



# REGIONAL ECONOMIC COOPERATION PROJECT

FINAL REPORT



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FINAL REPORT  
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**Cover photo:** Speakers present at the Second Annual Central Asian Trade Forum, Almaty Kazakhstan, September 25-26, 2012. (Credit: USAID/REC Project)

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# ACRONYMS

2020DC	2020 Development Company
ADB	Asian Development Bank
ADBL	Uzbek Association of Development of Business Logistics
B2B	business to business
BAS	EBRD Business Advisory Services program
CA	Central Asia
CABOC	Central Asian Business Opportunities Conference
CAREC	ADB Central Asian Regional Economic Cooperation project
CATF	Central Asian Trade Forum
CATRC	Central Asia Tax Resource Center
CCI	Chamber of Commerce and Industry
CSO	Civil Society Organization
CTJ	USAID Competitiveness, Trade and Jobs project
CU	Customs Union
DLA	U.S. Defense Logistics Agency
DoD	U.S. Department of Defense
EBRD	European Bank for Reconstruction and Development
EEU	Eurasian Economic Union
EPG	Export Partnership Groups
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoTJ	Government of Tajikistan
GoU	Government of Uzbekistan
GSA	U.S. General Services Administration
IFOAM	International Federation of Organic Agriculture Movements
IQC	indefinite quantity contract
JTSCC	Joint Theatre Support Contracting Command (U.S.)
KIMEP	Kazakhstan Institute of Management, Economics and Strategic Research
KOICA	Korean International Cooperation Agency
LoI	letter of intent

MEDT	Tajikistan’s Ministry of Economic Development and Trade
MEP	USAID Macroeconomic Project
MoC	memorandum of cooperation
MoU	memorandum of understanding
NDN	Northern Distribution Network
PHC	Public Health Command
PMU	Chemonics’ home-office project management unit
QMS	Quality Management System
REC	USAID Regional Economic Cooperation project
RTLCL	USAID Regional Trade Liberalization and Customs project
SEZ	Special Economic Zone
TAFAC	USAID Trade and Accession Facilitation for Afghanistan
TO	task order
TTF	Transportation and Trade Facilitation
TWI	Theodor Wille Intertrade (DoD prime vendor)
VolVis	U.S. State Department Voluntary Visitor Program
UBWA	Uzbekistan Business Women Association
UNECE	United Nations Economic Commission for Europe
USAID	United States Agency for International Development
WES	Women’s Economic Symposium
WTO	World Trade Organization



# EXECUTIVE SUMMARY

Building strong and sustainable market linkages among Central and South Asian states and their trading partners increases the ability to significantly expand trade flows, create diverse and plentiful jobs, and enhance sustainable incomes. This, in turn, contributes not only to increased economic growth and prosperity but also to much needed regional peace and stability.

The stability created through sustained economic development was seen as a critical component of ending the conflict in Afghanistan. A landlocked country with underdeveloped extractive industries and few sources of inputs, Afghanistan needed to increase trade and transport linkages with its neighbors to achieve sustained economic growth. The New Silk Road initiative supported Afghanistan's integration into the region by resuming traditional trading routes and reconstructing significant infrastructure links broken by decades of conflict. As a natural hub and transit point for roads, railroads, pipelines and electric lines, Central Asia was the obvious choice to become the commercial lifeline for Afghanistan and to lead the way in supporting the New Silk Road. Unfortunately, the business environment in Central Asia has historically not been conducive to cross-border trade or increased economic integration between countries. Many constraints to cross-border trade flows, from low capacity at the firm level to inconsistent trade policies both within and between countries, hinder greater integration.

The five-year, USAID-funded Regional Economic Cooperation (REC) project was developed primarily to address barriers to cross-border trade in the Central Asian region and to support the New Silk Road initiative by increasing trade among Central Asian states, Afghanistan, and their broader trading partners. REC did this by building and supporting demand-driven trade networks and facilitating increased linkages through trade promotion events; conducting detailed market research to thoroughly evaluate export potential and identify constraints to business in Central Asia; testing barriers to export by assisting companies with pilot trade deals; building the capacity of women in business; helping Tajikistan accede to the WTO and assisting with post-accession activities; and by encouraging governments to implement pro-trade policies, regulations, and processes throughout the region. To achieve its objectives, REC worked through six mutually reinforcing project components, generating significant results that have improved the environment for cross-border trade among Central Asian countries, Afghanistan, and larger trading partners, and have also promoted broad-based prosperity and stability throughout the region.

- Through supporting Export Partnership Groups (EPGs) by conducting market research, organizing and implementing industry events, exploring and establishing joint ventures, and helping Central Asian firms further develop their products, REC helped increase the value of export sales of EPG firms by \$22,438,106 over the life of the project.
- Through supporting 28 market research studies and short-term technical assignments to Central Asian firms and trade promotion agencies, REC

successfully identified internal and external obstacles to businesses in trade and supported USAID, REC team members, project stakeholders, and beneficiaries in making the most informed and strategic programmatic decisions possible.

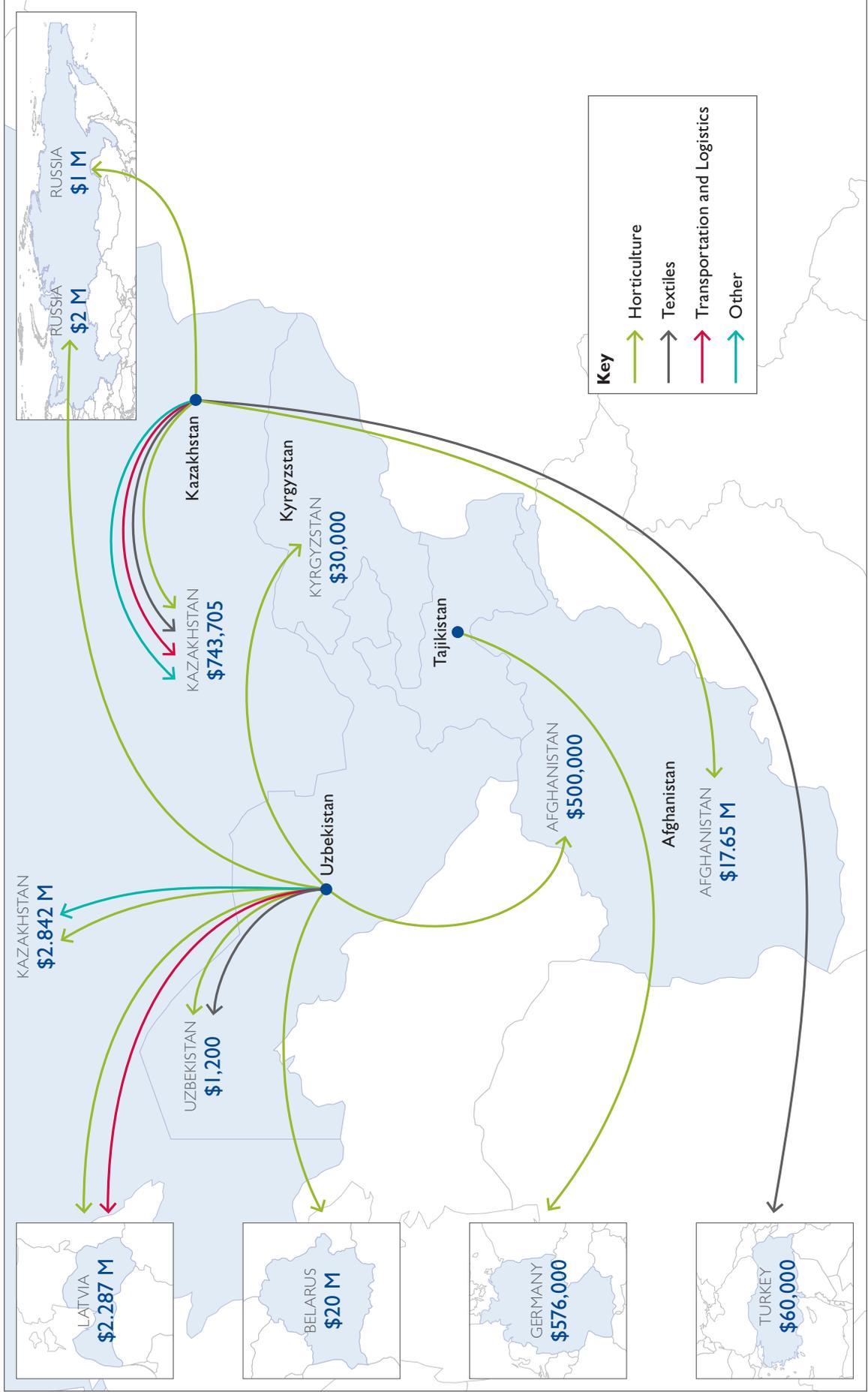
- Through assisting several Central Asian firms to conduct pilot trade deals with the U.S. Department of Defense (DoD) in Afghanistan and then to other organizations after the rapid drawdown of troops in 2014, REC helped to identify barriers to export along the export chain and helped three firms initiate 10 new contracts worth a total of \$3,691,184.
- To assist Central Asian and Afghan women-owned and women-managed firms and organizations in developing capacity, making new connections, and ultimately increasing their export sales, REC issued eight grants ranging in size from \$14,205 to \$170,000 for a cumulative total of \$610,628.
- Through conducting 51 activities that supported Tajikistan's WTO-accession and post-accession process, REC helped Tajikistan accede to the WTO and assisted in critical post-accession activities that helped the Tajik government fulfill WTO commitments, conform to the conditions of international market competition, and integrate into the global economy.
- Through initiating 29 activities to improve trade policies, regulations, and processes throughout Central Asia and Afghanistan, REC successfully supported improvements in Central Asia's transport corridors, supported the implementation of pro-trade policies throughout the region, and helped to increase both regional economic integration and cross-border trade.

The impact of REC's innovative approaches to improve the environment for cross-border trade surpassed nearly every indicator measured and had a tangible effect on both Central Asian export firms and government counterparts. Over the life of the project, 4,429 firms received project-supported capacity-building assistance to increase export sales and 10,624 individuals participated in project-supported capacity building training events. Through various events, such as trade missions, business-to-business (B2B) meetings, and the annual Central Asian Trade Forum (CATF), and by connecting EPG firms with the right buyers and supporting women entrepreneurs at special events such as crafts fairs, REC facilitated \$47,689,905 worth of deals between Central Asian firms, Afghan firms, and firms representing their broader trading partners in total (see map at end of this section). In addition, more than \$500 million worth of Letters of Intent (LoIs) and Memorandums of Understanding (MoUs) were signed during REC-conducted events.

REC's experience in supporting trade facilitation in Central Asia underscores the importance of creating demand-driven export linkages to develop strong, productive, and sustainable business networks throughout the region, conducting targeted market research to identify the most problematic barriers to trade and fully understand the challenges faced by firms exporting in the region, and working with various counterparts including Central Asian firms, government agencies, and other donors to identify and implement the most practical pro-trade policies possible.

USAID's investment over the years in improving the environment for cross-border trade among Central Asia, Afghanistan, and the broader region has resulted in significant strides toward producing a more economically integrated and stable region. Chemonics is proud to have contributed to this important endeavor.

# Exports Facilitated by REC over the Life of the Project



# PROJECT BACKGROUND AND DEVELOPMENT APPROACH

## PROJECT BACKGROUND

The Regional Economic Cooperation (REC) project was a five-year Task Order (TO) under the Macroeconomic Foundations for Growth Indefinite Quantity Contract (IQC), funded by the United States Agency for International Development (USAID), and implemented by Chemonics International. Originally known as the Regional Economic Integration Activity (REIA), the project was launched on September 30, 2011, with the purpose of improving the environment for cross-border trade among Central Asian countries, Afghanistan, and the larger trading partners of these countries.

When the project launched towards the end of 2011, the situation in Afghanistan was still highly unstable. Sustained economic development, including active cross-border trade was seen as a critical component of ending the conflict in Afghanistan. Afghanistan is a landlocked country with underdeveloped extractive industries and few sources of inputs, and increased trade with its neighbors was seen as an essential element to achieving this sustained economic growth. The New Silk Road initiative supported Afghanistan's integration into the region by resuming traditional trading routes and reconstructing significant infrastructure links broken by decades of conflict. As a natural hub and transit point for roads, railroads, pipelines, and electric power lines, Central Asia had the potential to become Afghanistan's commercial lifeline and to lead the way in supporting the New Silk Road. Unfortunately, the business environment in Central Asia has historically been unconducive to cross-border trade, and economic integration between the region and Afghanistan has been seriously underdeveloped. Constraints, including low firm-level capacity and complicated, even convoluted legal and regulatory trade environments, have hindered trade not only between Central Asia and Afghanistan, but also between the Central Asian countries themselves and their broader trade partners such as China, Russia, and the European Union (EU).

Initially envisioned as a two-year project, REC was tasked with identifying and addressing trade challenges in Central Asia, to improve the overall operating environment for cross-border trade. Initial project activities included furthering elements of past USAID-funded trade facilitation programs, most notably REC's predecessor project, the Regional Trade Liberalization and Customs (RTL) project. REC did this through supporting existing Export Partnership Groups (EPGs) and developing new ones, and by facilitating regional trade events, while simultaneously conducting detailed market research to evaluate the export potential of businesses in Kazakhstan and Uzbekistan and the constraints that they face. In addition, REC tested each link in the export chain to detect obstacles and determine solutions through pilot trade programs that exported products along the Northern Distribution Network (NDN) into Afghanistan to supply the U.S. Department of Defense (DoD).

In September 2012, REC's scope was broadened and the project started to cultivate networks of women-owned and women-managed businesses and organizations with a specific focus on supporting the Women's Economic Symposium's (WES) follow-on activities and the returnees from U.S. Department of State's summer 2012 Voluntary Visitors Program (VolVis). REC also started to provide technical assistance to support Tajikistan's WTO accession and later, post-accession activities to help Tajikistan conform to the conditions of international trade and integrate into the global economy. Finally, REC also began to assist Central Asian countries in implementing pro-trade policies, regulations, and process to improve performance in Central Asia's transport corridors and promote effective and efficient cross-border trade among Kazakhstan, Uzbekistan, Afghanistan, and the broader region.

Due to the rapid drawdown of U.S. military forces from Afghanistan in late 2014, the project's focus again evolved. REC shifted from identifying firms that could sell to the DoD to identifying alternate customers for these firms, such as the United Nations or international corporations, and to identifying new markets of opportunity such as South Asia and the European Union. With the drawdown of troops, REC understood the renewed importance of exploring new markets for Central Asian firms. And so, REC started to cultivate deeper networks between Central Asian firms and firms from countries such as India, Pakistan, Latvia, and Lithuania, while continuing to further trade within Central Asia and between Central Asia and Afghanistan.

Over the five years the project was active, REC implemented activities in Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan, and included beneficiaries from Afghanistan. Over this period, REC was instrumental in linking Central Asian industries, firms, and governments with each other, broader trading partners, and more trade opportunities, all of which have helped to facilitate a more active and vibrant cross-border trade environment. This, in turn, has not only supported greater economic development and stability in Afghanistan; it has also improved trade relations between the Central Asian countries and their larger trading partners. Though many challenges still exist, REC's activities helped Central Asia take significant steps toward creating an enabling environment to help establish vital market linkages and improve the environment for regional trade and stability.

## **DEVELOPMENT APPROACH**

REC used a multifaceted approach to improve the environment for cross-border trade among Central Asian countries, Afghanistan, and their larger trading partners. Each of the project's six mutually reinforcing components addressed a key challenge to improved competitiveness of Central Asian firms and overall economic growth in the region. Together, they supported the fundamental pillars of economic growth – enabling the business environment, increasing competitiveness at the firm level, and opening access to markets.

Through its innovative development approach, REC successfully oriented Central Asian firms and governments to the immense economic potential of high-demand markets accessible via critical corridors and proactively engaged counterparts to identify and prioritize demands, leading to increased export sales. REC's approach

was to create and support trade linkages in high-demand sectors such as organic farming, horticulture, and textiles and facilitate practical trade promotion events to help conclude deals; conduct targeted market research to identify barriers to trade and provide pragmatic technical assistance to counterparts and beneficiaries to overcome them; and to work with various counterparts such as Central Asian firms, government agencies, and other donors to ensure that the successes achieved by REC-supported firms were complemented by advances being supported elsewhere.

*Developing Trade Linkages and Facilitating Trade Promotion Events.* REC sought to strengthen business linkages throughout the Central Asia and Afghan region by developing and strengthening trade partnership networks and facilitating strategic and practical trade promotion events. Its strategy was to provide targeted human and institutional capacity development in the form of practical training, one-on-one support, and through building tangible strategies to increase sales to specific business networks based on the demands of the market and the needs of these networks. By creating a structure for firms around specific priority sectors, REC increased firms' capacity to identify and meet market requirements, strengthened firms' ability to jointly identify and address common challenges and develop their sector together, improved their ability to overcome policy and financial constraints, and ultimately, increased their overall export sales. REC understood that by joining firms from the same sector together, one firm's successes would spread to others, and ultimately, further the development of the entire sector.

REC facilitated many strategic and practical trade promotion events. Through providing a platform for firms, government and trade associations from Central Asia, South Asia, and larger trading partners to come together, REC was able to connect stakeholders to identify and discuss challenges, collaborate on ways to address them, and facilitate trade deals that would have been difficult to achieve without such a platform. This approach allowed REC to identify the largest barriers to increased regional integration through facilitating frank discussions, address these barriers by connecting the right stakeholders, and ultimately increase trade and integration throughout the region.

*Conducting Robust Market Research to Identify Barriers to Trade and Implementing Practical Technical Assistance.* REC's development approach also included conducting targeted market research to identify barriers to trade at the firm level, at the regional and national government level, in priority sectors, and within and between individual countries. The results of this research guided many of REC's activities as it allowed project staff, USAID, counterparts, and beneficiaries to fully understand the issues surrounding market access and develop strategic programmatic activities to most practically address them. Because of these assessments, REC was able to pinpoint the most pressing challenges to regional trade and integration and address them through focused and direct technical assistance. Through providing firms, government counterparts, and business and trade associations with practical technical assistance, REC increased firms' and governments' capacity to allow for increased integration and trade. The results of REC's market research and technical assistance came not just in the form of studies conducted and people trained, but also in real barriers broken and real deals made.

*Working with Counterparts to Implement Pro-Trade Policies.* Finally, REC's approach was to couple firm development with government development. Increased capacity and trade at the firm level would not be as sustainable and robust without pro-trade policies at the government level. Understanding this, REC worked with government counterparts, including trade promotion agencies, regional and national chambers of commerce, and national economic and trade ministries, as well as other donors supporting the development of enhanced export markets for Central Asian producers, to identify and implement pro-trade policies that would facilitate easier access to markets for firms. This approach of pairing firm development with government development allowed REC not only to identify and facilitate the implementation of government policies that make trade easier but also ensured that firm-level advances would be supported by policy-level advances.

Through implementing these specific development approaches, REC took fundamental steps to advance economic growth and stability through improving the environment for cross-border trade among Central Asian countries, Afghanistan, and larger trading partners.

# CREATING EXPORT LINKAGES AND FACILITATING REGIONAL TRADE

REC implemented a demand-driven approach to increase the competitiveness and flexibility of Central Asian firms to work in an inconsistent trade environment and try to increase export sales. Although the components of this project were mutually reinforcing, each addressing a key challenge to improve the competitiveness of Central Asian and Afghan firms and further economic growth in the region, REC's first component focused on creating export linkages and facilitating regional trade.

REC was envisioned to further successful elements of past trade facilitation programs, with an increased emphasis on facilitating trade between Central Asia and Afghanistan. REC's predecessor project, the Regional Trade Liberalization and Customs (RTLTC) project, was tasked with achieving greater economic growth and competitiveness through trade and transit reform in Kazakhstan, Kyrgyzstan, and Tajikistan and with bringing these countries' economies into conformity with international standards on international trade. To do this, RTLTC implement the Export Partnership Initiative (EPI), a regional program intended to improve firms' ability to compete for international business, form networks, and expand exports. REC continued supporting this initiative by organizing and implementing a three-session EPI Training Program, creating and supporting an EPI Internship Program, and working with established Export Partnership Groups and creating new ones.

Export Partnership Groups (EPGs) consist of approximately 7 to 15 member firms with a particular business focus or interest, such as organic agricultural products, textiles, or exporting to Afghanistan. From these areas of interest, EPG firms seek to work together to grow and develop their businesses and increase their export sales. EPGs are an effective way for businesses and industry associations to collaborate to expand export capacity, promote export activities in new markets, and increase

## RESULTS ACHIEVED

- Implemented the EPI Training Program – a three-session capacity building training program that allowed 60 participants to increase their business and export skills.
- Supported 54 students go through the EPI Internship Program, helping students build their skill and assisting EPG member firms increase their capacity and exports.
- Supported two existing EPGs (including the Organic Farming EPG and the Textiles EPG) and created five new EPGs (including the Exporting to the DoD in Afghanistan, Exporting from Uzbekistan to the Customs Union, Exporting to Russia, Carpet Making, and Exporting Fruits and Vegetables EPGs) to build their capacity and increase export sales.
- Organized and facilitated the annual Central Asian Trade Forum, which resulted in more than \$17 million worth of trade deals to supply Central Asian goods to businesses and organizations around the world.
- Facilitated several B2B events and trade missions, including back-to-back events in Almaty and Kabul and Termez and Mazar-i-Sherif to bring together leading exporters from Central Asia and Afghanistan to make connections and conclude trade deals.

competitiveness. Over the life of the project, REC continued to build and strengthen two existing EPG networks to help participating firms increase their overall exports, while facilitating the creation of five new groups around promising export sectors.

Under this component, REC also helped facilitate trade among Central Asian states, Afghanistan, and broader training partners by connecting firms and businesses with each other, connecting government agencies together, and by organizing and implementing many trade events such as trade missions, Business to Business (B2B) events, roundtables, and the annual Central Asian Trade Forum (CATF). REC organized these events for exporters and governments from Central Asian states, Afghanistan, and beyond to facilitate their participation in international supply chains, constructively link exporters with potential buyers, and ultimately help increase the value of their export sales. Over the life of the project, 10,624 individuals and 4,429 businesses participated in REC-facilitated activities, including the EPI training event, as EPG members or by attending a REC-organized event. By facilitating the right business networks and market linkages, REC successfully increase export sales for all EPG members over the life of the project by \$22,438,106 and facilitated other deals worth \$47,689,905. The total value of the Letters of Intent and Memoranda of Understanding signed during REC-facilitated events over the five years of the project came to more than \$500 million.

## **EXPORT PARTNERSHIP INITIATIVE**



Participants of the EPI Training Program at the last session of the training event, May 2012  
(Credit: USAID/REC Project)

The Export Partnership Initiative (EPI), founded under the RTLC project, created networks of exporters and related service providers to promote their collaboration across Central Asia and Afghanistan. REC continued working with this initiative by organizing and implementing a three-session EPI Training Program and by organizing and implementing an EPI Internship Program.

*EPI Training Program.* The EPI Training Program was a three-series training course designed to increase the business skills and export potential of participants, find additional members for various EPGs, gain a better understanding of exporters' challenges and needs, and figure out how best to support participating firms through other project activities. REC conducted the intensive multi-session EPI Training Program from March through May 2012 in Almaty, Kazakhstan, for 60 participants from enterprises from Kazakhstan, Uzbekistan, Kyrgyzstan, and Tajikistan.

Through this training program, 60 participants learned about quality management systems, how to develop their own export strategy, and management logistics. At the conclusion of the training, companies were given updated reference materials and tools on export procedures, best regional and international practices, and access to other resources. Overall, participants were extremely satisfied with the training. Ninety-five percent of respondents to the post-training survey confirmed that the course met or exceeded their expectations due to its interactive and practical nature. Fourteen percent of companies reported increase in exports. Forty-nine percent of the participating companies were interested in having REC interns through the EPI Internship Program, mainly in the areas of website development, marketing plan, market research and foreign customer engagement. In addition, based on the discussion that took place during the training sessions, REC supported the creation of three new EPGs: Supplying to the DoD in Afghanistan, Export from Uzbekistan to Customs Union States, and Export to the Russian Federation.

*EPI Internship Program.* Under the EPI Internship Program, REC coordinated internships between students from relevant Central Asian educational institutions, EPG member companies, and other export-oriented companies. REC organized two rounds of the Internship Program. The first, organized in the summer of 2012, helped 30 students from leading Kazakh universities gain knowledge and experience through working with Kazakh companies. The second round, organized a year later, focused on Uzbekistan and targeted Uzbek export-oriented enterprises and senior students from Uzbekistan's leading educational institutions. During the second round of the internship program, 24 students took part. During the internship program, companies engaged interns in diverse areas such as raw material sourcing, website development, shipment system optimization and feedback system improvement. In addition to gaining valuable knowledge and new business skills, the interns received a \$200 stipend and certificates of successful completion. Overall, students responded positively to the program, as it provided them an opportunity to gain export-relevant experience, to witness business processes from the inside, and to provide creative recommendations that were positively received by their organizations (see box).

#### STUDENT INTERNS FIND BENEFITS TO WORKING WITH CENTRAL ASIAN COMPANIES

Overall the internship program resulted in tangible professional experiences and real outcomes for both interns and companies. Results included:

- Websites and databases created
- Human resources systems strengthened
- Increased productivity of administrative departments
- Expansion of market research capabilities
- Updating client databases and improving customer communication

## **STRENGTHENING EXPORT PARTNERSHIP GROUPS**

Export Partnership Groups contain 7 to 15 member representatives, including businesses and NGOs, working in a particular industry sector. EPG members seek to expand their business and increase product exports through joining together to initiate and conduct market research, organize and implement industry events, explore and establish joint ventures, and/or contract with each other to further develop their product. Under the RTLC project, several EPGs were created, including the Organic Farming and Textiles EPGs. One of the larger goals of the REC project was to strengthen these and other business networks to help firms increase their exports. REC assisted the two RTLC-created EPGs while facilitating the creation of five new ones: the Exporting to the DoD in Afghanistan EPG (which later turned into the Supplying to Afghanistan EPG), Exporting from Uzbekistan to the Customs Union EPG, Exporting to Russia EPG, Carpet Making EPG, and Exporting Fruits and Vegetables EPG. Over the life of the project, REC assisted these EPGs by developing and revising their EPG Action Plans and implementing identified research assessments, workshops, and training events to increase their capacity. Below, we provide a brief overview of some of the EPG-related activities that REC facilitated.

### **ORGANIC FARMING EPG**

The Organic Farming EPG was launched in May 2011 in Bishkek, Kyrgyzstan, by a group of 12 companies representing Kazakhstan, Kyrgyzstan, and Tajikistan. Under the framework of the EPG, participants agreed to focus on shared branding, market research, fulfilling orders jointly, technology transfer, and sharing experience in eco-tourism. Due to the relatively underdeveloped nature of the organic agriculture industry in Central Asia and due to the active nature of the EPG, REC continued to support the group during the life of the project.

In January 2012, REC organized a focus group to develop further work with existing EPG members who wanted to continue participating in the group. During the focus group, REC facilitated the creation of the EPG Action Plan. The Action Plan, based on members' needs and in accordance with REC's objectives, included a description of activities, establishment of a timeline, and definition of roles and responsibilities. Action Plan activities included developing a Central Asia Republics organic product standard, identifying the potential of the Central Asian organic market through market research, obtaining technical advice on organic farming (particularly on dried apricots), participating in industry exhibitions, and determining new targets for development of the export potential of organic firms in Central Asia.

To help the EPG implement its Action Plan, in July 2012, REC identified and hired an international expert on organic apricot processing. The expert provided training for farmers and bio inspectors on topics around agricultural techniques for growing organic apricots, focusing on pest control, preventing disease, and apricot harvesting and post-harvest storage. See Chapter 3 for a full account of the apricot processing training event.

As a result of the apricot processing short-term technical assignment, REC supported EPG member firm Sugdagroserv to conduct a workshop in February 2013 in Isfara, Tajikistan, on EU requirements for organic apricot farming. Twenty organic

farmers from Tajikistan, Uzbekistan, and Afghanistan learned about the principal requirements of organic farming, the EU's organic standards, methods of improving soil fertility, and alternative pest management. After participating in the workshop, EPG member Barakat, a fruit and vegetable processing plant based in Tajikistan, initiated the first phase of the certification process for organic crops through the International Maritime Organization, a Swiss certification organization. Earning this certification put the firm in a better position to sell its product to EU markets and therefore, to expand and diversify its exports. Half of the participants in that workshop began cultivating apricots using organic principles they learned there, covering a total area of 37 hectares.

Based on the positive outcomes from that organic training, REC organized a second phase of the training in the spring of 2013 for 30 organic farmers and representatives of farmers' associations from Tajikistan, Uzbekistan, and Afghanistan. This event covered the next steps in the organic farming process, including training on the timing and methods of harvesting and drying, the risks in the pre-harvest and harvest activities, and calculation of economic efficiency of an organic harvest.

Seeing Uzbekistan's enormous potential to produce organic agricultural products, REC concentrated its efforts in developing organic farming there. In September 2013, through the Center of Agro Information-Innovation of Uzbekistan, REC received approval to organize organic farming development events in Tashkent and other regions of Uzbekistan. Following receipt of this approval, REC organized a forum in Tashkent to promote organic export partnerships in Central Asia as a pilot event launched within the framework of "AgroFood," an international exhibition on gardening, horticulture, bee-breeding, and floriculture.

This forum gathered farmers from Uzbekistan, Kazakhstan, Kyrgyzstan, and Tajikistan, as well as the Uzbek Ministry of Agriculture. Participants learned about the current state of the organic market in Central Asia and prospects for developing this sector, organic crop producing techniques, and international certifications and standards for organic products. Speakers stressed the need to train Uzbek farmers on the basics of organic farming, including participating in courses organized by International Federation of Organic Agriculture Movements (IFOAM) and developing common standards for Central Asia. As a result of the forum, the Council of Farmers of Uzbekistan signed Memoranda of Cooperation with the International Association Great Silk Way and Soyuz Plodoovosh International Association (Kyrgyzstan) that outline cooperation and joint activities in agricultural trade.

Through the life of the project, REC saw concrete results of its support to the Organic Farming EPG. Through a combination of market research (see Chapter 3) and organization and participation in targeted training and industry events, members of this EPG are now more fully aware of the market opportunities inside and outside the Central Asian region, the customs regulations that govern exporting to the Customs Union and the European Union, and are aware of how they can increase the exports of their organic products. This EPG has now become part of the IFOAM-Euro-Asia chapter. Becoming a part of this federation has not only allowed EPG members to accelerate to the next step of organic farming, but has also allowed the Central Asian organic industry to proceed to its next phase of development. Because the IFOAM is a world-wide organization with decades of experience

building strong organic movements around the world, EPG members and the overall Central Asian organic industry now have access to higher-level, specialized organic development assistance.

### **SUPPLYING TO THE DEPARTMENT OF DEFENSE IN AFGHANISTAN EPG**

Based on the results of the evaluation survey after the EPI Training Program in May 2012, REC facilitated the creation of the Supplying to the DoD in Afghanistan EPG and identified 13 exporting companies from Uzbekistan, Kazakhstan, and Kyrgyzstan who were ready and willing to supply to the DoD to become part of the new EPG. To understand how REC could support this EPG, REC first conducted a focus group with EPG members. During this focus group, the group listened to a Defense Logistics Agency (DLA) representative present opportunities of supply to the DoD, developed its Action Plan, and discussed further activities. EPG members also signed a Memorandum of Understanding to declare the establishment of their partnership and to state the group's goals, objectives, mission and principles. A further discussion of activities that REC supported under this EPG and its Action Plan may be found in Chapter 4.

In response to the rapid drawdown of U.S. troops from Afghanistan in 2014, REC repurposed the Supply to the DoD in Afghanistan EPG into the Supplying to Afghanistan EPG and identified a worldwide market for the products that it previously exported to the DoD. REC worked with producers to identify other buyers for their goods, not only in Afghanistan, but also other global suppliers, targeting, for example, the United Nations and international corporations as well as diverse markets, including the EU. Chapter 4 discusses the details of REC's support to exporters supplying Afghanistan.

### **EXPORT FROM UZBEKISTAN TO THE CUSTOMS UNION EPG AND EXPORT TO THE RUSSIAN FEDERATION EPG**

Another result of the evaluation survey after the 2012 EPI Training Program was the creation of the Export from Uzbekistan to the Customs Union EPG. This EPG was created in response to the rapidly changing environment associated with exporting to the Customs Union (CU) countries (Russia, Kazakhstan, and Belarus), which presented an opportunity for Uzbek companies to adapt to new conditions imposed by the CU. To create this EPG, REC hosted a seminar in July 2012 for 31 Uzbek companies on How to Export to the Customs Union. From those 31 seminar participants, seven created the new EPG and signed a Memorandum of Understanding.

REC's support for the EPG focused primarily on strengthening the capacity of firms from Uzbekistan to understand and ultimately sell their products in retail markets in the Customs Union countries. Based on their initial engagement on this topic during the first year, EPG members requested more in-depth training and skills development on expanding their access to these markets. In November 2012, REC organized a workshop on Effective Work with Retail Chains in Russia in Tashkent, Uzbekistan. This workshop was specifically requested by EPG members based on common interest and opportunity to trade with Russian retail chains. REC worked closely with an experienced trainer and consultant from Moscow, Dmitry Kuznetsov,

to provide an in-depth review and assessment of the existing and high-potential Russian retail chains from the Central Asian perspective. In addition, as discussed in Chapter 3, REC initiated a market survey of Siberia to expand EPG members' understanding of the market potential there.

This workshop turned out to be a good instrument for creating a new export partnership group focused on exporting to Russia. In development of this new EPG, REC cooperated with AmCham Uzbekistan and other representatives of Uzbek and Kazakh businesses to participate in a focus group and establish the base for the new EPG, which resulted in an EPG Action Plan and signed Memorandum of Cooperation among the new EPG members. See Chapter 3 for more on REC's market research to support the Export to the Russian Federation EPG.

### **EXPORT OF FRUIT & VEGETABLE EPG**

Both REC's horticultural roundtables in 2015 and its analytical research on export growth opportunities for fresh and processed fruits and vegetables helped to identify the need for a new stage of development in Uzbekistan's horticultural exports. Based on the results of these roundtables and research, REC conducted a focus group in April 2015, which resulted in the establishment of the new Export of Fruit and Vegetable EPG. During the focus group, participants, representing fruits and vegetable producers, learned the principles of EPG initiatives, discussed the sector's main opportunities and challenges, and identified the necessary actions that should be taken to develop the sector's export potential. The new EPG's main goal was to increase export of horticultural products of Uzbek agricultural firms to the European Union and the Eurasian Economic Union.

The Export of Fruit and Vegetable EPG was REC's highest achieving EPG. Through organizing various events such as the two Fergana Valley Horticultural Forums (please see Chapter 7), and conducting market research studies, REC was able to understand exporters' needs and address them. Because of the events facilitated by REC, EPG member firms signed Lols worth more than \$500 million to export their horticultural goods.

### **CENTRAL ASIAN TRADE FORUM**

REC's hallmark activity was organizing and implementing the annual Central Asian Trade Forum (CATF). Since 2011, CATF provided a platform to facilitate export partnership opportunities and encourage cross-border trade among entrepreneurs, business associations, firms and governments to strengthen the export competitiveness of the Central Asia. More broadly, the Forum presents an opportunity to support the debate of wider economic issues within the region and examine specific sectors and activities across the region. It offers guidance to both sectors and individual businesses and

#### **CATF IMPACT OVER THE YEARS**

To illustrate CATF's growing impact, the value of contracts and deals made over the years includes the following:

CATF I: N/A (Organized by RTLC)  
CATF II (September 2012): \$576,000  
CATF III (October 2013): \$1,470,000  
CATF IV (October 2014): \$70,000  
CATF V (October 2015): \$15,001,705  
CATF VI (September 2016): \$13,255,000  
(preliminary MOUs and LOIs only for CATF VI)

(See Annex B for a complete list of CATF deals and MOUs and LOIs)

entrepreneurs. Through REC's detailed organization and ability to bring the most prominent and useful resources, experts, and exporters together, CATF has become the largest annual event for exporters in the region and is now a widely recognized brand name.

Although the Forum has evolved during the REC years from a small trade facilitation event to the year's largest event for regional exporters, its overall objective remains the same. The objective of CATF is to increase the export competitiveness of high value-added sectors, such as horticulture, textiles, transport and logistics, and to enhance regional trade within and beyond Central Asia. Other objectives include informing on the export potential, competitiveness, and development prospects of Central Asian markets; creating conditions for concluding trade deals; motivating participants to develop export capacity through competition; and developing recommendations and proposals to eliminate barriers to export trade.

Given the forum's importance in building and maintaining strong business linkages, REC considered it to be particularly important to develop a model for CATF sustainability. Over the years, REC progressively involved project partners, including export promotion agencies, regional Chambers of Commerce and Industry and business associations, and other donors, such as the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the European Bank for Reconstruction and Development (EBRD), and the Asian Development Bank (ADB) not only to gain financial co-sponsorship, but to facilitate an activity that was truly a collaboration of all stakeholders involved in Central Asian export development. By facilitating collaborative action, REC's efforts to create a model of sustainability have been successful, as demonstrated by the current organization of the post-REC CATF VII.

## THE SECOND ANNUAL CENTRAL ASIAN TRADE FORUM



**Novopharma Plus, an Uzbek pharmaceutical company receives the Most Dynamically Developed Exporter of Central Asia award at the Second Annual Central Asian Trade Forum, September 2012 (Credit: USAID/REC Project)**

The first Central Asian Trade Forum, organized in Bishkek, Kyrgyzstan, was the culminating event of RTLC's Export Partnership Initiative. As REC was tasked with continuing successful elements of the RTLC project, REC decided to organize the second CATF on September 25-26, 2012 in Almaty, Kazakhstan. CATF II was the culminating event of REC's effort, in its first year, to develop export partnerships and other business linkages among Central Asian companies. At the Forum, REC facilitated meetings between EPGs and other firms, and presented a year's worth of project activities. Participants from the EPGs shared their successes and took part in training sessions to further improve export promotion skills and formed valuable contacts with other businesses and organizations. For example, during the Organic Farming EPG Master Class, REC presented the findings of the market survey conducted to identify existing producers, available producers, export volumes, and development trends. This ensured that not only EPG members but other firms who were not a part of the group could have access to this information and benefit from REC's findings as well. The survey findings led to a healthy discussion between EPG and non-EPG member firms to try to find joint solutions to problems and learn from each other.

REC also introduced the "Best Exporter of the Central Asian Trade Forum" contest, designed to help firms gain public recognition for their companies' achievements and to motivate participants to develop greater export opportunities by choosing the best exporter based on the company's achievement during the previous year. The Best Exporter of Central Asia for 2012 was Nossochi Tajik, Tajikistan's largest textiles company. Other awards included the Most Dynamically Developed Exporter of Central Asia, which went to Novopharma Plus, an Uzbek pharmaceutical company, and the Best Presentation at the CATF Exhibition, which went to AKKA Tec, a Kazakh light-fixture manufacturer. Due to the popularity of this event, the Best Exporters contest became a fixture of the annual CATF.

In all, CATF II consisted of 10 plenary conference sessions that were attended by 270 participants from 217 organizations and companies. The Forum also hosted a trade fair where 25 Central Asian companies displayed their products, presented their services, and established cross-border connections. In total, during CATF II, 10 deals, totaling \$576,000, were closed between participants and companies.

### **THE THIRD ANNUAL CENTRAL ASIAN TRADE FORUM**

The Third Annual Central Asian Trade Forum held October 9-11, 2013 was significantly larger than the second and attracted 438 participants representing 270 organizations and agencies from both Central Asia and South Asia. CATF III had a large focus on trade development with Afghanistan and sharing experiences on WTO membership. CATF III was organized similarly to CATF II, with roundtables, presentations, a B2B session, and a trade exhibition. In addition to the normal sessions, REC, in collaboration with the Afghanistan Investment Support Agency and the Almaty Chamber of Commerce and Industry, led an Afghan delegation to the Innovation Technologies Park in Almaty. Through this site visit, the park demonstrated Almaty's development and advancement in innovative new technologies that further expedite production and increase quality. In addition, the visit highlighted the major incentives for local and foreign investors to establish a

presence in the park. In addition to those benefits of displaying the park to visitors, the Afghan delegation observed how modern technologies could be used for better operations and became familiar with modern operations to conduct businesses.

Overall, at CATF III, through the networking and B2B matchmaking events, five cross-border contracts, totaling \$1,470,000, were signed between Central Asian and Afghan companies.

#### **THE FOURTH ANNUAL CENTRAL ASIAN TRADE FORUM**

The Fourth Annual Central Asian Trade Forum, held October 29-30, 2014, had 942 participants representing 18 countries, including all Central Asian states, Afghanistan, Pakistan, Latvia, South Korea, China, India, Russia, Bulgaria, and other European countries, in attendance. CATF IV topics focused on developing more efficient economic corridors and transport and logistics and greater economic cooperation with South Asia. As in previous years, CATF IV resulted in several new business deals and agreements for Central Asian businesses. For example, a Kazakh textile producer, Araily LLP, ordered an embroidery machine from a Turkish producers. The decision to order this machine was taken after a presentation made by the Turkish Textiles Association. The machine, which cost approximately \$60,000, was purchased to make high-quality insertions for textile products ordered in bulk. This machine gave the company a competitive advantage; after the machine arrived, the details and consistency of their products was better for bulk orders. Overall, a total of \$70,000 in deals were signed at CATF IV.

#### **THE FIFTH ANNUAL CENTRAL ASIAN TRADE FORUM**



Models show off Central Asian fashion at the Fifth Annual Central Asian Trade Forum's Fashion Show, September 2015 (Credit: USAID/REC Project)

The Fifth Annual Central Asian Trade Forum brought together 1,014 participants to create business networks and create market linkages. This Forum specifically focused on the export development of horticultural products in Central Asia and to providing information on trade financing and export marketing for Central Asian businesses. Due to the increasingly high profile of this event, CATF V drew several high-ranking officials, including Ms. Zhanar Aitzhanova, Minister of Economic Integration of the Republic of Kazakhstan; Susan Reichl, Counselor to the U.S. Agency for International Development; and Georgia A. Krol, U.S. Ambassador to Kazakhstan.

As in previous years, CATF V resulted in a number of new business deals and agreements, including MoUs and Lols for Central Asian businesses, totaling more than \$45 million to supply goods, render transport and logistics services, consulting services, and organizing training events, exhibitions and fairs. The total amount of facilitated deals at CATF V equaled \$15,001,705.

A special feature of this form was the Ethno Fashion Show. Organized and delivered by REC's grantee SPINNA Circle, this fashion show featured fashion designers from Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. This shows was the first time in recent times that a show of this nature and professionalism with women from all five Central Asian Republics had taken place. This show not only displayed the ethnic fashion of these countries, it also displayed the high professionalism and quality of the fashion industry in Central Asia. This show provided an opportunity and incentive for more fashion designers in the region to work on their skills and professionalism. The event was such a success, it was repeated during CATF VI.

## **THE SIXTH ANNUAL CENTRAL ASIAN TRADE FORUM**

The Sixth Annual Central Asian Trade Forum, held on September 7-8, 2016, focused on new challenges and opportunities in Central Asia. This Forum brought together 635 participants from 14 countries to discuss current trends and export opportunities for Central and South Asian businesses. Demand-driven topics at CATF VI focused on the role of the private sector, enhancing soft skills, the development of regional tourism, and enhancing economic ties between India and Central Asia, to name a few. CATF VI resulted in new business MoUs totaling \$13,255,000 to supply goods and render transport and logistics services.

The organization of the Forum was similar to other years, including plenary sessions, roundtables and presentations, a Trade Exhibition and a Fashion Show, this time organized by REC grantee Raisa Fashion House. In addition to the annual Trade Exhibition, CATF VI introduced the National Corners. The National Corners display included eight countries from Central Asia, Afghanistan, Pakistan, and Lithuania. Each country showcased cultural products, including colorful textiles, handicrafts, musical instruments, traditional clothes, and information on national tourism opportunities. Forum participants were able to taste Uzbek fresh fruits, Kyrgyz dairy products, Turkmen traditional breads, and Lithuanian fresh cheese.



The Uzbekistan National Corner Exhibit at CATF VI, September 2016  
(Credit: USAID/REC Project)

Additionally, for the first time, CATF VI provided a unique add-on program for participants. On September 9, 2016, REC organized a site visit for 128 people representing eight countries, including Kazakhstan, Kyrgyzstan, Uzbekistan, Afghanistan, Tajikistan, Turkmenistan, the United States, and Russia, to travel to the Khorgos region at the Kazakh-Chinese border. This region includes both the Special Economic Zone (SEZ) “Khorgos Eastern Gates” and the International Center for Boundary Cooperation (ICBC) Khorgos.

Participants had the chance to learn about opportunities in transport and logistics and Khorgos facilities, which exemplify the region’s rapidly expanding logistics sector and Kazakhstan’s ambitions to become a key transit hub connecting China to Europe. Participants explored the terms and conditions for attracting investment, public-private partnership mechanisms, tariffs, exemptions and concessions for transshipment, storage, processing and transportation of cargo, rules for opening representative offices, and establish direct business contacts with Chinese businesses. As a result of the Khorgos site visit, Krendel Confectionary Company of Kazakhstan is now negotiating with ICBC Khorgos on the Chinese territory to open a retail space and supply 20 tons of cookies and gingerbreads to China.

CATF VI opinion polls and participant feedback was positive, and indicated that people are already looking forward to participating in CATF VII in 2017. Although CATF VII will not be organized by REC, the legacy and sustainability that the project created will be highlighted in Forums to come.

## **FACILITATION TRADE IN CENTRAL ASIA, AFGHANISTAN AND BEYOND THROUGH BUSINESS-TO-BUSINESS EVENTS**

Throughout the life of the project, REC created many opportunities for businesses to network and develop coordination mechanisms that support improved competitiveness and export potential. REC-supported Business-to-Business (B2B) events provided a platform for firms and government officials to identify opportunities and challenges in trade among the Central and South Asian regions. These B2B events not only provided a platform for discussion but also resulted in new supply contracts in multiple sectors. Although REC facilitated many B2B events, some as standalone activities and others within the framework of larger forums, the discussion below highlights some of more significant B2B events.

### **KAZAKHSTAN – AFGHANISTAN B2B EVENTS**

To develop trade with Afghanistan in the context of the New Silk Road, REC and the USAID Trade and Accession Facilitation for Afghanistan (TAFA) project organized two back-to-back B2B events, the first in Almaty, Kazakhstan, in June 2013 and the second in Kabul, Afghanistan, in July 2013, to bring together leading Afghan and Kazakh entrepreneurs. These events were aimed at streamlining exports of Afghan products to Kazakhstan and Kazakh products to Afghanistan. Both B2B events included presentations by relevant ministries and agencies, introductions of exporting products and their qualities, and lectures on transportation, logistics, export-import regulation issues, and trade policies.

The Almaty B2B event involved nine Afghan producers of marble, carpet, and dried fruits and nuts; 28 Kazakh companies interested in Afghan products; and representatives from KazNex Invest, Atameken, and others. REC organized site visits for Afghan companies to Metro Cash & Carry, Wholesale Market Barlyk Sauda, Marble Processing Plant Spartak-Amal, Carpet Gallery Firoz, and Carpet Salon Karavan-Sarai. As a result of this event, Afghan companies became acquainted with the specifics of importing to Kazakhstan, transportation corridors, and logistic issues. The companies presented their products and discussed the demands of the Kazakh market. Several Kazakh companies expressed interest in Afghan products and paid a return visit to Afghanistan to continue their negotiations. For example, Marble Processing Plant Spartak-Amal visited marble enterprises in Kabul in August 2013, and Carpet Salon Karavan-Sarai connected with Hali Weavers and Neja, carpet making companies in Afghanistan. The follow on event in Kabul sent 14 Kazakhstani producers to discuss possible collaboration and exports with Afghan counterparts.

Initial contracts signed between companies at the B2B events valued more than \$7 million. For example, the Dikanshy Company of Kazakhstan signed a \$2 million one-year contract to supply flour to Afghanistan. Another deal finalized through the B2B meetings included Maslodol, another participant of the trade exchange in Kabul, one of the largest food producers in Kazakhstan. The company negotiated trade deals with Afghan entrepreneurs and signed a contract to supply 1,500 tons of Maslodol's vegetable oil per month to an Afghan company, for a total value of \$650,000.

## UZBEKISTAN – AFGHANISTAN B2B EVENTS

*Termez B2B and Roundtable.* Another significant trade facilitation event was a B2B and roundtable event held in Termez, Uzbekistan, in November 2013. This event brought together more than 50 representatives of state bodies, businesses, and trade promotion organizations from Kazakhstan, Uzbekistan, and Afghanistan, including the Chief Government Official of Balkh province, Afghanistan, Mr. Abdul Fayaz Mehr Aeen. Significantly, this was the first time an official delegation from Balkh province had been on a trade mission to Uzbekistan. The roundtable event allowed participants to discuss trade issues between Uzbekistan, Kazakhstan, and Afghanistan, showcase products, and establish new business ties. REC's short-term trade facilitation advisor Timur Nuratdinov presented his analysis of the trade regime between Afghanistan and Uzbekistan, highlighting current and potential opportunities for trade between the countries. This event resulted in a signing of a Memorandum of Cooperation (MoC) between the Council of Farmers of Uzbekistan and the Chamber of Commerce and Industry of Balkh Province. REC also assisted the Kazakh Maslodel company resolve a transit issue at this event. Sales manager Olga Bogomolova informed REC and other participants at the roundtable that Malodel's first shipment of vegetable oil to Afghanistan had been stuck at the Uzbek-Afghan Termez river port for two months. Through conducting a review of the situation and discussing the issue with high-level participants at the roundtable, the \$130,000's worth of vegetable oil was safely delivered to Afghanistan to finalize the requirements of Maslodel's trade contract, which was signed after REC's Kabul B2B meeting in July, 2013. Due to the success of the event, a follow up B2B and roundtable event in Mazar-i-Sharif, Afghanistan, was organized.

*Mazar-i-Sherif B2B and Roundtable.* As a follow-up to the Termez B2B and roundtable, 15 Uzbek and 20 Kazakh companies and associations along with more than 100 Afghan businesses participated in the B2B meeting in Mazar-i-Sharif, Afghanistan, in February 2014. REC organized this event with the Chamber of Commerce and Industry of the Balkh Province in Afghanistan, the Embassy of the Republic of Kazakhstan to Afghanistan, the National Chamber of Entrepreneurs of Kazakhstan, and the Argo Information-Innovation Center of Uzbekistan. Kazakh and Uzbek participants in these meetings represented companies exporting food and agriculture products, pharmaceuticals, transportation, chemicals, consumer goods, construction materials, and logistics services. Afghan businesses represented importers, distributors, wholesales, and retailers. The B2B meetings provided an opportunity for entrepreneurs to exchange information, develop bilateral and multilateral trade and economic ties, and address the requirements of exporting goods from Kazakhstan and Uzbekistan to Afghanistan, as well as from Afghanistan to Central Asian countries.

This event resulted in several new connections and deals. For example, Timur Khamidov, General Director of Nika Pharm Company of Uzbekistan, established business contacts with Afghan counterparts and negotiated a pilot contract to supply medicines and pharmaceuticals to Afghanistan, and Vladimir Nikolenko, Sales Director of Marwin Brands of Uzbekistan, signed a contract to supply Dena brand juices to Afghanistan. Additionally, entrepreneurs of the three participant countries signed letters of intent for the export and import of goods valued at more than \$8 million.

The events at Termez and Mazar-i-Sharif not only helped individual companies strike deals and increase their trade, they also helped facilitate a broader discussion among businesses, associations, governments, and international donors on how to address some of the most significant and detrimental barriers to trade between Afghanistan, Uzbekistan, and Kazakhstan, and the larger region as a whole.

### **KAZAKHSTAN – KYRGYZSTAN B2B EVENT**

The Third Annual Central Asian Trade Forum revealed Kazakhstan’s interest in Kyrgyz products, especially textile, food, and beverage products. To facilitate increased trade development between the two countries, REC and the Chambers of Commerce (CCIs) of Kazakhstan and Kyrgyzstan conducted a “Trade Cooperation Kyrgyzstan-Kazakhstan” business-to-business conference on March 12, 2014 in Bishkek, Kyrgyzstan. The Kazakh delegation comprised 20 companies that expressed interest in Kyrgyz imports. More than 60 Kyrgyz enterprises from the agricultural, textile, and food and beverage industries presented their export goods. Participants had the opportunity to learn about the import-export regimes of each country. The B2B session facilitated networking and matchmaking between Kyrgyz exporters and Kazakh importers. Kyrgyz exporters were able to exhibit their products to Kazakh importers to expand their markets.

During the B2B sessions, the Kazakh delegation held 92 one-on-one meetings with Kyrgyz exporters. The feedback from this event revealed that the Kazakh delegation identified 46 Kyrgyz exporters as potential partners. The participants reached preliminary agreements for the supply of goods from Kyrgyzstan totaling more than \$170,000. Additionally, four letters of intent between Kyrgyz exporters and Kazakh importers were signed at the conclusion of the conference.



## SNAPSHOT

### USAID bolsters \$7 million in trade deals between Kazakhstan and Afghanistan

USAID supports economic rehabilitation of Afghanistan



Dikanshy's packed flour which is now being delivered to Afghanistan.

Photo from Dikanshy's website



Gulaikhan Myrzagalieva negotiates trade deals at the business-to-business event in Kabul.

Photo: KAZNEXT Invest

*“Kazakhstan and Afghanistan have longstanding trade relations. I am very grateful to USAID, as the visit to Kabul has evoked a great interest from Afghani businessmen in Kazakhstani products and made it possible for Kazakh entrepreneurs to export goods to Afghanistan.”*

*Gulaikhan Myrzagalieva,  
Commercial Director  
of Maslodel LLP*

U.S. Agency for International Development  
[www.usaid.gov](http://www.usaid.gov)

Top managers from 14 Kazakhstani companies visited Kabul to present and promote products and goods made in Kazakhstan as part of the trade exchange organized by the USAID Regional Economic Co- operation (REC) Project. More than \$7 million in mutually beneficial deals between Afghan and Kazakhstani entrepreneurs were preliminarily negotiated at the meetings, which couldn't have been possible without USAID support.

Igor Denissenko, Director General of the Dikanshy company, participated in the business-to-business meetings in Kabul and signed a \$2 million one year contract to supply flour to Afghanistan. The first shipment of 408 tons of flour valued at \$130,560 was already delivered to Afghanistan. He shared his support for regional stability through trade. “Kazakhstan contributes a lot to stabilization of Afghanistan. This trade exchange is proof of the support provided by entrepreneurs to economic rehabilitation of Afghanistan and its involvement into regional [economic] integration processes.”

Maslodel LLP, another participant of the trade exchange in Kabul, is one of the largest food producers in Kazakhstan, which produces more than 100 types of food items including butter, vegetable oil, mayonnaise, margarine, condensed milk, tomato paste, ketchup. As part of the trade exchange, Gulaikhan Myrzagalieva, Commercial Director of Maslodel, negotiated trade deals with Afghan entrepreneurs and signed a contract to supply 1,500 tons of Maslodel's vegetable oil per month to an Afghan company, for a total value of \$650,000. The contract is signed for one year, but the company is planning to pro- long it for additional 10 years. The first shipment of vegetable oil, valued at \$130,000, was already delivered.

As a result of support from USAID, KazStroiSteklo LLP, a Kazakh glass producing company that also participated in B2B meetings in Kabul, signed letters of intent with Afghan counterparts to supply armored glass for a total value of more than \$5 million. Biopharm LLP, a Kazakh pharmaceutical company, has established business contacts with Afghani counterparts and is now negotiating a pilot contract to supply medicines for a total value of \$300,000.

USAID supports mutual endeavors of the two countries to expand trade ties and to deepen economic relations between Kazakhstan and Afghanistan.

# EVALUATING THE EXPORT POTENTIAL OF FIRMS AND INDUSTRIES

Evaluating the export potential of Central Asian firms and industries was an essential crosscutting component that complemented and supported REC's other activities. Through conducting targeted market research and providing short-term technical assistance, the activities conducted under this component became beneficial resources that informed other project activities, and supported REC team members, USAID, stakeholders, and beneficiaries to make informed and strategic programmatic decisions.

Activities under this component identified formal and informal obstacles to trade, recommended innovative solutions to these obstacles, and ultimately, addressed export capacity deficiencies. The research conducted under this component supported REC's selection of firms for the EPI Training Program and DoD pilot projects, informed the design of export marketing and transport and logistics strategies, and helped identify new categories of consumer products to receive project support in response to beneficiaries' needs and feedback. This component also supported both Kazakh and Uzbek government export promotion agencies by building their capacity and providing short-term technical assistance on jointly identified priority areas of interest.

Under this component, REC successfully completed 28 research assessments and short-term technical assignments to identify and reduce barriers to trade. REC was successful in creating and maintaining the CAR Exporters Database, which not only served as a baseline for the project but was also incorporated into the Defense Logistics Agency (DLA) Yellow Pages, a worldwide list of exporters to the U.S. military. REC also conducted market research, identified in several EPG Action Plans, which provided EPG member firms invaluable market information; supported the Kazakh company Tsesna-Astyk to receive ISO 22000 certification, which helped to secure contracts worth more than \$600,000; and supported Kazakh and Uzbek export promotion agencies to increase their services to their countries' exporters. Overall, because of the market research and technical assistance provided under this

## RESULTS ACHIEVED

- Conducted 28 research assessments and short-term technical assignments that supported all other project activities and helped REC staff, USAID, beneficiaries, and stakeholders make informed programmatic decisions
- Created the CAR Exporters Database, which includes information on 1,625 exporting firms, which was distributed among stakeholders and incorporated into the DLA Yellow Pages
- Supported several EPG Action Plans through conducting market research and provided targeted technical assistance
- Supported the Tsesna-Astyk company receive ISO 22000 certification which helped them conclude contracts worth over \$600,000
- Provided Kazakh and Uzbek export promotion agencies capacity building assistance that increases services to their country's exporters

component, REC, USAID, and other stakeholders were kept abreast of the most concrete and up-to-date information, which was critical to informing all other project activities.

## **CAR EXPORTERS DATABASE**

REC created the CAR Exporters Database, which ultimately served as a project baseline and provided invaluable data on exporters, counterparts, and REC activities. At the onset of the project, REC identified more than 500 exporting firms from Kazakhstan, Uzbekistan, Tajikistan, and Kyrgyzstan by pulling from several existing databases, including the KazNex Invest database of local producers exporting their goods from Kazakhstan, the Defense Logistics Agency (DLA) Prime Vendors and General Services Administration (GSA) lists, and the European Bank for Reconstruction and Development Business Advisory Services (EBRD-BAS) program, among other regional databases.

The database includes the names of local producer and supplier companies, their contact information, varieties of commodities exported, export destinations, and international certifications. Firms identified belong to a variety of industries, including machinery, agriculture, electrical manufacturing, food and beverage production, textiles, construction, plastic and hygienic production, metallurgy, telecommunications, lumber and wood processing, pharmaceutical, chemistry, electronics, motor vehicle production, and furniture production.

In March 2012, the project provided the DLA with the database which was subsequently incorporated into its “DLA Yellow Pages,” a list of worldwide companies that can potentially supply the U.S. military. REC also disseminated the database among the other stakeholders involved, such as KazNex Invest and various business associations.

Throughout the life of the project, REC provided regular maintenance and updates to the database. In addition to being incorporated into the DLA Yellow Pages, the database was used as an internal tool for exporters’ training recruitment, public outreach, and REC deliverables dissemination. Participation of new companies in REC events continuously expanded the database. At the end of the project, the database included 1,625 companies from Central Asia, Afghanistan, India, Pakistan, Latvia, and Lithuania, among other countries. The database will be handed over to the USAID/CA Competitiveness, Trade, and Jobs project.

## **MARKET RESEARCH ACTIVITIES AND TECHNICAL ASSISTANCE TO SUPPORT EXISTING EXPORT PARTNERSHIP GROUPS**

### **ORGANIC FARMING EPG**

*Market Survey.* To increase the capacity of the Organic Farming EPG members, REC supported research on the organic farming market in Central Asia by conducting a market survey that identified existing producers, available producers, export volumes, and development trends. This survey was part of the Organic Farming EPG Action Plan, which REC helped develop. In the summer of 2012, REC subcontracted the Fund for Integration of Ecological Culture (FIEC) to conduct the Central Asian

Organic Market Survey. Key findings of the survey included the possibility of China as an importer of organic products; that marketing should meet international premium segment requirements so that Central Asian companies can sell their products in markets such as Germany, Poland, and Hong Kong; that current legislation needs to be revised to reflect international organic certification; and that there is a need for a regional organic center as a public awareness and support unit. The REC team presented these findings from the survey at CATF II within the Organic Farming EPG Master Class, disseminated them among Organic Farming EPG members, and published the findings on the project's website.

#### GOALS OF THE ORGANIC MARKET SURVEY

- Review the international organic market and its development trends
- Analyze the current situation with organic products in Central Asia
- Provide data on production and export of organic goods in Central Asia
- Identify the potential for development of regional organic exports
- Identify current and potential channels for promotion of organic goods and services
- Understand the perception of the brand "Organic Products" in Central Asia
- Provide recommendations for the development of a strategy for regional and international export of organic goods and services

*Capacity Building Activities.* Organic Farming EPG members submitted a request for a short-term technical assistance assignment to assist in the development of the apricot value chain, particularly for advice on improving the quality of apricot processing. In July 2012, short-term technical advisor Atyl Ertem trained Organic Farming EPG members from Kyrgyzstan and Tajikistan in methods of processing apricots that comply with the standards of organic farming. Mr. Ertem introduced a system of farming, fertilizing, irrigation, and pest management at local apricot producing farms, delivered training sessions for bio inspectors of Kyrgyzstan and Tajikistan, and developed a manual on harvesting, drying, and storage of organic apricots according to the requirements of the European market. Beneficiaries included EPG members Bio Service Foundation of Kyrgyzstan and Sugd Agro Services of Tajikistan, which received training materials for best agricultural practices for organic apricots and a handbook for best agricultural and manufacturing practices of organic apricots. To leverage other donor resources, the REC project signed a MoU with GIZ to fund further certifications.

#### EXPORT TO THE RUSSIAN FEDERATION & EXPORT TO CUSTOMS UNION STATES EPGs

*Survey on the Export Opportunities in Siberia.* Members of the Exporting to the Russian Federation and Exporting to the Customs Union EPGs were interested in entering the Siberian regional retail chain market, as identified through multiple focus-group discussion and in their EPG Development Action Plans. The idea was that entering the Siberian market will strengthen the EPG companies and provide them with additional opportunities to sustain and expand their respective businesses. In February 2013, REC implemented a survey on export opportunities for Central Asian producers in Siberia. This survey provided more than 30 EPG members with a map of major participants in the retail sector in the Siberian region interested in cooperating with Central Asian producers; an assessment of the legislative and business environment in the Siberian region relevant for foreign producers; efficient logistics and transportation routes from Kazakhstan, Uzbekistan, and Tajikistan to

the Siberia region; and recommendations for the best option, given existing logistics. The survey confirmed the attractiveness and potential of the Siberian market for Central Asian suppliers and that Central Asian products are competitive due to privileged Russian border-crossing modes and Customs Union terms for Kazakhstan.



Organic Farming EPG members receive technical assistance on improving the quality of organic apricot processing, July 2012

(Credit: USAID/REC Project)

## **MARKET RESEARCH AND TECHNICAL ASSISTANCE TO SUPPORT SUPPLYING TO THE DOD**

### **MARKET RESEARCH TO IDENTIFY OBSTACLES TO SUPPLYING DOD**

*Survey on Internal and External Obstacles to Firms Supplying to the DoD:* To help identify internal and external obstacles to firms supplying to the DoD in Afghanistan, REC conducted a survey to gain insight from existing local DLA/GSA prime vendor suppliers to identify existing processes, contract requirements, and constraints faced by local suppliers while working with prime vendors. Through this survey, local suppliers identified constraints such as difficulties complying with multiple documentation requirements of prime vendors and the difficulties suppliers in face investing their own capital for the period of the contract with prime vendors. The survey data was used to inform the How to Export to the U.S. DoD in Afghanistan manual and the Barriers to Supplying the U.S. DoD in Afghanistan report (see Chapter 4).

### **TECHNICAL ASSISTANCE TO DOD PILOT COMPANIES**

REC reviewed and assessed 60 high-export potential companies for subcontracting with DLA prime vendors. The review process included verifying their compliance with DLA quality and quantity requirements and specifications, supporting negotiations process, maintaining communications flows, and identifying subcontracting constraints to be addressed through REC technical assistance.

*Tsesna-Astyk.* One of the DoD pilot companies identified during the review process was Tsesna-Astyk, a producer of grain, wheat flour, and macaroni, based in Astana,

Kazakhstan. REC provided both financial and technical support to Tsesna-Astyk to obtain the ISO 22000 certification for its macaroni production unit (called Tsesna-Mac) to make the company a viable supplier to the DoD in Afghanistan. REC supported Tsesna-Mac to implement a food management system, which included the development, training, implementation and audit of the ISO 22000 certification. REC provided this technical assistance through funding the pre-certification audit and through training the company's quality management team. Tsesna-Astyk went through all three of REC's EPI Training Program sessions, which served as the foundation for the ISO implementation, and became a member of the Selling to the U.S. DoD in Afghanistan EPG.

Tsesna-Mac successfully received the ISO 22000:2005 certificate in November 2012. The certification provided Tsesna-Mac with the same level of required compliance and audit specifications as a DLA prime vendor to supply the DoD in Afghanistan. After receiving the certification, both prime vendor Theodor Wille Intertrade (TWI) and the Public Health Command (PHC) audited Tsesna-Mac. In October 2013, Tsesna-Astyk received an official letter and audit report stating that PHC inspectors had approved Tsesna-Mac for inclusion in the Worldwide Directory of Sanitarily Approved Food Establishment for Armed Forces Procurement. Due to the withdrawal of troops from Afghanistan in 2014, Tsesna Astyk did not end up selling any products to the DoD in Afghanistan. However, both the ISO certification and inclusion on the list of DoD-approved food suppliers gave the company significant credibility. Due to the newfound credibility, in December 2014, the company won a UN World Food Program's bid to supply more than 200 tons of wheat flour to Tajikistan, valued at approximately \$150,000. In addition, the company signed a \$500,000 deal to become a large-scale supplier with Caspian International Restaurant Co, a Kazakhstani subsidiary of the U.S. restaurant chain KFC.

## **MARKET RESEARCH AND TECHNICAL ASSISTANCE TO KAZAKH AND UZBEK TRADE PROMOTION AGENCIES**

Both Kazakhstan and Uzbekistan governments have extensive, high-quality information they use to promote exports and attract investors. However, government agencies from both countries still needed support to update their market knowledge and improve their services to local firms. REC provided this assistance to Kazakh and Uzbek trade promotion agencies through market research and targeted technical assistance.

*KazNex Invest.* Kazakhstan's national export and investment agency, KazNex Invest is a national development institute that assists Kazakh enterprises to develop and promote local exports and attract foreign direct investment into priority sectors of the economy. REC cooperated with KazNex through providing targeted technical assistance and through providing multiple platforms in which KazNex could provide better services to Kazakh exporters.

REC and KazNex Invest jointly identified two key areas where the organization could use assistance:

- I. Technical assistance on priority industries-based export strategy development (machine building, metallurgy, construction, chemistry,

pharmaceuticals, food, and textile industries) and evaluation of companies' export potential.

2. Technical assistance on the development of export services aimed at identifying the most appropriate international best practices for export promotion agencies' support.

REC provided support to address these key areas by engaging renowned technical experts to conduct technical research and assistance assignments to identify and help implement export strategies for key sectors of the economy, providing training to KazNex employees to learn the best strategies to assist Kazakh exporters, and organizing trade missions, B2B meetings, and other trade facilitation events, and by asking KazNex Invest to be fully involved in annual CATF preparations.

*Technical Assistance on Developing Industry-Based Export Strategies.* In September 2012, REC engaged international marketing and trade expert Igor Artemiev to evaluate the development of exports in Central Asia for KazNex Invest with the overall goal of assisting KazNex to establish market linkages between Kazakh suppliers and international buyers. Specifically, he developed export strategies for 10 Kazakh suppliers in machinery and metallurgy, identifying 50 potential buyers and 15 distribution companies for the selected companies. He facilitated 10 trips of Kazakh companies to meet with potential buyers and five visits of potential buyers to Kazakhstan. He evaluated the selected companies' export potential and assisted with developing overall export strategies for the machinery and metallurgy industries, focusing on the export markets of Germany, Turkey, China, and Russia.

By the end of his assignment, Mr. Artemiev had developed two industry-based export strategies for KazNex (heavy machinery and metallurgy) and developed recommendations on how to increase exports in those industries. These findings were instrumental for KazNex in developing its National Export Strategy, which was submitted to the government for approval in 2014.

*Technical Assistance on the Development of Export Services.* In June 2013, REC engaged with 2020 Development Company (2020DC), a U.S.-based company with experience in training and curriculum development, to deliver a training-of-trainers to select KazNex employees. The overall objective of the Keys to Successful Exporting training was to provide technical assistance to KazNex employees to develop better

**“I want to thank all the organizers of the (Keys to Successful Exporting) seminar. Apart from gaining experience that shared with us the experts of the USAID project, it was a great opportunity to meet with our exporters and share useful knowledge about the details of exports to different countries. For many participants, this seminar was a kind of immersion in the world of international trade with all of its export requirements in marketing, logistics, taking into account local traditions and customs that will surely give a new impetus to the development of exports and export-oriented industries of the country”**

**— MR. AKIF MIRZAYEV, PARTICIPANT IN THE “KEYS TO SUCCESSFUL EXPORTING” SEMINAR TRAINING,**

export services in line with international best practices. KazNex Invest supported 10 staff members to go through three training programs that helped staff to improve the quality of services provided by KazNex in their training of Kazakh exports. The training was so successful, that 2020DC delivered a complimentary training, jointly facilitated by KazNex employees to 30 exporters in Almaty attended by companies producing beverages, dairy products, machinery equipment, and medical appliances, among others.

## **INTERNATIONAL VISITORS LEADERSHIP PROGRAM**

The International Visitors Leadership Program (IVLP) is the U.S. Department of State’s premier professional exchange program. Through short-term visits to the United States, current and emerging foreign leaders are able to gain knowledge and experience in a variety of fields and cultivate lasting relationships with American counterparts. REC provided KazNex Invest with assistance in applying for the International Visitors Leadership Program with the U.S. Embassy in Kazakhstan. KazNex requested support for its ongoing efforts in building institutional export capacity through educating its senior and med-level managers in areas such as export strategy development, knowledge of multimodal transportation and logistics, market research tools, among other things where the national knowledge and expertise were either non-existent or insufficient.

REC initiated, designed, and facilitated a study tour to the U.S. on the topic of Central Asian Trade Promotion Agencies Development from October 22 to November 9, 2012. Nine representatives from Central Asian trade promotion agencies were nominated through REC to this program. The delegation included four officials from KazNex Invest, three Uzbek trade consultants and experts, one Kyrgyz representative of e-commerce, and one Tajik entrepreneur.

### **CENTRAL ASIAN TRADE PROMOTION AGENCIES IVLP AREAS OF STUDY**

- Institutional system of export promotion in the U.S. and stakeholder interaction
- Financial support of agricultural exporters and other government support programs
- U.S. National export initiative implementation
- NGO sector initiatives in export promotion
- Training and education programs provided to maintain international business
- Export of tourist services and mechanism of attracting tourists.

Following the successful completion of the study tour, REC and KazNex were later approved to participate in the 2014 Trade Along New Silk Road: Promoting Regional Integration through Economic Development multi-regional IVLP. This study tour helped KazNex employees study different mechanisms of government financial support for agricultural exports, exporters’ education, and to visit private sector beneficiaries. This program helped participating KazNex officials and private businesses of Kazakhstan identify, develop, and implement best practices of financial support of export in agriculture. The program also provided training opportunities for exporters and certification programs.

## **MARKET RESEARCH TO HELP CENTRAL ASIAN COUNTRIES IMPLEMENT PRO-TRADE POLICIES, REGULATIONS, AND PROCESSES**

*Stakeholders Mapping Analysis.* Helping Central Asian countries implement pro-trade

policies, regulations, and processes required a comprehensive report on stakeholder mapping in Uzbekistan and Kazakhstan. The purpose of the stakeholder mapping analysis was to establish the status of transport corridor development and customs services' performance in Central Asia and Afghanistan, to identify a niche where USAID's REC project components could work, and to identify potential grantees and (re)establish working relationships.

One main result showed that traders along major Central Asian trade routes report a 30-40 percent loss of value due to border delays and bribes. REC pledged to help improve Central Asian transport corridor performance and customs services, decreasing delays at borders and reducing the cost of trade in the region through engaging and building close relationships with other donors and projects, especially with the Central Asian Regional Economic Cooperation (CAREC) project funded by the ADB and other donors. See Chapter 7 for a further discussion of how REC supported transport and logistics.

*ATAMEKEN Survey.* REC also launched a survey among ATAMEKEN members to identify problems of trading with Uzbekistan. ATAMEKEN is the national economic chamber of Kazakhstan, which unites more than 200 industry-based, regional and republican business associations. REC developed a survey to identify current issues constraining export to Uzbekistan, issues surrounding customs clearance, financial settlements, cargo transportation and packaging, transit through Uzbek territory, and challenges within the overall Uzbekistan business environment. The survey was disseminated and a series of roundtable meetings were conducted in both Kazakhstan and Uzbekistan, involving respective government agencies, NGOs, private businesses, and the international community (see Chapter 7).

## MARKET RESEARCH TO HELP INFORM OTHER PROJECT ACTIVITIES

REC also conducted market research to inform many of its project activities. Exhibit A below contains a list of the select market research conducted by REC.

### EXHIBIT A: LIST OF RESEARCH CONDUCTED TO HELP INFORM VARIOUS REC PROJECT ACTIVITIES

PROJECT ACTIVITY	RESEARCH CONDUCTED
Mazar-i-Sharif B2B Meeting February 2014	In preparation for the B2B meeting in Mazar-i-Sharif, Afghanistan (Chapter 2), REC made a selection of potential partners in Kazakhstan, Uzbekistan, and Kyrgyzstan who have opportunities to increase trade with Afghanistan. To prepare the cooperation, REC analyzed legislation related to trade between Afghanistan and Uzbekistan, met with state and private organizations and associations to collect and organize information, and prepared a detailed report with recommendations on the goods produced in Afghanistan and Uzbekistan that will have demand in Uzbekistan, and Afghanistan accordingly. The report included survey results on other business and investment opportunities for Uzbek-Afghan cooperation. As a result, about 14 businesses from Uzbekistan and 18 businesses from Kazakhstan, representing food, agriculture, and construction, metals, and pharmaceuticals companies were selected to participate in B2B meeting in Mazar.
Central Asian Business Opportunities Conference (CABOC), Islamabad, Pakistan April 2014	In preparation of the Central Asian Business Opportunities Conference (CABOC) in Islamabad, Pakistan (Chapter 7) REC conducted market research on the trade balance between Central Asian countries and Pakistan. REC identified Central Asian products that are most in demand in Pakistan as well as the products of interest to Central Asian countries. It was revealed that Central Asia can export to Pakistan mainly primary products such as oil and

PROJECT ACTIVITY	RESEARCH CONDUCTED
	<p>gas, metals, cotton, unprocessed skins, chemicals, fertilizers, whereas Central Asia wants to import machinery and equipment, textile, agricultural products, and medicine. Results of this research were used to select the appropriate participants for the CABOC. The project had also meetings with the Pakistani Embassy, Pakistani Government representatives, CCIs, and the USAID Trade Project to better understand the trade and business environment (statistics, visa regime, trade finance, transportation and logistics, registration of companies, investment regulations, etc.) for Central Asian/Pakistani cooperation. As a result, REC helped to prepare presentations for the participants from Central Asia on export-import regimes, and barriers for trade with Pakistan for the conference. In all, REC selected 51 companies from Kazakhstan, Uzbekistan, Tajikistan, and Kyrgyzstan to participate in the CABOC in April 2014</p>
<p>Kazakhstan-Kyrgyzstan B2B March 2014</p>	<p>To facilitate increased trade development between Kazakhstan and Kyrgyzstan, REC selected potential partners in Kazakhstan and Kyrgyzstan who could increase trade between their countries. As a result, 20 Kazakh and 60 Kyrgyz enterprises from the agricultural, textiles, and food and beverage industries were selected to participate in the B2B meeting held in Bishkek, Kyrgyzstan in March 2014. Before the meeting, REC conducted research to identify the best types of imports/exports and to identify companies who fit that profile. The B2B facilitated networking and matchmaking between Kyrgyz exporters and Kazakh importers and included an exhibition of Kyrgyz goods.</p>
<p>Trade Cooperation with Latvia roundtable market research and matchmaking March 2015</p>	<p>In preparation for a Latvian study tour follow-up meeting and in support of the roundtable on cooperation between Uzbek farmers and Latvian importers, REC conducted surveys and market research in to address challenges and opportunities in Uzbek-Latvian agricultural trade. The main obstacles of supplying goods to the Latvian market as identified by respondents were the lack of modern warehousing, substandard shipment methods, and low quality packaging, among other issues. However, respondents also emphasized the opportunity for businesses in Uzbekistan to cooperate with Latvian companies. These findings were used as the basis for future research on barriers to export growth in the fruit and vegetables and packaging industries in Uzbekistan. REC selected approximately 30 Uzbek farmers to participate in the roundtable in Tashkent.</p>



**USAID**  
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**CENTRAL ASIA**

**SNAPSHOT**

## USAID helps Kazakhstani Flour Business to Flourish

**USAID helped a Kazakhstani food producer meet international standards which resulted in new international contract deals**



Tsesna Astyk's production facility

Photo: Tsesna Astyk

*“We are very grateful to USAID for all its assistance. We hope for further collaboration and we are planning to take part in all future USAID initiatives as they foster such good business results for our company.” - Mr. Ibragimov, Deputy Chairman of the Board, Tsesna Astyk*

The Tsesna Astyk Group of Companies is a leading Kazakhstani brand in the cereal processing sector, producing high quality food products from Kazakhstani grain. USAID's Regional Economic Cooperation Project (REC) has been working with Tsesna Astyk since 2012.

With USAID assistance in meeting international production standards, the company obtained International Organization for Standardization (ISO) certification.

USAID recommended that the U.S. Department of Defense include Tsesna Astyk on its list of food supplier vendors. After a thorough audit by a DoD's prime vendor, Tsesna Astyk was provided a list of recommended upgrades to its production process for becoming a food supplier to the U.S. DOD.

USAID supported Tsesna Astyk to meet all necessary ISO standards and become certified by the DOD's Public Health Command. Based on the audit results, in October 2013 the company was included in the directory of approved food suppliers for the U.S. Armed Forces.

Due to the withdrawal of U.S. troops from Afghanistan, Tsesna Astyk did not initiate supply deliveries to the DoD in Afghanistan. However, its ISO certification and inclusion in the list of U.S. DoD-approved food suppliers have added significantly to the company's credibility.

With this newfound credibility, in December 2014, the company won a major UN World Food Program contract to supply more than 200 tons of flour valued at approximately \$150,000. Similarly, the company signed a half-million dollar deal to become a large scale supplier to the Caspian International Restaurants Company, which is a Kazakhstani subsidiary of the U.S. restaurant chain KFC.

# OVERCOMING BARRIERS TO EXPORT AND SUPPLYING THE DEPARTMENT OF DEFENSE

When the REC project began in 2011, one of the highest potential export destinations for all Central Asian countries was Afghanistan. The U.S. Department of Defense (DoD) had started sourcing goods for its military in Afghanistan through the Northern Distribution Network (NDN), a supply route that runs from the Balkans through many Central Asian countries into Afghanistan. The U.S. supported NDN resiliency and wanted to improve its effectiveness through expanding procurement in the Central Asian region. Initially, REC's activities under this component focused on increasing exports to the U.S. DoD in Afghanistan from Kazakhstan and Uzbekistan by increasing companies' capacity to supply to DoD prime vendors.

## RESULTS ACHIEVED

- Developed and distributed in both English and Russian the practical guide “On Exporting and Delivering Commodities from Kazakhstan/Uzbekistan to the U.S. Department of Defense in Afghanistan”
- Trained 287 participants on supplying to the DoD through five seminars and roundtables.
- Supported Uzbek firm Fyaz negotiate contract with DoD prime vendors TWI and Seven Seas worth \$1,900,000
- Facilitated REC's partner Tsesna-Astyk's inclusion the Directory of Approved Food Companies of the U.S. Armed Forces which helped them to sign contracts with other organizations and companies worth over \$600,000

Several U.S. government agencies, including the Defense Logistics Agency (DLA), the General Services Administration (GSA), and the Joint Theatre Support Contracting Command (JTSCC), wanted to source many of their products closer to Afghanistan in Central Asian states including Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan, for several reasons (see box). REC supported this local sourcing procurement effort by working in close collaboration with DLA, GSA, and JTSCC representatives, various prime vendors, Kazakh and Uzbek export promotion agencies, and Central Asian firms to test the barriers to export and help supply the DoD. Activities included conducting market research to identify barriers to Central Asian firms trying to supply the DoD, developing and distributing a “how to” guide on supplying the DoD, developing and supporting the Supplying to the DoD in

## BENEFITS TO THE U.S. FORCES IN AFGHANISTAN SOURCING FROM CENTRAL ASIA

- Sourcing products closer to Afghanistan significantly reduces shipping time and costs
- Local sourcing strengthens U.S. economic cooperation with nations providing access to the critical supply routes of the Northern Distribution Network (NDN)
- Business skills and regional trade relationships developed in these countries resulting from local procurements are enduring assets that encourage the long-term stability of the region.

Afghanistan EPG, and supporting select Kazakh and Uzbek firms in initiating pilot projects to supply to DoD prime vendors. Activities conducted under this component were closely linked with other REC activities, leveraging efforts already underway from the components supporting EPGs and market research.

Troop reductions, base closures, and the reconsideration of construction projects in Afghanistan in 2014 resulted in a reduction in the number of procurements to the DoD. REC was responsive to these changes in demand and subsequently shifted component activities from focusing on identifying firms that could sell to the DoD to identifying alternate business channels for these firms to sell to, such as the United Nations and international corporations, and identifying new markets of opportunity, such as South Asia and the EU. Through technical assistance activities such as conducting training events and seminars, REC helped DoD suppliers understand the appropriate steps and investments required to sell to alternate international suppliers.

Under this component, REC identified barriers to supplying the DoD and subsequently created and distributed a practical guide for Kazakh and Uzbek suppliers on how to sell to the DoD, supported the new Supplying to the DoD in Afghanistan EPG through conducting five roundtables and seminars, and helped three companies sign contract to supply to either DoD prime vendors or alternate business channels worth over \$3 million. Overall, business skills and regional trade relationships developed in these countries first, as a result of supplying the DoD, then later, from supplying to other outlets, are enduring assets that encourage the long-term stability of Central Asia and Afghanistan.

## **SUPPLYING TO THE U.S. DEPARTMENT OF DEFENSE**

*Market Research.* At the onset of the project, REC needed to conduct initial market research to understand the barriers to trade and to know how best to supply the DoD. To become familiar with DoD requirements and to better understand the environment of doing business with the DoD, REC studied relevant DoD doing business manuals, researched secondary data, participated in industry training events, and got involved in initiatives organized by the DoD in the region. In addition, the field-office team and the home-office project management unit (PMU) initiated discussions with the DLA to learn about the U.S. government procurement process in Central Asia. The DLA team noted that REC assistance was most necessary in the area of supplying food items, expressed interest in learning about related exhibitions and trade fairs, and requested that the project compile a “yellow pages” directory of suppliers.

*Surveying Prime Vendors and Local Suppliers.* Next, to gather additional information, REC surveyed prime vendors and local suppliers. Prime vendors are intermediaries and supply chain integrators between the DoD and local suppliers. They possess valuable information on doing business processes, procedures, and barriers to organize purchases of goods from the local suppliers to DoD. In Central Asia, the DoD worked through specific prime vendors, including Theodor Wille Intertrade (TWI), Seven Seas, and Supreme Foods, which provide marketing for the DoD, purchasing, storing and consolidating goods, and transportation and distribution of goods among DoD subdivisions in Afghanistan. REC conducted a survey of prime

vendors to identify requirements for selling to DoD. Prime vendors were asked a range of questions to collect data on their experience and practice with doing business with the DoD. Based on the survey results, REC summarized the information and prepared recommendations for the Central Asian suppliers.

REC also surveyed local suppliers and other stakeholders about the barriers to supplying the DoD in Afghanistan. DLA and GSA provided REC with a list of current local suppliers in Kazakhstan and Uzbekistan. REC surveyed the suppliers and gathered information on their experiences dealing with DoD. REC analyzed the information and discovered that the firms faced many challenges (see box). Based on these findings, REC developed the *Barriers on Supplying to the U.S. DoD in Afghanistan Report*, which included REC-developed recommendations on reducing identified obstacles.

#### *Seminars, Roundtables, and Training.*

To use this market research to support firms supply to the DoD, REC conducted several seminars, roundtables, and training events to build the capacity of Central Asian firms supplying to the DoD. Overall, REC trained 287 participants on supplying to the DoD through five seminars and roundtables.

For example, in February 2013, together with REC, Tajikistan's Ministry of Economic Development and Trade (MEDT) conducted a seminar on supplying to the U.S. DoD in Afghanistan. More than 50 Tajik exporters of textile products, food products, and construction materials met with the officials of MEDT, Ministry of Transport, Ministry of Energy and Industry, Chamber of Trade and Commerce, State Committee on Investments, AmCham Tajikistan, representatives of the DoD, prime vendors, and other donors to establish business connections and learn about how to supply to the DoD.

REC also organized a three-day training course to develop and implement ISO 9001: 2008 quality management system (QMS) March 12-13, 2013 in Uzbekistan, involving 19 participants from AmCham Uzbekistan, member of the Uzbek Association of Development of Business Logistics (ADBL), and Tashkent Economic University professors. Participants studied the best international practices of QMS implementation and certification.

#### **MAIN CHALLENGES FACING LOCAL SUPPLIERS TRYING TO SUPPLY THE DOD**

- Lack of information on how to become an eligible supplier for DoD, particularly the requirements applied to enterprises and products
- Lack of information about procedures for the selection of products for the DoD in Afghanistan. Frequently, local suppliers are not informed of the shipments' nature and products required for DoD, which makes compiling documentation and submission to prime vendors complicated; there is also a lack of product requirements and specifications
- Lack of smooth information exchange between organizations involved in export to DoD, a lack of information about domestic producer support instruments, and a lack of sustainable authority capable of advising on requirements and procedures of supplying to the DoD
- Lack of information and knowledge regarding aspects of international law, entering into contacts with foreign companies, and resolving disputes through international arbitration
- Many enterprises lack knowledge about the maintenance of the quality systems and product safety



Participants at the seminar on supplying to the U.S. Department of Defense in Afghanistan, Dushanbe, Tajikistan, February 2013. (Credit: USAID/REC Project)

*How to Supply to the DoD Manual.* To facilitate better understanding of how the DoD does business, REC used the market research, survey results, and information gathered at the roundtables and seminars to develop the practical guide “On Exporting and Delivering Commodities from Kazakhstan/Uzbekistan to the U.S. Department of Defense in Afghanistan.” The manual was finalized and approved by USAID in March 2012 and posted on the REC website in English and Russian. Electronic versions of the manual were distributed to members of the Supplying the DoD in Afghanistan EPG and other stakeholders.

## **SELECTED PILOTS TO SUPPLY DOD**

REC worked with several pilot firms to increase their capacity to supply to the DoD. To pick firms for pilot projects, REC established a shortlist of firms in Kazakhstan and Uzbekistan with the greatest potential to meet the requirements for contracting with the DoD, and evaluated them on DoD certification, quantity, and quality requirements and standards to consider supporting them as pilot companies. Ten pilot companies were chosen in Kazakhstan and 11 in Uzbekistan. Of these 21 potential pilot firms, 19 were involved in REC activities, including participating in training events and seminars, and seven firms were active members of the Supplying to DoD in Afghanistan EPG.

REC developed action plans for two pilot companies, EPG members Tsesna-Astyk, a Kazakh food supplier, and Fyaz, an Uzbek wood processing company. REC supported these two firms in negotiations with DoD prime vendors. REC helped Fayz facilitate two contracts with prime vendors TWI and Seven Seas for shipments of heat-treated lumber valued at \$1,900,000. REC supported Fayz during each critical step, from post-harvest handling and packaging to final delivery and inspection. After the contract was finalized, REC presented the Fayz Case Study at the December 2012 Supplying the DoD in Afghanistan EPG meeting in Tashkent for other pilot firms and potential DoD local suppliers.

REC also supported Tsesna-Astyk (Kazakhstan) in its efforts to earn ISO 22000 certification and to pass audits by prime vendors to become a prime vendor supplier (see Chapter 2 for a detailed account on the ISO 22000 certification process). In October 2013, Tsesna-Astyk received an official letter and audit report that the Public Health Command (PHC) inspectors had approved Tsesna-Mac for inclusion in the Worldwide Directory of Sanitarily Approved Food Establishments for Armed

Forces Procurement. Due to the change in the context of the U.S. military involvement in Afghanistan, however, Tsesna never completed a deal to supply the DoD. The new ISO 22000 certification and inclusion in the worldwide directory, this gave Tsesna with additional capacity to supply other firms (see next section).

## **IDENTIFYING AND FACILITATING SALES FROM CENTRAL ASIAN SUPPLIERS TO DOD ALTERNATIVES**

Troop reductions, base closures, and the reconsideration of construction projects in Afghanistan in 2014 resulted in a reduction in the number of procurements to the DoD. REC was responsive to the changes in demand for procurement from the DoD and subsequently shifted component activities from focusing on identifying firms that could sell to the DoD to identifying alternate customers for these firms to sell to, such as the United Nations and international corporations. The drawdown also put renewed emphasis on finding new markets of opportunity, so, REC also started to facilitate deeper business linkages between firms from Central Asian and from South Asia and the European Union, with a specific emphasis on those firms previously supplying the DoD.

Through technical assistance activities such as training events and seminars, REC helped DoD suppliers understand the appropriate steps and investments required to sell to alternate international suppliers. REC tracked this changing context to the U.S. military engagement in Afghanistan by maintaining positive relationships with representatives of the DoD and DLA, GSA, and JTSCC. For example, at GSA's request, REC met with the Uzbek supplier LLP National Investments to discuss the reduction in volume of GSA purchases and possible ways to expand export sales in other countries. The company was informed of REC's other activities and REC provided the company with relevant training materials, presentations, and market research materials for expanding their export. In addition, companies that had completed their contracts with the DLA were included in REC's delegation to the Central Asian Business Opportunities Conference (CABOC) held in Islamabad, Pakistan (see Chapter 7) to help them find new potential markets in Pakistan and Afghanistan, and participated in other REC events to build their export capacity.

REC also conducted market research to identify alternate avenues for DoD suppliers in the both private and public sectors. REC identified new business channels in the EU market and in the humanitarian goods market. The findings were presented and discussed at two roundtables attended by DoD and GSA suppliers from Kazakhstan and Uzbekistan. In cooperation with the Uzbekistan Small Business' and Private Entrepreneurship's Export Promotion Fund and KazNex Invest, REC held a roundtable in Samarkand in April 2015. During the event, 20 members of the DoD Suppliers EPG from Uzbekistan discussed alternative avenues for export suppliers to EU and other markets.

And finally, REC helped pilot companies find other avenues to export their goods. Through Tsesna-Astyk's new ISO certification and inclusion on the list of DoD-approved food suppliers, significant value was added to the company's credibility. With this new-found credibility, in December 2014, the company won the UN World Food Program's bid to supply more than 200 tons to wheat flour to

Tajikistan, valued at approximately \$150,000. The company also signed a \$500,000 deal to become a large-scale supplier with Caspian International Restaurant Co, a Kazakhstani subsidiary of the U.S. restaurant chain KFC. Additionally, Uzbek dairy products manufacturer, Gerfed, another EPG member, executed several deals to supply dairy products to two Afghan companies worth \$1,100,000.



## SNAPSHOT

### USAID Helps Uzbek Wood Company Increase Export Sales by 70%

**USAID assistance helps businesses increase sales and competitiveness.**



FAYZ WOODGROUP's warehouse of heat treated lumber

*Ruslan Kuchkarov noted “USAID’s Regional Economic Cooperation Project provided training and guidance that made FAYZ more competitive. We gained new business skills and knowledge, and established advantageous business ties that resulted in signed contracts and exports increased by nearly 70%”.*

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FAYZ WOODGROUP is an Uzbek wood processing company that saws, trims and dries hardwood, plywood, and parquet flooring since 2010. As a result of USAID’s assistance, FAYZ has become one of the Central Asian local suppliers to the U.S. Department of Defense (DOD) in Afghanistan, increasing their export capacity and sales.

Ruslan Kuchkarov, Export Manager of FAYZ, participated at the Spring 2012 “Export Partnerships Initiative” training organized by the USAID Regional Economic Cooperation (REC) project. The training had the goal to improve firms’ operations and expand its export potential, while building business network connections in the Central Asia region. The trainings included topics on trade marketing, management and logistics, and strategic presentations such as “How to Supply to U.S. DOD in Afghanistan”. From the latter, FAYZ recognized an unmet demand for heat-dried lumber in Afghanistan and expressed interest in supplying its products.

The USAID REC project linked and facilitated the cooperation between FAYZ and Theodor Wille Intertrade (TWI) - an expeditionary supply chain management company that directly supplies to the DOD as a “Prime Vendor”. In July 2012, FAYZ signed two contracts with TWI to supply over 800 m<sup>3</sup> of heat- dried lumber, valued at approximately US \$400,000.

Now FAYZ has joined a group of thirteen Central Asian companies facilitated by USAID REC to establish a sustainable strategy to supply to the U.S. DOD in Afghanistan. Their goal is to improve the quality of their products, implement required standards and certifications, and diversify their client base.



# EMPOWERING WOMEN ENTREPRENEURS IN CENTRAL ASIA AND AFGHANISTAN

Gender equality and female empowerment are fundamental to sustainable development in Central Asia. Although the REC project has integrated gender into every component, the addition of this component in 2012 enabled the project to extend its benefits to women who were outside the realm of other project activities. The inclusion of this component was a deliberate attempt to design the project in a way that ensured women participated in, and benefited from, project resources and activities. In recognition of the need to further develop the economic potential of female entrepreneurs and women in business, REC supported building the capacity of, and creating linkages between, women in Central Asia and Afghanistan.

The Central Asia and Afghanistan Women's Economic Symposium (WES) was held in Bishkek, Kyrgyzstan, in July 2011. Through this symposium, a regional initiative was launched to build the network of women leaders, expand their knowledge and tools, and provide ongoing support for their efforts coordinating with donors, the private sector, and government partners. In August 2012, 12 women representing private businesses and nongovernmental organizations from Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, Turkmenistan, and Afghanistan participated in the U.S. Department of State's "Women Entrepreneurs in Central Asia and Afghanistan Network" (WE CANN) Voluntary Visitors Program (VolVis), a follow-on activity from WES. In September 2012, REC began to support the graduates of this program and WES follow-on activities through a small grants program.

## RESULTS ACHIEVED

- Awarded eight grants to Central Asian and Afghan women's businesses and organizations totaling over \$610,000
- Helped The Business Association of Women Entrepreneurs Asia increase membership in their organization from 40 member to 82 members and counting
- Supported the Tajik Women's Development Agency establish and equip two sewing workshops which now provides jobs for 30 women and has signed contracts worth over \$28,000
- Supported SPINNA Circle conduct two study tours to the U.K. where participants learned how to orient their products towards the European market. Also facilitated a cooperation between the Kazakh University of Technology and Business and Middlesex University in which delegates from each institution will be able to make regular trips between the two universities leading to continued, robust cooperation to share and exchange new technologies, academic advances, and marketing practices

Through these grants, REC provided a platform where the VoVis participants could discuss program outcomes, continue networking with each other, and facilitate follow-up activities. Although initially targeted toward VoVis graduates, this grants program broadly focused on benefiting a wide number of women beneficiaries to help Central Asian and Afghan firms build skills, make connections, and increase their own capacity to trade. These grants helped women-owned and -managed businesses and organizations cultivate networks, improve their firms' capacity, increase exports, and/or boost the ability of their organizations to help their beneficiaries, with the ultimate goal of facilitating the regional development of the export potential of the textiles industry, a sector dominated by women.

Through this component, REC distributed eight grants totaling more than \$610,000, which assisted the Tajik Women's Development Agency to open two sewing workshops that provide jobs to 30 women; helped the Regional Centers of Excellence/Kyrgyzstan present its Fergana Valley Collection at five trade fairs, which generated sales of more than \$220,000 for participants; helped The Business Association of Women Entrepreneurs Asia increase its membership from 40 to 82; and helped SPINNA Circle set up SPINNA Circle hubs throughout Central Asia and Afghanistan, increasing women artisans' capacity, networks, and sales.

## GRANTS PROGRAM

REC awarded eight grants to six different women's organizations and firms ranging in value from \$14,205 to \$170,000 (see Exhibit B for a summary of the grants program). Through being awarded these grants, organizations were able to increase the capacity of their members and products, support the promotion of the textiles industry in the region and beyond, promote the potential of Central Asian and Afghan business women working in the industry, and create a regional professional association of textile workers and designers. Through these activities, REC ultimately supported the grantees to increase both trade and regional relations by strengthening and advancing the Central Asia and Afghanistan textiles industry.

### EXHIBIT B: SUMMARY OF GRANTS PROGRAM

ORGANIZATION RECEIVING GRANT	PERIOD OF GRANT	AMOUNT
Raisa Fashion House	April – July 2013	\$39,000
Public Organization Community Connections	April – October 2013	\$14,205
Regional Centers of Excellence, Kyrgyzstan	November 2013 – September 2014	\$100,000
SPINNA Circle	November 2013 – September 2014	\$150,000
Tajik Women's Development Association	July 2014 – January 2015	\$21,440
Business Association of Women Entrepreneurs Asia	April 2015 – May 2016	\$100,000
SPINNA Circle	June 2015 – July 2016	\$170,000
Raisa Fashion House	July – September 2016	\$15,983
<b>TOTAL AMOUNT OF GRANTS PROGRAM</b>		<b>\$610,628</b>

## **RAISA FASHION HOUSE**

Raisa Fashion House, a VolVis graduate headquartered in Pavlodar, Kazakhstan, was among one of the first organizations to receive a REC grant. Its initial grant was worth \$39,000, which was used to support activities related to raising craftsmanship quality and increase sales in the Central Asia region. Raisa Fashion House used the grants to organize several crafts fairs, master classes, and roundtables. The crafts fairs in Astana and Almaty allowed the 500 participants to network and negotiate sales, resulting in an estimated total sales around 15 million KZT (or approximately \$100,000). During a roundtable in Pavlodar, a Memorandum of Understanding (MoU) was signed by the Uzbekistan Association of Business Women, KURAK Women's Foundation of Kyrgyzstan, and the Pavlodar Branch of the Kazakhstan Association of Business Women, which laid out the basis for further cooperation among women entrepreneurs in Central Asia. The grant also supported the procurement of an embroidery machine to support the organization to create more professional and consistent products to sell.

In 2016, the Raisa Fashion House was awarded an additional grant to build the capacity of women-entrepreneurs by organizing a master class for up to 50 women-entrepreneurs in Pavlodar to develop, maintain, and enhance the image of female entrepreneurs in Central Asia, promote regional collaboration and networking of women fashion designers across Central Asia, arrange a delegation of high performing designers to attend and participate in CATF VI, and help organize the fashion show at CATF VI for designers to present their fashion collections.

## **PUBLIC ASSOCIATION “COMMUNITY CONNECTIONS”**

REC issued a \$14,205 grant to the Public Association “Community Connections” organization of the Sughd Region in Tajikistan to train women artisans in marketing and pricing, quality standards, new product development, and e-commerce. The grant was used to support activities related to the development of women's handicraft entrepreneurship and to train 75 women from five locations in northern Tajikistan to improve the quality of their craft items and increase sales. This grant also helped to support “Community Connections” to open a premise for selling craft items in a trade center in Khujand, Tajikistan, and to support networking and trade between Afghan and Tajik craftswomen.

## **TAJIK WOMEN'S DEVELOPMENT AGENCY**

The Tajik Women's Development Agency (WDA) was awarded a \$30,890 grant to implement its “Economic Empowerment of Women and Market Access Opportunities” program. This program organized many activities, including conducting workshops on marketing, e-commerce, and product quality, establishing relations with regional and international customers and networking in the textile sector, organizing a crafts fair, and establishing and equipping two sewing workshops.

The two sewing workshops, located in Khujand, Tajikistan, now provide jobs for 30 women. The women were trained in marketing, product quality, and market trends in the development of new textile products. The new knowledge and skills acquired by the women have resulted in obtaining trade contracts for the production of textile products, including bedding, clothes, uniforms for schoolchildren, and uniforms for an Afghan construction company, altogether valued at more than \$28,000. In addition to the two shops that were opened, WDA opened a specialized kiosk in Khujand, Tajikistan, for selling textile products made at the two shops. The kiosk brings in an additional \$300 a month on average.

## REGIONAL CENTERS OF EXCELLENCE

REC provided a grant to the NGO Regional Centers of Excellence Kyrgyzstan (RCE KG) for \$100,000 to advance women's economic opportunities in the Fergana Valley through supporting textile industry development. This grant specifically targeted women artisans from Kyrgyzstan, Uzbekistan, and Tajikistan. In February, 2014, RCE KG presented its Fergana Valley Collection at the Artisan Resource New York Gift Fair, a U.S.-based trade show designed for international artisans which was attended by over 200 people. During this event, RCE KG received orders to produce silk, felt, and mohair scarves, ponchos, pillow covers, nativity sets, and embroidered belts totaling more than \$5,000. RCE KG also presented its collection at fairs in Washington D.C.; New Delhi, India; Almaty, Kazakhstan; and Choplan-Ata, Kyrgyzstan. Participation in these events generated sales of more than \$220,000, increased networking among participating artisans, and helped to establish new business contacts which have been beneficial for post-fair sales.



Members of the Regional Centers of Excellence Kyrgyzstan present and sell their Fergana Collection at trade fairs. (Credit: USAID/REC Project)

## SPINNA CIRCLE

Headquartered in the United Kingdom, SPINNA Circle is a global network and mentoring club with a focus on empowering women entrepreneurs in the fashion and textiles industries. SPINNA empowers women in Central Asia by building capacity and linking markets through setting up SPINNA Circle Hubs, a networking platform. Women entrepreneurs and artisans across the fashion and textiles industries are supported by connecting them, providing training, mentoring, and exploring business opportunities. REC provided SPINNA Circle with an initial \$150,000 grant to continue its work with Central Asian women entrepreneurs.

SPINNA initiated work by conducting a needs assessment in Uzbekistan and Kazakhstan to identify partners and regions for SPINNA Circle Hubs and held a promotional meeting in London to foster interest in Central Asian textile products. SPINNA then held several workshops including two in Uzbekistan (in Samarkand and Bukhara) and three in Kazakhstan (in Almaty, Shymkent, and Astana), which focused on quality and productivity improvement. At these workshops, participants received one-on-one consultations from professional trainers on how to increase the quality and competitiveness of their products. Altogether, approximately 100 women in Kazakhstan and Uzbekistan benefited from these workshops.

SPINNA also selected five Central Asian women to participate in a study tour to the U.K., where they participated in a master class, met with academics at Middlesex University, showcased their products to potential buyers, conducted market research, and participated in skills exchange. Participants were able to network, showcase the high quality of Central Asian handmade products, and start to understand western requirements for product quality, design, and pricing. One participant, Aigul Zhanserikova, a member the Carpet Makers EPG and founder of Aigul Line, a handicrafts company dedicated to reviving the tradition of Kazakh felt handicrafts, learned about the demand for felt pillows and gained new ideas through market research and observations on how to best design pillows for the European market (see box). In addition, two major European companies, Anthropology and Monsoon Accessories expressed particular interest in the distribution of Aigul Line's products. Monsoon expressed an interest in selling handmade felt accessories and Anthropology

**“During the London study tour, I saw with my own eyes the large interest in high-quality handmade products in the most prestigious shopping centers of London. For example, I saw the interest in felt pillows in many interior design boutiques. The study tour helped me to research the demand for our products, pricing policies, color, size, and trends which has stimulated the further development of our products for future export.”**

**— AIGUL ZHANSERIKOVA, FOUNDER OF AIGUL LINE, SPINNA CIRCLE MEMBER, AND MEMBER OF THE CARPET MAKERS EPG**

expressed an interest in selling felt baby shoes and asked for between 2,500 and 3,500 pieces. Unfortunately, Aigul Line cannot currently meet that sort of production volume. However, Ms. Zhanserikova recently informed REC that she bought land in the industrial zone of Almaty and has plans to build a factory for the production of felt products, which then will allow her to begin mass production, and thus, to increase her ability to export to the U.K. and other international markets.

Because of the first grant's success, REC decided to award SPINNA a follow-up grant to continue its activities, this time with a focus on Uzbekistan and Tajikistan. This second grant, worth \$170,000, also started with a needs assessment mission to Tajikistan, Uzbekistan, and Turkey. To overcome hurdles related to regulatory approvals and authorizations from governmental agencies in Uzbekistan, REC facilitated a partnership between SPINNA and the Uzbekistan Business Women Association (UBWA). The UBWA was instrumental in assisting SPINNA to receive the required approvals to conduct activities in Uzbekistan. To further expand its network of partners in Uzbekistan, REC also assisted SPINNA to build linkages with REC's other implementing partners, including the Uzbekistan Association of International Business and Technologies (AMBIT) and the Sultanova Ta'lim training center. Unfortunately, the enabling environment in Uzbekistan was still extremely difficult to navigate, so, most activities planned for Uzbekistan had to be cancelled and replaced with other activities elsewhere.

Grant activities included collaborating with the Kazakh University of Technology and Business (KazUTB) and the London-based Middlesex University organized a two-day master class in Astana, Kazakhstan, in February 2016. More than 50 students and staff from the Textile Technology and Design Department of KazUTB took part in this event, which included sessions on product development and marketing, training



A SPINNA member participates in a master class facilitated through the grant provided by REC. (Credit: USAID/REC Project)

on creative pattern cutting, garment construction, sales channels, and international market access. This cooperation also produced a Memorandum of Intent, which has enabled KazUTB, Middlesex University, and SPINNA Circle to share and exchange new technologies, academic advances, and marketing practices. SPINNA also collaborated with REC's grantee the Tajiki Women's Development Agency to organize a two day workshop in Khujand, Tajikistan. At this workshop, 30 women artisans learned about the European apparel market and how to improve and adapt their skills to it. The workshop covered business fundamentals, professional product development, and market access, while also providing hands on experience. Because of the successful workshop, SPINNA Circle and WDA/TJ signed a Memorandum of Cooperation to enable informational exchange and future cooperation to further improve economic opportunities for women textile artisans.

And finally, SPINNA also conducted another study tour to the U.K. where participants gained a basic understanding of the U.K. fashion industry, learned about U.K.'s educational best practices and standards in fashion training, and identified potential opportunities for KazUTB to collaborate with partners in academia and industry. During the delegation's meeting with the faculty at Middlesex University, it was announced that a joint application by KazUTB and Middlesex University to the Erasmus+ Program, an EU program to support education, training, youth, and sports in Europe, was successful. As a result, delegates will be able to make regular trips between the two universities over the coming academic year. Partnerships like this further the cooperation between Central Asian and Afghan women textile and fashion entrepreneurs and international partners, which not only helps to strengthen the industry in the Central Asia and Afghanistan, but also contributes to its long-term sustainability through increased awareness and lasting partnerships.

## **THE BUSINESS ASSOCIATION OF WOMEN ENTREPRENEURS ASIA**

The Business Association of Women Entrepreneurs Asia (Asia Association) was established as a result of the Women's Economic Symposium to link business associations across the region, enabling women business leaders to share their successes, work with governments to reduce barriers to trade affecting women, and strengthen the connection between women entrepreneurs in Central Asia and Afghanistan. REC recognized a need for broad support in establishing a secretariat to provide an institutional backbone for its long-term sustainability, and to expand cooperation among female entrepreneurs in the region. REC provided technical assistance and capacity building not only to help develop this secretariat, but also to build the capacity of the 12 Central Asian members of the Asia Association through a three-day training workshop. At this workshop, training topics included organizational development, financial management, membership-based development, marketing, and public relations. The skills and knowledge obtained at the capacity building session has contributed to the long-term sustainability of the Asia Association and its members in Central Asia and Afghanistan.

REC then awarded a grant to the Asia Association to expand economic opportunities and cooperation among women entrepreneurs. Through the grant, the

Asia Association conducted various activities, including organizing roundtables, policy discussions, and participating in multiple CATFs. The Asia Association held two sessions on gender policy and strengthening women's economic cooperation in the region. The sessions were held in the framework of the Astana Economic Forum – a global annual forum of leading experts that brings together more than 10,000 participants from 150 countries. More than 190 participants of these two sessions discussed current gender issues and opportunities and developed practical recommendations on how to run businesses. They also received firsthand information on state and donor support of women entrepreneurship from representative from the Kazakhstani Government, UNDP, Central Asian women's organizations and international donor organizations. In addition, participants had the unique opportunity to establish business contacts with fellow women entrepreneurs and as a result, participating members of the Asia Association signed letters of intent totaling nearly \$100,000 to organize training events and crafts fairs, supply textile products, and provide informational support.

More than 70 women leaders representing businesses, state entities, international organizations, and NGOs from Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, and Afghanistan participated in the Asia Association's two-day roundtable in Dushanbe, Tajikistan, to discuss issues related to state support of female entrepreneurship in the region. Participants established business contacts, showcased their companies' products, shared best practices on women's leadership development, conducted visits to women-owned organizations, participated in capacity building training workshops on business planning and financial literacy, and came up with recommendations for strengthening economic cooperation and expanding opportunities for female entrepreneurship in the region. As a result of the event's networking opportunities, participating women-entrepreneurs signed 10 Lols and MoUs ranging from \$2,000-\$5,000 for a cumulative value of \$200,000. Since the event, a \$20,000 contract has been signed between Shahlio Vatan, a Tajik horticultural producer and Kamram, a Kazakh transportation company, for transportation of Tajik horticulture and textile goods. In addition, after this event, Nodira Mumidzhonova, a Tajik woman entrepreneur who produces clothes, carpets, and knitted products from wool, applied for and received a two-year, one percent interest preferential loan from the government of 200,000 somoni (around \$25,000) to further develop her business.

At the conclusion of their grant, the Asia Association organized a meeting in Almaty to discuss results due to REC support. The Association announced that over the past year, thanks to REC's support, its members have signed Lols and MoCs worth more than \$1 million to deliver goods and produce by women-owned organizations. In addition, the Association has expanded its membership base from 40 to 82 members, providing women entrepreneurs in Central Asia and Afghanistan sustainable socioeconomic opportunities and benefits. Moreover, through the capacity building activities and grant, the Asia Association provided business capacity building training to more than 100 female entrepreneurs. More than 400 women entrepreneurs have taken part in events organized by the Association, which has gained international recognition for its vital role in women's economic cooperation,

including in countries outside of Central Asia such as Azerbaijan, India, Iran, and Turkey. Women entrepreneurship associations from these countries have expressed their interest in joining the Association, a proposition welcomed by the Association's president. Following the conclusion of the REC grant, the Association will continue to play a leadership role in empowering women and promoting gender-equal policies in Central and South Asia.



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## SNAPSHOT

# USAID helps female artisans craft success in Central Asia

## USAID helps preserve the craftsmanship of local artisans



Central Asian Crafts Fair in Astana opened by the U.S. Ambassador Mr. Kenneth J. Fairfax

*“I am very grateful to USAID for the grant awarded, as the activities implemented under the grant provide for building a community and network among craftspeople and women leaders across Central Asia. The Craft Fairs have provided for the preservation of traditional cultures and crafts”*

*Raisa Raimbekova, Director of the Raisa Fashion House LLP, Pavlodar, Kazakhstan.*

USAID in Central Asia has found that small investments can pay big dividends for one of the most challenged groups in the region—female artisans. Women in Central Asia face many challenges, not the least providing for their families; but these artisans have had few opportunities to capitalize on their skills until now. Through its inclusive gender strategy, USAID has been working to increase women’s access to assets and employment as one of the most powerful tools for promoting both gender equality and nascent women’s business efforts.

Raisa Raimbekova, Director of the Raisa Fashion House LLP and a graduate of the State Department’s summer 2012 Voluntary Visitors Program, received a grant from USAID to raise the quality of women’s craftsmanship and increase craft item sales in Central Asia. She organized two Central Asian craft fairs in Astana and Pavlodar, Kazakhstan, which were attended by more than 500 people. Artisans who participated included jewelers, wood carvers, pottery artists and more.

The artisans presented their unique craft items along with ethnographic collections from some of the best fashion designers. Craft fair exhibitors signed more than 30 trade contracts, and sales totaled about \$100,000, between these two events as part of that program, which provides increasing numbers of skilled craftswomen with outlets to sell their work.

The comparatively small craft fair effort has brought real profit to artisans and their families: Mahfuza Salimova, an artisan from Bukhara, Uzbekistan, sold craftwork valued at more than \$6,700, jewelers from Astana sold over \$6,500 in hand goods and one young, female artist from Pavlodar, Kazakhstan, sold more than \$10,000 in silk handmade scarves. The fairs also have enabled artisans to build their businesses: Woodcarvers from Kokshetau, Kazakhstan sold \$3,300 in products and took orders for an additional \$2,000 in handcrafted souvenirs. As a result, women artisans are not only contributing substantially to their family’s wellbeing but are also improving their knowledge and business prowess. In addition, participants agreed to share information on developing trade in the region, as well as to participate in events that address the common social, legal and economic problems faced by women in the region.

# ASSISTING TAJIKISTAN'S WTO ACCESSION AND POST- ACCESSION ACTIVITIES

The Republic of Tajikistan started its World Trade Organization (WTO) accession in 2001 when the government submitted its official application for membership. For more than 10 years, Tajikistan worked to adopt or amend laws and regulations, conducted bilateral and multilateral negotiations with other WTO member countries, and conducted negotiations on market access services to bring the country into conformity with WTO rules and regulations to achieve member status.

In January 2013, REC started providing technical assistance to the Government of Tajikistan (GoTJ) to help facilitate WTO accession related activities. USAID had provided the GoTJ assistance for WTO accession for several years before that, mainly through the RTLCL project. As part of this assistance, RTLCL help the GoTJ create an Action Plan for expediting accession. The Plan, which contained a list of activities related to legislative acts, such as the adoption of new or amended WTO-compliant laws, was expected to help Tajikistan accede to the WTO by the end of 2013. REC continued USAID's legacy of providing technical assistance to the Tajik government, working with the Ministry of Economic Development and Trade (MEDT) to continue developing laws and regulations that helped Tajikistan comply with WTO agreements. Through this technical assistance, REC helped Tajikistan perform the actions required to achieve accession, and Tajikistan became a formal WTO member in March 2013.

After accession, REC continued to support the GoTJ with post-accession activities. These activities included helping MEDT develop the Post-Accession Action Plan and get it approved by the government; developing and maintaining a WTO-Tajikistan website; establishing a WTO Section within Tajikistan's diplomatic mission in Geneva, Switzerland; fulfilling other commitments, such as drafting and implementing WTO-specific legislation; and facilitating public outreach activities to inform Tajik

## RESULTS ACHIEVED

- Conducted 51 activities that supported Tajikistan's WTO-accession and post-accession activities
- Supported Tajikistan's March 2013 accession into the WTO
- Created and launched the tri-lingual WTO-Tajikistan website where relevant regulations and information related to trade are published, ensuring ready access to all WTO members and interested parties
- Established a WTO Section within Tajikistan's diplomatic mission in Geneva, Switzerland and provided one-on-one training to the two Section employees
- Provided one-on-one training to the nine employees of the WTO Directorate within Tajikistan's Ministry of Economic Development and Trade
- Completed the Post-Accession Action Plan, got it approved by the government, and supported post-approval implementation of the Plan

government agencies, universities, the private sector, and the broader public about Tajikistan's status as a WTO member. Through this post-accession assistance, REC helped Tajikistan conform to the conditions of international market competition, integrate into the global economy, and ultimately, helped set the country on the path to greater economic prosperity.

### **SUPPORT PREPARATION OF POST-ACCESSION ACTIVITIES**

Under this component, REC provided technical support to the MEDT, with specific assistance to MEDT's Deputy Minister and Senior WTO Negotiator, Saidrahom Nazriev, and MEDT's WTO unit. To help facilitate this technical support, REC created a position to lead all WTO-related activities, and hired Jovan Jekic, a renowned WTO accession expert, to be the Senior WTO Advisor. As a first step, Mr. Jekic led the REC team to conduct internal research to understand where Tajikistan was in the process of becoming a WTO member. This initial research informed REC that by January 2013, Tajikistan had completed nearly all of the WTO accession procedures and only needed to conduct national ratification.

In January 2013, Tajikistan's parliament ratified the agreement on the membership of the Republic of Tajikistan to the WTO and subsequently officially informed the WTO of this ratification. On March 2, 2013, the Republic of Tajikistan officially became the 159<sup>th</sup> member of the WTO.

### **POST-ACCESSION TECHNICAL SUPPORT**

Although a great individual success for Tajikistan, accession to the WTO in itself did not bring any improvement for the economy or the broader population. All of the new laws still needed to be properly implemented, many government institutions needed to be reformed and/or restructured, and commitments made during the accession process still needed to be fulfilled. Therefore, it was critical for REC to continue to support MEDT with post-accession activities.

### **POST-WTO ACCESSION ACTION PLAN**

One of the most important post-accession tasks was to create a comprehensive action plan that would list all of the activities and lay out realistic deadlines for completing the activities considered necessary to implement WTO rules and regulations. Mr. Jekic assisted in drafting the Post-WTO Accession Action Plan and helped submit it to the government in September 2013. The Plan provided a list of activities necessary to fulfill Tajikistan's commitments taken during the WTO accession process and of other activities aimed at further liberalization of the trade regime. On October 31, 2013, the GoTJ approved the Action Plan in the form of a governmental decree, making the fulfillment of the action items mandatory for all ministries and agencies. Under the decree, MEDT was the coordinator of all of the post-accession activities with all ministries and agencies mandatorily reporting on their implementation progress to MEDT on a quarterly basis.

### **LEGISLATIVE SUPPORT**

Another important aspect of post-accession activities related to comprehensive legislative reform. REC supported many post-accession legislative reform activities to

help the GoTJ fulfill its commitments made during the accession process. One major achievement was the establishment of a WTO Section within Tajikistan’s diplomatic mission in Geneva, Switzerland. The first employee of the WTO Section was sent to Geneva in March 2013, with another permanent staff member being deployed in September 2013. REC not only helped to create the WTO Section within the mission, but also had Mr. Jekic conduct one-on-one on-the-job training with the two WTO Section employees and with the nine employees working at the WTO Directorate within MEDT.

“The USAID/REC project was instrumental in helping us implement post-accession activities. Its assistance with developing the Post-Accession Action Plan and providing one-on-one training to MEDT employees allowed us to implement activities more efficiently and effectively than we would have been able to had we tried to do it on our own.”

— DEPUTY MINISTER SAIDRAHOM NAZRIEV, TAJIKISTAN’S MINISTRY OF ECONOMIC DEVELOPMENT AND TRADE

REC also instrumental in helping the GoTJ to draft and implement WTO-specific legislation. Some of the major REC-supported legislative achievements include:

- Supporting the ratification of the Hague Convention Abolishing the Requirement for Legalization for Foreign Public Documents (the Apostille Convention). The convention became effective for Tajikistan on October 31, 2015, enabling documents issued in foreign countries to be used in Tajikistan without the need to be additionally legalized by Tajik authorities.
- Supporting the ratification of the WTO Agreement on Trade Facilitation. This agreement, adopted at the Bail Ministerial Conference in December 2013, allows business to become more competitive as a result of simplified and uniformed customs procedures. Through the agreement, all members make binding commitments to reduce documentary requirements, improve the transparency of customs practices, and increase customs efficiency. With REC’s support, the Tajik Parliament ratified the agreement on May 6, 2015, making Tajikistan the fifth WTO Member to complete the ratification. REC translated the agreement into Tajik and provided advice during the ratification proceedings.
- Supporting the ratification of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (the CITES Convention) on June 24, 2015. Through ratifying the CITES Convention, Tajikistan met the last of the requirements to be granted Generalized Scheme of Preferences (GSP) Plus status by the European Union (EU), which enables the export of Tajik goods to the EU without payment of any import duties.

## **PUBLIC OUTREACH ACTIVITIES**

For the Tajik people to start to reap the benefits of WTO membership, REC found it necessary to conduct intensive public outreach activities to ensure that the public and private sectors were well aware of what WTO membership meant, how to

comply with the new rules and regulations, and most importantly, how to take full advantage of Tajikistan's new status as a WTO Member.

*Website.* REC helped to develop and launch the trilingual WTO-Tajikistan website where relevant regulations and information related to trade are published, ensuring regular updates and ready access to all WTO members and interested parties (individuals, enterprise, and government officials) ([www.wto.tj](http://www.wto.tj)). After the website was developed and launched, ownership was transferred to the MEDT, so that the Ministry could take responsibility for updating and maintaining the information.

*Translation.* AT MEDT's request, REC initiated the translation of all 21 WTO Agreements and Annexes (totaling 700 pages) into the Tajik language. The project published 500 copies of the translated Agreements as hardcopy books and disseminated them among all senior experts of state agencies involved with foreign trade, the private sector, and academia. An electronic version of the document is currently available on the WTO-Tajikistan website. REC also translated the new WTO Agreement on Trade Facilitation into Tajik for the purpose of parliamentary ratification and public edification, and translated several international conventions into Tajik, including the CITES Convention, the 1948 Convention on the Prevention and Punishment of the Crime of Genocide, the Statute of the Hague Conference on Private International Law, and the Hague Convention of the Choice of Court Agreements. The first two documents were ratified by the Parliament so that Tajikistan could be granted GSP Plus status by the EU, and the latter two were needed for Tajikistan's prospective accession to the Hague Conference on Private International Law.

*Book Launch Event.* The aforementioned book, containing a Tajik-language translation of the WTO Agreements was released on June 19, 2014. Speakers at the book release emphasized the significance of access to the Agreements, which provide the legal framework for the global multilateral trading system. Approximately 60 people from government, media, the private sector, CSOs and academia were in attendance. The event was reported by one of the leading TV station – Jahonamo – and by key online and print media.

*Press Cafés.* REC organized a Press Café on March 14, 2014, to commemorate Tajikistan's first year of WTO membership. At this Press Café, the year's accomplishments were presented. The event was attended by journalists and representatives of the private sector and civil society. Interviews with Deputy Minister Nazriev and REC's Senior WTO Advisor Jovan Jekic from the event were broadcast at prime time on central TV channels on March 14-15, 2014. Several newspapers reported on it as well. REC also organized another Press Café to commemorate the approval of the Post-WTO Accession Action Plan. The event took place on December 16, 2014, and included speakers, a moderated discussion on the Plan's content, and plans for implementation.

*Dictionary of Trade Facilitation.* REC also supported the creation and publication of the *Dictionary of Trade Facilitation*. The trilingual dictionary, based on the Glossary of Trade Facilitation compiled by the United Nations Economic Commission for Europe (UNECE), includes basic terms and explanations of WTO Agreements and trade facilitation. Five hundred copies were printed and delivered to the MEDT. The

glossary has been distributed free of charge to government ministries and agencies, private sector, educational institutions and the media. In addition to the Glossary, REC provided funding for printing 200 copies of a booklet containing the WTO Agreement on Trade Facilitation in the Tajik language.

## PARTICIPATION IN WTO-RELATED EVENTS

REC also supported and participated in many WTO-related meetings, conferences, and trainings to further Tajikistan’s undertaking of complying with WTO rules and regulations and supporting Tajikistan’s mission of integrating into the global economy through the WTO. Exhibit C below contains information on post-accession meetings, conferences, and training REC supported and participated in.

### EXHIBIT C: LIST OF WTO-RELATED EVENTS REC PARTICIPATED IN

EVENT NAME, DATE	INFORAMTION
United Nations Economic Commission for Europe (UNECE), Geneva, Switzerland, February 7-12, 2013	The purpose of the UNECE meeting was to discuss the findings of the UNECE needs assessment study of regulatory and procedural barriers to trade in the Republic of Tajikistan and discuss implementing future activities based on the results of the assessment.
Ninth WTO Ministerial Conference, Bail, Indonesia, December 3-8, 2013	The Ministerial Conference is the WTO’s supreme governing body. It convenes once every two years to resolve the most critical WTO issues and to set a course for future development of the organization and the multilateral trading system. During this conference, the draft of the Trade Facilitation Agreement was ready for adoption.
Working Groups for Afghan WTO Accession, March 2014, and Working Groups for Kazakh WTO Accession, June 2014	REC and MEDT participated in the Working Groups for Afghan and Kazakh WTO accession to address outstanding concerns raised by Tajikistan regarding the accession process of these countries. During these summits, the delegation held productive meetings with the WTO Director of Accessions.
Training on WTO Notifications, Dushanbe, Tajikistan, June 2-4, 2014	During this training, WTO experts worked with Tajik officials from various ministries and agencies to enable them to meet notification requirements under the WTO agreements. REC provided technical support for the training and covered the cost of interpretation.
MEP’s Trade Conference, Astana, Kazakhstan, July 1-2, 2014	Upon the invitation of the USAID Macroeconomic Project (MEP), REC’s Senior WTO Advisor Jovan Jekic participated as one of the speakers at the conference.
WTO Government Procurement Committee meeting, Geneva, Switzerland, February 11, 2015	REC provided funding and on-site technical support for Deputy Minister Nazriev to participate in the WTO Government Procurement Committee meeting. The delegation of submitted an initial offer to accede to the WTO Agreement on Government Procurement, which is the first step in the negotiation process.
ADB Institute’s Central Asia’s Economic Opportunities: Economic Corridors and Global Value Chains Conference, Urumqi, China, March 2-3, 2015	Senior WTO Advisor Jovan Jekic participated as a speaker at this conference. Topics of the conference included policies necessary to boost participation of Central Asian countries in transport/economic corridors, and global value chains.
Fifth Global Review, Geneva, Switzerland, June-July 2015	The Fifth Global Review offered the opportunity to recommit to reduce trade costs and support other Aid-for-Trade objectives. Mr. Nazriev participated in the event as one of the presenters, presenting on Tajikistan’s position on implementation of the Agreement on Trade Facilitation. In addition, in cooperation with Paraguay, Tajikistan organized a side event where WTO members could discuss issues related to the Vienna Program of Action for Landlocked Developing Countries 2014-2024. This event was an opportunity to present the main features of the Program, with a specific focus on trade-related issues where Aid-for-Trade may play a crucial role. As a result of this event, it is expected that the WTO and its members will give a special

EVENT NAME, DATE	INFORAMTION
	focus to the experience of Tajikistan as a landlocked country in Central Asia region.
The International Trade and Investment Conference, Dushanbe, Tajikistan, June 2015	Jointly organized by the GoTJ and the ADB, this event discussed trade and investment opportunities in Tajikistan and the Central Asia region. Mr. Jekic was one of the speakers at the conference and presented on donor technical assistance and its role in Tajikistan and the region.
Third China Round Table, Dushanbe, Tajikistan, June 2-5, 2015	Jointly organized by the WTO and the Government of the People's Republic of China, this event discussed issues related to the experiences of countries acceding to the WHO and those recently acceded.



**SNAPSHOT**

## Tajikistan prioritizes WTO post-accession activities

### USAID helped Tajikistan become the fifth WTO member to ratify the WTO Agreement on Trade Facilitation



*Mr. Rahimzoda, Minister of Economic Development and Trade (MEDT) (right), Mr. Nazriev, Deputy Minister MEDT (center), Mr. Jekic, REC's Senior WTO Advisor (left), the WTO Ministerial Conference, Bali, Indonesia, December 3, 2013*

Photo by REC

With assistance from USAID, Tajikistan became a member of the World Trade Organization (WTO) in March 2013, after 11 years of negotiations. Through its Regional Economic Cooperation (REC) Project, USAID supported the Government of Tajikistan by providing a wide range of technical assistance leading up to accession and continues to provide support for post-accession activities under the Government of Tajikistan's Economy Adjustment Program (post-WTO accession action plan), which was adopted in December 2014.

The program includes activities needed to fulfill commitments made during Tajikistan's WTO accession process, as well as other activities aimed at further liberalizing the trade regime. The program's main objective is to create a favorable environment for the development of small and medium enterprises, attract foreign investment, strengthen cooperation with other WTO members, and provide the advantages of WTO membership to the business community.

The program also aims to address unemployment through creating new jobs, reducing poverty, and raising living standards. Since its inception in December 2014, the program has achieved important results, making it easier to do business in Tajikistan. For example, the number of goods subject to mandatory certification has been reduced from about 7,500 items to about 2,500. Additionally, the number of mandatory permits and licenses was reduced from around 600 to around 80. These improved efficiencies will save businesses significant amounts of time and money.

As another result of USAID assistance, in May 2015 Tajikistan became the fifth WTO member to ratify the WTO Agreement on Trade Facilitation. The agreement is the first new fully multilateral trade agreement negotiated under the auspices of the WTO since the organization's establishment in 1995. The agreement provides detailed rules regarding transparency, fees and formalities, freedom of transit, and cooperation of customs authorities in foreign trade operations. In addition, the agreement provides special privileges for the least developed WTO members, who can choose preferential timing for implementation of specific provisions, whereas developed members are obliged to provide immediate technical assistance for implementation.

Tajikistan will benefit from the Agreement on Trade Facilitation, as its implementation is expected to boost international trade and save traders and transportation and logistics companies valuable time and money. Developing countries, such as Tajikistan, will significantly benefit from the agreement, since it is considered a critical step to improving their respective trade and investment environment. Ratification of the agreement is a clear signal that Tajikistan is serious about further reforming and liberalizing its economy.



# FOSTERING AN ENABLING POLICY ENVIRONMENT FOR TRADE FACILITATION

Increased and effective cross-border trade among Kazakhstan, Uzbekistan, and Afghanistan will promote sustainable economic growth throughout the Central Asia and Afghanistan region. For this to happen, Central Asian countries need to implement pro-trade policies, regulations, and processes. When REC was asked to assist Central Asian countries in implementing pro-trade policies in 2012, many issues hindered cross-border trade, including bottlenecks around customs policies and inefficient road and rail infrastructure. To assist with these challenges, REC provided market research, technical assistance, and supported cross-border collaboration, with a particular emphasis on increasing trade flows to Kazakhstan by reducing barriers at Uzbek and Afghan border crossings such as Termez-Mazar. Improved infrastructure, simplified border procedures, and reduced bureaucratic barriers, such as implementing a single-window system, will make Central Asia's transport corridors more efficient, reducing the time and costs for shippers to traverse strategic border crossings in the region. To help improve performance in Central Asia's transport corridors, REC initiated cross-border dialogue through roundtables and training events to strengthen bilateral and multilateral private and public sector initiatives to improve the climate for more efficient trade corridors.

A cornerstone of REC's approach to this component was to establish and maintain excellent contacts with key stakeholders, including Central Asian government agencies, associations, chambers of commerce, private companies, and international donors. REC made significant strides in establishing partnerships and bringing together key stakeholders to identify the main challenges and opportunities for trade policy, regulations, and processes in the region. To facilitate discussions that would lead to policy changes and results that increased cross-border trade, REC implemented market research; organized roundtables, seminars, and training events; and enlisted the expertise of highly qualified trade facilitation experts to conduct

## RESULTS ACHIEVED

- Conducted market research to understand how USAID can contribute to increasing the enabling environment for cross border trade
- Developed the Transport and Logistics Partnership for more than 40 transport and logistics businesses and association to come together and work on joint issues and needs
- Conducted an assessment of the Single Window development status in Kazakhstan and Uzbekistan and facilitated two roundtables to develop a Single Window Master Plan which was submitted and approved by the Government of Uzbekistan
- Helped Uzbekistan increase their ranking on the World Bank's Doing Business, Trade Across Borders indicator from 185 out of 189 in 2013, to 159 in 2016
- Conducted 29 trade facilitation events bringing together businesses and governments from Kazakhstan, Uzbekistan, Afghanistan and the broader region

assessments and deliver recommendations. REC also consulted and partnered with national and regional businesses, NGOs, and other trade-related organizations to create specific action plans to facilitate and improve trade, implement better trade policies, and make transport corridor activities in Central Asia more efficient. These activities allow businesspeople and government officials from Central Asia and Afghanistan to acquire new knowledge, to have their questions answered by the relevant authorities, and to establish new business networks both across borders and within their own countries.

Through these activities, REC succeeded in understanding how USAID could contribute to strengthening pro-trade policies in the region, created the Transport and Logistics Partnership Group to unite Central Asian transport and logistics businesses and association to work on joint needs, helped Uzbekistan increase its World Bank Trade Across Borders indicator from 185 to 159, and conducted 29 trade facilitation events that brought together businesses and governments from Kazakhstan, Uzbekistan, Afghanistan and the broader region, helping to increase cross-border trade and facilitate stronger, more sustainable economic development.

## **IDENTIFYING BARRIERS AND CHALLENGES TO TRADE IN THE REGION**

REC consulted and partnered with national and regional government agencies, businesses, NGOs, and other trade-related organizations to determine the status of the region's trade regime and, subsequently, to implement pro-trade policy and transport corridor activities in Central Asia and Afghanistan. As a cross-component effort, REC conducted market research and facilitated short-term technical assignments to identify the most pressing challenges and barriers hindering regional trade.

### **MARKET RESEARCH**

*Stakeholder mapping assessment:* As a first step, REC hired Ms. Umida Khaknazar, a trade policy expert, to conduct a stakeholder mapping assignment in Uzbekistan and Kazakhstan and proposed practical ideas on where and how REC could cooperate with other donors. This report identified the involvement of stakeholders acting in the areas of transportation and trade facilitation (TTF); summarized the status of trade policy, stakeholder dynamics, and government initiatives on TTF; identified customs administration and border control issues; and proposed possibilities for REC's involvement in TTF, given the existing limitations. REC also used the stakeholder analysis as an opportunity to research the status of transport corridors development and customs services' performance in Central Asia and Afghanistan.

*ATAMEKEN Survey and Roundtable.* As mentioned in Chapter 3, REC launched a survey among members of ATAMEKEN in Kazakhstan to identify barriers to trade, transportation, logistics, and customs with Uzbekistan and used the survey results to drive the discussion at the "Strengthening the Production and Export Capacity of Uzbek Producers" roundtable. This roundtable included participants representing Uzbek import actors and stakeholders as well as Kazakh export actors and stakeholders, and discussed ways of facilitating transport and trade between Kazakhstan and Uzbekistan with Uzbek government officials. In response to the success of this roundtable, REC facilitated a second roundtable supporting Uzbek

exporters and Kazakh importers. See below for a further discussion of these successful roundtables.

## **SHORT TERM TECHNICAL ASSIGNMENTS**

*Analyzing the Uzbek/Afghan Trade Regime.* REC supported several short-term technical experts conduct assessments to identify barriers to trade and provide recommendations improve trade facilitation efforts in Central Asia and Afghanistan. In September 2013, short-term trade facilitation advisor Timur Nuratdinov conducted an assessment on the analysis of trade regime, including tariff and non-tariff measures, between Afghanistan and Uzbekistan, and provided recommendations for improvement. He presented his findings at the Termez roundtable event in November 2013 (see Chapter 2), which brought together government officials from the Chambers of Trade and Commerce and the Ministry of External Economic Relations of Uzbekistan as well as government officials and businesspeople from Afghanistan to discuss trade facilitation between Uzbekistan and Afghanistan.

*Transport Corridors Survey.* REC also hired two short-term experts, Senior Trade and Customs Advisor Farhat Farhat and Senior Transport Advisor Vadim Turdzeldze to survey transport corridors in Central Asia and Afghanistan. Their assignment was to identify bottlenecks at two border crossing points (Sary-Agash-Keles, and Termez-Khairaton railway station) and recommend solutions and commercially viable transport links between Almaty and Kabul. Based on their assessment, they identified the best transport routes and proposed recommendations for clusters of routes in the region. To fully engage affected stakeholders and ensure that the results of these assessments were fully disseminated and widely discussed, REC organized two roundtable events to present the findings: the Transport and Logistics Issues Development in Central Asia and Afghanistan roundtable, to assist entrepreneurs to identify optimal ways to deliver cargo to Central Asia and Afghanistan, and the Ways to Increase Trade between Uzbekistan, Kazakhstan, and Afghanistan roundtable, to strengthen trade relations between the countries' entrepreneurs through business environment and export regulation improvement.

## **TRANSPORT CORRIDOR IMPROVEMENT EFFORTS**

Since the collapse of the Soviet Union, several international initiatives have set out to rebuild transportation connections within Central Asia and between Central Asia and its larger trading partners. The issues that hinder transportation of goods between Central Asian states and broader regions go far beyond insufficient infrastructure. Many issues, including high tariffs, widespread corruption, and political and policy roadblocks, complicate export logistics. For example, transporting goods by rail is faster and at least 30 to 40 percent less expensive than by road. However, all railways exports from Commonwealth of Independent States countries, including Kazakhstan, face the issue of significantly higher tariffs on the rail leg linking Termez in Uzbekistan with Mazar-i-Sharif in Afghanistan. Thus, after conducting its stakeholder analysis to see where the project could fit, REC started to focus on transport corridor improvements.

*Transport and Logistics Partnership Group (T&L Partnership).* As follow-on to CATF V, representatives of more than 40 transport and logistics companies and associations from Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan came together to work out the Action Plan for the Transport and Logistics Partnership Group, which was established at the forum. The T&L Partnership brings together transport and logistics businesses and associations to work on T&L issues in the region. The Partnership has several goals, including identifying joint issues and needs; lobbying to resolve these issues and challenges; bringing members' needs to the attention of regional and national governments; supporting initiatives to simplify transport procedures; and developing and supporting mechanisms for sharing information, best practices, and experiences. Group members came together after CATF V in Tashkent, Uzbekistan to sign a Memorandum of Understanding (MoU) and take part in the "New Realities and Requirements on Transport and Logistics in Kazakhstan and Other Countries of the Eurasian Economic Union" seminar, which REC organized in collaboration with the GIZ's Trade Facilitation in Central Asia Program.

After the roundtable, REC helped the T&L Partnership Group facilitate a meeting of customs brokers in Bishkek, Kyrgyzstan. The meeting created a platform for exchanging information and experience among customs brokers who are adapting to their countries' membership in the Eurasian Economic Union (EEU). Participants from Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan discussed their experiences and challenges related to EEU technology requirements and customs clearance procedures. Uzbekistan, unlike the other three participating countries, is not an EEU member, but it is nonetheless essential for Uzbek entrepreneurs and officials to be aware of changes in the EEU customs requirements, because the EEU is such a major trading partner for Uzbekistan.

*Transportation and Logistics Roundtables.* REC facilitated several roundtables on transportation and logistics. One important T&L roundtable was held in Almaty, Kazakhstan in May 2015. In collaboration with GIZ, REC supported participants of the regional "Transport and Logistics in Central Asia: New Realities" roundtable to discuss priorities and prospective directions for transport and logistics development in the region. Participants also discussed international best practices for creating and running multi-modal logistics centers and developing new railroad routes to deliver goods in Central Asia and Afghanistan. On the second day, participants discussed the current transportation and logistics situation in the region. In particular, participants discussed the specifics of transport and logistics supply of goods between South and Central Asia, and from South and Central Asia to the Customs Union and European Union. In addition, participants discussed the role of railways and road transport in the development of regional trade and transit challenges faced when crossing the Uzbek-Afghan border, such as at customs crossing points.

Another important roundtable was the "Transport and Logistics for Export of Fruits and Vegetables Roundtable" organized within the framework of the Fergana Valley Horticultural Forum, held in Fergana, Uzbekistan in February 2015. REC hosted this roundtable, in cooperation with the Uzbekistan Small Business and Private Entrepreneurship Export Promotion Fund. The event brought together more than 80 participants, including Uzbek government officials from the Ministry of Foreign Economic Relations, Investments and Trade and the State Customs Committee, representatives from international organizations, Uzbek transport and logistics

companies, trading companies from Latvia and Kazakhstan, and Uzbek farmers and agricultural product exporters. Participants discussed ways to increase efficiency of transportation and logistics when supplying Uzbek fruits and vegetables to foreign markets and means of overcoming the challenges and barriers faced by Uzbek exporters. For future discussions, participants suggested considering opening a so-called "hot or direct line" (website, telephone) for carriers where they will be able to report specific physical and non-physical barriers on their routes, as well as considering the creation of an online resource for carriers to obtain the necessary information about routes, orders, and proposals. REC also established strong relations with the Uzbekistan Small Business and Private Entrepreneurship Export Promotion Fund and agreed to co-host a series of activities at the regional level including the second Fergana Valley Horticultural Forum held in 2016.

This roundtable provided a platform for establishing of business contacts among Uzbek entrepreneurs, international experts, and the city of Fergana. As a result of REC's facilitation, the Khokim [Mayor] of Fergana city and representatives of Uzbek transport and logistics companies planned and executed a visit to Rostock Port, Germany. Representatives from Latvian and Lithuanian transport companies also formally invited their Uzbek counterparts to visit trading houses in the Baltic States.

*Khorgos.* In April 2016, REC collaborated with the international freight forwarding company Asstra Forwarding AG for a visit to the Khorgos International Center of Boundary Cooperation (ICBC) Khorgos, its Special Economic Zone (SEZ), the Khorgos Gateway Company, and other companies that manage cross-border shipments and transit between China and Kazakhstan. Khorgos was designed to process a constantly increasing volume of trade among China, the European Union, and Russia. China alone has invested around \$600 million in the development of the transit facilities, and other countries have made substantial investments as well. It is planned that Khorgos will become the largest transit Border Crossing Point (BCP) for the export of Chinese goods to the EU.

During the visit, the delegation explored the opportunities and benefits that the new logistics facilities offer Central Asian exporters, particularly those from Kazakhstan and Uzbekistan. The delegation toured the center's warehouses and loading and transshipment facilities, observed SEZ operations and BCP technologies in action, and talked with the managers and government officers who work at the center. The experience gained from the visit helps contextualize export diversification and transport and logistics development in Central Asia. For this reason, and at the request of members of the T&L Partnership, REC, in partnership with GIZ, decided to organize a site visit to Khorgos within the framework of CATF VI (please see Chapter 2).

## **DEVELOP AND MANAGE TRADE POLICY EFFORTS**

*Single Window Development in Kazakhstan and Uzbekistan.* A single-window system is an inter-organizational information system that, when operated in full scale, connects information systems of stakeholders engaged in various business processes of the international supply chain from the time the goods are ordered until payment for the goods has been made. A single window enhances the efficient exchange of information between trader and government and is generally considered to be an

efficient tool for trade facilitation. A single-window system in foreign trade reduces barriers and optimizes administrative procedures through integration of the information database and documents needed for the participants of foreign trade. REC engaged short-term expert John Donnelly to conduct an assessment of the status of the development of a single-window system in Kazakhstan and Uzbekistan to identify progress and bottlenecks and develop concrete recommendations to implement the single-window system in those countries.

A two-day Single-Window Principle roundtable was organized by REC, in partnership with the UNDP Border Management Program in Tashkent, Uzbekistan, in May 2014. Participants of the roundtable, including customs experts, senior government officials, and international organizations from around Central Asia reviewed the best practices for implementing the single-window principle, discuss linkages between the single window system and the Customs Union, and discussed the interactions between operators of the single window in Central Asia, the Customs Union, Afghanistan, and other countries. The objective of the event was to examine the implementation of single window in the Central Asia countries and Afghanistan and to review the world's best practices and global case studies applicable to the national realities.

In December 2014, again in cooperation with the UNDP New Border Management Program and the Korean International Cooperation Agency (KOICA), REC organized its second roundtable event on single-window implementation in Tashkent. At the roundtable, participants developed a set of practical recommendations to be implemented at the national level. The participants prepared and submitted a master plan to the Uzbekistan State Customs Committee. After the roundtable and several rounds of negotiations and revisions, the Government of Uzbekistan approved the plan. KOICA plans to initiate implementation of the plan starting in January 2017.

*Doing Business Indicator.* The World Bank's Doing Business Project provides objective measures of business regulations for local firms in economies and selected cities at the subnational level. The Ease of Doing Business Index measures regulations directly affecting businesses and is based on the study of laws and regulations, with input and verification from government officials, lawyers, business consultants, accountants, and other business professionals. In 2013, Uzbekistan ranked 185th out of 189 economies on the Trading Across Borders indicator. In February 2014, REC hired short-term international expert Igor Artemiev to present an analysis of the indicator and discuss international best practices on how to improve it at two roundtable events, one in Tashkent, Uzbekistan, and the other in Chimgan, Uzbekistan. He also discussed measures that the Uzbek government could undertake to improve the country's Doing Business ranking and developed some recommendations on how to implement these measures. More than 40 representatives of Uzbek ministries and agencies, international organizations, and businesses participated in the roundtables. These recommendations were subsequently used in preparing a road map aimed at improving Uzbekistan's Trading Across Borders indicator. Because of REC's technical assistance and facilitation of the two roundtables, which led to a healthy discussion and preparation of Uzbekistan's road map to improve the indicator, Uzbekistan increased its Trade Across Borders indicator from 185 in 2013 to 159 in 2016.

## DIVERSIFYING EXPORT MARKETS

Diversifying export markets is important for Central Asian countries. Over the life of the project, Uzbekistan has shown interest in building closer trade ties with the Baltic States. Trading with the Baltic States is a highly valuable connection for Central Asia. As former Soviet states, the Baltic States share a common language and common culture with Central Asia and thus, can be seen as a window into Europe. The Connecting Asia with Europe conference on transcontinental transportation routes in Latvia validated the importance of those linkages. In particular, the conference explored opportunities for developing the New Silk Road by encouraging stronger connections between Central Asian countries, Afghanistan, and the Baltic Seaport. As a follow up to the August 2014 study tour to Latvia, where members of the Uzbek Chamber of Commerce discussed forming a logistics transportation center and Uzbek Trade House in Latvia, REC worked with the Latvian Chamber of Commerce and Industry to provide ongoing technical assistance and consultation for the study tour participants. This assistance improved the trading potential of the Uzbek fruit and vegetable exports, increase capacity in transportation and logistics, and assisted individual companies to work in Free Economic Zones and to establish and Uzbek Trade house.

*Study Tour to Latvia.* To provide theoretical and practical training on the trade experience in Latvia, including practical visits to several entrepreneurs working in the import/export field, REC supported 16 farmers from Uzbekistan and organized a study tour to Riga, Latvia from August 28 to September 5, 2014. The study tour included: meetings with government officials, businesses, the Latvian Chamber of Commerce and Industry, the Latvian Rural Advisory and Training Center, visits to farmers, and a visit to the Liepaya Free Economic Zone and other related organizations. Participants were introduced to the basic principles of crop sales and proper use of supplies such as seeds, crop protection products, fertilizers, and the like. The study tour also taught about the optimization of grain and rapeseed logistics, harvesting, and post-harvest techniques. Based on positive feedback from the Uzbek and Latvian participants, REC is working to create opportunities for further cooperation between Latvian and Uzbek counterparts, including exchange programs and/or B2B meetings.

On March 24, 2015, REC supported the Embassy of Latvia in Uzbekistan in organizing the conference “Rural and Agricultural Advisory Systems: Examples of Good Governance for Sustainable Development” in Tashkent. REC helped the Latvian Embassy to select the participants and finance speakers from Kazakhstan and Kyrgyzstan. The purpose of the event was to share the EU’s lessons learned regarding optimization of consultation agencies’ governance as well as production best practices for the agricultural sector. The event brought together more than 70 participants, including representatives from advisory services providers, governmental institutions, and business representatives from Central Asia and Latvia. The event also provided participants with an opportunity to share their experiences on different advisory systems, initiate discussions on their models, structure, and sustainability, and strengthen cooperation between stakeholders in the agricultural sector. Topics covered included the rural, agricultural, and advisory systems in the EU, prerequisites for successful transition from collective planning in post-Soviet

countries, effective management principles, and means to increase agricultural production.



REC's Chief of Party with Kazakh and Afghan participants of the Latvia Study Tour, September 2014. (Credit: USAID/REC Project)

In April 2015, in cooperation with the Small Business and Private Entrepreneurship Export Promotion Fund and the Embassy of Latvia in Uzbekistan, REC organized a conference Ways to Increase Export to the European Union, Kazakhstan, and other countries. The event was held in Samarkand, Uzbekistan. More than 180 participants, including representatives of governmental organizations of Uzbekistan, exporting companies of Uzbekistan, retail chains and distributing companies from Latvia, agro firms from regions of Uzbekistan, business communities, and international organizations attended the conference. The objectives of the event were to determine prospects for supplying Uzbek fruits and vegetables to the European Union and other promising markets, identify barriers to export of horticultural products, and provide recommendations to address and overcome the barriers identified. In addition, during the conference, Uzbek exporters became acquainted with retail chains and distributing organizations from the EU and the Customs Union and their requirements.

As a part of the conference, REC organized a B2B meeting for Uzbek fruit and vegetable suppliers and companies from Latvia, Lithuania, Ukraine, the Russian Federation, and Kazakhstan. The participants concluded agreements of intent for the supply of dried and fresh fruits and vegetables as well as honey and carpets. The value of the signed letters of intent totaled more than \$182 million.

On August 24-25, 2015, in cooperation with the Organization for Security and Cooperation in Europe (OSCE), and with support from the Ministry of Agriculture and Water Resources of Uzbekistan, the Council of Farmers of Uzbekistan and the

Latvian Embassy in Uzbekistan, REC organized a conference on “Development of Production and Export of Horticultural Products in Uzbekistan.” The event was held in Tashkent, Uzbekistan. More than 150 participants, including representatives of governmental organizations of Uzbekistan, exporting companies of Uzbekistan, retail chains and distributing companies from Belarus and Latvia, and agricultural firms from Tashkent and regions of Uzbekistan, business communities, and international organizations, attended the conference.

Participants of the conference discussed prospects for supply of Uzbek fruit and vegetables to the European Union, addressed barriers to export of horticultural products, and made recommendations to overcome the challenges identified. In addition, at the B2B meeting, Uzbek exporters became acquainted with the requirements of the retail chains and distributing organizations from Latvia, Belarus, Kyrgyzstan, and Kazakhstan, and had the opportunity to negotiate potential trade deals with these countries. A roundtable on organic agriculture in Uzbekistan was an integral part of the event. Participants discussed organic agriculture principles and practices and how organic certification standards affect the development of exports.

*Developing Trade with Lithuania.* On May 20, 2015, the Lithuanian Consulate in Almaty, with the support of REC, the Akimat of Almaty, the National Chamber of Entrepreneurs “Atameken,” the Lithuanian Confederation of Industrialists, KazNex Invest, and the Lithuanian Business Confederation, organized the “Kazakhstan-Lithuania Business Forum.” The aim of the event was to develop bilateral trade and economic cooperation between Lithuania and Kazakhstan. The Forum brought together more than 300 participants, including 80 delegates from the Lithuanian private sector, spanning such industries as transportation and logistics, chemicals, construction and engineering, food and beverages, IT, consulting, finance, healthcare, education and tourism.

Prime Minister Algirdas Butkevičius of Lithuania and Almaty Mayor Akhtemzhan Yessimov opened the Forum. The main themes of the plenary session included investment opportunities in both countries, foreign trade review success stories on Lithuanian business development in Kazakhstan, and potential areas of economic and trade cooperation. After the plenary session, participants started B2B meetings with the Lithuanian delegation to establish business contacts and discuss trade and investment deals. The Business Forum resulted in the signing of a Memorandum of Cooperation between the National Chamber of Entrepreneurs “Atameken” (Kazakhstan) and the Lithuanian Confederation of Industrialists.

## **TRADE FACILITATION EVENTS**

REC conducted 29 activities to improve trade policies, regulations, and processes, including workshops, focus groups, seminars, training events and roundtables. Below is a discussion of some of the major trade facilitation events.

### **UZBEK-KAZAKH ROUNDTABLE AND KAZAKH-UZBEK ROUNDTABLE**

In April 2013, REC organized a roundtable on strengthening the production and export capacity of Uzbek producers to Kazakhstan. The roundtable, held in Tashkent, Uzbekistan, was attended by 59 participants representing the Kazakh and

Uzbek governments, the Kazakhstan National Economic Chamber ATAMEKEN, the Kazakh Union of Grain Processors, private businesses, and international organizations. At the roundtable, participants discussed the findings of the ATAMEKEN survey, discussed increasing imports of necessary raw materials and semi-processed products to facilitate development of Uzbek internal production and export growth, and participated in a training on Uzbek import procedures.

Following the success of the April roundtable, REC hosted a second roundtable, this time in Almaty, Kazakhstan, in July 2013, which brought together 50 Kazakh and 30 Uzbek businesses and government officials to discuss ways to strengthen and increase trade, registration of businesses with foreign participation, and perspectives of transport and logistics infrastructure development. A major outcome of the event included 13 Kazakh and Uzbek companies signing agreements of intention to buy or sell fresh fruits and vegetables and textiles across borders, with an Uzbek businessman signing a \$1,400,000 contract with a Kazakh entrepreneur to supply fresh fruits and vegetables for processing in Astana, Kazakhstan (see success story at the end of this chapter).

### **THE CENTRAL ASIAN BUSINESS OPPORTUNITIES CONFERENCE**

In April 2014, with the USAID Pakistan Trade Project, the Ministry of Commerce of Pakistan, and the Rawalpindi Chamber of Commerce and Industry, REC co-hosted the Central Asian Business Opportunities Conference (CABOC) in Islamabad, Pakistan. This conference was a continuation of the dialogue between Central and South Asian countries initiated during CATF III, where stakeholders expressed a mutual interest in reviving the Silk Road through a development of trade and cross-border investments. More than 600 participants from Pakistan, Central Asia, and Afghanistan attended. Of these participants, REC organized a delegation of 53 public and private sector representatives from Uzbekistan, Kazakhstan, Tajikistan, and Kyrgyzstan.

At the conference's plenary session, participants discussed the current state of trade between the regions and its prospects and challenges. On the second day, ambassadors from Central Asia and Afghanistan presented investment opportunities in countries they represented. A transportation and logistics session raised issues about the effectiveness and efficiency of existing routes between Central Asia, Pakistan, and Afghanistan. Business-to-business sessions, an integral part of the conference, were held each day. Participants held a total of 300 meetings, 123 of which discussed future businesses to import goods from Pakistan to Central Asia and export food to Afghanistan. Nineteen MoUs were signed at CABOC between private sector representatives from the chambers of commerce and industry, associations, and private companies. For example, a MoU was signed between regional public and private stakeholders to trade agricultural products. These agreements have facilitated private sector information sharing and the development of formal business ties. Finally, based on the results of CABOC, organizers prepared and presented the Islamabad Declaration, which will serve as the basis for future development of trade and economic relations in the region, although it is not expected to become a formal law.

## FERGANA VALLEY HORTICULTURAL FORUM

2015. REC actively encouraged increasing Uzbekistan’s horticultural export potential throughout the life of the project. In February 2015, in cooperation with the Uzbekistan Small Business and Private Entrepreneurship Export Promotion Fund, REC hosted the first Fergana Horticultural Forum titled “Export of Horticultural Products from Uzbekistan.”

This event brought together more than 110 participants including local farmers, entrepreneurs, government representatives, fruit and vegetable exporters from Fergana, Namangan, Sirdariya, and Tashkent regions, as well as representatives from MFERIT, export promotion organizations, Uzbek transport and logistic companies, trading companies from Kazakhstan, Latvia and the EU, the Customs Union, and other international organizations, to discuss opportunities and barriers to trade as well as the development of the sector. The forum featured a roundtable, an exhibition of fruits and vegetables, and a B2B event. Topics of the forum included the export of fruits and vegetables to retail chains and distributors to the Customs Union and the European Union, requirements for supplying horticultural products, customs clearance processes and procedures, product quality, ways to increase the efficiency of transportation and logistics when supplying fruits and vegetables from Uzbekistan to foreign markets, and contracting procedures.

During the event, farmers from Fergana Oblast organized an exhibition showcasing their fruits and vegetables to buyers from the Customs Union and European Union. The roundtable also featured B2B meetings of exporting companies and importers of horticultural products. The value of the signed letters of intent during the roundtable totaled more than \$120 million.

2016. In February 2016, REC organized the second Fergana Valley Horticultural Forum, dedicated to increasing horticulture export capacity and increase its competitiveness in the region. REC organized this forum in partnership with GIZ, OSCE, the Ministry of Foreign Economic Relations, Investments and Trade of Uzbekistan, the Fergana Region Khokimiyat, and the State Committee of Uzbekistan for Privatization, De-Monopolization, and Development of Competition.

The 2016 forum brought together more than 450 participants, including exporters from the Fergana region, international trade facilitation experts, representatives of business associations, transport and logistics companies, and retail chains from Central Asia, Belarus, Latvia, Lithuania, Russia, and Germany. The forum gave Uzbek entrepreneurs an opportunity to showcase the export capacity of the Fergana Valley’s horticultural sector and provided a platform for public and private sector representatives to discuss means of optimizing export volumes and enhancing the competitiveness of the horticultural sector. The delegation of importers included four of Eurasia’s largest retail chains: Metro Cash&Carry and Magnum Cash&Carry (Kazakhstan), Maxima (Baltic States), and Magnit (Russia).

**“The Omega Story Group is appreciative of the USAID Regional Economic Cooperation Project, by whose invitation we took part in the Fergana Valley Horticultural Forum. Due to the excellent organization of the event, due to project staff’s technical expertise and readiness for dialogue, we managed to establish long-term, mutually beneficial projects with other forum participants. The project team helped our company in a critical situation. We were transporting tomatoes to Kazakhstan, and after our truck arrived at the client’s loading dock, the client refused to pay for the service provided. We decided to sell the products, and the USAID REC team...quickly found a client for our project from among its project partners... We were able to almost completely cover the costs for the services rendered to the dishonest client.”**

**— PETUKHOV P.O., DIRECTOR OF LLP OMEGA STORY GROUP, PARTICIPANT AT THE FERGANA VALLEY HORTICULTURAL FORUM**

The Forum featured training sessions, roundtables, B2B meetings, a horticultural trade fair, and field study visits to modern orchards and cold-storage warehouses. Participants discussed strategies for increasing the quality and quantity of horticultural exports by fulfilling the requirements of retailers, maximizing delivery efficiency, observing tariff regulations, and implementing international best practices in organic horticulture. The Forum addressed the vital role that efficient transport and logistics play in ensuring that products reach their destination markets in the most efficient fashion possible. During the Trade Fair, 25 participating horticultural and textiles companies showcased their products, established business contacts with international buyers (retail chains and distributors) and negotiated trade deals.

Participants signed MOCs and LOIs valued at \$150 million to supply Uzbek fresh and processed horticultural products, dried fruits, nuts, and textiles. The Forum also resulted in \$3.5 million in signed contracts between the Uzbekistan Trading House in Latvia and Uzbek horticulture exporters. Uzbek agricultural firms, including Oltiarik Agroinvest, Namuna Meva-Sabzavot, Dangara, Roshidon Agro, Tojikhon Shodieva, Kirguli Aavdo, and Beshariq Vegetables signed Letters of Intent with importers from the Eurasian Economic Union (EEU) to supply fresh fruits and vegetables, dried fruits, and nuts valued at \$66.2 million. Uzbek firms also signed LOIs with the following organizations:

- Association of Trade Enterprises of Kazakhstan (\$13.2 million)
- Alysh Dan, an agricultural cooperative of Kyrgyzstan (\$33.3 million)
- Pro-Baltikum, a German trading company (\$10 million)
- UAB JOTAGRIS, a Lithuanian trading company (\$3 million)
- Uzbekistan trading house in Latvia (\$1 million)

Events such as the Fergana Valley Horticultural Forum provide exporters, government officials, and other stakeholders a platform to bridge the public-private sector gap to identify practicable solutions to challenges, and maximize the competitiveness of Uzbek exports in foreign markets, and increase the horticulture sector’s contribution to Uzbekistan’s GDP. The Forum also received wide media coverage and was featured in more than seven publications and broadcasts.



## SNAPSHOT

### Uzbek farmer reaps benefits from USAID's forums

#### USAID forums provide momentum for trade between Uzbekistan and Kazakhstan



*Abdugaffo Akhmedov, Director of the Farm, admires his high-yield cherry trees.*

*"It is difficult for Uzbek farmers to find buyers in Kazakhstan. I am very grateful to USAID for organizing the meetings with Kazakh entrepreneurs. These forums have opened new opportunities to establish business linkages between the two countries."*

*Abdugaffo Akhmedov, Director of Abdurahmon-Abdugaffor-Davr farming enterprise.*

U.S. Agency for International Development  
[www.usaid.gov](http://www.usaid.gov)

The Abdurahmon-Abdugaffor-Davr farm employs innovative agricultural production techniques to achieve greater efficiencies and increase crop yields. The farm grows apples, cherries, pomegranates, date-plums, and grapes.

Increased harvests are exciting, but many farmers lack buyers for their increased crops. As Uzbekistan and Kazakhstan are traditional trade partners, Abdugaffor Akhmedov, Director of the Davr farm, has been seeking a new market for his products in the neighboring country. For this reason, he participated in two forums focused on increasing trade between Uzbekistan and Kazakhstan that were co-hosted by USAID's Regional Economic Cooperation (REC) project, the Uzbekistan Chamber of Commerce and Industry, the Center of AgrolInformation-Innovation of Uzbekistan and the Atameken National Economic Chamber of Kazakhstan. In April 2013, USAID's REC project brought together more than 12 Kazakh companies and 30 Uzbek companies, government officials, and other partners at a roundtable in Tashkent to discuss how to strengthen the production and export potential of Uzbek producers. In July 2013, 50 Kazakh and 30 Uzbek entrepreneurs participated in a similar event in Almaty where participants discussed ways to promote trade, manage sanitary measures, register businesses, and improve transport and logistics infrastructure development. The two forums provided a platform for networking opportunities and establishing business contacts between Kazakh and Uzbek entrepreneurs.

Through these networking opportunities, the Davr farm signed three contracts to supply horticultural products to Kazakhstan valued at \$1.4 million, significantly increasing the farm's sales and future potential investments.



# LESSONS LEARNED AND RECOMMENDATIONS

REC achieved notable successes in working to fulfill its vision of creating an improved environment for cross-border trade among Central Asian countries, Afghanistan, and larger trading partners. To achieve these successes, the project performed a careful balancing act between implementing activities itself and working through partners to increase capacity and ensure sustainability. Below, we list some lessons learned and recommendations that can be used to inform future USAID programming on REC-related issues.

## **I. Leveraging the Central Asian Trade Forum brand**

Over the five years of project implementation, REC's hallmark event, the annual Central Asian Trade Forum, became so widely known and respected that has become its own brand. As the Forum moves into its seventh year, there are many areas for improvement and expansion. One way to leverage the brand would be to start doing regional CATF events. For example, the Fergana Valley Horticultural Forum, which the REC project organized the past two years in Fergana, Uzbekistan, could, for its third year, become a CATF-branded event. By branding regional USAID events implemented by CTJ or another project under CATF instead of under a project, USAID can implement activities under an already established, well-known name. Leveraging the CATF brand would also allow for easier coordination between USAID projects regionally, as it would allow projects to implement joint events under a uniform entity.

Another idea would be to rotate the Forum location annually. Although the first CATF was in Bishkek, Kyrgyzstan, all subsequent CATFs have been held in Almaty, Kazakhstan. Rotating the Forum yearly would allow other Central Asian countries and cities to showcase their export abilities and potential to the Forum's many international participants and visitors. This, in turn, would not only allow for a greater recognition for the Central Asian countries and cities honored with hosting the Forum, it would also broaden the mark made by USAID projects through directly facilitating trade in multiple states. For the past two years, stakeholders in Tashkent have indicated a strong interest in hosting the forum.

And finally, the CATF could return to being a stage for business networking and creating trade linkages. In the Forum's later years, when REC expanded participation to both government officials and other high-level delegations, the organizational process became unpredictable and difficult to manage, as government officials have competing demands that limit their ability to commit time to an event with an inflexible schedule. One way to eliminate this frustration is to bring the Forum back to being an organized platform for business networking and forming market linkages between businesses from Central Asia and the broader region.

## **2. Support efforts to reduce barriers for Afghanistan to trade to the north**

REC's efforts to develop relations with Afghan businesses have been impressive. For example, REC's organization of the trade missions to Kabul and Mazar-i-Sharif (the first in post-Soviet history) and active participation by Afghan businesses in all of REC's major events have helped Afghan and Central Asian businesses make valuable and lasting connections. Yet despite targeted efforts to develop transportation and logistics with Afghanistan, the major northern export route from Afghanistan – the railroad from Mazar-i-Sharif to Termez, Uzbekistan – remains closed. To this day, trains arriving to Mazar from the north are not allowed to carry cargo back from Afghanistan, blocking any efforts at complete Afghan-Central Asia cross-border trade. More effort needs to be taken to support this strategic direction for Afghan exports, which will create more and better opportunities for Afghanistan to export to the north.

The issue with allowing trade to go north from Afghanistan is not concentrated solely on one side, however. Although the main issues hindering trade on the Afghan side stem from inadequate infrastructure, the issues affecting exports from Afghanistan into Uzbekistan stem more from political priorities. From an Uzbek and Central Asian viewpoint, security issues with cargo and humans coming from Afghanistan present a major concern. With upcoming presidential elections, however, there is the possibility that window of opportunity could open up. Although the previous government has been restrictive of goods entering the country due to national security concerns, future governments might be more open to new possibilities. USAID's Central Asian and Afghanistan missions should coordinate efforts to tackle this problem from both sides.

## **3. Further develop the trade linkages between Central and South Asia**

REC proved that it is possible to link business connections and trade between Central and South Asia. CATF V included a delegation from Pakistan, and CATF VI included delegations from Pakistan and India and included a roundtable session on Enhancing Economic Ties between India and Central Asia. Not only is there great interest among Central Asian and South Asian exporters and importers in deepening connections, there are many benefits to USAID to further development of these market linkages.

Further developing these linkages will not be easy, however. Given that all ground transport between Central and South Asia must pass through Afghanistan, the political and security concerns and the dilapidated infrastructure hinder the movement of goods and present a serious obstacle to full market connectivity. Continuing to develop linkages between Central and South Asian markets will need to include critical development of transport and logistics in Afghanistan, which remains a difficult task. Coordination with the Afghanistan and the Pakistan missions will be required if the issues surrounding connecting South Asia with Central Asia are to be addressed. Yet with the increased interest and the huge benefits that these connections present, it is worth focusing more attention on this development.

#### **4. Focusing on post-WTO accession activities is just as important as acceding to the WTO**

As REC proved, acceding to the WTO is just the beginning of the hard work. Although much work needs to go into getting countries to accede to the WTO, an equal amount of work, if not more, is needed to implement the commitments made during the accession process.

By embedding a project employee into the Tajik government, partnering one project employee with a high-level Tajik government official, REC was able to achieve real results. Because REC facilitated a strategic partnership with the deputy minister of Tajikistan's Ministry of Economic Development and Trade, the ministry in charge of accession activities, the project was allowed first-hand knowledge of what needed to be done and what issues stood in the way. Through this partnership, REC also had access to other MEDT employees who were taking the lead on implementing WTO commitments. This allowed one-on-one capacity development, as was shown with REC's training of MEDT employees. This also allowed REC to be directly at the level of decision making instead of having to work with the ministry through other channels. The examples of capacity building activities that REC conducted under Component 5, specifically with ministry employees, may be very useful to emulate, now that Kazakhstan is going through the post-accession process.

#### **5. Finding the right operational framework to work in Uzbekistan**

REC found that the operating environment in Uzbekistan was very difficult to work in. The project had several operational challenges, including acquiring project registration, having to prepay for all events, and currency conversion issues. However, after years of attempts, REC developed a mechanism to become operationally active and successful in Uzbekistan.

REC found that it was important to have multiple partners in Uzbekistan. REC facilitated many strategic partnerships, including with the Uzbek Chamber of Commerce and Industry, the Institute of Forecasting and Macroeconomic Studies under the Cabinet of Ministers, and the Center for Economic Research, a leading policy think tank with strong links to the Uzbek government. REC used these multiple partnerships to choose the right partner for each activity, which made the event more legitimate in the eyes of the government. In addition, by having several partnerships, if one partner was unable to secure the necessary government approvals, REC could turn to another partner to implement project activities. Although this approach didn't always work, more often than not, REC was able to implement pertinent and successful activities in Uzbekistan.

#### **6. Support Export Partnership Groups and other trade networks move towards the next level of development**

REC's formation of Export Partnership Groups (EPGs) had been based on industry sectors in high demand (for example the Exporting Fruits and Vegetables and the Organic Farming EPGs) or geographic direction (for example Exporting to Afghanistan or Exporting to the Russian Federation EPGs). Though the approach to

creating such groups was a logical starting place, the groups should merge into a larger organization to ensure long-term sustainability.

The Organic Farming EPG was eventually absorbed into the International Federation of Organic Agriculture Movements (IFOAM). This has allowed the firms in the EPG to be provided with or be connected to greater specialized resources to take them to their next level of development. The example of the Organic Farming EPG suggests that, if an EPG could be connected to a larger organization or could create a larger association with a greater base of firms, member firms' specialized needs have a greater chance of being met.

# ANNEX A. PROJECT MONITORING AND EVALUATION

To track the project’s progress and manage it successfully, the Regional Economic Cooperation (REC) project developed life-of-project indicators for impact and outcome levels that measure achievements and expected results. This annex includes indicators for each project intermediate result (PIR) and key result areas (KRAs).

## CONSOLIDATED LIST OF INDICATORS

PROPOSED INDICATOR	DEFINITION	DISAGGREGATION	SOURCE OF DATA/ COLLECTION FREQUENCY	BASELINE	CUMULATIVE RESULTS				
					Y1	Y2	Y3	Y4	Y5
<b>Project Objective: Improved environment for cross-border trade among Central Asian countries, Afghanistan, and larger trading partners</b>									
<b>PIR 1. Trade partnership groups built and supported</b>									
<b>KRA 1.1. Demonstrated significant growth or development among EPI group members</b>									
Value of export sales by project-supported firms increased <sup>1</sup>	Export sales value based on what is invoiced to the client; value of executed contracts for firms in the textiles, organic farming, and trade to the Customs Union EPGs	Women-owned or -managed businesses	Project survey, focus groups, interviews with EPI and EPG firms, supplemented by financial statements when possible Project reports (as validated by firms) Semi-annually	\$15,350,334	4.5%	40.5%	120.5%	120.5%	N/A <sup>2</sup>
	Export sales value based on what is invoiced to the client; value of executed contracts for firms in trade to Russian Federation, carpet making, and supplying to DOD EPGs	Women-owned or -managed businesses		\$1,973,000	N/A	N/A	3%	99%	114%

<sup>1</sup> Total value of deals facilitated by REC project (B2B, CATF, and other events) over 5 project years reached \$47,689,905 and total value of LOIs and MOUs signed during events conducted by REC in the 2015 and 2016 reached more than \$500 million.

<sup>2</sup> Data not yet available

<sup>3</sup> Data not yet available

PROPOSED INDICATOR	DEFINITION	DISAGGREGATION	SOURCE OF DATA/ COLLECTION FREQUENCY	BASELINE	CUMULATIVE RESULTS				
					Y1	Y2	Y3	Y4	Y5
	Export sales value based on what is invoiced to the client; value of executed contracts for firms in the fruits and vegetables EPG			\$7,004,000	N/A	N/A	N/A	0%	N/A <sup>3</sup>
Number of firms receiving project-supported capacity-building assistance to increase exports	Any firm participating in any export partnership activities (EPI training, EPG members, or participants in the Central Asian Trade Forum)	Women-owned or -managed businesses	Project reports (as validated by firms); Ongoing	0	154	1,047	1,676	3,250	4,429
Number of participants in project-supported trade and investment capacity building trainings	Any individual participating in any export partnerships activities, including trainings, seminars, workshops, round tables, conferences, B2B meetings, CATF, and other forums and public events	Sex	Project records (including training sign-in sheets); Ongoing	0	411	2,065	3,584	9,208	10,624
Value of exports by women-owned textile businesses in Central Asia increased	Based on increase of the value of sales of firms involved in Task 1	Country	Project survey, focus groups, interviews with textile women-owned firms, supplemented by financial statements when possible Project reports (as validated by firms); Semi-annually	859,500	N/A	33%	91%	96%	115%

PROPOSED INDICATOR	DEFINITION	DISAGGREGATION	SOURCE OF DATA/ COLLECTION FREQUENCY	BASELINE	CUMULATIVE RESULTS				
					Y1	Y2	Y3	Y4	Y5
<b>PIR 2. Export potential of Central Asian firms and industries evaluated through market research</b>									
<b>KRA 2.1. Internal and external obstacles to firms identified, potential firms for supplying the DOD identified, and cost-benefit analysis for policy and regulatory reforms performed</b>									
Number of technical assistance and capacity-building activities provided to firms and trade promotion agencies	Market research, short-term technical assistance to government and/or private-sector beneficiaries, EPG members' study tours and international trade fairs/exhibitions, exporter training sessions, and other REC Component 1 and 3 beneficiary capacity-building activities.		Project records; Ongoing	0	4	9	14	19	28
<b>PIR 3. Barriers to export along the export chain through selected pilots tested</b>									
<b>KRA 3.1 Closed and fulfilled sales to DOD by four producers of food products – one from Kazakhstan and three from Uzbekistan</b>									
Value of new contracts between local producers and DOD prime vendors to export products increased	Value of orders received from DOD/General Services Administration/ Centcom	Women-owned or -managed businesses	Department of Defense (DOD) / CENTCOM Prime Vendor (PV) report and firms' invoice to DLA; Ongoing	0	\$400,000	\$1,900,000	\$1,900,000	\$3,691,184	\$3,691,184
Number of new contracts between local producers and DOD prime vendors to export products increased	Number of firms that fulfill the order and receive DOD/General Services Administration payment for the transaction	Women-owned or -managed businesses By sector By country	DOD prime vendors; Ongoing	0	1	5	5	10	10
"How to Export to DOD" manual written	A written report on "How to Export to the DOD"		"How to Export to DOD" manual	N/A	Draft manual developed	Final manual disseminated	Final manual disseminated	Final manual disseminated	Final manual disseminated

PROPOSED INDICATOR	DEFINITION	DISAGGREGATION	SOURCE OF DATA/ COLLECTION FREQUENCY	BASELINE	CUMULATIVE RESULTS				
					Y1	Y2	Y3	Y4	Y5
<b>PIR 4. Women's businesses improved through capacity development and grants support</b>									
<b>KRA 4.1. Training for women entrepreneurs conducted and grants implemented</b>									
Number of REC-sponsored technical support aimed at engaging Central Asian and Afghan women to the economy	Technical support includes, technical assistance provided, events organized, research papers, business training, etc.		Project records; Ongoing	7 awarded grants	N/A	2	5	7	8
<b>PIR 5. WTO accession in Tajikistan assisted</b>									
<b>KRA 5.1 Milestones in Tajikistan's accession plan/paths reached</b>									
Number of activities supporting WTO-related activities	Activities include technical assistance, capacity-building; workshops; diagnostic studies; analytical reports; assessments; official translations or revisions of legislation; seminars; public-private dialogue; technical discussions; and roundtables on WTO-related topics	By type of activity	REC project activity reports; Ongoing	0	N/A	10	29	51	51

PROPOSED INDICATOR	DEFINITION	DISAGGREGATION	SOURCE OF DATA/ COLLECTION FREQUENCY	BASELINE	CUMULATIVE RESULTS				
					Y1	Y2	Y3	Y4	Y5
<b>PIR 6. Performance of Central Asia's transport corridors improved and Central Asian and Afghanistan trade increased</b>									
<b>KRA 6.1. Pro-trade policies, regulations and processes implemented in Central Asian countries</b>									
Number of activities to improve trade policies, regulations, and processes implemented in Central Asia and Afghanistan supported by the REC project	Activities include workshops, focus groups, diagnostic studies, analytical reports, assessments, official translations or revisions of legislation, seminars, grants, symposiums, public-private dialogue, technical discussions, training, courses, on-the-job training, roundtables	By type of activity	REC project activity reports; Ongoing	0	N/A	4	17	24	29



# ANNEX B. TRADE DEALS AND LETTERS OF INTENT FACILITATED BY REC MEMORANDUM

November 7, 2016  
Ms. Svetlana Golovatskaya  
Contracting Officer's Representative (COR)  
USAID / Central Asia  
Almaty, Kazakhstan

Reference: Central Asia Regional Economic Cooperation Project (REC), Contract No. AID-176-I-11-00003, AID-176-TO-11-00001

Subject: Trade Deals and Letters of Intent Facilitated by REC

As requested, this memo presents REC's data collection methodology as well as the details and values of Letters of Intent and Memoranda of Understanding, and the details of trade deals facilitated by REC over its five years in operation.

Both Letters of Intent (LOIs) and Memoranda of Understanding (MOUs) are intentions to conclude contracts in the future to supply goods or render services. During and at the conclusion of each project event, REC collects preliminary results on LOIs and MOUs facilitated at the events. Subsequently, REC follows-up with event participants to verify the agreements have been signed. The M&E specialist works with component leaders in designing surveys and collecting and organizing raw data into the project's database. The information is then prepared to be used internally for M&E and management purposes such as organizing future events, and is provided to USAID for its reporting upon request. The REC field office team cooperates with the USAID Afghanistan Trade and Revenue Project (ATAR) in both Uzbekistan and Afghanistan in collecting qualitative and quantitative data.

To date, REC has achieved the following cumulative results:

- The total value of signed LOIs and MOUs is more than **\$500 million** since tracking began in Y4;
- The total value of deals reached during the life of the project excluding deals made during CATFs is **\$30,572,200**; and
- The total value of deals concluded during CATFs is more than **\$17 million** (CATF II-CATF V<sup>1</sup>)

## I. Number and value of LOIs and MOUs by year:

For Year 1, Year 2 and Year 3, details on individual LOIs and MOUs were not collected. Instead, during these years REC collected information on value of export sales from Export Partnership Groups (EPG) members.

In collecting data on LOIs and MOUs, REC employs three different data collection methods:

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<sup>1</sup> Data on deals concluded at CATF VI is not yet available

- REC collects data on LOIs and MOUs from governmental authorities such as Export Support Fund (ESF), Khokomiyats (city administration), Uztadbirkorexport, National Export and Investment Agency "KAZNEX INVEST" JSC, Chambers of Commerce and Industry (CCIs) and trade associations.
- REC collects information on LOIs and MOUs directly during project-facilitated B2B meetings and other events;
- REC collects information through follow-up emails and calls with the participants of project-facilitated B2B meetings.

Year 4 (October 2014 – September 2015): 60 LOIs and MOUs valued at \$303,900,000

Year 5 (October 2015 – Present<sup>2</sup>): 90 LOIs and MOUs valued at \$210,688,000

#### Year 4 details:

LOIs and MOUs signed during the roundtable in Fergana, Uzbekistan, February 19-20, 2015

<b>No.</b>	<b>Product</b>	<b>Exporter</b>	<b>Importer</b>	<b>USD Value</b>	<b>Data collection method</b>
1	Horticultural products (watermelons, tomatoes, kidney/mung beans, etc.)	Ming Bulok LLP, Uzbekistan	Agroindustrial Complex Umut LLP, Kazakhstan	\$1,000,000	Data provided by ESF
2	Horticultural products	Export Support Fund (Fergana branch), Uzbekistan	Global Gateway, Latvia	\$20,000,000	Data provided by ESF
3	Horticultural products (dried fruits)	Export Support Fund (Fergana branch), Uzbekistan	Uzbekistan Trading House, Latvia	\$6,000,000 (\$500,000 per month)	Data provided by ESF
4	Horticultural products (torpedo melon)	Export Support Fund, Uzbekistan	Uzbekistan Trading House, Latvia	\$84,000	Data provided by ESF
5	Horticultural products (grapes, plums, apricots, cherries)	Namangan Navbahor LLP, Uzbekistan	Agroindustrial Complex Umut LLP, Kazakhstan	\$1,200,000	Data provided by ESF
6	Chemical products (carbamide)	Export Support Fund (Fergana branch), Uzbekistan	Adllex Group, Latvia	\$10,000,000	Data provided by ESF
7	Horticultural products (raisins, dried apricots)	Export Support Fund (Namangan branch), Uzbekistan	Uzbekistan Trading House, Latvia	\$1,000,000	Data provided by ESF
8	Horticultural products (watermelons, plums, kidney beans, cherries, peaches)	Uichi Ravot	Agroindustrial Complex Umut LLP, Kazakhstan	\$1,300,000	Data provided by ESF

<sup>2</sup> Final update, November 7, 2016

<b>No.</b>	<b>Product</b>	<b>Exporter</b>	<b>Importer</b>	<b>USD Value</b>	<b>Data collection method</b>
9	Horticultural products (dried fruits)	Export Support Fund (Fergana branch), Uzbekistan	Adllex Group, Latvia	\$5,000,000	Data provided by ESF
10	Horticultural products (cherries, persimmons, cabbages)	Kalvak Agrosanoat LLP, Uzbekistan	Agroindustrial Complex Umut LLP, Kazakhstan	\$1,100,000	Data provided by ESF
11	Horticultural products (tomatoes, kidney beans, mung beans)	The gold garden LLP, Uzbekistan	Agroindustrial Complex Umut LLP, Kazakhstan	\$1,000,000	Data provided by ESF
12	Horticultural products (dried fruits, onions, carrots)	Export Support Fund (Fergana branch), Uzbekistan	Agroindustrial Complex Umut LLP, Kazakhstan	\$2,000,000	Data provided by ESF
13	Chemical products (fertilizers)	Export Support Fund (Fergana branch), Uzbekistan	Global Gateway, Latvia	\$40,000,000	Data provided by ESF
14	Horticultural products (kidney beans)	Export Support Fund, Uzbekistan	Uzbekistan Trading House, Latvia	\$840,000 (\$70,000 per month)	Data provided by ESF
15	Horticultural products (raisins, dried apricots, plums)	Export Support Fund (Namangan branch), Uzbekistan	Uzbekistan Trading House, Latvia	\$2,500,000	Data provided by ESF
16	Consumer goods (handicrafts)	Export Support Fund, Uzbekistan	Adllex Group, Latvia	\$10,000,000	Data provided by ESF
17	Knitted goods	Export Support Fund (Fergana branch), Uzbekistan	Global Gateway, Latvia	\$15,000,000	Data provided by ESF
18	Horticultural products (kidney beans, dried apricots)	Export Support Fund (Andizhan branch), Uzbekistan	Murageros LLP, Kazakhstan	\$50,000	Data provided by ESF
19	Horticultural products (kidney beans, dried apricots)	Kosonsoi Navbahor LLP	Agroindustrial complex Umut LLP, Kazakhstan	\$1,300,000	Data provided by ESF
20	Horticultural products (grapes, cabbages, apples)	Export Support Fund (Namangan branch), Uzbekistan	Agroindustrial Complex Umut LLP, Kazakhstan	\$1,500,000	Data provided by ESF
21	Horticultural products (torpedo melons)	Export Support Fund	Uzbekistan Trading House, Latvia	\$180,000	Data provided by ESF
<b>Total</b>				<b>\$121,100,000</b>	

LOIs and MOUs signed during the Round Table in Samarkand, Uzbekistan, April 28-29, 2015

<b>No.</b>	<b>Product</b>	<b>Exporter</b>	<b>Importer</b>	<b>USD Value</b>	<b>Data collection method</b>
1	Horticultural products	Bobkent Agrosahovat LLP, Bukhara region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$2,850,000	Data provided by ESF

<b>No.</b>	<b>Product</b>	<b>Exporter</b>	<b>Importer</b>	<b>USD Value</b>	<b>Data collection method</b>
2	Horticultural products	Gala osie sahovat service, Bukhara region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$6,000,000	Data provided by ESF
3	Horticultural products	Oston Sharif Fayz, farm enterprise, Bukhara region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$200,000	Data provided by ESF
4	Horticultural products	Fatillo farhod, farm enterprise, Bukhara region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$250,000	Data provided by ESF
5	Horticultural products	Karakul agro LLP, Bukhara region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$4,500,000	Data provided by ESF
6	Horticultural products (tomatoes, cabbages)	Kodirzhon, LLP, Bukhara region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$6,800,000	Data provided by ESF
7	Horticultural products	Olot Sahovat LLP, Bukhara region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$5,000,000	Data provided by ESF
8	Horticultural products (cabbages)	Korovul bozor agro ahovati, LLP, Bukhara region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$3,500,000	Data provided by ESF
9	Horticultural products	Bobkent Agrosahovat LLP, Bukhara region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$1,200,000	Data provided by ESF
10	Horticultural products (watermelons, honey)	Adolat zamini, farm enterprise, Bukhara region, Uzbekistan	NT Capitals, retail chain, Russia	\$1,000,000	Data provided by ESF
11	Horticultural products	JC Bahmal Golden Apple LLP, Jizzak region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$30,000,000	Data provided by ESF
12	Horticultural products (tomatoes, cucumbers)	Karmana, farm enterprise, Navoiy region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$4,000,000	Data provided by ESF
13	Horticultural products (plums, grapes, apples)	Nur-ota export LLP, Navoiy region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$8,000,000	Data provided by ESF
14	Horticultural products (tomatoes, cucumbers)	Karmana, farm enterprise, Navoiy region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$4,600,000	Data provided by ESF
16	Horticultural products (frozen fruits)	JC Afrosiabmeva LLP, Samarkand region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$1,900,000	Data provided by ESF
17	Horticultural products (grapes)	Ishtihon agroproduct LLP, Samarkand region, Uzbekistan	NT Capitals, retail chain, Russia	\$6,500,000	Data provided by ESF
18	Horticultural products (raisins)	Ishtihon agroproduct LLP, Samarkand region, Uzbekistan	NT Capitals, retail chain, Russia	\$5,000,000	Data provided by ESF

<b>No.</b>	<b>Product</b>	<b>Exporter</b>	<b>Importer</b>	<b>USD Value</b>	<b>Data collection method</b>
19	Horticultural products (grapes, apples)	Mielkon boglari LLP, Samarkand region, Uzbekistan	NT Capitals, retail chain, Russia	\$6,500,000	Data provided by ESF
20	Horticultural products (grapes)	Zarband product LLP, Samarkand region, Uzbekistan	NT Capitals, retail chain, Russia	\$6,000,000	Data provided by ESF
21	Horticultural products (grapes toifi)	Zarband product LLP, Samarkand region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$10,000,000	Data provided by ESF
22	Horticultural products (grapes)	Talabod, farm enterprise, Samarkand region, Uzbekistan	NT Capitals, retail chain, Russia	\$3,200,000	Data provided by ESF
23	Horticultural products (plums, grapes, apples)	Dilkishod sifat, farm enterprise, Samarkand region, Uzbekistan	NT Capitals, retail chain, Russia	\$4,100,000	Data provided by ESF
24	Horticultural products (raisins)	Tokizor Baraka fayz LLP, Samarkand region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$4,600,000	Data provided by ESF
25	Horticultural products (grapes)	Zarband product LLP, Samarkand region, Uzbekistan	NT Capitals, retail chain, Russia	\$6,400,000	Data provided by ESF
26	Horticultural products (tomatoes)	Lazzat meva LLP, Samarkand region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$7,500,000	Data provided by ESF
27	Horticultural products (dried apricots, dried plums)	Oktosh meva LLP, Samarkand region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$7,500,000	Data provided by ESF
28	Horticultural products	Bogi Sharofbek, farm enterprise, Samarkand region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$7,000,000	Data provided by ESF
29	Horticultural products	Kizil tepa, farm enterprise, Samarkand region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$4000,000	Data provided by ESF
30	Horticultural products (dill)	Pahtachi aholi, farm enterprise, Samarkand region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$7,500,000	Data provided by ESF
31	Horticultural products (raisins)	Sobirzhonov S.V., farm enterprise, Samarkand region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$6,500,000	Data provided by ESF
32	Horticultural products (apples, grapes)	Avangard, farm enterprise, Samarkand region, Uzbekistan	Azbuka vkusa, retail chain, Russia	\$500,000	Data provided by ESF
33	Horticultural products	Adolat Alisher Zamini, farm enterprise, Uzbekistan	NT Capitals, retail chain, Russia	\$1,000,000	Data provided by ESF
34	Horticultural products (grapes, raisins)	Hazrat Donier Boglari, farm enterprise, Samarkand region, Uzbekistan	NT Capitals, retail chain, Russia	\$3,000,000	Data provided by ESF
35	Horticultural products (grapes)	Tillakon Uzumi, farm enterprise, Samarkand region, Uzbekistan	NT Capitals, retail chain, Russia	\$1,000,000	Data provided by ESF

<b>No.</b>	<b>Product</b>	<b>Exporter</b>	<b>Importer</b>	<b>USD Value</b>	<b>Data collection method</b>
36	Horticultural products (grapes, raisins)	Hudoikulov, farm enterprise, Samarkand region, Uzbekistan	NT Capitals, retail chain, Russia	\$500,000	Data provided by ESF
37	Horticultural products (grapes)	Kueshli uzumzor, farm enterprise, Samarkand region, Uzbekistan	NT Capitals, retail chain, Russia	\$200,000	Data provided by ESF
38	Horticultural products	Saihunabad, farm enterprise, Samarkand region, Uzbekistan	NT Capitals, retail chain, Russia	\$2,500,000	Data provided by ESF
39	Handicrafts (handmade carpets)	IE MMM, Samarkand region, Uzbekistan	NT Capitals, retail chain, Russia	\$2,000,000	Data provided by ESF
<b>Total</b>				<b>\$182,800,000</b>	

### Year 5 details:

LOIs and MOUs signed during the CATF V in Almaty, Kazakhstan, October 28-29, 2015

<b>No.</b>	<b>Product</b>	<b>Party 1</b>	<b>Party 2</b>	<b>USD Value</b>	<b>Duration</b>	<b>Data collection method</b>
1	Wheat flour (60,000 tons)	Karaganda Mill factory, Kazakhstan	Bilal Rakhmat Trading Company	\$20,000,000	1 year	During the B2B meeting within the T&L session
2	Cosmetic goods	AinaLine LLP, Kazakhstan	Best Women LLP, Uzbekistan	\$8,000	1 year	During the session Women entrepreneurship
3	Textile	CACSA, Tajikistan	Spinna Circle LTD, UK	\$70,000	1 year	During the session Women entrepreneurship
4	Textile	Spinna Circle LTD, UK	Ruslanova AIYM Fashion House, Kyrgyzstan	\$38,000	1 year	During the session Women entrepreneurship
5	Training programs	Hold Int., Afghanistan	Spinna Circle LTD, UK	\$70,000	1 year	During the session Women entrepreneurship
6	Fashion show and trade fair TJ and KG	Ruslanova AIYM Fashion House, Kyrgyzstan	Kadbonu Association of Women Entrepreneurs of Tajikistan	\$20,000	1 year	During the session Women entrepreneurship
7	Master class on felting. Supply of Ethno clothing and souvenirs	Uluman Creative Group, Kyrgyzstan	Haft Paikar International Fund of Craftspeople, Tajikistan	\$18,000	1 year	During the session Women entrepreneurship
8	Organization of trade fairs and trainings for craftspeople	Union of Crafts, Kyrgyzstan	Haft Paikar International Fund of Craftspeople, Tajikistan	\$35,000	1 year	During the session Women entrepreneurship
9	Mung beans (7,000 tons)	Mokhir Co, Uzbekistan	Ali zada Brothers Company, Afghanistan	\$20,000,000	1 year	During the trade fair
10	Kidney beans (12,000 tons)	Mokhir Co, Uzbekistan	Ali zada Brothers Company, Afghanistan		1 year	During the trade fair

<b>No.</b>	<b>Product</b>	<b>Party 1</b>	<b>Party 2</b>	<b>USD Value</b>	<b>Duration</b>	<b>Data collection method</b>
11	Grain to TJ	Kadbonu Association of Women Entrepreneurs of Tajikistan	Arenova LLP, Kazakhstan	\$50,000	1 year	During the session Women entrepreneurship
12	Transportation	EuroTransit Cargo, LLP, Kazakhstan	Asstra Forwarding AG (SW+Russia)	\$500,000	1 year	During the B2B meeting within the T&L session
13	Transportation	EuroTransit Cargo, LLP, Kazakhstan	JV TransTurkiston	\$400,000	1 year	During the B2B meeting within the T&L session
14	Transportation services to supply flour from Kazakhstan to Afghanistan	EuroTransit Cargo, LLP	Karaganda Mill factory, Kazakhstan	\$4,000,000	1 year	During the B2B meeting within the T&L session
<b>Total</b>					<b>\$45,209,000</b>	

Information on signed LOI's and MOUs during the Horticulture Forum, Fergana February 25-26, 2016

<b>No.</b>	<b>Product</b>	<b>Exporter (Uzbekistan)</b>	<b>Importer</b>	<b>USD Value</b>	<b>Data collection method</b>
1	Agricultural products	Nukus agro impex LLP	Association of trade companies of Kazakhstan	\$1,000,000	Data provided by ESF
2	Agricultural products	Rivog Agro Export LLP	Association of trade companies of Kazakhstan	\$5,000,000	Data provided by ESF
3	Agricultural products	Rivog Agro Export LLP	LLP Trading House Uzsibinvest, Russia	\$1,000,000	Data provided by ESF
4	Agricultural products	Agro Export Group LLP	Association of trade companies of Kazakhstan	\$5,000,000	Data provided by ESF
5	Agricultural products	Agro Export Group LLP	LLP Trading House Uzsibinvest, Russia	\$1,000,000	Data provided by ESF
6	Agricultural products	Kogon Agro Export Agrofim	LLP "Magnit", Russia	\$10,000,000	Data provided by ESF
7	Agricultural products	Kogon Agro Export Agrofim	PRO BALTIKUM, Germany	\$2,000,000	Data provided by ESF
8	Agricultural products	Semteno Server LLP	Association of trade companies of Kazakhstan	\$1,000,000	Data provided by ESF
9	Agricultural products	Hatirchi agro export Agrofim	LLP Trading House Uzsibinvest, Russia	\$2,000,000	Data provided by ESF
10	Agricultural products	Hatirchi agro export Agrofim	Association of trade companies of Kazakhstan	\$2,000,000	Data provided by ESF

<b>No.</b>	<b>Product</b>	<b>Exporter (Uzbekistan)</b>	<b>Importer</b>	<b>USD Value</b>	<b>Data collection method</b>
11	Agricultural products	Hatirchi agro export Agrofirma	PRO BALTIKUM, Germany	\$1,000,000	Data provided by ESF
12	Agricultural products	Olmos Pharm text LLP	Association of trade companies of Kazakhstan	\$1,500,000	Data provided by ESF
13	Agricultural products	Olmos Pharm text LLP	PRO BALTIKUM, Germany	\$1,000,000	Data provided by ESF
14	Agricultural products	Vodii ta'mir ta'minot baza LLP	Association of trade companies of Kazakhstan	\$1,100,00	Data provided by ESF
15	Agricultural products	Vodii ta'mir ta'minot baza LLP	PRO BALTIKUM, Germany	\$500,000	Data provided by ESF
16	Agricultural products	Vodii ta'mir ta'minot baza LLP	Uzbekistan Trading House, Latvia	\$1,000,000	Data provided by ESF
17	Agricultural products	Vodii ta'mir ta'minot baza LLP	JS Jotagris, Lithuania	\$800,000	Data provided by ESF
18	Agricultural products	Yangikurgon agro invest LLP	JS Jotagris, Lithuania	\$1,000,000	Data provided by ESF
19	Agricultural products	Namangan meva sabzavot export LLP	Uzbekistan Trading House, Latvia	\$1,000,000	Data provided by ESF
20	Agricultural products	Baraka meva-sabzavot export LLP	Uzbekistan Trading House, Latvia	\$1,000,000	Data provided by ESF
21	Cherries, Apricot and persimmon	Abdulkhafiz Aziz Ulugbek	Association of trading companies of Kazakhstan	\$1,000,000	Data provided by ESF
22	Agricultural products	Urgut Agro Vet Service LLP	Association of trading companies of Kazakhstan	\$7,000,000	Data provided by ESF
23	Melon and dried fruits	SirdaryoSavdolmpex LLP	Uzbekistan Trading House, Latvia	\$5,000,000	Data provided by ESF
24	Melon and dried fruits	SirdaryoSavdolmpex LLP	LLP Magnum Cash & Carry, Kazakhstan	\$3,000,000	Data provided by ESF
25	Agricultural products	SirdaryoSavdolmpex LLP	LLP FruitReal, Belarus	\$2,000,000	Data provided by ESF
26	Agricultural products	Zharkurgon Meva Sabzavot Export LLP	Association of trading companies of Kazakhstan	\$3,000,000	Data provided by ESF
27	Agricultural products	Surkhondary agrofirma LLP	LLP Magnum Cash & Carry, Kazakhstan	\$2,000,000	Data provided by ESF
28	Agricultural products	Greater Victory	Association of trading companies of Kazakhstan	\$5,000,000	Data provided by ESF

<b>No.</b>	<b>Product</b>	<b>Exporter (Uzbekistan)</b>	<b>Importer</b>	<b>USD Value</b>	<b>Data collection method</b>
29	Horticulture products, melons and beans	Muyan Sokhibkor Agrofirm	LLP Trading House Uzsibinvest, Russia	\$4,000,000	Data provided by ESF
30	Horticulture products, melons and beans	Fergana agro meva LLP	LLP Magnit, Russia	\$2,500,000	Data provided by ESF
31	Horticulture products, melons and beans	Khamkor aloka export agrofirm	LLP Magnit, Russia	\$5,000,000	Data provided by ESF
32	Horticulture products, melons and beans	Beshariq vegetables biznes Agrofirm	PRO BALTIKUM, Germany	\$10,000,000	Data provided by ESF
33	Horticulture products, melons and beans	Tarakkiyet zamin invest" Agrofirm	LLP Magnit, Russia	\$1,200,000	Data provided by ESF
34	Horticulture products, melons and beans	Dangara Agrofirm	Association of trade companies of Kazakhstan	\$5,000,000	Data provided by ESF
35	Horticulture products, melons and beans	Oltiarik agro invest LLP	Al'ni don Agricultural corporation, Kyrgyzstan	\$10,000,000	Data provided by ESF
36	Horticulture products, melons and beans	Kushtepa Bogi Buyston Agrofirm	LLP Magnit, Russia	\$8,000,000	Data provided by ESF
37	Horticulture products, melons and beans	Roshidon agroLLP	Uzbekistan Trading House UZTH, Latvia	\$3,000,000	Data provided by ESF
38	Horticulture products, melons and beans	Toshlok nematlari agrofirm	Al'ni don Agricultural corporation, Kyrgyzstan	\$10,000,000	Data provided by ESF
39	Horticulture products, melons and beans	Mindonobod agrosanoat Agrofirm	Al'ni don Agricultural corporation, Kyrgyzstan	\$1,000,000	Data provided by ESF
40	Horticulture products, melons and beans	Tozhikhon Shodieva Agrofirm	Russian Trade House Slavich, Russia	\$7,000,000	Data provided by ESF
41	Horticulture products, melons and beans	Zafar eldor kelazhagi LLP	LLP Trade House Fergana, Russia	\$4,500,000	Data provided by ESF
42	Horticulture products, melons and beans	Namuna meva- sabzavot LLP	Al'ni don Agricultural corporation, Kyrgyzstan	\$10,000,000	Data provided by ESF
43	Agricultural products	Ukori bog ne'matlari agrofirm	PRO BALTIKUM, Germany	\$1,000,000	Data provided by ESF
44	Agricultural products	Ukori bog ne'matlari agrofirm	Uzbekistan Trading House UZTH, Latvia	\$500,000	Data provided by ESF
45	Agricultural products	Ukori bog ne'matlari agrofirm	Association of trading companies of Kazakhstan	\$1,000,000	Data provided by ESF
	<b>Total</b>			<b>\$151,600,000</b>	

Information on signed LOI's and MOUs during the B2B meeting of members of ASIA Association, Tashkent, February 26, 2016

<b>No.</b>	<b>Product</b>	<b>Party 1</b>	<b>Party 2</b>	<b>USD Value</b>	<b>Data collection method</b>
1	Transportation	Kokzhal-NS LLP, Kazakhstan	Kamran LLP, Kazakhstan	\$50,000	Follow-up email
2	Construction materials and transportation	Oibek Dilrabo, Uzbekistan	KADBONU National Association of Women Entrepreneurs, Tajikistan	\$40,000	Follow-up email
3	Horticultural products	Oibek Dilrabo, Uzbekistan	KADBONU National Association of Women Entrepreneurs, Tajikistan	\$50,000	Follow-up email
4	Horticultural products	Kamran LLP, Kyrgyzstan	Association of Horticultural Producers, Kyrgyzstan	\$3,000	Follow-up email
5	Marketing and consulting services	Association of Horticultural Producers, Kyrgyzstan	KADBONU National Association of Women Entrepreneurs, Tajikistan	\$50,000	Follow-up email
6	Logistics services	Chamber of Commerce and Industry of the Navoiy Region, Uzbekistan	Kamran LLP, Kazakhstan	\$20,000	Follow-up email
7	Logistics services	KADBONU National Association of Women Entrepreneurs, Tajikistan	Kamran LLP, Kazakhstan	\$50,000	Follow-up email
8	Horticultural products	Association of Horticultural Producers, Kyrgyzstan	Chamber of Commerce and Industry of the Navoiy region, Uzbekistan	\$20,000	Follow-up email
9	Organization of trade fairs for craftspeople and horticultural producers	KADBONU National Association of Women Entrepreneurs, Tajikistan	Gairat LLP, Uzbekistan	\$40,000	Follow-up email
10	Organization of trade fair for craftspeople and horticultural producers	KADBONU National Association of Women Entrepreneurs, Tajikistan	Gairat LLP, Uzbekistan	\$50,000	Follow-up email
11	Horticultural products	Kokzhal-NS LLP, Kazakhstan	Chamber of Commerce and Industry of the Navoiy Region, Uzbekistan	\$100,000	Follow-up email
<b>Total</b>				<b>\$473,000</b>	

Information on signed LOIs during the “Women-entrepreneurs of Central Asia: Experience, Challenges and Development Prospects” Roundtable, Dushanbe, April 7-8, 2016

<b>No.</b>	<b>Product</b>	<b>Party 1</b>	<b>Party 2</b>	<b>USD Value</b>	<b>Data collection method</b>
1	Organization of trainings	NGO Pavastov, Tajikistan	NGO HOLD, Afghanistan	\$5,000	During the roundtable
2	Canned Fruits And Vegetables	Kokzhal-NS LLP, Kazakhstan	CDMM Yakub va S, Tajikistan	\$50,000	During the roundtable

<b>No.</b>	<b>Product</b>	<b>Party 1</b>	<b>Party 2</b>	<b>USD Value</b>	<b>Data collection method</b>
3	Horticultural products	Kokzhal-NS LLP, Kazakhstan	Organization Tajikmotlyubot RAIKO, Tajikistan	\$10,000	During the roundtable
4	Horticultural products	IE Chavakova Rakhmatbaba, Tajikistan	Haft Paikar International Fund of Craftspeople, Tajikistan	\$5,000	During the roundtable
5	Handicrafts	Kokzhal-NS LLP, Kazakhstan	Mumtoz LLP, Tajikistan	\$2,000	During the roundtable
6	Transportation of freights	Vocational training center Shakhloi Vatan, Tajikistan	Kamran LLP, Kazakhstan	\$4,500	During the roundtable
7	Dried fruits	Kokzhal-NS LLP, Kazakhstan	IE Mumindzhonova Nodira, Tajikistan	\$10,000	During the roundtable
8	Organic fertilizer "Biokompost"	Navruz I M LLP, Tajikistan	Naheed Sarabi, Senior Coordination Adviser, NGO HOLD, Afghanistan	\$20,000	During the roundtable
9	Transportation of freights	CDDMM Salon mualifi Design, Tajikistan	Kamran LLP, Kazakhstan	\$4,500	During the roundtable
10	Horticultural products	Kokzhal-NS LLP, Kazakhstan	Sayor NGO, Uzbekistan	\$10,000	During the roundtable
<b>Total</b>				<b>\$121,000</b>	

Information on signed MOUs during the "Women-entrepreneurs of Central Asia: Experience, Challenges and Development Prospects" Roundtable, Dushanbe, April 7-8, 2016

<b>No.</b>	<b>Product</b>	<b>Party 1</b>	<b>Party 2</b>	<b>USD Value</b>	<b>Data collection method</b>
1	Manufacture of silverware and patchworks "Kurok"	Mairambibi LLP, Tajikistan	Naheed Sarabi, Senior Coordination Adviser, NGO HOLD, Afghanistan	\$30,000	During the roundtable
2	Organization of trade fair for craftspeople in Osh, Kyrgyzstan, November 2016	Haft Paikar International Fund of Craftspeople, Tajikistan	Association of Horticultural Producers, Kyrgyzstan	N/A	During the roundtable
3	Participation in the trade fair for craftspeople an horticultural producers in Osh, Kyrgyzstan, November 2016	Kokzhal-NS LLP, Kazakhstan	Organization Tajikmotlyubot RAIKO, Tajikistan	N/A	During the roundtable
4	Organization of trade fair for craftspeople an horticultural producers in Osh, Kyrgyzstan, November 2016	NGO Women federation "Karatag"	AAK Zher azygy, Kyrgyzstan	N/A	During the roundtable
<b>Total</b>				<b>\$30,000</b>	

Information on signed LOIs and MOUs during CATF VI in Almaty, Kazakhstan, September 7-8, 2016

<b>No.</b>	<b>Product</b>	<b>Party 1</b>	<b>Party 2</b>	<b>USD Value</b>	<b>Data collection method</b>
1	Transportation services	EuroTransitCargo LTD, Kazakhstan	TajikVneshTrans Company, Tajikistan	\$3,500,000	During the B2B meeting within the T&L session
2	Grain	Nurkas LTD, Kazakhstan	Mitra LTD, Afghanistan	\$5,000,000	During the trade fair
3	Handicrafts	Chapan, The Kyrgyz Republic	Haft Paykar International Fund of Handcraftsmanship, Tajikistan	\$30,000	During the trade fair
4	Horticulture	JSC Uzagroexport, Uzbekistan	IE Kairat, Kazakhstan	\$1,500,000	During the Horticultural Exports session
	Mung beans	JSC Uzagroexport, Uzbekistan	Maisar company, Pakistan	\$700,000	During the Horticultural Exports session
5	Canned Uzbek plov	LLC Alimkhan Exim Group, Uzbekistan	LLP Regal Globe Service, Kazakhstan	\$25,000	During the Horticultural Exports session
6	Dried fruits and mung beans	"Kara Oltun Orzu Faiz" farm enterprise, Uzbekistan	Boustan-E-Sabz, Afghanistan	\$2,500,000	During the trade fair
<b>Total</b>				<b>\$13,255,000</b>	

## 2. Number and value of signed deals by year:

To gather data on the number and value of signed deals facilitated by REC, we followed up through emails and phone calls with partner institutions to inquire about event results and to confirm that contracts have been signed.

### Year 1 (October 2011 – September 2012): \$54,000

- Elitnyi Med, a honey producer from Kazakhstan, signed a contract to supply honey to Krendel LLP, a confectionery enterprise from Kazakhstan for a total value of \$54,000.

### Year 2 (October 2012 – September 2013): \$4,022,000

- Petropavlovsk Mill Factory, Dikanshy LLP (Kazakhstan) signed a contract with the Afghan importers to supply flour for one year, for a total value of \$2 million;
- MASLO-DEL LLP, food processing company from Kazakhstan, signed a contract to sell a one-month supply of vegetable oil to an Afghan company, for a total value of \$650,000;
- Abdurahmon – Abdughaffor – Davr LLP, a farm company from Uzbekistan, signed a contract with Nurbereke-555 LLP, an importer from Kazakhstan, to supply horticultural products for a value of \$1,112,000;
- Abdurahmon – Abdughaffor – Davr LLP, a farm company from Uzbekistan, signed a contract with IE Dosimov Sabirzhan Zharkinovich, an importer from Kazakhstan, to supply horticultural products and, Kazakhstan, signed a contract to supply horticulture products valued at \$130,000;
- Abdurahmon – Abdughaffor – Davr LLP, a farm company from Uzbekistan, signed a contract with IE Suyarkulov Elmurat Tangirovich, an importer from Kazakhstan, to supply horticultural products valued at \$130,000.

**Year 3 (October 2013 – September 2014): \$30,000**

- SDiKo LLP signed a contract with Ecoproduct Asia LLC to supply apple juice valued at \$30,000.

**Year 4 (October 2014 – September 2015): \$25,787,000**

- Latvian-based Uzbekistan trading house signed several contracts with Uzbek exporters to supply 1500 tons of dried fruits and vegetables valued at \$2,000,000, and 130 tons of fresh fruits and vegetables valued at \$37,000;
- Marwin Brands LLP, signed the contract with Baroz Brothers, an Afghan company from Mazar I Sharif, to supply juices valued at \$500,000;
- Turksib Magistral LLP signed an agreement with AIR Baltic Corporation to jointly manage transportation projects valued at \$250,000;
- Frutreal, an importer from Belarus, signed agreements with both Uztadbirkor Export and MokhirCo, Uzbekistan, to supply horticultural products valued at \$20,000,000;
- Three contracts have been signed between Holiday, an importer from Russia, and companies from Uzbekistan and Kazakhstan:
  1. APC Uzbegin LLC, farm company from Uzbekistan, valued at \$1,000,000;
  2. MokhirCo., farm company from Uzbekistan, valued at \$1,000,000;
  3. Amankeldi LLP, farm company from Kazakhstan, valued at \$1,000,000

**Year 5 (October 2015 – Present): \$679,200**

- Asstra Forwarding, an international transportation and logistics company, signed a contract for the transportation of goods with Magnum, one of the biggest retail chains in Kazakhstan, valued at \$678,000;
- Members of the ASIA Association sold horticultural and textile products brought to showcase at the Fergana Horticultural Forum Trade Fair. The sales were valued at more than \$1,200.

**3. Number and value of contracts and deals at CATFs:**

**CATF I: N/A** (this Forum was organized by USAID's Regional Trade Liberalization and Customs (RTL) Project)

**CATF II (September 25-26, 2012): \$576,000**

- Three Tajik companies signed contracts with other CA companies to export to Germany totaling \$576,000;

**CATF III (October 9-10, 2013): \$1,470,000**

- "VOOLLENTEKS" LLP, a manufacturer of construction materials from Uzbekistan, signed a contract with "Zamansnab" IE, a building material retailer from Kazakhstan, to supply construction materials totaling \$700,000;
- "VOOLLENTEKS" LLP, a manufacturer of construction materials from Uzbekistan, signed a contract with "Zangarshan" IE, a building material retailer from Kazakhstan, totaling \$770,000.

**CATF IV (October 29-30, 2014): \$70,000**

- "Elif Chemicals" LLP, a producer of a dry building mixture, signed an agreement with "Fitofarm" LLP, a pharmaceutical company from Kazakhstan, to supply building mixture for the office construction in Shymkent, Kazakhstan totaling \$10,000;

- Araily LLP, a producer of textile goods from Shymkent, Kazakhstan, has ordered an embroidery machine from Turkey Association for a total cost of \$60,000.

**CATF V (October 28-29, 2015): \$15,001,705**

- Asaliya LLP, a producer and exporter of wheat flour, grain, and cereal flakes from Kostanay, Kazakhstan, signed a contract with Focus Group Company from Afghanistan to supply wheat flour for a total value of \$3,000,000;
- Ak-Bidai Export LTD, a wheat flour exporter from Kostanay, Kazakhstan concluded a deal with Focus Group Company, an importer from Afghanistan, to supply wheat flour totaling \$5,000,000;
- Romana NAN, a producer and exporter of wheat flour from Kazakhstan, signed a contract with Lalandar LTD from Afghanistan to export wheat flour for a total cost \$5,000,000, and signed another contract with Focus Group Company to supply wheat flour valued at \$2,000,000.
- Several Asia Association members sold \$1,705 worth of goods during the CATF V Trade Fair: Kazakh Zhety Agash Foundation sold \$903.20 worth of goods, and Uzbek Best Women LLC sold \$801.80 worth of goods.

# ANNEX C. KEY DOCUMENTS

Annex C lists all reports, deliverables, presentations, and other key documents produced during the life of the project.

<b>DESCRIPTION</b>
<b>QUARTERLY PROGRESS REPORTS</b>
Quarterly Progress Report, October – December 2011
Quarterly Progress Report, January – March 2012
Quarterly Progress Report, April – June 2012
Quarterly Progress Report, October – December 2012
Quarterly Progress Report, January – March 2013
Quarterly Progress Report, April – June 2013
Quarterly Progress Report, October – December 2013
Quarterly Progress Report, January – March 2014
Quarterly Progress Report, April – June 2014
Quarterly Progress Report, October – December 2014
Quarterly Progress Report, January – March 2015
Quarterly Progress Report, April – June 2015
Quarterly Progress Report, October – December 2015
Quarterly Progress Report, January – March 2016
Quarterly Progress Report, April – June 2016
<b>ANNUAL PROGRESS REPORTS</b>
Year 1 Annual Progress Report, October 2011 – September 2012
Year 2 Annual Progress Report, October 2012 – September 2013
Year 3 Annual Progress Report, October 2013 – September 2014
Year 4 Annual Progress Report, October 2014 – September 2015

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