture and handicrafts, so that cattle and tourism has to be phased out.

### 8.1. Project management

The evaluation team met mainly with the team from HEVETAS and AKF in Osh and also with Mountain Societies Development Support Programme (MSDSP) in Gulcha. All of them seemed to be **highly motivated and very familiar** with the project, despite several recent changes in the staff. A general recommendations here is to show **more presence in the villages** (and to reduce reporting). Increase drastically the presence of the project team in the villages; it makes no sense at all to sit in the office in Osh, also because a project office should serve as a meeting point where especially the rural beneficiaries can get advice. However, in Osh are no farmers, no beekeepers, almost no guesthouse owners and no handicraft women.

Another recommendation is to getting closer and more proactive involved, e.g. not just hiring other service providers but also getting engaged personally, as trainer / lecturer, expert and coach.

Make use of **social media** networks such as YouTube, Telegram and **WhatsApp groups**; nowadays it is much easier for farmers to access market information about prices, practical tutorials on building cowsheds/barns, and feeding/fattening methods. These new media and platforms also include online tours to some of the largest farms in the country to demonstrate best practices in farming and livestock markets to show price fluctuations. As almost each village has a WhatsApp group, it would be good that the project team is a “member” on all WhatsApp groups in all villages; just to inform a middleman does not work as he would inform only friends and relatives. It seems important to support people by training; teaching how to fish instead of providing the fish. Hired marketing agencies are the “fish” and they do nice Instagram pages, but it would be better to **train young people** (up to 20 years with English skills) to do it for the rest of the community. In case the Business Facilitators do not know that either, they should also participate in the courses. The trainings should not take place in Osh but in Sary Mogul and other villages and the trainer could stay one week in each bigger village to train the local young people to learn this techniques. Instead of using a marketing agency for social media to do Instagram presentations, it would be better to train 10 youngsters, boys and girls, to learn how to design and build a social media website. It would be a direct know-how transfer, future orders would be given to locals and at least a few part time jobs could be created.

Each project need to **collect data** and that is not just to make the life of evaluators easier. Therefore the project team has to improve its **Monitoring & Evaluation** (M&E) with serious interviews of mainly beneficiaries. The self-declared statements – like in the household survey – should get underpinned with evidence based data; e.g. records, financial statements, etc. Also to get better understanding of the situation with the most vulnerable, it is recommended to stay away from anonymous enumerators, because getting deeper into data collection by inhouse M&E unit would gain first-hand information – and establish a trustful relation to the beneficiaries.

The availability of better data will e.g. allow to **calculate the production costs in all 4 VCs** as the economics are not the strong side of BAP.

Finally, arrange twice per year **Swiss Village days**, where few speeches will be given, free soup or beer for everyone and ample opportunities to get informed about the 4 VCs; it will, as a nice side effect, improve the image of SDC and enable a fruitful, local business support dialogue among various stakeholders.

So far BAP II worked with several partners and lead firms. It seems **important to incorporate the project team closer into the project**, giving individual staff more responsibilities. Acting as Business Facilitators is not enough, because they have good skills in their sector and can use them for trainings, conducted by themselves. Apart from making better use of inhouse resources - staff could be send to specific trainings and then the trained employees could serve as trainers themselves and that would increase the motivation too – it needs more trainers who are professionals

and additionally trainers, and not primarily trainers. For financial issues, commercial banks should be used as trainers, for providing advises to farmers the advisory service from the Ministry of Agriculture, for marketing a marketing professions, i.e. an experienced sales person. As a trial it is also worthwhile to incorporate more the universities.<sup>16</sup> BAP was already cooperating with the Osh State University in research on flora and fauna of Alai and Chon-Alai districts. The head of the PUC in Sary Mogul is working with Cornel University in the USA; this contact could be expanded and some project funds used to raise awareness, get new knowledge and implement in a joint approach the new knowledge in the project area.

Concerning **proposed policy dialogues** it is obvious that development projects come to their limits if approval of local authorities are needed. BAP II faces only one urgent issue and that is the fact that local authorities overrule or can overrule decisions of the PUCs **regarding summer pasture fees**. It is an immense important topic and politicians must provide support to increase pasture fees substantially in order to reduce the animals headcounts on summer pastures. In this respect, the project team is too weak and definitely needs support by SDC and the Swiss Embassy. At the same time that would give a good example of donor coordination; joining forces with IFAD / ARISE, JICA, European Union Delegation, GIZ and others is recommended.

In order to increase **women's inclusion in Local Economic Development (LED) activities** it is recommended to train them in management techniques including accounting, cost calculation, record keeping, IT (what a smart phone can do) and English. Such knowledge will allow them to intervene stronger in LED activities while providing reasonable insights at the same time. Altogether, the **organizational set-up and structure of BAP** is adequate to adapt to changing context. Nevertheless, a **more direct intervention and a more proactive approach would bring better results**.

## 8.2. Cattle VC

**Data collection.** The project team does not have sufficient, **evidence based data** on all chosen VCs, especially on the cattle VC. It needs a list of the 14,127 beneficiaries or better the 2,825 farms and their performance. Not every farm can be analysed in detail but 10% are feasible, sub grouped by geography and by size. For these 283 farms, it would be good to learn about the number of animals, weight gains, genetic progress, winter fodder production, movements to summer pastures and nutrition of the animals. Here a **mobile scale** for heavier animals would be helpful, which can be used at animal markets and before sending animals to summer pastures.

**Demonstration farm.** Out of these 2,825 farms, the project team might select four good ones, that can be used as **demonstration farms**. It is very important for farmers, to see how others are working. These four demo farm owners must be regular beneficiaries with not more than 20 heads (as the project wants to show how to work efficiently with few animals), good fodder production, genetic improvements and a better barn for housing the animals in winter time. These four farms can be additionally supported by a hay bailing machine or other incentives to show these technologies and machines in the daily work, as BAP wants to encourage other farmers to copy these methods.

**Reduction of animals** is a key activity for the final phase of BAP II. The worst case scenario would be to have more and due to genetic improvements heavier cattle, as that would destroy the environment even quicker. The reduction of animals must be based on awareness raising campaigns, and can be implemented only through a closer cooperation with the PUCs while including much more the local authorities so that they do not fix low pasture fees. The shepherds shall not be paid by the number of animals grazing at the summer pastures; most likely he needs to be paid by the project and random checks on the summer pastures should make sure that they are not bringing too many animals to the pastures. If they do so, the payment will be stopped immediately. The use of drones and the chipping of some animals can provide a good overview and at the same time demonstrate some new technologies to farmers. To have a clear picture on the situation on the summer pastures, only ear-tagged animals are allowed. Eventually it also needs a clearer definition of benefiting cattle farmers, as it would be feasible to exclude farmers with more than 25 animals, as BAP is targeting the poor farmers. (It is important to reduce at the same time the number of small ruminants and especially the horses, as they make a substantial damage through grazing with little commercial benefit.)

**Fodder production and feeding need more support;** not only at the four demonstration farms, fields for fodder productions should be established and pastures for hay (including sainfoin hay) making improved. Focus should be on high quality sainfoin seeds and not to support barley or potatoes. Furthermore it needs training about animal nutrition and composition of fodder ratios, as many farmers do not know much about the nutrition requirements of their cattle.

<sup>16</sup> The video about the target area by UN shows Mr Orunbek Kolanov, Dean of the Biology Faculty in Osh; maybe he is still available and active. <https://ourworld.unu.edu/en/pastures-for-the-future>

**New summer pastures** are needed; these pastures are usually located in remote areas with poor accessibility; gravel roads are needed, water holes and shelters for animals and shepherds. As this is an expensive exercise, it needs an agreement for financing by local authorities, cattle farmers and the project; BAP II should not finance new access roads in case that authorities and farmers are not financially contributing.

**Support veterinarians and zootechnicians** (also from local authorities) should be maintained as the remaining activity concerning insemination. It would be efficient to focus on maximum 10 insemination technicians in Chon Alai and Alai together and to provide them with necessary equipment like Nitrogen tanks – besides training by Kalmurat Zhaparkulov, as this cooperation was successful. The well-respected veterinarian must go for several days to the two rayons to teach the inseminators over there.

However **over-pasturing can be stopped** and the following steps can be taken: a) headcount of cattle on pastures has to be reduced by allowing only a limited number of animals access to summer pastures. The body in place is the Pasture User Committee, that has the duty to stricter regulate the stocking of the pastures and the tool to achieve that is the pasture fee, that has to be high enough, so that farmers will not send their animals to summer pastures for financial reasons; b) another option is to set a certain percentage of pastures aside for growing warm- or cool-season species while perennial-species recover. The already experienced electric fences can be used therefore; and c) building simple access roads to remote high mountain pastures which are not accessible yet. In the last months of the cattle VC, the focus should shift from improving the breed towards a) pasture management, b) fodder production and advisory services and c) opening so far untapped mountain pastures.

It should be understood, that **protecting the environment** is not a costly luxury hobby but a necessity for ongoing business. In case cattle ranchers destroy the environment massively, like it is the case almost everywhere along the Pamir Highway, the fodder basis will disappear and that would be the end of cattle farming. The evaluator would make a few very visible trials by **fencing 200 square meters on slope terrain** here and there along the Pamir Highway and without any further intervention, everyone could see how nature is recapturing quickly the inert vegetation – as soon as goats, sheep and cattle kept away. The costs are minimal and the effect great; farmers will start thinking about man-made obstacles like landslides.

Finally the Business Facilitator Cattle should do a **study about advantages of crossbreds** focusing on the higher killing-out percentage (KO%); the KO% determines how much saleable carcase weight is obtained from the live animal and crossbreeds in the project area might have 60% whereas the local breeds have 50% or less. That would provide measurable information about the higher profitability of crossbreds.

### 8.3. Apiculture VC

**Honey production must get more professional** as honey production can make a family income if the farmer focuses on it. **More than 100 beehives** can be managed by one farmer and also 30 kg honey per beehive are realistic, even if that does not correspond to today's average. Already 100 beehives x 30 kg x KGS 250 would allow annual revenues of KGS 750,000 and 100 beehives are not the limit per farmer. Currently out of around 20,000 households in Chon Alai and Alai, only 237 are active in beekeeping, that is just around one percent of the population. - Like with cattle, also bees need better feeding and beekeepers are not fully aware of nutrition requirements of bees. The **nomadic apiaries** are the better way off, when farmers are following with their beehives on a truck or trailer the actually blossoming flowers. (This approach should be familiar in a nomadic society like Kyrgyzstan.) To increase the number of beehives per farmer and the yield per beehive, it needs much more training.

Like in the cattle VC, it also needs here four **honey demonstration farms**, where interested beekeepers can participate in field trainings and see how to improve the revenues.

**Honey cooperatives** have to improve their performance substantially. - As professional honey production soon reaches sales volumes that are difficult to handle by individual farmers, as retail sales to neighbours would not be sufficient to sell all production, the role of the honey cooperatives is getting more important. Currently these cooperatives are pure marketing cooperatives, as the production is (and will be done) individually. However, the understanding of marketing and sales at the leaders of these cooperatives is rather limited and needs more support. The training in accounting, record keeping, quality management, marketing and sales should be provided to all members, but specific efforts are needed for the management. As the management is too weak also from the staffing side, it would be good to provide one assistant from the village to each cooperative, who could take over the management of the cooperative within the next 3-5 years. – Cooperatives need also a more secured financing and therefore they should introduce a reasonable annual fee from their members plus a retainer of 5% of the revenues for the cooperatives in order to equip the honey cooperatives with working capital on the long run.

The cooperatives but also beekeepers have to start – assisted by the Business Facilitator - **cost calculation** and to keep records, also for traceability reasons. Individual cost calculations, mainly gross margin calculations, will show what price range is profitable for the beekeeper. Only when knowing the production costs, discussions about “low” export process are useful

**Export.** As a more proactive approach of the project team, it – mainly the Business Facilitator Apiculture – should start making an **export manual** including all the needed laboratory certificates, tax declarations, etc. so that farmers can get information how to export their honey; this is relevant, especially as the project will come to an end soon. Additional to the export manual, some **export market studies** on various countries should be elaborated by the Business Facilitator in order. It should be the Business Facilitator and not a contracted “service provider” / consultant to do so and also not an actual exported like Nomad Store, simply because Nomad Store and others will become competitors of the honey cooperatives and not service providers in the long run.

Therefore the **long term vision** must be to have an own brand, filling line and sound export marketing skills – besides sufficient working capital to make the cooperatives economically sustainable.

#### 8.4. Tourism VC

The tourism VC includes many stakeholders like guest house and yurt owners in Chon Alai and Alai, the HoReCa Association, travel agencies like Novi Nomad and Destination Osh. When looking at the poorer stakeholders, the **focus should be on guest house and yurt owners and on service staff** like drivers, cooks, waiters, guides, room maids and interpreters; the hospitality skills are poorly developed despite existing vocational schools. Most likely it is necessary to send more young people from villages to tourism schools if they want to make a living from tourism. The young people have to live currently in the target area and it is not recommended to support people living in Osh.

In addition to the hospitality skills, it has to be understood that also the owners of the guest houses have to sit and talk with the tourists, therefore everyone getting in contact with international guest must learn English; also valid for drivers and tour guides.

**Data availability.** Not many data are available about their turnover, employees and overnight stays. Therefore more studies have to be done about selected villages and the best would be if the Business Facilitator Tourism will do so, as it would help to understand the needs of the villagers and establish trust.

The visited guest houses in Gulcha, Daroot Korgon and Sary Mogul have been of very poor quality regarding interior, facilities, hygiene and food offered. As the landscape is beautiful, many tourists would like to stay longer in villages, but therefore it needs **new touristic offers** besides trekking, sleeping in yurts and horse riding. More entertainment / offers should be provided like wool spinning, horseshoe making, bird watching as there are many eagles and vultures, trekking tours to high mountain pastures to see the cows and sheep, visiting local restaurants, also simple ones (because tourists want to see how the people live in the village), etc. In this context it might be worthwhile building up a guest house structure, having every 30 km a guest house; these guest houses should cooperate with each other, passing the travellers from one guest house to the next one.

Instead of demo-guest houses, some **study tours** should be arranged within the country – as it was successfully done already! - with a 30% payment by the beneficiaries to see successful guest houses, including Pamir Extreme to change the mindset of the owners and to move away from the backpackers. In the past HoReCa did the selection of the participants based on a brief survey among potential participants.

After the study tours, it might be worthwhile to facilitate coaching with architects on how to adopt existing guest houses to modern standards and expectations, with authenticity and without satellite TV. Western tourist are more than willing to pay USD 35 per night with dinner and breakfast, if there are toilets inside the house and warm water facilities, if the rooms are clean and warm; even in summer, the evenings and nights can be cold and therefore a basic heating system should be in place. If BAP wants to see higher daily expenditures by the international tourists, then it is not enough to increase prices, better offers. Reliable drivers, cosy accommodations and good food are the first goals.

BAP should – also within access to finance – explain to all tourism service providers that they have to offer **Credit Card payments**, and have to be prepared therefore; that can be part of training in financial literacy.

#### 8.5. Handicraft VC

**BWA is not the same like the handicraft VC and therefore these two have to be separated.** A BWA is a service provider that is asking for fees when offering services. This approach has largely failed and must not be supported further, having the poor results and high costs in mind.

**Handicraft cooperatives.** Instead of being part of BWA, it is recommended to set-up handicraft cooperatives or limited companies or associations. They will act in different regions and might specialise in different products too. On the long run, united handicraft producers have to establish their own line and brand and have to approach costumers more directly; therefore language, financial and marketing skills are needed (same for honey) and that requires training in these fields.

Consequently, the Business Facilitator in charge should do a **Training Need Assessment (TNA)** and elaborate a corresponding training programme, targeting many more women sitting home without working opportunities. The TNA should not be limited to the 322 active women in the BWA in Chon Alai and also in Alai, but should include all women interested in doing handicrafts, either organised in the BWA or as individuals. This will be most likely many more than the showed 1,355 members of the target group. As a first step, that requires an information campaign in several villages linked with a TNA. However, apart from training in production skills, at least a group of five persons per handicraft women group should be trained in all management, finance and marketing issues.

The **production of handicrafts** needs a more professional approach by installing group leaders for specific activities; these forewomen / leaders then need training. Apart from production skills, also substantially more has to be developed in business management like cost calculation, accounting, joint procurement, marketing and sales, supported by social media like Instagram.

As marketing know-how is largely missing and also market studies, the evaluation team recommends that the corresponding Business Facilitator at Helvetas Osh gets involved in a more proactive approach, **screening export opportunities<sup>17</sup>** and **preparing export manuals** how to do this export business. Actually, BWA does not know the final buyers apart from the well-known shops in Osh and Bishkek. For a more targeted marketing, direct contacts to potential buyers are essential. After project's end, the women then could continue on their own, having pragmatic guidelines and infuriation at hands.

Currently there are two BWA groups; whereas the one in Alai wants to strengthen only the existing members in handicraft production and not provide training to newcomers, as they would become competitors, whereas the branch office in Daroot Korgon wants to increase the active members. In both rayons there are thousands of women able to produce handicrafts, but few of them are doing that in an organised manner. **Village Days** and other information meetings might improve the situation.

The handicraft women in Chon Alai, in Daroot Korgon, expressed its need concerning one workshop location; currently they are using the machines located in a rented building far from Ak-Bata guest house, where most of the women come together to do the remaining work, i.e. when they do not need the machines. However, having everything located in one workshop would make the work and communication easier; nevertheless, this is a mid-term target.

**In a nutshell**, the **strategic recommendation** is to focus more on the poorest stakeholders, i.e. farmers and handicraft women, and to a lesser extent to the guest house owners and much less on service providers. This should go hand in hand with a stronger involvement – more direct contact with the rural poor - of the project team and especially the Business Facilitators, as the entire project team should train, coach and support the poorest stakeholders and not deal so much with tourist shops, travel and media agencies and the outsourcing of trainings. It is strongly recommended to get more proactive and take the project into own hands.

As SDC intends to phase out some VCs, the evaluator recommends to continue only with the **honey and handicraft VCs as they will have a greater impact** than cattle and tourism VCs, mainly because of lower investment needs. Trained handicraft women with market access will continue and expand their production. Access to raw material and to markets apart from Nomad Store and the few other similar ships will be essential for getting a bigger impact.

The **specific recommendations** see until May 2022 the need in cattle VC for a stronger focus on reduced head count on summer pastures and fodder production (and insemination and credit issues could be given up); in the honey as well as in the handicraft VC, focus much more on the economic performance of the group (organised as cooperatives, limited trading companies or associations) and to start one for the women, as the BWA cannot be the commercial vehicle of the handicraft women. Provide more practical trainings for these stakeholders too – from better spinning skills to improved nomadic apiaries. In the tourism VC the focus might also switch back to the poor stakeholders, i.e. the yurt and guest house owners and therefore neglect image campaigns, international travel agreements and political dialogues about opening borders. For the tourism sector in rural area, the education of young people – as future drivers,

<sup>17</sup> The project „One Village, One Shop” did a very good design work and that could be used as an inspiration.



waiters, guides, room maids and cooks - should be taken more seriously, as the Pamir valley has not enough to show for tourist who are not heavily involved into trekking or horse riding.

It is a pity, but as having been asked to reduce the number of VCs in the time after May 2022, the evaluator recommends to continue only apiculture and handicrafts, as with technical advice, general training and much enthusiasm, substantial progress could be achieved with little investments, therefore being more suitable for smallholders.

## 9. Annex - Literature consulted

Abdelmanova, A.S.; Khrzinova, V.R.; Volkova, V.V.; Dotsev, A.V.; Sermyagin, A.A.; Boronetskaya, O.I.; Chinarov, R.Y.; Lutshikhina, E.M.; Sölkner, J.; Brem, G.; et al. Comparative Study of the Genetic Diversity of Local Steppe Cattle Breeds from Russia, Kazakhstan and Kyrgyzstan by Microsatellite Analysis of Museum and Modern Samples. *Diversity* 2021, 13, 351. <https://doi.org/10.3390/d13080351>

ADB Institute: ADBI Working Paper Series. Measuring the Impact and Financing of Infrastructure in The Kyrgyz Republic; 2019

AKF/MSDSP RELU: Household Survey Bai-Alai project; March 2021

BOUKHALI, S.: Cost Benefit Analysis of the Project Bai Alai, Kyrgyzstan. Helvetas. Bern, March 2021

DELEGLISE, C. et al.: A Method for Diagnosing Summer Mountain Pastures' Vulnerability to Climate Change, Developed in the French Alps; 2019  
<https://bioone.org/journals/mountain-research-and-development/volume-39/issue-2/MRD-JOURNAL-D-18-00077.1/A-Method-for-Diagnosing-Summer-Mountain-Pastures-Vulnerability-to-Climate/10.1659/MRD-JOURNAL-D-18-00077.1.full>

ee: Agroindustrial Policy of the Eurasian Economic Union, 2015

FAO: Assessment of Agribusiness Environment in Kyrgyzstan. Summary of Value Chain Gap Analysis and Recommendations; 2018

FAO: Status and perspectives of agricultural animal genetic resources (AAGR) conservation in the Kyrgyz Republic

Helvetas: BAI ALAI Small Business and Income Creation Programme in Alai and Chon Alai; Midterm Review; Kirgizstan, March 2021

JENAL, M.: Measuring Systemic Change in Market Systems Development – A Stocktaking. USAID. 2019

JUMALIEV, A. & KRETOV, A.: Cattle improvement project in the Kyrgyz Republic. Kyrgyz Swiss Enterprise Development and Kyrgyz Swiss Agricultural Projects, Bishkek, Kyrgyzstan

LOMAX, J.: What is systemic change? Three components of a measurable definition. Technical Report. April 2019  
[https://www.researchgate.net/publication/332227963\\_What\\_is\\_systemic\\_change\\_Three\\_components\\_of\\_a\\_measurable\\_definition](https://www.researchgate.net/publication/332227963_What_is_systemic_change_Three_components_of_a_measurable_definition)

MESTRE, I.: The way to the pastures: how to reconcile community-based pasture management with mobility in agro-pastoral systems in the Naryn province of Kyrgyzstan. *Ager. Revista de Estudios sobre Despoblación y Desarrollo Rural*, no. 26, pp. 151-187, 2019 Centro de Estudios sobre la Despoblación y Desarrollo de Áreas Rurales; 2019  
<https://www.redalyc.org/journal/296/29659260006/html/>

MOGILEVSKII, Roman et al. (2017): The outcomes of 25 years of agricultural reforms in Kyrgyzstan, Discussion Paper, No. 162, Leibniz Institute of Agricultural Development in Transition Economies (IAMO), Halle (Saale)  
<http://nbn-resolving.de/urn:nbn:de:gbv:3:2-69129>

Microfinance Centre & ICCO: Research on Agricultural Value Chains in Kyrgyzstan; 2011

SDC: Managing MSD projects. Internal guidance paper for SDC head office and cooperation office staff. Version June 2017

Tugelbaeva, B.T. et al.: Is there a revival of patriarchal traditions in Kyrgyzstan? 2017

UNDELAND, A.: Women and Pastures in the Kyrgyz Republic on a case study of Chong Alai valley. 2006

UNIDO: Gender Mainstreaming the Project Cycle



## Video

<https://ourworld.unu.edu/en/pastures-for-the-future>

## 10. Annex - Applied methodology

The project evaluation is a relevant endeavour for a number of reasons. One reason is explorative and aiming at developing a better understanding of the project and the project management; another reason is directive and aiming at improving or optimizing a project and the project management.

The chosen methodological approach is a mixed-methods approach, combining quantitative with qualitative approaches and methods. This way allowed the evaluator to increase the variety of information and insights, and to enhance the reliability and credibility of findings.

In practice, the applied methodology is a combination of literature review (especially Helvetas and Aga Khan Foundation reports), some desk research, and interviews with project implementation staff in Bishkek and field offices, field visits and meetings and interviews with relevant stakeholders.

Data analysis is needed for all evaluations to see if the targets have been achieved. Whereas rather soft facts like “local business support dialogue fora are strengthened” are rather difficult to evaluate, as quite vaguely formulated, the Output “productivity increased” and the Outcome “local producers and entrepreneurs, increased sales within the selected value chains” are rather easy to determine – if the staff being in charge of M&E is working properly.

The evaluator did not have the intention to collect data, as the staff being in charge of M&E of the project was supposed to supply them. In the best case, the provided data have to be compared with the ones from other sources like field visits and interviews.

This evaluation used triangulation, a technique that allows to validate data through cross verification from more than two sources. The official reporting from the implementing agency (Helvetas / Aga Khan Foundation) towards the client (Swiss Agency for Development and Cooperation / SDC) was the first source of data, field visits and meetings with stakeholders the second source and the evaluation experiences of the evaluation team the third source; additionally sector and country specific reports enabled the evaluation sometimes to draw conclusions from similar projects in similar surroundings. The written notes by the team from the field have been used as well for triangulation.

The outputs and outcomes of the project materialise during project implementation and are in most cases measurable, at least if indicators are well chosen. The impact is something that should be achieved in the long run, but during project implementation there should be already promising signs that in the near future, the impact will also be achieved.

Therefore the methodology focuses primarily on outputs and outcomes, but tries to capture additionally the long term changes.

## 11. Annex - Minor remarks to effectiveness

Training provided since the start of the project **changes the capacities of stakeholders**. However, it is not an easy task to analyse if systemic change are taking place at all, at what extent and at what levels. “The most common way MSD activities currently imagine systemic change to happen is that the activity, together with partners, introduces a number of innovations that are intended to overcome some binding constraints in the market. The aim is that these innovations are seen by the market actors as beneficial for their business and scaled up through other market actors copying them.”<sup>18</sup>

The Midterm Review wrote about tour guides, but at the same time that is valid for all sectors: In the tour guide segment, it is difficult to achieve systemic changes as companies only invest in and focus on their own staff and have little interest to contribute to the overall sector.<sup>19</sup>

This is a valid observation and fully in line with free markets as each entrepreneur is interested to improve only his business. “The free market is an economic system based on supply and demand with little or no government control. It is a summary description of all voluntary exchanges that take place in a given economic environment. Free markets are characterized by a spontaneous and decentralized order of arrangements through which individuals make economic decisions.”<sup>20</sup>

As an illustration: A carpenter is additionally offering to produce beehives if farmers in the neighbourhood are increasingly buying beehives. It serves his business to offer this product and he will continue as long there is a demand and as long as he has a profitable and competitive product to offer. As soon as the market deteriorates and he cannot sell the beehives any longer, he will stop.

One could summarize that the free market is interested to satisfy the demand, but there is no interest from the carpenter’s side to go down in the history books as a selfless improver of the system. The carpenter is not interested in a systemic change, he is not interest to contribute to the overall sector performance.

BAP II, like other development projects, is successful in matchmaking, i.e. making nearby carpenters aware of upcoming demand from beekeepers, but it is not implementing a systemic change. The system, based on demand and supply, is not elaborating adaptive capacities and resilience of shocks. The system left in place post-intervention is not different to the one before the project, regardless of the training and other efforts provided.

To say it in a positive way, trainings and interventions changed the behaviour of individual market players; more skills, more forward looking attitude, better preparedness for upcoming challenges.

The **progress concerning a better functioning market system** is difficult to quantify as the economic benefits from the project too. The market system is nowadays functioning better but comes to its limits as e.g. insemination technicians without proper equipment and skills will not meet farmers’ demand. Here it would need direct intervention by the project team.

Regardless if looking at cattle or honey farmers, or at handicraft women or guest house owners, many of them are participating in their value chain as subsistence farmers, beekeepers, etc. Many stakeholders are **economically disadvantaged, male/female farmers and youth**, who are already happy to get some additional earnings form several side activities. These people will hardly get into the market system as there is not much to achieve with two cows, each one giving 5 litre of milk as being a local breed and not fed accordingly; same with 40 beehives or 2 pullover made per year.

Because of being a side business, the market is not functioning and it is questionable if it ever will. The situation is different with a farmer having 30 cattle; in that case he is of course not a smallholder any longer and not the preferred beneficiary of a development project.

Can a development project focus on the “rich guys”? No and there is the problem. Market works with professionals and development aid targets the poor ones (and that is good so). Free markets work fine if there are stable conditions and regulations for all market players and if there is a balance of power. In Chon Alai and Alai, the handicraft women

<sup>18</sup> JENAL, M.: Measuring Systemic Change in Market Systems Development – A Stocktaking. USAID. 2019

<sup>19</sup> HELVETAS: BAI ALAI Small Business and Income Creation Programme in Alai and Chon Alai; Midterm Review; Kirgizstan, March 2021

<sup>20</sup> <https://www.investopedia.com/terms/f/freemarket.asp>



cannot argue against the Nomad Store, nor a beekeeper and the cattle farmer cannot overcome the purchasing power of a butcher or trader.

It needs much more efforts to up-grade the performance and market power of economically disadvantaged, male/female farmers and youth, before the market will grow organically.

During BAP II not much progress was achieved in term of **environmental sustainability**. The awareness of keeping the environment intact is hardly established. Littering through tourists is increasing with increasing numbers of tourists, guest houses have no waste management in place, the government is also not having one and chemicals are used in beekeeping. Some western countries consider environment as important, since 150 years and many of them even since a shorter time period. It is difficult to expect an environmentally sound behaviour from a poor development country, that faces other more serious challenges.

However, when it comes that a damaged environment is starting to kill the own business, then people will become alert. In case the tourists will refuse to visit Peak Lenin because of too much litter along the yurt camps, and if farmers will have to give up grazing on pastures because overgrazing is provoking too many landslides, then persons are willing to change.

## 12. Annex - Gender

According to gender-based ideas, there are certain differences and **inequalities between women and men** that are determined by nature, but there is no natural or biological basis for inequality. However, there is a situation, when men and women performing the same social functions have different levels of access to the resources and benefits provided by this society.<sup>21</sup> BAP II takes into account existing inequalities between men and women, their causes and factors of influence; also a female expert was hired to move inequalities away.

Alai and Chon-Alai districts are high-altitude areas where the population is mainly engaged in the livestock sector. Jobs are limited with no manufacturing and processing activities and micro businesses working only in the trade, catering and services sectors. The majority of women, being housekeepers, do not have permanent earnings, which is one of the main causes of gender inequality. In such households, work done by women is not only underappreciated but is taken for granted. Despite a limited access to financial resources and information and being unable to go to places at their discretion, women try to keep busy in order to have additional income. However, the opportunities are scarce.

Handicrafts and hotel business are convenient income generating activities for women, because they allow women to stay home and still work and earn money. Young people prefer to stay in big cities after graduation to find jobs and are unwilling to return to Alai and Chon Alai. This situation is due to the poor economic development of the region. Almost every household has sons or daughters who work in Russia and help their families financially.

Cultural and social constraints also have a negative impact on gender equality. The Soviet period was at least in gender issues helpful to push back traditional behaviours and to establish an egalitarian society with many women studying at universities and later on having management positions. However, since more than 10 years the pendulum swings back and it should be noted that some media have been obsessively popularized the idea of an Islamic basis for traditional gender relations in Kyrgyz society. The traditional way of life - in combination with the Islamic come-back – assumes in the family the supremacy of males, who own all property and make decisions. Existing strong foundations and growing religious influence gradually negate the role of women in society. Women themselves see their situation from a different perspective, being well disposed to the patriarchal way of life, which bears risks for the younger generation sharing the same views.

The current situation regarding gender and social equality, and youth can be summarized as follows:

- Low economic development in the target region has a negative impact on gender equality and hampers self-fulfilment of women and young people.
- Role of women in society is most often reduced to housekeeping, raising children, and helping elders.
- Economic and financial dependence, as well as traditions and religion greatly affect the way of life and gender relations within the family.
- Lack of experience, information, success stories, strong economic links between micro and small businesses and marketing channels, leads to weak development and expansion of existing micro and small businesses.
- Limited access to finance is also caused by the low financial literacy of women.

However, women and youth are highly interested in self-development and engaging in income generating activities. Taking that into account, BAP II has implemented several activities to improve the situation of women in the family and society, and to promote economic opportunities for self-fulfilment of women and youth. In particular the project

- Mobilized and attracted about 400 women to the handicrafts sector, and the core team nowadays consists of two times 20 women, in Gulcha and Daroot Korgon.
- Facilitated the establishment of the Business Women of Alai Association in Alai with a branch office in Daroot Korgon, however – apart from some handicraft activities, the success of the BWA is modest
- Promoted the tourism sector, which employs not only women but also young people. Nevertheless it has to be confirmed that apart from the management of some guest houses (Gulcha, Daroot Korgon) a disproportionately large share of women in tourism has low-paid and informal jobs such as room cleaning, cooking, laundry and sometimes the administration
- Strengthened the role and improved the situation of women in the family and society; trainings were conducted for families, where couples and their children learned to discuss family plans together and choose priorities. The evaluation team interviewed one couple who participated in the training and was impressed by the openness to discuss sensitive things.

<sup>21</sup> Tugelbaeva, B.T. et al.: Is there a revival of patriarchal traditions in Kyrgyzstan? 2017

As already mentioned, the evaluation team cannot track back how the sales values have been calculated and therefore also not how these results can be disaggregated by gender and youth. E.g. the target in the value chains should be achieved by 75% male and 25 % female. However, it remains unclear how and when the achievement of a goals is contributed to a women. Is it that she is a widow and therefore manages alone the beehives or the cattle? Or is she married but the revenues of sales activities go to her bank account?

Furthermore, the evaluation team cannot confirm the that Bai Alai project strongly focuses on economically empowering women and youth. Reason therefore might partially be that it is very difficult to create success stories regardless of the sex and that under pressure a project team is overwhelmed to look specifically on gender issues. It has also to be stated, that gender is considered as a cross-cutting issue and there is no full-time expert hired for all the gender issues.

In early November 2021 another Women's Entrepreneurship Day (WED) – after 2019 and 2020 - took place in order to raise awareness among women and young people about the cattle breeding, beekeeping, handicrafts and tourism sectors, as well as other sectors where they can successfully realise their potential. During the WED, the specific needs and strategic interests of women are tackled, however it might need **more efforts to reduce the existing inequalities**.

### **Recommendations concerning gender**

Intensify gender activities among schoolchildren and youth to enable them to change the attitudes, roles, and situation of women in the future.

Address women specifically and develop more training courses for them; skills on various production techniques but also **management techniques including accounting, cost calculation, record keeping, IT (what a smart phone can do) and English**. - Only a few years before Aga Khan III's death in 1957, Ismailis were told that if can only afford to send one child to school, they ought to send their daughters because educating girls has a greater effect on the community's health and welfare.

However, the evaluator wants to re-emphasis the recommendation as formulated in the CBA report<sup>22</sup>, to engage women more into **capacity building activities (trainings and on-field consultations) related to livestock production**. According to inseminators and veterinarians, women tend to be a) more attentive to details (symptoms of diseases, identify heating process in cows), b) more responsible than men in terms of sharing knowledge acquired and lessons learnt with other family members or neighbours, and c) closer to livestock whilst milking and taking care of them (feeding, cleaning the barn, etc.) and are therefore better positioned to apply the livestock rearing-related knowledge and skills in practice.

---

<sup>22</sup> BOUKHALI, S.: Cost Benefit Analysis of the Project Bai Alai, Kyrgyzstan. Helvetas. Bern, March 2021

### 13. Annex - Climate Change

It is affecting cattle rearing, beekeeping and tourism. Handicrafts are produced at home and therefore not affected by CC. Most likely a warmer climate will increase the biodiversity providing more and a greater varieties of grasses and herbs suitable for the cattle. That can also be considered relevant for bees. Getting warmer in high altitudes might cause damages through snowmelts, blocking access to pastures and the vegetation might be shorter as the sun is drying out all plants earlier in the year. Regarding tourism, a warmer climate might affect trekking activities like the pastures, being very wet over a longer time.

Climate change is expected to be especially strong in mountain regions and to affect summer mountain pastures through increased variability in temperatures, changes in rainfall patterns and water availability, and perturbations in ecosystems. In the short term, climate variability, in particular extreme events, leads to high interannual variability in the forage supply for grazing livestock. In the long term, climate change is expected to impact biodiversity and ecosystem services such as forage supply—both directly, for example through effects on vegetation composition, and indirectly, through changes in traditional pastoral practices.

Three main climatic hazards that impact the pasture ecosystem's ability to provide forage to herds were identified: (1) drought, which affects the quantity and quality of biomass; (2) temperatures during the spring season (after snowmelt), which affect the time frame during which the forage resource will be available to herds in a given phenological stage; and (3) frost after snowmelt, which affects the quality and quantity of biomass.

The challenge of adapting to climate change and its increasing variability on summer mountain pastures is to guarantee both the sustainability of livestock farming and the long-term preservation of mountain pasture forage resources, biodiversity, and landscapes. The damage caused by overgrazing is much greater than the ones by CC – at least at the moment. Therefore the project might focus on reducing the number of cattle by introducing higher summer pasture fees, promoting better but fewer animals and by offering alternative income opportunists like potatoes and honey.

The promotion of renewable energy for electricity and warm water could be one step to combat CC; the Alpine Tourist Dome in Alai installed solar panels and using this private initiative as an example could inspire others too.

## 14. Annex - Access to finance in rural areas

The GoK, microfinance institutions, commercial banks and international donors provide credits or try to enable easier access to finance. The rural population – also in Chon Alai and Alai - makes use of these credit facilities and still continues to borrow money, for consumption purposes as well as for investments. The volume of credits is outperforming the savings. Credits are available with widely differing conditions.

In the target area, mainly Aiyl Bank and Micro-Finance Institution (MFI) "Agro Credit+" provide credits on favourable basis to farmers, especially for purchasing purebred bulls and beehives. Aiyl Bank additionally provides a kind of leasing agreement for breeding bulls.

In the target area, farmers, handicraft women and guest house owners have a low financial literacy. Despite the fact that most of them have a bank account – to receive remittances from relatives in Russia, these accounts are hardly used for business transactions and do not show revenues and expenditures. Therefore they cannot be used as a track record, when applying for credits. On top of that, most rural people do not keep records and as they do not know their production costs, they simply do not know if they earn money with their activities or lose one. Only the number of animals provides them an insight about their financial situation; ruminants are considered as living piggy bank and these animals are sold when one has to pay the doctor, send kids to school or if sons and daughters are married off.

### Recommendations concerning access to finance in rural areas

Access to finance is primarily not a question of interest rate, grace and pay-back period of a credit and to a lesser extent of collaterals, but the access to finance is limited due to the fact that farmers, handicraft women and guest house owners are non-bankable. **First step must be to make them bankable.**

Farmers in most cases do not **keep records** of their farm revenues. Despite having usually a bank account, as there is always a family member in Russia and transferring regularly remittances, the bank accounts are not used for the farm business too. Therefore, farmers cannot present a track record and remain a risky target group. Land is often of too little value to be considered as collateral by banks, so that only houses of rather low value remain as collaterals.

The provision of further and **advanced financial literacy training** will remain essential to improve the understanding of economic and financial figures and therefore BAP II should continue training for beneficiaries organised in BWA, cooperatives, seed farms, and also for individual stakeholders. The main topic should include accounting, cost calculation and starting a financial track record; i.e. making financial transaction more transparent.

As learned through the interviews, it is essential to expand the training material on the formation of a "financial cushion" including practical calculations. Here it could be emphasised also that woman should never guarantee for her husbands and the other way around when signing credit agreements. Again using bank accounts is also highly recommended and has to be promoted as bank accounts showing all expenditures and revenues improve the traceability substantially and can be therefore used as track records, e.g. in future credit negotiations.

According to technical modalities it is strongly recommended to do trainings on sensitive topics like finance not online any longer. Finally, it would be great if someone from the project team goes together with the credit applicants to the nearby commercial bank; it would be a valuable leaning process for all involved persons.

## 15. Annex - Short remark on COVID-19 impact

COVID had a negative impact on all stakeholders. Cattle farmers could partially not reach markets, beekeepers could not care about their bee colonies, especially when doing nomadic apiaries and tourism was hit very hard, as international tourists stopped travelling. Additionally the political closure of the border to Tajikistan affected negatively the small flow of tourists, usually coming from Tajikistan to Chon Alai and continuing further to Osh. As handicrafts are produced on demand, not on stock, the handicraft women have been affected to as their production came almost to a halt because of missing demand from the market. Just few of the stakeholders could partially reorient their business model; e.g. looking for local travellers or selling honey and handicrafts by e-shops.

## 16. Annex - Donors landscape and applying

In addition to the main findings and also related to coherence aspects, a short overview on other donors' activities sees room for cooperation during the remaining project lifetime.

**SED II** is the **Promotion of Sustainable Economic Development** project in Southern Kyrgyzstan and it is merged into a GIZ project in Jalal Abad and Batken. The Swiss contribution is earmarked to contribute to the green economic policies through improved dialogues and improving use of green and sustainable service along the fruits and vegetable value chain. More specific within Phase II (2021 – 2023) the local producers and entrepreneurs are able to increase competitiveness through adaptation of sustainable and innovative approaches in selected value chains. Two outcomes should accompany the objective: a) the Local producers and entrepreneurs from the project regions are increasingly competitive (due to higher yield, better prices and improved quality) in the local and/or regional and/or global markets, and b) the inclusive and enabling agri-business market systems (regulatory and services) in the selected Value Chains in the project regions are available. Within the project also the food safety standards have been improved and „85% of the food processing MSMEs in plums, vegetables and beef value chains now fulfil food safety and food quality requirements.“ Without knowing further details, this seems to be of interest for the BAP cattle VC! Despite SED II deals with other agricultural VCs (fruits and vegetables), synergies can be definitely achieved. – Upcoming activities in close cooperation with GIZ's “Green economy development” project will also deal with cattle breed improvement in the same target area; it is in line with BAP II, also because SDC is co-financing this project and therefore the harmonisation of the targets was taken seriously.

**PSI** is the **Public Service Improvement** in Kyrgyzstan that aims to enable better living conditions in rural Kyrgyzstan thanks to improved public services. the overall implementation period of is from 2015 – 2025. The Phase II has a budget of CHF 4,070,000. There is some complementarity with BAP II as it was mentioned that waste management is a problematic field, especially the littering around Peak Lenin and PSI is obviously taking care of waste management too, even if not around Peak Lenin. A minor point is that Pasture Committees are involved as they want to preserve their grazing land and take a stand against the establishment of landfills on agricultural land.

**VAP** is the **Strengthening Voice and Accountability** project, aiming to improve the public finances by LSGs managing them in a more transparent and accountable mode through citizen participation in decision making process. The overall implementation period of is from 2011 – 2022 and the SDC contribution for the first two phases was CHF 9,449,488. The underlying ToC shows a lot of “if”: If there is an adequate enabling environment (legislation, enforcement, practices) and if LSGs have sufficient capacities (rights, authorities, funds and skilled staff), and if accountability is required by local communities willing to participate in the decision-making process, then LSGs will become accountable and responsive to the needs of citizens. VAP has not much in common with the cattle and bee farmers, handicraft women and guest house operators in Chon Alai and Alai.

**SBI** is the **Small Business Initiative**, an EBRD project that is supported by SDC. The Swiss Contribution was from 2016 – 2020 USD 5,2 million. The targeted impact is economic growth and sustainable prosperity. The outcomes are linked to income opportunities (number of jobs newly created and retained by SMEs receiving EBRD advice (one year after completion of projects), financing (number of SMEs with access to capital, volume of SME financing mobilized), skills (percent of SMEs supported by EBRD business advice showing evidence of improved performance as measured by increased turnover (one year after completion of project), percent of SMEs supported by EBRD business advice showing evidence of improved performance as measured by increased turnover and productivity (one year after completion of project) and green (total CO2e reduced (ton). This project has not much in common with BAP, except the job creation ambitions.

**MCICP** (Multi-country Investment Climate Program) is the **Kyrgyzstan Investment and Growth Project** with a budget of CHF 2,085,000 and with the overall implementation period from June 2018 to February 2023. The project has two components: a) strengthen investors protection mechanism and increase transparency by closing the regulatory implementation gap, and b) develop competitive tourism value chain to increase private investments. The second component has a much bigger budget and seems to be more important. The output should be the following: number of documented interests by investors/private partnerships, number of entities receiving advisory services, number of new laws/regulations/amendments/ codes/government policies drafted, or contributed to the drafting, number of participants in workshops, training events, seminars, etc., number of women participants in workshops, trainings, events, etc., number of reports (assessments, surveys, manuals, phase i/strategic option reports) completed, number of workshops, training events, seminars, conferences, etc.. The outcome focuses on number of entities that implemented recommended changes, number of firms that invest, number of recommended laws/regulations/amendments/codes enacted or government policies adopted, number of flights from selected market segments, number of passenger arrivals from selected market segments, visitor perception on quality of services. Looking at outputs and outcome, it becomes evident that only the number of firms that invest, number of flights from



selected market segments, number of passenger arrivals from selected market segments are SMART indicators. However, MCICP is partially coherent and also complementary to BAP II; complementary especially in the tourism VC as it focuses on a higher intervention level by doing investment promotion, electronic register of procedures, and tourism sector-wide level interventions – with less impact in Chon Alai and Alai.

BAP II is coherent with the **IFAD** support project for the Kyrgyz Republic's **Community Development and Investment Agency (ARIS)** in the Livestock and Market Development Programme (LMDP) project on pasture management in the north and in the south, which came already to an end. Since 2019 the new local development **Access to Markets Project (ATMP)** project is being implemented and it will last until 2023. The focus is on meat, milk, wool and honey. Part of the intervention is that leading companies get equipment, 50% as grant contribution, of up to USD 100,000; grants for farmers groups request a self-contribution by farmers of only 20%. Furthermore there are negotiations about a new project on pasture management.

Finally, **JICA** is doing a "**Market-oriented Milk Production Project**", covering the Chuy province. The project objective is to increase the production of raw milk of a high quality which complied with the requirements of Eurasian Economic Union (EEU) market and increase the export potential of dairy products. Farmers should improve their milking techniques, milk collectors will improve conditions for raw milk transportation and a mechanism of purchasing milk depending on its quality will be worked out. Apart from that it is expected that the Project will introduce the milk production system that will serve as a model for milk producers throughout Kyrgyzstan.



## **17. Annex - Matrix targets – outlook – proposed actions**

The priority of activities, the sustainability and what to do / necessary next steps in the remaining project duration and in order to finish activities which have not reached the target yet, are summarised in the table below.

Value chain	Prio- rity	Main targets, ranked according to importance	Current outlook	Background	Actions proposed to improve the situation in the remaining project duration
Cattle	1	Pasture management and reduced number of animals	Not sustainable	Missing understanding and awareness; too strong political interferences	Setting up working groups and putting pressure on local authorities, especially if having the same goal
	1	Winter fodder production	Less sustainable	Missing understanding and awareness	More demonstration fields at lead farmers; securing only certified seeds
	2	Access to markets, selling to final customer; i.e. butchers and slaughterhouses	Less sustainable	Crossbreds currently too few and possibly not honoured pricewise	Organising sales especially to slaughterhouses; stopping sales of unfinished animals out of the region as value added is lost
	2	Access to advisory services	Not sustainable	Farmers not willing to pay for services and public extension service hardly existing	Involve finally public advisory service, even if not sustainable
	2	Availability of better data	Not sustainable	M&E should provide more accurate data to avoid too many assumptions; also a scale would allow better weight measurement at animal markets and for data collection	Invest in a mobile scale
	2	Gross Margin calculations needed	xx	Current profitability is unknown or at least based on many assumptions	Facilitator should do the calculations and include university staff if needed
	3	AI	Sustainable	Few technicians will find their market and at the same time their skills and success rates will increase	Focus on 3-5 technicians and equip them well, after and between frequent trainings; let public veterinarians participate in the training
	3	NI	Sustainable	Primarily a self-help of wealthier farmers	Assist that sufficient remote and isolated pastures are available; promote the production of oxen to stop unintended NI
	3	Availability of new summer pastures	xx	Reduction of headcount will not happen quick enough; additional pastures are a way out for the time being	Make simple gravel roads to high mountain pastures, eventually co-financed
	3	Access to finance	Not sustainable	Driven by donors and government, not by commercial banks	Training in bookkeeping, accounting, financial management and make unbankable clients bankable ones

Value chain	Prio- rity	Main targets, ranked according to importance	Current outlook	Background	Actions proposed to improve the situation in the remaining project duration
Api-culture	1	Improved production skills and increased production		Actually honey production is mostly a side-business	Get focused and more professional, e.g. by giving up cattle production. Each beekeepers should get 100 beehives and 30 kg per beehive
	1	Forming operational cooperatives	Not sustainable	Poor management skills and too little working capital. No marketing skills at all.	Train the head of the coop and two younger "assistants", who can take over in 3 years. Introduce a retainer from all sales, to accumulate working capital
	2	Access to advisory services	Not sustainable	Farmers not willing to pay for services and public extension service hardly existing	Involve finally public advisory service, even if not sustainable
	2	Access to markets, selling to final customer	Less sustainable	Just retail marketing done; cannot move larger quantities, regardless of the better price	Do retail sales in the neighbourhood and let the coop do the larger volumes; think about e-shops
	3	Access to finance	Not sustainable	Driven by donors and government, not by commercial banks	Training in bookkeeping, accounting, financial management and make unbankable clients bankable ones

Value chain	Prio- rity	Main targets, ranked according to importance	Current outlook	Background	Actions proposed to improve the situation in the remaining project duration
<b>Tourism</b>	1	Improved skills for tourist services and increased production	Less sustainable	Tourism is not attractive enough for young people; also stakeholders willing to invest need primarily service staff	Train young staff to provide better services against better salaries; train young people to start own activities, e.g. social media marketing in the village
	1	Improved guest houses, focus on hospitality, sanitary standards	Less sustainable	Missing awareness and limited willingness to invest	Make study tour to better guest houses in Kyrgyzstan. Provide coaches for each guest house to discuss on the ground the needed adaptations. Could be done on a co-financing basis, owner has to pay e.g. 30%
	1	English language skills	Not sustainable		Provide English classes as much as possible, include drivers too
	2	Access to markets, e.g. by promoting own services on Instagram and other channels	Less sustainable	Poor linkages between international tourist agency and local service providers	Tourist umbrella organisations are doing fine but are not strongly linked to operators in the fields
	2	Access to finance	Less sustainable	Missing collaterals endanger investments	
	3	Branding of Kyrgyzstan	Sustainable	Image of the country already good, but effect hardly triggers down	Link local tourist service in the villages with the overall campaigns

Value chain	Prio- rity	Main targets, ranked according to importance	Current outlook	Background	Actions proposed to improve the situation in the remaining project duration
Handi-craft	1	Improved production skills and increased production	Sustainable	Missing skills do not allow quality production	Focus training on all willing women
	2	Forming operational cooperatives	xx	Poor management skills and too little working capital. No marketing skills at all.	Establish coop and train 3 persons in each well. Introduce a retainer from all sales, to accumulate working capital
	2	Linking handicraft women to local outlets	Sustainable	At least as long as production limited and no expert skills available at producer level	The cooperation with existing outlets should be continued, but additionally it needs sales channels that reach further
	2	Access to markets, selling to final customer	Not sustainable	Currently, producer are commodity suppliers that can be quickly replaced	see above
	3	Access to advisory services	Not sustainable	Farmers not willing to pay for services and public extension service hardly existing	Involve finally public advisory service, even if not sustainable
	3	Access to finance	Not sustainable		Provide training for women on financial literacy
	3	Functional BWA	Not sustainable	Currently the BWA needs more support than it can provide. However, BWA should become a service provider	Select the right persons and train them; be careful not to destroy the "handicraft cooperative", which should have priority in any respect
	3	Establish one location for all activities	Less sustainable	Currently machines are located in a building far away	Relevant as soon as there is more production; not within the next 3 years

## 18. Annex - Targets of the project and the evaluation

*Market Systems Development (MSD) addresses the underlying causes of poor performance in markets that matter to people living in poverty and unemployment, in order to create lasting changes that have a large-scale impact. It views a market as a system of multiple players interacting with each other based on formal and informal rules and regulations – each player fulfilling a particular market function. Optimising these market functions and the rules that shape them to make the markets more effective and at the same time contributing to poverty reduction is the central aim of MSD.*

Based on a MSD approach and according to logframe, the Bai Alai project wants to achieve the following.

### Impact

The logframe of the Bai Alai project describes the targeted impact as “increased economic inclusion of producing households in Alai and Chon Alai, in particular also of women and youth”; i.e. all project beneficiaries should get access to safe, affordable (financial) products and services.

According to the OECD-DAC definition, impact is defined broadly in terms of any long-term effect, whether intended, unintended, positive, negative, direct or indirect. On the long run, this impact should be achieved.

### Outcomes

- (1) Local producers and entrepreneurs, including women and youth, increase sales within the selected value chains
- (2) Sustainable local business support structures provide services available to all producers and entrepreneurs within selected value chains, including women and youth

Outcomes could be changes in behaviour that reflect a positive impact. They should be specific and measurable and finally meaningful as indicating the fulfilment of purpose and programme toward long-term impact.

### Outputs

- (1) Productivity increased;
- (2) Quality standards introduced and enhanced;
- (3) Market access established for producers and entrepreneurs, including women and youth;
- (4) Advisory services offer adapted to local needs, including for women and youth;
- (5) Financial products are adjusted to local conditions, including for women and youth; and
- (6) Local business support dialogue fora are strengthened and include both men and women.

Outputs are those results which are achieved immediately after implementing an activity.

### **Targets of the evaluation**

This evaluation should document the results of the BAP II activities: MSD and VC development as well as the effectiveness of the access to finance and financial literacy activities for local producers and population. Furthermore to assess the relevance of the implementation approach and management set-up, in particular as regards optimizing cost-efficiency and ensuring systemic changes and sustainability of results. Finally to provide recommendations for the next (exit) phase.

## 19. Annex – Map of target area and key data



	Alai	Chon Alai
Population	72 000	25 000
Persons with cattle - 80%	57 600	20 000
Households (4,5 persons each) = # farms	12 800	4 444
Cattle (heads)	36 522	18 622
Cattle per HH	2,85	4,19
Hectar	682 100	485 700

## 20. Annex - Economic analysis, the ideal approach

At project start, the project M&E team goes for several weeks into the field and collect data from potential beneficiaries; these data are at least randomly double-checked as self-declared statements are not always trustworthy. Later on the interviewed persons could become beneficiaries, but as the decision is not taken yet. However, the interviewed persons should be as close as possible to the predefined target group. Some of them will be later on beneficiaries, some not. This allows to compare the impact of a project on the target group while observing in parallel the control group, which did not get any training or support.

This data collection was not done at project start and as a consequence the quality and availability of data was always poor.



## **21. Annex - List of interviewed stakeholders (internal only)**

Meetings by Dr. Martin Mautner Markhof and Ms. Anara Baijumanova between 21st and 30th October 2021

## 22. Annex - Mid-Term Evaluation ToR

Swiss Cooperation Office in Kyrgyzstan

### BAI ALAI Small Business and Income Creation Programme in Alai and Chon Alai

Evaluation title:

External, end of 2-nd phase evaluation of the BAI ALAI Small Business and Income Creation Programme in Alai and Chon Alai

2018 – 2022

AKF	Aga Khan Foundation
BAP	Bai Alai Small Business and Income Creation Programme in Alai and Chon Alai
BWA	Business Women Association
CAFIN	(Regional) Central Asia Financial Inclusion Program
CAR	Central Asia Region
CHF	Swiss Franc
CV	Curriculum Vitae
FDFA	Swiss Federal Department of Foreign Affairs
GDP	Growth Domestic Product
HSI	Helvetas Swiss Intercooperation
KR	Kyrgyz Republic
LED	Local Economic Development
LSG	Local Self-government
M4P/MSD	Market for Poor/Market System Development
MCICP	Multi-country Investment Climate Program
NPO	National Program Officer
OECD/DAC	Organisation for Economic Co-operation and Development/Development Assistance Committee
PPT	Power Point Presentation
PSI	Public Services Improvement
SBI	Small Business Initiative Programme
SED	Sustainable Development Programme
SDC	Swiss Agency for Development and Cooperation
ToC	Theory of Change
ToR	Terms of references
VAP	Voice and Accountability Project
VCs	Value Chains

#### Introduction

This document sets out the requirements related to the project evaluation mandate for the **“Bai Alai Small Business and Income Creation Programme in Alai and Chon Alai”**, the selection process and criteria.

The Terms of Reference (ToR) describes the purpose, context, objectives (including indicative evaluation questions), scope and a proposed methodology for the evaluation. They further describe the evaluation process and the expected deliverables. **The ToR will become a component of the contract for this evaluation mandate.**

#### Background information and context of the evaluation

The southernmost part of Kyrgyzstan is a remote mountainous area with difficult life conditions and very high incidence of poverty. In Alai and Chon-Alai districts of Osh province the poverty level (54% poor) is substantially higher than at the national average (32% poor). The total population of the two districts is 115,000 and the average altitude of the populated area is at 2'500 meters. 99% of the population are ethnic Kyrgyz and the share of youth makes 26%. The region is marked by long and severe winters, and by a relatively short period for productive work in its economic main sectors such as agriculture, livestock, construction and tourism. In addition, the Alai and Chon-Alai districts are facing substantial challenges related to labour migration, corruption, smuggling and weak infrastructure. The main constraints for economic development in the region, however, are low productivity, low production quality and the absence of market access due to a lack of integrated and organised local value chains.

Against this background, phase II (06.2018-05.2022) of **Bai Alai Small Business and Income Creation Programme in Alai and Chon Alai (hereinafter referred as “BAP II”)** is focusing on its development goal - **reducing poverty in Alai and Chon Alai through increased income and employment (including self-employment) – in particular for women and youth.** BAP II continues to implement development activities in challenging development environment. After several years of stability and positive economic annual growth of 3-4% in average, the pandemic

combined with political turbulence in late 2020 led the country to an economic downturn – negative growth of -8.6%. The GDP by the end of 2020 reached the level of 2005 according to the National Statistics Committee.

In October 2020 the publication of the results of parliamentary elections were followed by **nationwide demonstrations and political turbulence**. Amid these political protests, the President Jeenbekov resigned from his position and the Heads of Chon-Alai and Alai District Administration were changed. For BAP II it means that the team needs to reinvest in building up relations with new local governments and that advocacy efforts will be slowed down.

The external evaluation commissioned by Swiss Cooperation Office in KR back to 2016 recommended to continue the BAP with the planned second phase (of a total of three) because there is significant potential to further increase the project's impact. Especially at the level of input supply, productivity gains, quality standards, support structures and market access development, further efforts can substantially contribute to local economic development. Though, the evaluation recommended to re-adjust the implementation mode to comply with M4P/MSD principles and to ensure sustainability and effectiveness of the interventions.

And finally, internal mid-term evaluation of BAP II conducted in the spring of 2021 by HSI found out that there is yet quite a step to go, and the focus of the next (exit) phase should lie on consolidation of all development activities aiming to ensure their sustainability. Specific recommendations of this internal mid-term evaluation are as follows below:

- to maintain all four sectors/VCs, albeit with some adjustments;
- business development services require particular attention in the next phase;
- organizational development support is the key to ensure functioning of producers organizations (eg. BWA, wool processing unit and bee-keeper associations) beyond the project duration;
- continue financial literacy activities integrated into technical trainings in order to make a meaningful contribution to capacity building; and finally
- attention to environmental sustainability should at least be maintained if not increased in the next phase.

Objective, scope and focus of the evaluation

Evaluation object

Bai Alai Small Business and Income Creation Programme in Alai and Chon Alai, phase II is the evaluation object. The evaluation should provide insights into the projects effectiveness, efficiency, relevance, coherence, impact and sustainability.

As outlined before, BAP II is focusing on **reducing poverty in Alai and Chon Alai through increased income and employment (including self-employment) – in particular for women and youth** by supporting (i) local producers and entrepreneurs, including women and youth, with an aim to increase sales within the selected value chains; and ii) sustainable local business support structures aimed at provided services available to all producers and entrepreneurs within selected value chains, including women and youth.

To achieve the overall goal and outcomes (see above), the project focuses on the following most promising value chains in Alai and Chon-Alai: i) cattle; ii) apiculture; iii) tourism; and iv) handicraft. There are following 6 outputs under these value chains:

- 1) Productivity increased;
- 2) Quality standards introduced and enhanced;
- 3) Market access established for producers and entrepreneurs, including women and youth;
- 4) Advisory services offer adapted to local needs, including for women and youth;
- 5) Financial products are adjusted to local conditions, including for women and youth; and
- 6) Local business support dialogue fora are strengthened and include both men and women.

BAP II is owned by the Swiss Agency for Development and Cooperation (SDC) and implemented by HELVETAS Swiss Intercooperation (HSI) in consortium with the Aga Khan Foundation Kyrgyzstan (AKF).

Purpose and objectives

The reason for the evaluation is the end of the project's (second) phase and steering for the third (exit) phase. The objectives of this evaluation are therefore twofold: i) to assess results and approaches of SDC support; and ii) to provide recommendations for the following third (exit) phase, more specifically:

1. To assess and document results of the BAP II activities: MSD and VC development; and effectiveness of the access to finance and financial literacy activities for local producers and population conducted by the BAP/HSI team.
2. To assess the relevance of the implementation approach and management set-up, in particular as regards optimizing cost-efficiency and ensuring systemic changes and sustainability of results; and
3. To provide recommendations for the next (exit) phase.

The format of the review is an external evaluation. The review will not only focus on results so far but will also have a forward looking perspective (e.g. adaptations in project activities), informing the planning process of BAP III.

#### Scope

The breadth and depth of the evaluation will be informed by the indicative evaluation questions that the evaluation seeks to answer (see section below). The evaluation will assess the project's 2-nd phase and provide recommendations for the exit phase 3. The timeframe is limited within the 2-nd phase, from June 2018 to May 2022. The geographical scope includes Alai and Chon Alai rayons of Osh Oblast, where the project is active during the phase 2.

#### Indicative evaluation questions / key focus area

According to OECD/DAC criteria, the evaluation consists of assessing “the positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.” Based on this definition, the main objective of the present evaluation is to assess and document the results of BAP phase II.

#### Key evaluation aspects in the evaluation of project performance and result achievement (objective 1)

The OECD/DAC evaluation framework should guide the evaluation of BAP II and asses the key aspects outlined below. The list is not exhaustive and has to be complemented by a draft evaluation matrix with sub-questions at the start of the mandate (as a part of detailed work-plan). The result frameworks of the projects will serve as the basis to address these questions. While reporting on results, a clear differentiation between outputs and outcomes is required.

<u>Relevance</u>	<p>The extent to which the project was relevant at time of conceptualisation, and remains relevant and suited to the current (changed): a) context, b) priorities and policies of local governments in the project areas, and c) private sector/population needs. The assignment should critically evaluate the quality of the design, including: objectives and results consistent with and supportive of local government policies; assessment of the quality of the intervention logic/results chain as designed upfront and related indicators of success.</p> <p><u>Specific questions:</u></p> <ul style="list-style-type: none"> <li>• Are development activities in the selected (4) sectors/VCs still adequate response against poverty and unemployment in the project regions? Are these sectors/VCs are still relevant in the light of Covid-crisis?</li> <li>• Is there an increasing trend towards migration to cope with poverty?</li> <li>• Does ToC make sense under the current context?</li> <li>• Does it make sense to continue working on cattle VC provided culture/practices of animal husbandry in the South (Alai) region, increased number of cattle because of project activities and effects of over-pasturing?</li> <li>• Are the BAP II project objectives relevant, valid and consistent with the different needs of the direct and indirect beneficiaries (female and male, youth, value chain related private sector actors) in the evolving markets in South (added value)?</li> <li>• How does the current monitoring and results measurement system influence internal decision-making (particularly with regards to intervention strategies), learning and accountability towards SDC?</li> </ul>
<u>Coherence</u>	<p>The extent to which the project is coherent with the national/local economic reforms agenda as well as with Swiss portfolio and development projects of other donors.</p> <p><u>Specific questions:</u></p> <ul style="list-style-type: none"> <li>• Are the project objectives and strategies of BAP II coherent (in line) with the new 5-year Development Plan of the Kyrgyz Government as well as with the priorities outlined in the current Country's Development Strategy - 2040? Are they specific related programmes lead by regional/local government in the region?</li> </ul>

	<ul style="list-style-type: none"> <li>Are the project objectives in complementary and coherent with other Swiss development projects and programs, namely: SED II, PSI, VAP, CAFIN, SBI, MCICP and others? Are there synergies (overlaps) and complementary b/w BAP II and SED II?</li> <li>Is BAP II coherent with similar projects or related activities implemented in South by other donors?</li> </ul>
<i>Effectiveness</i>	<p>The extent to which the project interventions of the project were effective in attaining its primary objective. The evaluation should refer to and assess the logical framework (check results against agreed indicators in the log-frame) and to the strategic objectives that had been agreed for BAP II. The evaluation should additionally seek to capture unintended results (good and not good) deriving from the outputs of the project and the key factors contributing to the program success or stalled its effectiveness?</p> <p><u>Specific questions:</u></p> <ul style="list-style-type: none"> <li>What would be the criteria that should be used to decide whether or not suspend or continue one or another VCs during exit phase.</li> <li>Do you recommend to expand BAP for another 3 years (exit phase)? Based on the results under BAP II, what can be realistically achieved by the end of BAP III?</li> <li>Which capacities of stakeholders were changed, to what extend and how? Are there indications and evidences of systemic change taking place in the sectors at different levels?</li> <li>How economically disadvantaged, male/female farmers and youth were benefitting from the project? What progress has been achieved towards a better functioning market system? How much more work is needed to get markets really functioning much better so that they are growing organically.</li> <li>Assess what has been done in term of environmental sustainability so far (e.g. waste management) and what could be pursued in the exit phase.</li> </ul>
<i>Efficiency</i>	<p>The extent to which the project has been administered efficiently in terms of how well inputs and activities were converted into results (outputs/outcomes).</p> <p><u>Specific questions:</u></p> <ul style="list-style-type: none"> <li>Assess modalities and operations of HSI-AKF consortium while BAP II implementation. Is organizational set-up/structure of HSI-AKF consortium supporting the coordination and collaboration with the project beneficiaries and population?</li> <li>To what extend was a market system development approach applied and how effective were private sector partnerships and the project's role in the partnership towards the set objectives. How effective were the approaches in addressing key constraints and poverty within the underdeveloped market systems of the Southern province? Which alternative approach could be used if not?</li> <li>Is organizational set-up/structure of BAP adequate to adapt to changing context?</li> <li>Are the project's intervention logic models (including assumptions, risks etc.) valid and at appropriate levels, and were outputs consistent with the intended impact, overall goal and the achievement of the project objectives: <ul style="list-style-type: none"> <li>- strengths and weaknesses;</li> <li>- quality of log frame;</li> <li>- clarity and internal consistency of the stated objectives, purpose and results;</li> <li>- were the objectively-verifiable indicators of achievement well-chosen and widely agreed;</li> <li>- were data results of high integrity and verified by third parties effectively;</li> <li>- realism in choice and quantity of inputs;</li> <li>- overall degree of flexibility and adaptability to facilitate rapid responses to changes in circumstances.</li> </ul> </li> </ul>
<i>Impact</i>	<ul style="list-style-type: none"> <li>What tangible lasting impact and positive or negative (incl. behavioural) changes have been achieved by the project, particularly for the female/male farmers, youth in terms of income, directly or indirectly, intended or unintended?</li> <li>What can be expected in the end of exit phase in terms of tangible (lasting) effects and changes?</li> <li>How females and youth were impacted by BAP II and whether these changes are long-lasting ones?</li> <li>Did a specific part of the intervention have or is going to have a greater impact than another? In which area the project may not have any impact in the future and why?</li> </ul>

<i>Sustainability</i>	<ul style="list-style-type: none"> <li>• Assess the degree to which the projects results are likely to be sustainable beyond the project's lifetime. Are the project's positive results likely to continue to exist after the end of the project? How sustainable is the change of the livelihoods of economically disadvantaged, male/female farmers and youth?</li> <li>• Assess the various project approaches in terms of contribution towards longer term systemic changes in the market systems benefiting the projects target groups.</li> <li>• Is there regional (LSG) ownership and responsibility? Are the partner institutions, professionals and involved sections of the population sharing the goals of the project? Which major factors might enhance the effects achieved or prevent them from continuing?</li> <li>• What would be specific recommendations for exit strategy after BAP end in terms of consolidation of achievements? To what extend the capacities of regional partners and project beneficiaries were developed to ensure sustainability of efforts and benefits?</li> </ul>
-----------------------	---

Crosscutting aspects to be considered in the evaluation:

- Gender: Did the projects take into account existing inequalities between men/women, their causes and factors of influence? Have strategies been adopted in order to reduce these inequalities? How did the projects take into account the specific needs and strategic interests of men and women? In what measure was the participation of men/women instigated?
- Climate Change: to what extent is climate change affecting (and will likely continue) smallholder farmers, private sector actors and population in terms of their income increase and employment opportunities? To what extend was is already addressed by the project and which recommendations can be given for the exit phase?

Key evaluation aspects to be considered in the elaboration of recommendations (objective 2)

Building on the achievements and lessons learnt of BAP II and other SDC projects and programs, and considering insights gained during the evaluation:

- Considering BAP might go for an exit phase for 3 more years (provided evaluation results are positive), what should be continued/stopped?
- Which recommendations can you give to exit BAP sustainably in 3 years?
- Which recommendations can you make toward environmental sustainability?
- Did BAP II work with right partners to get these good results? Which stakeholders have to be included into an exit phase who were not involved before to achieve even more results and sustainability of these results?
- In which areas of policy dialogue and at which level the project should be involved during the exit phase?
- What aspects need to be considered in the new project's phase approach to enhance women's inclusion in LED activities and their capacity for decision making in economic processes?
- Which resilience aspects among beneficiaries the project can build on and which strategy would you recommend?

Evaluation process and methods

#### Evaluation methodology

The evaluation will be conducted by a team of evaluators, one international and one local consultants. The evaluators will be asked to provide an evaluation plan with a detailed description of the proposed methodology to answer the evaluation questions, as well as the proposed source of information and data collection procedures. The plan should also indicate the detailed schedule for the tasks to be undergone, the activities to be implemented and the deliverables. The evaluation team will decide on distribution of roles during the evaluation process. The evaluation includes desk work and a field mission in the country. The experts will review the Project Documents (Phase II), the operational reports and any other relevant reviews/studies conducted within the project implementation and will conduct interviews with selected stakeholders and beneficiaries during their field mission in the country.

#### Roles and responsibilities of the evaluator(s)

The overall responsibility will lie with the international consultant who will be the team leader. The international consultant will have a contract with the Swiss Embassy in Kyrgyzstan, and in the capacity of team leader, will subcontract the local consultant. The international consultant will report directly to the Swiss Embassy in Kyrgyzstan. At the beginning of the field mission, the team of evaluators will have a briefing and end of the field mission, the Evaluation Team will have a debriefing meeting with Swiss Embassy and after should prepare a short presentation on preliminary key findings and recommendations to the core stakeholders, project's team and Swiss Embassy in Bishkek.

The draft evaluation report shall be written in English and be submitted to Swiss Embassy no later than 15 days after the return from country mission, in electronic form not more than 15 pages (without annexes). Comments from Swiss Embassy will be provided for the Evaluation Team to finalize the evaluation reports. The final version incorporating the comments shall be made available to Swiss Embassy, also in electronic form, not later than 7 days after receiving the comments from Swiss Embassy.

#### Evaluation process and timeframe

The following indicative timeframe of 19 days is proposed to be divided between the two consultants and will cover:

- Desk-study - preparatory work (maximum 5 days);
- Meetings in Bishkek (approx. 2 days), including briefing and de-briefing meetings with Swiss Embassy and other key stakeholders;
- Field mission to the South (maximum 6 days);
- Drafting report (maximum 6 days).

Activity	Date	Responsibilities
Announcement of the evaluation and publication of the ToR	28 July	Embassy
Submission of evaluation plan with the inception report	27 August	Evaluators/consultants
Selection of evaluation team and announcement of the decision	10 September	Embassy
Contracting an evaluation team	1 October	Embassy, Consultants
<b>Desk review of the documents</b>	5 working days	Consultants
Field mission in Kyrgyzstan (Bishkek and South)	8-15 October	Consultants
<b>Briefing meeting with evaluation team</b>	8 October	Embassy, Consultants
Debriefing meeting with SDC	15 October	Consultants, Embassy
<b>Draft Evaluation Report</b>	25 October	Consultants
Feedback on the Draft Evaluation Report by SDC	12 November	Embassy
<b>Final Evaluation Report</b>	19 November	Consultants

#### Deliverables

The following deliverables are expected to be submitted by the evaluator(s):

- PPT presentation and debriefing meeting to discuss first findings;
- Draft Evaluation Report;
- Final Evaluation Report;
- The SDC's Assessment Grid of the DAC Criteria (tool 7) must be completed by the evaluator(s) and attached to the final evaluation report;
- Analysis of the intervention logic (log-frame or ToR): extent to which objectives have been achieved.

#### Reference Documents

The project team (HSI) will provide the evaluation team with all key documents necessary for the preparation of the external evaluation at least 1 months before the field mission, in electronic formats. Any other documents will be made available upon request and/or during the mission. Documents will include at the minimum:

- Credit proposal of Phase II;
- Project Document phase II;
- Yearly Plans of Operation phase II;
- Half-yearly and annual reports phase II;
- Internal project's reviews and evaluation conducted during phase II.

#### Competency profile of the evaluators

The evaluation team will be composed of two (1 international and 1 local) experts. The following competences and experience are required:

<b>Background:</b>	Academic degree in Economics, Development Economics
--------------------	---

<b>Professional experience:</b>	At least 10 years prior experience in design and leading evaluation for the international consultant: <ul style="list-style-type: none"> <li>- practical, thematic and methodological experience in development cooperation and local (rural) economic development; and</li> <li>- conducting of similar review/evaluation mandates.</li> </ul>
<b>Thematic competences:</b>	<ul style="list-style-type: none"> <li>- Inclusive agricultural value chain development as well as their up- and downstream linkages and support functions (eg. access to formal/informal financial services, conducive macro and meso-level environment, functioning of input/output markets etc.);</li> <li>- Agricultural market system development (MSD) benefiting the poor in remote rural areas with a rather limited market dynamics;</li> <li>- National/regional contexts and agriculture/agribusiness related policies, rules and standards;</li> <li>- Gender sensitive, social inclusion, and conflict sensitive program management</li> <li>- Climate change and environmental issues</li> </ul>
<b>Methodological competences:</b>	<ul style="list-style-type: none"> <li>- Experience with evaluation of large scale donor supported programs (similar assignments);</li> <li>- Result chain based intervention logic and the M&amp;E thereof;</li> <li>- Organisational/institutional capacity building;</li> <li>- Communication and innovation management;</li> <li>- Proven ability to facilitate focus group discussions and interviews with project stakeholders and beneficiaries;</li> <li>- Excellent analytical, writing and presentation skills.</li> </ul>
<b>Service competences:</b>	<ul style="list-style-type: none"> <li>- IT skills</li> <li>- Excellent English language skills (spoken and written); knowledge of Russian and/or Kyrgyz is of advantage.</li> </ul>
<b>Ethical and social competencies</b>	<ul style="list-style-type: none"> <li>- Independence, Integrity, Impartiality</li> <li>- Team spirit, professional responsibility</li> </ul>
<b>Geographic competences</b>	<ul style="list-style-type: none"> <li>- Commonwealth of Independent States (CIS)</li> <li>- Kyrgyzstan, Central Asia are desirable</li> </ul>
<b>Language competences (for local consultant):</b>	Local evaluator should have good command in English as well as comprehend Kyrgyz and Russian languages besides English.

#### Reporting

The evaluators shall report to the Swiss Embassy in Kyrgyzstan for the entire duration of the assignment. Operational support will be provided by the country cooperation office and the National Program Officer (NPO) in Kyrgyzstan.

#### Suitability and award criteria

The evaluator's competencies should be according to the criteria in the chapter 7. One of the important suitability criteria is that the evaluators are independent of the FDFA and, in particular, the SDC and were not involved in the activities covered by this evaluation.

#### Application procedure

Technical and financial offers have to be submitted to the Swiss representation in Bishkek by email to [anne.moulin@eda.admin.ch](mailto:anne.moulin@eda.admin.ch) or [damir.bisembin@eda.admin.ch](mailto:damir.bisembin@eda.admin.ch) by September 17, 2021.

The technical proposal should not exceed 5 pages and should outline the service provider's:

- I. Approach to and methodology for the assignment;
- II. Experience with similar assignments (incl. CVs);
- III. Draft evaluation work plan;
- IV. Draft report outline;
- V. Financial proposals

The financial proposal should be no more than one page and should clearly outline the daily rates in Swiss Francs (CHF).



Contracting

The contract will be awarded by the Swiss representation following an analysis of technical and financial proposals received in response to these terms of reference.