



**USAID** | **AgroInvest Project**  
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# **QUARTERLY REPORT JANUARY 1 – MARCH 31, 2014**

**April 2014**

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# AGROINVEST

**QUARTERLY REPORT  
JANUARY 1 – MARCH 31, 2014**

**Contract No. AID-121-C-11-00001**

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## ACRONYMS

CSO	Civil Society Organization
CURE	Center for Ukraine Reform Education
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GOU	Government of Ukraine
LGAF	Land Governance Assessment Framework
LOE	Level of Effort
MAPF	Ministry of Agrarian Policy and Food
NGO	Non-governmental Organization
OFM	Owner Finance Mechanism
PO	Producer Organization
SMP	Small and Medium Producer
SOW	Scope of Work
UNITER	Ukraine National Initiatives to Enhance Reforms Project
WOCCU	World Council of Credit Unions

# INTRODUCTION

## Project Overview

The purpose of AgroInvest is to provide technical assistance to accelerate and broaden economic recovery in Ukraine and increase the country's contribution to global food security efforts. AgroInvest is achieving this objective by supporting a stable, market-oriented agricultural policy environment, stimulating access to financial services for small and medium producers (SMPs), and facilitating a more effective market infrastructure for SMPs.

The scope of work identifies three main components, refined into six tasks, as follows:

- Component 1: Support a Stable, Market-Oriented Environment
  - Task 1-a: Accelerate Market Oriented Reforms
  - Task 1-b: Strengthen Industry Associations
  - Task 1-c: Provide Public Education for Land Rights
- Component 2: Stimulate Access to Finance
  - Task 2-a: Sustainable Access to Financial Services for SMPs Provided
- Component 3: Facilitate Market Infrastructure for Small and Medium Producers
  - Task 3-a: Producer Organization Development
  - Task 3-b: Develop Wholesale Markets and Other Market Infrastructure

AgroInvest is a five-year project, extending to an estimated completion date of January 24, 2016. The scope of this Project encompasses the following U.S. Foreign Assistance Framework Program Areas: 4.2 Trade and Investment, 4.5 Agriculture, 4.6 Private Sector Competitiveness, and 4.7 Economic Opportunity.

Protests in Kyiv began on November 21, 2013, following the Government of Ukraine's (GoU) announcement that it was suspending preparations to sign an association agreement with the European Union. On February 22, following three months of large protests and violent clashes, former President Viktor Yanukovich departed Kyiv. The Ukrainian Parliament established a new government on February 27 and set new presidential elections for May 25, 2014.

In January-March 2014 this period of major political and social instability Ukraine is facing has continued to have a sizable impact on AgroInvest technical and administrative activities. The most important developments during this period included:

- Thousands of protesters continuing to demonstrate in the center of Kyiv with demands of the resignation of the government, early elections of the President and signing of the Association agreement with the EU. These demonstrations transformed into violent confrontations between the protesters and police: first in mid-January; and then again at the end of February with more than 100 people killed. During the worst of the confrontations, AgroInvest closed its Kyiv office for a total of four days and operated under its telecommuting policy for an additional ten days in total;

- Protests and demonstrations also took place in various regions of Ukraine and had an impact on activities of Project partners in the regions. Numerous business trips by both AgroInvest staff and its partners were forced to be postponed or cancelled during this period;
- On January 16, 2014 the Verkhovna Rada passed the law on “On Amendments to the Law of Ukraine On Court System and the Status of Judges and Regulatory Laws on Additional Measures to Ensure Protection of Citizens” which named all NGOs and other public organizations which receive funding from international or bilateral donors “Foreign Agents.” Under this law such organizations were required to label themselves and as “Foreign Agents”, comply with much tougher reporting requirements and pay taxes on any donor funds; this law was effective for about a month and was repealed by the Parliament at the end of February as a result of tremendous international criticism. This law, while short lived, caused delays in implementation of the capacity building programs for agricultural industry associations due to the uncertainty of how the NGOs could/would continue to operate under the detrimental legislation;
- Protesters took over the main building of the Ministry of Agrarian Policy and Food on Kherschatyk Street on January 24 and held it until January 29; the Ministry building was taken over again for several days at the end of February;
- The new Government was appointed on February 27, 2014. In the lead up to this transition, the Cabinet of Ministers and the Parliament of Ukraine have been functioning in a limited capacity this quarter which has delayed progress on AgroInvest and its partners’ agricultural policy activities;
- In February USAID informed AgroInvest to suspend all planned international short-term technical assistance consultants traveling to Ukraine. As such the Project delayed several international consultant’s engagements during this quarter;
- In late February and early March, Crimea became occupied by Russian soldiers. As the result of a less than transparent referendum, the Autonomous Republic of Crimea announced its independence from Ukraine and declared itself a part of Russia. On Tuesday March 18th, the Regional Contracting Officer informed all projects with active operations in Crimea to not execute any additional payments nor begin any new activities until further notice. As a result of this directive, and in discussions with USAID, AgroInvest closed its Simferopol office and has indefinitely suspended all of its Crimean activities until final directives are received from USAID;
- Due to the continuing political and social situation in Ukraine the Project is increasingly hearing from partners that potential investors (foreign and domestic) are increasingly becoming apprehensive to invest in Ukraine due to the instability. This is having an adverse impact on AgroInvest activities, especially those under Component 3 which rely on external investment/funding for the actual contraction of the infrastructure work the Project is supporting.

## QUARTERLY HIGHLIGHTS

Despite the ongoing political and technical turmoil in Ukraine, in January-March 2014, the AgroInvest Project team continued technical implementation activities. Key activities and accomplishments during this period included the following:

- Analyzed a database of agricultural land lease agreements and prepared a draft report which identified the most important issues related to relations between lessors and lessees and developed proposals for addressing these issues;
- Together with partner agricultural industry associations, developed proposals on simplification of the registration procedure for agricultural land lease agreements;
- Commenced implementation of a new capacity building program with the National Association of Agricultural Advisory Services “Dorada” to continue building their capacity in agricultural policy analysis and advocacy of member’s interests;
- Developed and shared with the GoU and partner organizations an analysis of legislative regulations on mandatory crop rotations and proposals on simplifying these regulations;
- Prepared and shared with the Ministry of Agrarian Policy and Food of Ukraine (MAPF) an analytical report on the international experience on the role of self-regulatory organizations in the formulation and implementation of agricultural policy(s);
- Based on the organizational capacity needs assessment of partner industry associations, announced a tender and received proposals for implementation of a capacity building training program for agricultural industry associations;
- Signed an agreement with the “Interns League” to support three interns engaged with the Committee on Agricultural Policy and Land Relations and the Committee on Ecological Policy, Natural Use and Liquidation of Aftermath of Chernobyl Catastrophe of the Verkhovna Rada of Ukraine in 2014;
- Re-launched the Legal Land Rights Services Program in Chernivtsi, Dnipropetrovsk, Ivano-Frankivsk, Kherson, Mykolaiv, Odesa, Poltava and Ternopil oblasts with an emphasis on training events for village mayors and village-level land managers;
- Conducted three training seminars for financial specialists of partner banks and credit unions entitled “Agrotechnologies for Financial Analysts” focused on various crop cultivation techniques and best practices;
- Developed and began distributing a manual for SMP accountants and managers to improve the quality of their loan applications and overall management of their agricultural enterprise’s operations. This manual is the first of its kind developed specifically for accountants in rural areas;

- Conducted four practical agrotechnological training sessions combined with lending offer promotion to farmers (customers of AgroInvest partner credit unions) covering innovations in production technologies of cucumbers and tomatoes and technological support of cucumber production in greenhouses;
- Signed two new producer organization grants:
  - Agricultural Service Cooperative Snovyanka to improve the organization's capacity to produce organic compound feed and oil;
  - Agricultural Service Cooperative Chysta Flora to establish cool storage capabilities for fresh fruits and berries.
- Finalized and began distribution of the Scientific and Practical Commentary to the Law of Ukraine on Agricultural Cooperation and related legislative texts. This is the first ever comprehensive source pertaining specifically to the development of cooperatives in Ukraine.

## **SECTION I: ACCOMPLISHMENTS AND PROGRESS TO DATE**

### **Technical Implementation**

#### **COMPONENT 1: Support a Stable, Market-Oriented Policy Environment**

##### **Task A: Accelerate Market-Oriented Reforms**

###### **Analysis of legislation on agricultural land market**

During the reporting period, AgroInvest continued its activities in monitoring, reviewing and analyzing legislation on land-related issues. A main activity focused on preparing an analysis of legislative regulations on mandatory crop rotation for farming enterprises and developing proposals on streamlining these regulations to make them more market friendly and less burdensome and costly for farmers. Development and application of pre-approved crop rotation schemes became obligatory for farmers who used more than 100 hectares of agricultural land in 2013. Legislative requirements on crop rotations turned out to be overly complicated and costly for farmers, which resulted in their poor adherence to the mandatory nature of crop rotations.

To address this issue, the AgroInvest team executed a detailed analysis of the corresponding legislative requirements and developed proposals to simplify and streamline the legislation that addresses with crop rotations. In particular, AgroInvest proposed amendments to the Law of Ukraine “On Land Protection,” the Law of Ukraine “On Land Management” and the Land Code of Ukraine to make the development and application of crop rotation schemes become more simple and affordable to farmers. AgroInvest shared these proposals with the MAPF, State Land Agency and Parliamentary Committee on Agricultural Policy and Land Relations in March 2014.

AgroInvest also provided assistance to its partner industry associations in developing proposals to simplify the registration of lease agreements for agricultural land.



Agricultural lease agreements are being registered by the State Registration Service since January 1, 2013. Due to a low capacity of the State Registration Service to register rights to immovable property and land, many farmers and farming enterprises have not been able to register their lease agreements as required by legislation. As a result, they did not have full-fledged rights to cultivate the lands they lease and thus became subject to heavy penalties and fines by the State Tax Authority. To address this problem, AgroInvest, together with experts of the Agrarian Union and Ukrainian Agribusiness Club, developed proposals to amend the legislation so that the respective penalties and fines are not being applied to farmers until the capacity of the State Registration Service allows registering agricultural land lease agreements in a timely manner. These proposals were finalized in March 2014 and will be submitted by the partner industry associations to the Verkhovna Rada for approval.

In addition, at the request of the Agricultural Committee of the American Chamber of Commerce in Ukraine AgroInvest analyzed seven separate draft laws that dealt with regulation and tenure of agricultural land and were registered in the Verkhovna Rada:

1. Draft Law #[3316](#) “On Amendments to Certain Legislative Acts of Ukraine on the Sustainable Use of Agricultural Land”;
2. Draft Law #[2421](#) “On Amendments to the Land Code of Ukraine and Other Legislative Acts of Ukraine regarding Adjustment of Provisions to the New Mechanism of State Registration of Land and Property Rights”;
3. Draft Law # [2049a](#) “On Amendments to Certain Legislative Acts of Ukraine regarding Improvement of Relations in Real Estate”;
4. Draft Law #[2193a](#) “On Amendments to Certain Legislative Acts of Ukraine regarding Formation of Land and Registration on Land Use Based on Documents Issued before Year 2013”;
5. Draft Law #[2212a](#) “On Amendments to the Law of Ukraine «On State Registration of Rights to Real Estate and Their Encumbrances” regarding Registration of Land Tenure, Which Arose before January 1, 2013”;
6. Draft Law #[2347a](#) “On Amendments to the Laws of Ukraine “On State Registration of Rights to Real Estate and Their Encumbrances” and “On State Land Cadaster” regarding Registration of Land Tenure, which Arose in the Order of Succession”;
7. Draft Law #[3237](#) “On Amendments to Certain Legislative Acts of Ukraine to Clarify the Powers of Notaries and Registration of Land Tenure on Agricultural Land.”

Through the analysis, AgroInvest identified the most controversial issues that require more discussion, identified discrepancies between various proposals contained in these draft laws and proposed to hold additional consultations before these laws are presented for approval to the Verkhovna Rada.

Experts of the Resource Center, which was established by the Land Union of Ukraine under an AgroInvest grant, also analyzed additional legal and legislative documents this

quarter dealing with land issues and developed proposals to address the issues identified during the analysis. AgroInvest conducted the following this quarter:

- Developed a concept and participated in drafting a law of Ukraine "On Certain Activities to Increase the Role of Local Communities in the management of Land Recourses". The proposed law was registered in Verkhovna Rada on February 17, 2014 (registration No. 4150) and is awaiting a review by the Parliamentary Committee on Agricultural Policy and Land Relations.
- Prepared the draft law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine (Regarding Regulation of Relations for Immovable Objects)" (registration No. 2049a) for the second reading in the Verkhovna Rada of Ukraine. The amendments proposed in this law would remove duplicate steps and additional costs for registration of rights for land plots which have been registered in the State Land Cadastre prior to January 1, 2013. This draft law was approved by the Parliamentary Committee for Economic Policy on January 15, 2014 and is awaiting the second reading at the plenary session of the Verkhovna Rada.
- Prepared the draft law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine on Determining the List, the Content and the Procedure for Approval of Land Management Documentation (registration No. 3238) for the second reading in the Verkhovna Rada of Ukraine. The text of this draft law was approved by the Parliamentary Committee on Agricultural Policy and Land Relations and recommended for the final approval by the Parliament on February 25, 2014.
- Supported approval and follow-up activities on the draft law "On Amendments to Article 38 of the Law on State Land Cadastre (regarding the verification of the exchange files)" (registration No. 3814) and the draft law "On Amendments to Section VII "The Final and Transitional Provisions" of the law of Ukraine on the State Land Cadastre" (registration No. 3756). Both draft laws were approved by the Parliamentary Committee on Fighting Organized Crime and Corruption and submitted for review by the Committee on Agricultural Policy and Land Relations.

It should be noted that in January-March there were no activities by the Government and Parliament regarding the draft law "On Agricultural Land Circulation." Prospects for approval of this draft law in the near future remain unclear.

Land lease agreements. This quarter the Project completed its analysis of leases and prepared the initial draft report on agricultural land lease agreements. The compilation of the database for the analysis was done by the Institute of Economic Research and Policy Consulting. Of 830 lease agreements collected, only 663 leases were selected as appropriate for the research. This number, however, exceeds the expected minimum quota of 500 leases. The diversity of leases allowed comparing land leases regarding private and state owned land. Also, the availability of leases concluded by land share

owners with the same lessee allowed for analyzing the level of influence of individual land owners on lease conditions.

The study findings will be verified and new conclusions and recommendations may be formed based on additional analysis to be undertaken. The Project will hold focus groups with partner NGOs in April to discuss and validate the research findings.

*Master Leases.* This quarter AgroInvest has made additional steps to familiarize the MAPF and partner industry associations with the concept of “Master Leases” as an alternative approach to address pending land lease issues. The Project shared the subject paper on master leases with the MAPF and requested considering this approach when developing the State Program of Agricultural Development for the period until 2020. The Project will assist the Ministry, should relevant working groups that develop the Program need additional clarifications. The Analytical Center of the Agrarian Union made an analysis of the Concept and provided its positive feedback. In addition, the Project experts prepared an article for dissemination of information about “Master Leases” approach through the media.

### **Other Policy Initiatives**

*Analytical report on the international experience with the role of self-regulatory organizations in formulation and implementation of agricultural policy.* In January and February, AgroInvest prepared an analytical report that described international best practices on the role of self-regulatory organizations in formulating and implementing agricultural policy. This report was prepared at the request of the MAPF by the University of Missouri. It was shared with the MAPF in March 2014 and will serve as a basis for further discussions on increasing the role of agricultural industry associations in assuming some regulatory functions in their respective sectors in Ukraine.

### **Task B: Strengthen Industry Associations**

#### **Capacity building grant program for agricultural industry associations**

In January-March 2013, AgroInvest continued working with 10 partner industry associations selected to implement the capacity building grant program. Highlights of each of these partners’ activities during the reported period are provided below.

#### **1. Ukrainian Agrarian Confederation.**

Main accomplishments of the Ukrainian Agrarian Confederation during this quarter included:

- Preparing and publishing analytical notes on the following agricultural policy issues: (i) on grain export in 2013 and prospects for grain harvest in 2014; (ii) on the situation in the Ukrainian dairy sector in 2013; (iii) on animal husbandry in Ukraine in 2013 and Jan-Feb. 2014; (iv) on profitability of Ukrainian farming enterprises in 2013; and (v) on the impact of the Association agreement with the EU on agricultural sector in Ukraine;

- Active participation in discussions and development of proposals on reducing the cost of grain transportation and storage for the interagency working group on the logistics of grain export (jointly with the Ukrainian Grain Association and other industry association);
- Active participation in a working group under the MAPF on transfer pricing in agriculture;
- Preparation of at least four open appeals to the GoU on pending legislation regarding deregulation of economic activities in the agriculture sector (jointly with other industry associations).

## 2. Ukrainian Grain Association

Main accomplishments of the Ukrainian Grain Association during the reporting period included:

- Organizing and holding a meeting of the Working Group on grain sector development to discuss most important grain sector issues with Government officials and market players;
- Active support and lobbying of new legislation on simplification of grain logistics and trade in the Verkhovna Rada of Ukraine;
- Organizing and holding an international conference “Ukrainian Grain to the World” in Hong-Kong (March 2-4, 2014);
- Developing, translating, and publishing analytical materials based on United States Department of Agriculture data covering longitudinal global commodities trends and publishing weekly news monitoring reports for the information on Ukrainian grain market.

## 3. Organic Federation of Ukraine

Main accomplishments of the Organic Federation of Ukraine during this quarter included:

- Finalizing amendments and additions to the Law of Ukraine № 425-VII “On Production and Circulation of Organic Agricultural Products and Raw Materials” and discussing the proposed amendments with key members of the Verkhovna Rada.
- Coordinating the development of the “Rules for Organic Agricultural Production” with the MAPF and participating in drafting a set of other regulatory documents based in the new law “On Production and Circulation of Organic Agricultural Products and Raw Materials”;
- Initiating preparation of the international conference “Development of the Organic Sector in Central/Eastern Europe and Central Asia Countries” to be held in Kyiv in June 2014;
- Publishing the next issue of the quarterly magazine: “Organic UA”.

## 4. Society for Promotion of Rural Green Tourism in Ukraine

Main accomplishments of the Society for Promotion of Rural Green Tourism in Ukraine during the reporting period included:

- Undertaking analysis of advertisements for provision of rural green tourism services in Ukrainian internet resources;
- Preparing a practical training session for green tourism experts (to be held in early April 2014).

5. National Association of Agricultural Advisory Services “Dorada”.

Main accomplishments of the National Association of Agricultural Advisory Services during this reporting period included:

- Preparing and holding a national conference “Innovation Activities for Professional Development of Agricultural Advisors in Ukraine”;
- Preparing, publishing and disseminating a manual “How to Develop and Support Activities of a Local Agricultural Advisory Service”;
- Developing a documentary (movie) on advisory service activities for agricultural producers.

6. Association of Farmers and Private Land Owners of Ukraine.

Main accomplishments of the Association of Farmers and Private Land Owners of Ukraine during this reporting period included:

- Organizing and holding an Annual Meeting of the Association. As a part of the meeting, the Association held public hearings on agricultural policy and developed proposals on improving it. These proposals were formally submitted to the Verkhovna Rada and the Cabinet of Ministers of Ukraine;
- Arranging and holding a meeting with a new Minister of Agrarian Policy and Food to discuss pending issues in the agriculture sector;
- Participating in activities of a working group under the State Agricultural Inspection Office on the issues of grain quality control and inspection of agricultural machinery.

7. All-Ukrainian NGO Association of Village Mayors.

Main accomplishments of the Association of Village Mayors during this quarter included:

- Finalizing a manual entitled “Practical Advice for Village Heads for the Improvement of Sustainable Rural Development and Agricultural Production”. The manual will be published and disseminated to 5,000 village councils providing practical recommendations on rural development issues to village mayors and other village council officials.
- Publication and dissemination to village councils and key partners of two issues of the “Bulletin of the Association”.
- Signing of the memoranda on cooperation with the Trade Union of Agricultural Workers of Ukraine, State Land Bank of Ukraine and the National Athletics and Sports Society “Kolos”.
- Developing proposals to draft Law of Ukraine “On Rights of Local Communities” to assist with creation and activities of local associations and

NGOs. The proposals developed by the Association were included into the final text of the draft document for approval by the Verkhovna Rada.

- Preparing proposals to draft Law “On amendments of Certain Legislative Acts of Ukraine regarding Simplification of Inheritance Procedure in Rural Areas”. The document is being prepared for the first reading in the Parliament.

#### 8. Agrarian Union of Ukraine.

Main accomplishments of the Agrarian Union of Ukraine during this reporting period included:

- Activate collaboration with the State Agricultural Inspection Office on the issues of grain quality control and inspection of agricultural machinery. Experts of the Agrarian Union participated in two meetings of a working group at the Inspection Office to provide feedback and develop detailed proposals regarding simplification procedures for the grain quality control and technical inspection of agricultural machinery;
- Development and submission to the MAPF of proposals for the State Program of agricultural sector development until 2020. The proposals dealt with agricultural land relations, financial and credit policy and technical regulations in the sector;
- The Analytical Center of the Agrarian Union prepared the following analytical notes for its members, partners and Government officials: (i) Mechanism of Operation of the Agrarian Fund; (ii) Analysis of 2014 State Budget regarding agriculture sector support programs; (iii) A study of the impact of proposed VAT changes regarding the exports of grain and oilseeds; (iv) On peculiarities of the dairy market in Israel.

#### 9. NGO Pig Breeders Association.

Main accomplishments of the Pig Breeders Association during this quarter include:

- Participation in two meetings of the working group at MAPF of Ukraine on the development and deregulation of the pig industry. This working group was set up at the initiative of the Association under the grant program with AgroInvest. The working group meetings were devoted to performance and results of the pig industry in 2013 and perspectives for 2014; a new methodology for evaluating the quality of meat products; and problems related to the compliance with environmental and veterinary laws.
- Preparation of a report on a new state standard for quality evaluation and grading of pig carcasses.
- Development and dissemination of a list of publications on the issues of pig industry in Ukraine.

#### 10. Association Ukrainian Agribusiness Club” (AUAC).

Main accomplishments of the Association Ukrainian Agribusiness Club during this quarter include:

- Organizing and holding meetings of three AUAC committees: the Legal Committee, the Agrochemical Committee and the Committee on Plant Protection Means. The committees discussed most pending policy issues in the agriculture sector and developed suggestions on addressing those issues;
- Preparation and submission to the Government of a set of analytical notes which, in particular, dealt with tax benefits in the agriculture sector, with registration of lease agreements for agricultural land and with simplification of grain movement and certification;
- Organizing and holding an international forum “High Margin Crops” to raise the knowledge of Ukrainian grain and oilseed producers on new technologies and market prospects and opportunities;
- Preparation and dissemination of 11 press releases on pending issues of agricultural policy in Ukraine.

### **Joint activities of partner agricultural industry associations**

#### **Capacity Building Training Program for agricultural industry associations**

During this reporting period, AgroInvest completed organizational capacity assessments of 15 industry associations. Based on the results of the assessment, the Project developed the following list of training courses for the sector industry associations:

1. Mobilization of external funding and project management in not-for-profit organizations.
2. Strategic planning and good governance in organizations.
3. Personnel management.
4. Selected aspects of taxing and book keeping in not-for-profit organizations.
5. Legal status of not-for-profit organizations and their regional branches.
6. Public relations and image and image promotion.
7. Economic policy analysis, law making, and lobbying.
8. Presentation skills development.

Based on the list of identified training courses, AgroInvest released a request for proposals to competitively select a subcontractor to design and execute the trainings. Proposals for implementation of the capacity building training program for agricultural industry associations were received at the end of March 2014. The Project will select training provider(s) and commence the courses in May-June 2014.

### **Task C: Provide Public Education for Land Rights**

#### **Land Rights Public Education and Outreach Campaign**

AgroInvest re-launched the Land Rights Awareness & Education Campaign “My Land, My Right” in January 2014 with the same subcontractor, Center for Ukraine Reform Education LLC (CURE). For the second year of the campaign, the most effective tools from the first year will be utilized, including the National Agrarian & Land Press Club, information materials, and TV and radio programs.

Thematically, the campaign is mainly focused on land issues but since land is a cross-cutting theme for many other issues of focus to AgroInvest, the campaign looks into those other issues as well — through the lens of land.

During this reporting period, four 7-minute radio programs were aired as part of the “My Land, My Right” campaign with a total audience of approximately 1 million listeners. The programs were dedicated to the following topics:

Date	Topic
Dec. 18, 2013	<a href="#">The citizen and the State Registry of real property rights: characteristics of interaction in the light of changes to legislation in 2014</a>
Feb. 25, 2014	<a href="#">Family farms</a>
Mar. 11, 2014	<a href="#">Do we need to improve legislation on the use of crop rotation in agriculture?</a>
Mar. 25, 2014	<a href="#">What solutions the farmers anticipate from the new government?</a>

The [National Agrarian & Land Press Club](#) established as part of the Land Rights Public Education and Outreach Campaign conducted a press conference entitled “How will the land registration system work in light of the new legislative initiatives in the area of State land registration implemented in 2014?” The Head of the State Registration Service of Ukraine, department directors of the State Land Agency and State Land Cadastre, the head of the Agrarian Union of Ukraine and the head of the Legal Department of the Land Rights Resource Center established by the Land Union of Ukraine, with support of USAID AgroInvest, made presentations at the meeting and discussed the current problems related to the registration of land rights and land leases and ways to improve the situation.



Meeting of the National Agrarian & Land Press Club, March 27, 2014

One of the most pressing problems discussed at the meeting was the low capacity of the State Registration Service, which results in rights to lease land not being registered in time, and agricultural producers not not cultivating such lands, as the Taxation Agency imposes heavy fines for use of land without lease registration and, more importantly, deprives them of their right to pay the special fixed agricultural tax. For more details please refer to the Communications section and Annex 2.



## Legal Land Rights Services Program

The Legal Land Rights Services Program was re-launched in January in cooperation with seven partners, namely the *Land Union of Ukraine* (through the Kyiv-based Land Rights Resource Center) and six local-level CSO providers of legal land rights services.

### *Land Rights Resource Center*

In the reporting period, the Land Rights Resource Center conducted trainings, provided consultations to providers of primary legal land rights services, produced a number of new materials (available at the Land Web-Portal and disseminated by the legal land rights services providers), organized and took part in expert discussions, and initiated a number of legislative initiatives aiming to improve the legal and regulatory environment dealing with land relations.

The Resource Center conducted two training events for providers of primary and secondary legal land services, including a workshop entitled “General Provisions for the State Registration of Rights to Immovable Property and Land: Novelties of 2014” and a training entitled “Solving the Problems of Land Use Faced by Farm Enterprises.”

Through participation in training activities, meetings, and roundtables, experts of the Land Rights Resource Center identify and analyze problems, and develop approaches to resolve them. In the reporting period, the Land Rights Resource Center.

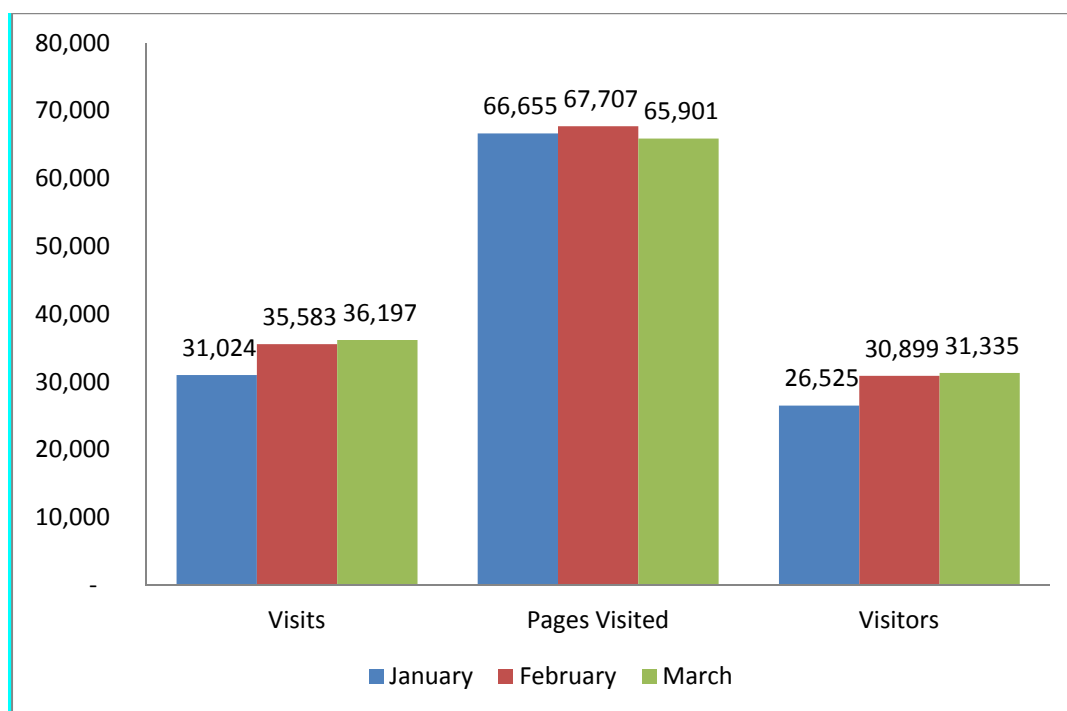
1. Prepared and submitted proposals with respect to the Cabinet Resolution “On Amending the Model Lease Contracts” which was publicized on December 27, 2013 on the web-site of the State Land Agency. The proposals address with the extension of the list of grounds to review the amount of rent payments.
2. Sent a Letter to the State Agency of Land Resources of Ukraine entitled "On pricing in land management."
3. Sent a Letter to the Cabinet of Ministers of Ukraine with proposals regarding possible solutions to problems dealing with the regulation of state registration of rights to land.
4. Developed scientific and legal comments on the Orders of the State Property Fund of Ukraine concerning the appraisal activities in Ukraine. This was done based on the introduction of new regulations on the assessment of property which have raised questions and concerns from individuals engaged in land relations.
5. Developed a paper entitled "New Concept for Formation of Soil Conservation Restrictions on the Use of Agricultural Land."

In addition, the Resource Center produced the following new materials:

1. Informational poster: “How to implement the ownership rights to a land plot inherited by *will or law*”

2. Guidelines: Differentiating Water Bodies based on their Ecological Value;
3. Roadmaps<sup>1</sup>:
  - a. *How to implement ownership rights to a land plot inherited by will or law*
  - b. *How to divide a land plot that is owned by one person*
  - c. *How to manage a land plot that is owned jointly*
4. Document templates:
  - Application to establish servitude rights for passage by bicycle through a land plot;
  - Application to annul the local government's decision on unilateral termination of the lease of a land plot;
  - Agreement of exchange of land plots.

These and other materials developed by the Land Rights Resource Center are available at the Land Rights Web-portal ([www.zem.ua](http://www.zem.ua)) maintained by the Center. This quarter, more than 93,000 visitors utilized the Land Rights Web-Portal bringing the total number of unique visitors since the launch of the program to 413,000. The number of pages visited in the reporting period exceeded 102,000 and the overall number of pages visited totaled 200,000. For detailed month-by-month statistics, please see the chart below.



<sup>1</sup> These roadmaps are flowcharts that serve as concise process maps for both government officials and land users to better understand the complexities and navigate the procedures regarding land in Ukraine. These roadmaps have become extremely popular and can be found on the Land Rights Web-portal as well as local government offices throughout the country.

Furthermore, during the reporting period, the Resource Center:

- Analyzed land laws and initiatives, developed comments and proposals on improvement of land legislation and regulations, participated on the Public Council of the State Land Agency;
- Worked intensively with the State Land Agency and Center of State Land Cadastre, and Association of Farmers and Private Landowners to identify problems and find solutions;
- Organized or took part in six expert discussions/round tables. These events included the international conference "Land Resources 2014" (Glevakha, Kyiv oblast) and a round table of the appraisers' community entitled "Destruction of corruption schemes in appraisal activities and reform of legislation based on European standards".
- Provided 48 consultations to providers of primary and secondary legal land rights services, mainly related to land registration, corrections of errors in the state land cadastre, approval of land use documents, state registration of land title, privatization, assignment of cadastral number of the land plot, and lease relations;

#### *Providers of secondary legal land rights services*

This period, AgroInvest also re-launched the grant program "Provision of Secondary Land Rights Services." The program focuses on:

- increasing the capacity of local NGOs to provide primary and secondary legal land rights services, thereby contributing to the development of democracy and governance and;
- establishing mechanisms for rural landowners to access *pro bono* primary and secondary legal assistance to protect their land rights.

Under this program, AgroInvest works with six local NGOs covering eight oblasts:

1. *First Agrarian Cluster* (covering Chernivtsi, Ivano-Frankivsk, Ternopil oblasts);
2. *Kherson oblast Committee of Voters of Ukraine* (covering Kherson oblast);
3. *Odesa oblast Committee of Voters of Ukraine* (covering Odesa oblast);
4. *Agency for Economic Development* (covering Mykolaiv oblast);
5. *Civic Platform on Implementation of Land Reform in Dnipropetrovsk oblast* (covering Dnipropetrovsk oblast); and
6. *Union of Rural Women* (covering Poltava oblast).

AgroInvest's partners organized contact points (Law Centers) where rural landowners can receive services according to established schedules. These contact points work either in village halls or in offices of the state registration service. They also organize community meetings, discuss problems, review documents, provide information,

consultations, and legal advice, help prepare claims, and go to court, if needed, or help resolve issues by mediation, when possible.

In addition, these partner CSOs train local providers of primary legal services (village mayors, land managers, librarians, etc.). This work is most efficient when done locally, as logistically it is not appropriate to do this from Kyiv by the Resource Center. Providers of primary legal services trained by AgroInvest's partners, in turn, become involved in the project; they use posters delivered to their villages to provide landowners with roadmaps; they also use materials from the Land Web-portal because they are trained on how to use these materials and where to find the needed information; they also refer their community members to the Law Centers, should they need secondary legal services.

This quarter, in response to the current situation in Ukraine, one of the partner CSOs, *Civic Platform on Implementation of Land Reform in Dnipropetrovsk Oblast*, launched an innovative new product – a web-based training program for village-level land managers. This platform allows to quickly update land managers throughout Dnipropetrovsk oblast on various aspects of land legislation and procedures as soon as they are implemented (for more information please refer to a Success Story in Annex 4). This activity is supplemented by an electronic bulletin disseminated among both land managers and village mayors to update them on legislative novelties.

The same partner launched an activity aiming to establish expert groups in five raions of Dnipropetrovsk oblast and one raion in Poltava oblast. The expert groups include local community leaders, village and town mayors, land surveyors, heads of the State Land Agency raion departments, Ministry of Justice raion offices, lawyers of raion state administrations, representatives of the raion council and raion state administration having competence to implement the land reform. Next quarter, the expert groups will meet monthly to identify and analyze existing conflicts related to the land sphere in the raions, complete a matrix of conflict analysis and identify their possible solutions, and prepare suggestions to address the major conflict situations.

An important area of the work done by providers of legal land rights services is collecting information about typical problems and advising the Resource Center on the topics for future roadmaps. This information is then analyzed and used by the Resource Center for both preparing the needed roadmaps and developing legislative changes as appropriate. Providers of legal land rights services are also active in disseminating information through their own media publications, including success stories. These success stories are also a kind of “roadmap” as they highlight some problems and provide detailed information on how this problem was resolved, including concrete steps and guidance on documents needed for each step.

The table below summarizes the main results achieved by AgroInvest's secondary legal land rights services partners this reporting period as well as their overall results since the launch of the program in June 2012. These numbers represent all oblasts, where the program operates.

Indicator	January-March 2013 (reporting period)	June 2012-March 2014 (total since program was launched)
Number of consultations	1,906	7,815
Number of land deeds issued in target communities	1,554	44,040
Number of land conflicts resolved as a result of project assistance	28	501
Number of round tables, presentations, training events, community meetings	30	55
Number of participants		5,113
Number of materials disseminated	3,416	20,835
Number of media publications, including TV and radio	122	1,369
Number of people who received info from media	1,406,700	31,134,876

## COMPONENT 2: Stimulate Access to Finance

### Work with Partner Banks

#### *Agrotechnological trainings for financial specialists of partner financial institutions*

This quarter, AgroInvest continued conducting specialized agrotechnological trainings for financial analysts of partner financial institutions. These trainings AgroInvest has developed are the first of their kind and establish clear and transparent links between advanced agrotechnological specifics and traditional risk assessment procedures to develop tailor made agrilending opportunities for SMPs. Through the trainings, financial analysts of partner banks, and lending officers of partner credit unions acquire in-depth knowledge of agronomic and other technical aspects, which will enable them to make more informed and less risky loans to SMPs. The specific trainings conducted this quarter are outlined below:

Date	Participants	Location	Description of Training
Jan. 27	3 partner credit unions	Chernigiv	2 <sup>nd</sup> module of vegetable program. Covered technology, marketing, logistical and legal aspects of producing potatoes, cucumbers, carrots, table beat, cabbage and tomatoes
Feb. 20	18 financial analysts from Metabank (an AgroInvest partner)	Zaporizhzhya	Focused on soy, flax and coriander crop development in the southern oblasts. As these crops are not very popular in the south of Ukraine, preliminary work with numerous distributors of seeds for these crops was required. AgroInvest provided additional support prior to the training in the identifying proper distributors with which Metabank may be able to work. As a result, the training participants are better able to serve their SMP clients through clearer understanding the agrotechnologies they require, as well as being better able to work with the required input suppliers.
Mar. 14	19 financial analysts and loan	Kyiv	Agrotechnologies for winter and spring wheat,

Date	Participants	Location	Description of Training
	officers of Kyivska Rus Bank (AgroInvest's newest partner bank)		barley, corn and sunflower crops.

*Cooperation between partner banks and agricultural industry leaders as an instrument of enhancing agrilending to SMPs*

This quarter, loan products, based on promissory notes developed by Kredobank last quarter for SMP-segments of selected value chain actors (BASF, Agrobonus, Agrimatco, Pioneer, Syngenta, DuPont, and August), were adjusted by AgroInvest in close cooperation with Kredobank and launched in February 2014 for the spring season. The loan products combine the characteristics of low cost of lending (3-4% per annum), very short period of risk assessment by the bank, and lowered thresholds of collateral requirements (less than 70% of the loaned amount) making them extremely attractive and attainable by SMPs. Promotional leaflets with brief descriptions of the new loan product were developed for each partner VCA. By the end of March 2014 Kredobank received several loan applications from SMPs in Kyiv and Donetsk totaling UAH 5,500,000 to receive lending using the bank's new loan product to purchase agricultural inputs from DuPont and August.

While the 5,500,000 UAH cited above is positive, the rapid devaluation of the national currency has, and continues to negatively affect lending agreements between AgroInvest partner financial institutions, farmers, and VCAs. The continuing devaluation of UAH and the uncertainty of further political and economic developments in many oblasts of Ukraine has led many SMPs to stop purchasing their inputs using lines of credit as a means of protection from defaulting due to reasons beyond their control. As a result farmers in the southern and eastern oblast have scaled back how much land they are cultivating. From the side of partner VCAs, especially the international VCAs, they are announcing that the plan to only work with the larger (read more stable) financial institutions.

*Development of a manual for SMPs – potential applicants of partner banks*

In order to provide support to SMPs in improving their accounting and reporting practices, AgroInvest developed a special manual entitled "Improving Accounting in Small and Medium-sized Farms: Importance of Reliable Data for Internal and External Users" for SMP accountants. The manual contains recommendations from professional auditors who have many years of solid experience in auditing Ukrainian SMPs' financials. AgroInvest worked closely with the auditing firm, Otten Consulting Ltd., to develop the recommendations for the SMPs based on its observations related to the application of the fixed agricultural tax and proper depreciation methods, and correct recording of expenses. AgroInvest specialists enriched the manual with summaries of accounting and tax legislation and recommendations related to land issues. Many of these tricky and complicated issues are not clearly disclosed or discussed in current legislation or in other publications. As such, this manual serves as the first actual handbook for SMP accountants in rural areas of Ukraine. Through following the recommendations, SMPs will be able to

submit trustworthy applications and reports to financial institutions and investors. Additionally, they will be able to manage their operations much better. The manuals will be distributed through AgroInvest partner banks.

*Study of current experience in regional programs of subsidizing loan costs for agricultural SMPs which were launched by a few regional state administrations of Ukraine*

Given that deregulation has become a key area of focus for the new government of Ukraine, AgroInvest has begun surveying the practice of subsidizing loan costs for agricultural SMPs from local budget funds. This subsidizing of such loans was launched by the regional state administration of Ukraine, but little analysis of its results or impact has yet been done. The survey AgroInvest is undertaking is expected to enable the expansion of the program by better understanding best practices in those oblasts where it has been successful and thus increase access of SMPs to finance at regional level through replication.

AgroInvest began its survey work by reviewing the MAPF's internal statistical reports on applications of regional budget funds for financing agricultural enterprises in all oblasts of Ukraine. The initial review found that in 2013, subsidies were successfully provided to SMPs in three oblasts, namely Volyn, Rivne and Lviv. AgroInvest discussed the survey results with the MAPF, and the Ministry agreed to support AgroInvest's activities aimed at replication of the best regional practices to other oblasts of Ukraine. In the upcoming quarter, eight oblasts will be more thoroughly assessed and analyzed to see if the program has the local buy-in and potential to be replicated. These oblasts include: Vinnytsya, Volyn, Zakarpattia, Rivne, Sumy, Ternopil, Khmelnytsk and Chernigiv.

### **Work with Partner Credit Unions**

*Facilitating activities intended to ensure the proper quality of the loan portfolio of credit unions providing loans to SMPs and reduce past-due agriculture loans*

Internal audits and on-site monitoring in Agrilending Task Force member credit unions. AgroInvest partners, the Informational-and-Advisory Service and ABC-Center, conducted audits of credit union Kharkivska Kasa Vzaemodopomogy (Kharkiv, January 22-23) and credit union Blagodiynytza (Lugansk oblast, February 25-26, 2014). These credit unions, which specialize in lending to SMPs, were provided with practical recommendations on: legal issues; lending and financial aspects of their operations; diversification of their loan portfolios; and processing of non-performing loans. A summary report and recommendations on the specific issues and areas of opportunity identified by the auditors was provided and discussed with credit unions.

Data on the typical problems of credit unions revealed through the audits of all AgroInvest credit union partners is being collected and will be summarized and released to all members of the Task Force member credit unions once all planned audits for 2014 have been conducted.

*Improving the quality of services rendered by credit unions to SMPs*

Two training sessions entitled "Basics of effective communications with borrowers – agriculture producers" for partner credit unions were conducted on January, 17 in Zaporizhzhya and on February 17 in Lviv. The trainings focused on improvement in the quality of credit unions' services rendered to SMPs by means of professional development of the loan officers. This includes their capacity to present loan terms to the farmers, negotiate them by telephone, resolve potential conflicts with the customers and debtors, and sell loan products/services efficiently. The trainings were attended by 35 credit officers of both Task Forces. These events completed the series of five training sessions on this topic which were planned for the fiscal year of 2014. Overall, 100 credit union officers from partner credit unions attended the training series.

*Increasing the effectiveness of advising SMPs on opportunities for accessing finance through credit unions and the quality of services to SMPs*

In March 2014, AgroInvest executed an analysis of changes in credit unions' practices of promoting lending services to SMPs which were introduced at the completion of the training sessions entitled "Effective Promotion of Loan Products for SMPs" in November and December 2013. The analysis found that these training efforts resulted in positive results, even in the complex political-and-economic situation where credit unions are struggling to survive. Fifteen credit unions – members of the AUCUA agrilending Task Force – reported that they had carried out the recommendations received during the trainings. Specifically, most conducted strategic planning sessions and identified marketing tasks for their respective institutions for the current year, took measures to improve services to SMPs, introduced new terms and conditions of lending, revised incentives for loan officers dealing with SMPs, introduced new tools to advertise and promote their services, and surveyed their members to find out the level of satisfaction with services.

In addition, credit unions in Lviv and Luhansk oblasts implemented a "Secret Customer Program" and conducted a contest of Lviv Banking Institute students entitled "Credit Unions as Seen by the Youth." Outcomes of the both activities and the credit unions' developments for the period when they carried out recommendations received at the previous training will be presented at the final training on promotion of lending services to SMPs scheduled for April 3-4, 2014.

*Development of new agrilending products and instruments for SMPs*

Two new loan products for SMPs were developed/enhanced in this reporting period: (i) loans for farm development and (ii) loans for small holding (individual homestead) development. While Task Force member credit unions have extended such loans in the past, the products required revisions. The loan products now include all required supporting materials such as informational cards for mapping loan procedures, forms to help assess the creditworthiness of potential loan recipients, and product promotion materials. The products will be presented to credit unions at the training seminar scheduled for April 2014.



*Practical agrotechnological trainings for SMP-customers of partner credit unions combined with effective lending solutions*

In February and March 2014, AgroInvest delivered four practical agrotechnological training sessions to 55 Kherson farmers - clients of partner credit unions on production technologies of cucumber and tomato cultivation in greenhouses. During the first training, agricultural producers, members of credit union Edinstvo, received practical information on how to develop their businesses and farming practices in 2014 by growing the most effective and efficient regional crops.

The remaining three training sessions were conducted as part of a new training program AgroInvest developed for SMPs in partnership with Hromada credit union. The program consists of a series of eight trainings focused on modern technologies of cucumber cultivation. The program's overall goal is to increase the volume of loans issued by Hromada to its members. All eight trainings are being conducted in the field with cucumbers where SMPs can observe best practices and receive hands-on practical instruction. In parallel, Hromada presents the participants with various options for financing early cucumber production. Valentyna Kostennykova is the expert trainer for this training series cycle. She is an experienced and recognized leader in this area as she has been engaged in successful greenhouse cucumber production for more than 17 years.

*Facilitation of public dialog regarding legislative initiatives that could impact credit unions' agrilending abilities*

AgroInvest continued dialog with representatives from the World Council of Credit Unions (WOCCU), All-Ukrainian Credit Union Association, and Deposit Protection Program Association on joint actions to enhance the legislation on credit unions so that it enables the credit union system to develop and increase its capacity and lending to SMPs. AgroInvest also assisted in developing proposals to amend and remove financial clauses from the EU Directives in order to refine and sign the financial portion of the EU-Ukraine Association Agreement, as some existing clauses of the EU legislation are not acceptable for the current Ukrainian credit-cooperative system and could be detrimental to the Ukrainian CU sector. Intensive activities in enhancing the Law of Ukraine on Credit Unions will be launched in the coming quarter. The first step will be to involve an international Credit Union Development Specialist who will:

1. Develop and substantiate proposals on excluding those provisions of EU Directives regulating credit unions which do not allow for Ukrainian realities, thus, being unacceptable for Ukraine at the current stage of Ukraine's credit union system's development (including those on deposit guarantees and self-regulatory organizations);
2. Provide recommendations on techniques for lobbying the above mentioned exclusions from EU Directives based on the Polish experience and experience of other European credit union systems;
3. Develop and substantiate proposals and draft regulations intended to harmonize the Ukrainian legislation on credit unions with relevant EU regulations and rules.

Once the recommendations are developed and received, a detailed plan will be developed and implemented depending on the developments in the political and legal situation in Ukraine.

### **Access to Finance Literacy program**

#### *Public education campaign on access to finance for SMPs*

On January 16, 2014, two trainings entitled "Practical Advice on Obtaining Loans" and "Ensuring Financial Security for SMPs" took place in Dnipropetrovsk oblast and were supported by AgroInvest partner credit Union "Ednannya Cheres Priordniy Zakon." Overall 25 participants, both SMPs and CU's officers, took part in the training.

On January 25, 2014, USAID AgroInvest conducted a training of trainers entitled "Practical Advice on Securing Loans and Financial Security for SMPs" in Cherkassy oblast. The training was attended by employees of the credit union "CreditSoyuz", which is one of the most active members of the agrilending Task Force. The credit union runs a network of branches in Cherkassy oblast where farmers have the opportunity to apply/receive loans. Using the materials developed by AgroInvest, the credit union is conducting seminars in rural communities of Cherkassy oblast to raise awareness and increase financial literacy amongst SMPs on how to access financing, the principles of selecting the source of financing, and the basics of financial security. 35 participants took part in the training. As a follow-up to the "training of trainers" program, one of the branches of CreditSouz located in Mankivka district conducted its own financial literacy training on February 25, 2014. Two agriculture producers who participated in the training submitted loan applications after the event and received loans totaling \$30,000 USD.

AgroInvest developed a pamphlet entitled "How to Receive a Good Loan for Farm/Small Household Development: Practical Advice to SMPs" was developed by AgroInvest as a part of the public education campaign. The pamphlet covers the following issues:

- How to select a reliable financial partner and not to become a victim of shark lenders;
- How to select optimal terms and conditions of lending (term, loan repayment schedule, security) based on farm needs;
- How to calculate the actual cost of a loan and select best terms and conditions;
- How to find out whether or not it is feasible to take out a loan for farm development purposes on proposed terms and conditions;
- How to perform under a loan agreement properly and avoid potential problems.

Copies of the pamphlet were printed for dissemination through partner credit unions across the country. Of note, during this quarter, KKVD and Slobozhanska credit unions used the pamphlets at the agriculture exhibition "Farming 2014" which was held in Kharkiv oblast from February 27 through March 02.

*Development of the concept of advanced support of credit unions' operations in Ukraine to overcome the crisis*

As the ongoing political and economic crisis in Ukraine has worsened the ability of credit unions to increase access to finance to SMPs, AgroInvest has begun discussions with the Development Credit Authority (DCA) regarding launching a loan guarantee program in Ukraine.

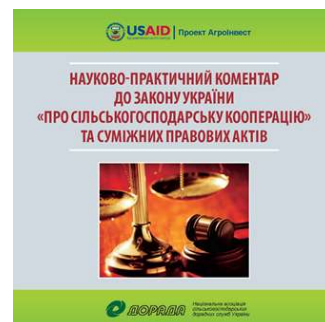
Riskiness of lending coupled with a lack of affordable financing options limits the ability of farmers to access affordable financing through CUs. Furthermore, farmers are not considered by banks as clients because of the small size of their operations and banks in Ukraine tend to work with larger agro holdings, not SMPs. The introduction of a loan guarantee through the DCA would allow for hedging the riskiness of agrilending to farmers by CUs and would enable increased access to finance to thousands of farmers. Ukrainian CUs are well suited for this, and well prepared by AgroInvest training efforts and support. AgroInvest will continue the dialogue with USAID and the DCA in the upcoming quarter to further analyze the potential of launching a loan guarantee program in 2014.

### **COMPONENT 3: Facilitate Market Infrastructure for SMPs**

#### **Task A: Producer Organization Development**

The Project's main activities this quarter continued to focus primarily on the following two priorities: (1) organizing and implementing trainings and studies focused on building the capacity of SMPs and POs and (2) coordinating and implementing competitive grant Projects for POs.

This quarter AgroInvest began distributing the *Scientific and Practical Commentary to the Law of Ukraine on Agricultural Cooperation* and related legislative texts. The Commentary is designated for the widest possible range of readers, but especially for those, who use the legislation in their daily practice, namely, agricultural advisory service specialists, heads of agricultural coops, as well as for specialists from central and local executive bodies, local self-governments, consulting companies; academics and trainers of educational establishments, postgraduates and students.



In January - March 2013, the Project signed and initiated the implementation of three new capacity building grant programs with: ASC “Chysta Flora” (cold storage for berries), ASC “Snovyanka” (flax oil and combined feed production), and ASC Union “Rivnopravnist” (milk collection and primary processing system).

The Project also continued its monitoring and capacity development efforts among partner producer organizations' grant projects, including:

- The monitoring and capacity building activities of 17 AgroInvest PO grant recipients. Grants with Storozhynets ASC Union “Hospodar Pidhirya”, ASC “Khayal-2009”, ASC “Zakhidny”, ASC “Budzhak”, ASC “Severyn”, ASC “Ivankovetsky Svitanok”, ASC “Umyut”, ASC “Frukty Krymu”, ASC

“Lypivsky”, ASC “Losyatynske Molochne Dzherelo”, ASC “Shyroke”, ASC “Dzhylek”, ASC “Start-M”, ASC “Golden bee” all signed in previous reporting periods continued and new grant agreements were signed this quarter with Lviv oblast ASC Union “Rivnopravnist”, ASC “Chysta Flora”, ASC “Snovyanka”.

Of note this quarter, equipment was procured using AgroInvest funds for ASC “Dzhylek” (equipment for a cool storage chamber), ASC “Start-M” (vegetable sorting), ASC “Lypivsky” (fruit and vegetable sorting and processing), ASC “Golden bee” (first transaction for honey dozing and packaging equipment), and ASC “Zakhidny” (equipment for combined feed production).

On January 23, 2014, AgroInvest organized an internal demonstration site visit to AgroInvest grantee, ASC “Frukty Krymu” in Saky raion of Crimea. Participants included representatives of agricultural cooperatives engaged in cultivation and processing of vegetables and fruits and post-harvest handling and distribution of products. 29 participants were trained on the modern technologies of fruit and vegetable sorting, packing, and cold storage. In addition, specialists from different suppliers presented the terms and conditions for procurement of produce for traders and supermarkets chains. Thus, small producers were better able to see and understand how they may compete with larger enterprises by combining their efforts through ASC or POs to create a logistics system inclusive of cold storage capabilities.

On March 19, 2014, AgroInvest in partnership with “AgroOsvita” Research-and-Methodological Center conducted a training session on agricultural service cooperative development. The training was held for 15 trainers of the Interregional Training and Practical Centers for Rural Area Development. Special attention within the training focused on the preconditions for the activities of agricultural service cooperatives to attain and preserve their status as non-profit organizations.

On March 27, 2014, USAID AgroInvest, held a training “Establishment and Development of Agricultural Service Cooperatives.” The training was attended by 15 representatives of rural communities from Kyiv, Kirovohrad and Vinnytsya oblasts - small and medium-sized farmers engaged in fruit and vegetable, meat and milk production. The training focused on the processes, procedures, and relevant legislation to establish an efficient cooperative. During the training, participants developed and presented preliminary programs for the creation and operation of cooperatives in the fields of milk collection and cooling, services on beekeeping, utility provision, land cultivation, and fruits and vegetables storage. The next step is to conduct market research and develop and present detailed programs for the future cooperatives’ activities. This will be done with consultative support of USAID AgroInvest on the basis of the guidelines developed by the Project through the provision of a questionnaire for the market research and help in developing the model business plans for the cooperatives.

### **Component 3, Task B: Developing Effective Market Infrastructure for Small and Medium-Sized Producers**

Under Component 3 Task B "Developing effective market infrastructure for small and medium-sized producers" the main activities during the reporting period aimed at developing proposals on enhancing the legislation on agriculture market operations, developing the design and feasibility studies for the construction of an agricultural wholesale and retail markets and logistics centers in Kherson Oblast, and supporting the development of the wholesale agricultural market in Rivne oblast.

Progress on AgroInvest supporting market infrastructure development are summarized below:

- This quarter Component three specialists continued providing technical support to the development of the “Shelen” wholesale agriculture market in Rivne oblast. Construction of a trading pavilion as well as the area for trading from vehicles continued. Investments totaled UAH 3 million this quarter. On March 4, 2014, a coordination meeting with the management of the market discussed the schedule and phasing of the remaining construction and installation works for the market and entering preliminary agreements to ensure trading places for key producers of Rivne oblast. Activities in attracting additional investment resources for the market continue and it is noted that current political situation has not adversely affected the market’s construction as of yet. Despite no adverse impact, investors are not increasing their activities beyond their current commitments. This may prove to negatively impact the subsequent phases of Shelen market.
- AgroInvest continued to support the implementation of the construction projects for wholesale-and-retail agricultural markets in Dobre, Simferopol raion, and Zuya, Bilohorsk raion in Crimea. Technical assistance focused on supporting the discussions with the State Construction Expertise Agency for the approval of the required construction design documentation and relevant permits. Through AgroInvest’s help, all relevant documentation and permits were obtained thus allowing for construction to commence. It is noted that due to the political events and activities in Crimea, AgroInvest will no longer be able to support the development of these markets.
- The first stage of the of the conceptual design work for the construction of the wholesale-and-retail agricultural market of ASC “Chornyanochka” in Kakhovka raion of Kherson oblast was completed this reporting period.
- AgroInvest continued providing technical support this quarter to develop Hola Prystan wholesale-and-retail agricultural market in Kherson oblast. Specifically design work was completed in compliance with all required Ukrainian construction standards construction for the covered meat, fish and dairy pavilion. This 65 square meter facility will contain 200 trading stalls for local small and medium sized producers. Additionally, informational events were conducted in the oblast to discuss the market and attract new agricultural producers.

## **Participation in Public Events Devoted to Development SMPs and POs**

Component 3 team members actively participated in organizing and conducting numerous conferences, seminars, and trainings on enhancing the legislative framework and improving the organizational-and-legal support of PO and SMP development. They facilitated cooperation between PO/SMP and processing companies, wholesale and wholesale-retail agriculture markets, and other customers.

On February 13, 2014, AgroInvest specialists participated in a round table entitled “Certification of Agricultural Advisors and Expert Advisors: New Approaches, Theory and Practice.” The event was organized by the National Association of Agriculture Advisory Services of Ukraine (NAAAS), Department for Scientific and Educational Development of Agricultural Production and Rural Development of the Ministry of Agrarian Policy and Food of Ukraine, National University of Bio-Resources and Nature Exploitation of Ukraine, Training and Research Institute of Postgraduate Studies (TRIoPS), Department of Agricultural Consulting and Service of TRIoPS. AgroInvest presented the proposals it has developed on improving the system of training and certification of agricultural advisors and expert-advisors. The round table resulted in the adoption of recommendations for public administration bodies and the Department for Scientific and Educational Development of Agricultural Production and Rural Development of the Ministry of Agrarian Policy and Food of Ukraine.

On February 21, 2014, AgroInvest Component 3 representatives participated in a conference entitled “New Opportunities for Marketing Agriculture Produce; Infrastructural Development of the Agro-Industrial Sector” as a part of the exhibition “The Southern Agro-Industrial Fair “Farmer-2014”. Results of the pilot projects implemented through USAID AgroInvest in Kherson and other oblasts were presented and discussed at the conference for the purposes of sharing best practices and supporting the replication of such activities.

On March 5, 2014, representatives of the AgroInvest Project took part in a meeting of the Committee of Agribusiness Entrepreneurs under the Chamber of Commerce and Industry of Ukraine. The meeting considered issues and proposals for immediate actions and solutions of pressing problems in the production of raw agricultural materials and food. Particularly, the event invitees considered top-priority acts and the legal and regulatory texts to be adopted for the simplification of agro-business and produce distribution.

On March 12, 2014, at the invitation of the Committee of Agribusiness Entrepreneurs under the Chamber of Commerce and Industry of Ukraine and the Zaporizhzhya Chamber of Commerce and Industry, AgroInvest specialists participated in the 4th Inter-regional AgroInvest Forum in Zaporizhzhya. AgroInvest made a presentation entitled “Problems of Fruit and Vegetable Produce Logistics and Sales Markets” and held working meetings and discussions dedicated to agricultural service cooperative development in the Oblast.

On March 21, 2013, AgroInvest took part in the All-Ukrainian Scientific Conference entitled “Innovative Areas of Professional Development for Ukrainian Advisors.” The conference was attended by representatives of the Ministry of Agrarian Policy and Food of Ukraine, relevant government institutions, academic and training staff, postgraduates and students, advisors, expert-advisors, teachers, farmers, owners of individual homesteads from different oblasts of Ukraine. AgroInvest’s presentation focused on enhancing the role of agricultural advisory services to form producer groups and to improve marketing channels for agricultural products.

On March 28, 2014, USAID AgroInvest took part in the All-Ukrainian Conference on Development of Agricultural Service Cooperatives. The conference discussed the following issues:

- The institutional environment of agriculture cooperative development in Ukraine;
- Service cooperatives as a form of vertical integration in agribusiness;
- The role of cooperatives in rural development;
- The environmental mission of agricultural service cooperatives.

USAID AgroInvest made a presentation entitled "Legislative and Regulatory Support of Agricultural Service Cooperatives: Problems and Solutions." Additionally, the scientific and practical commentary to the Law of Ukraine "On Agricultural Cooperation and Related Legislative Texts” which was developed by AgroInvest was presented.

## PROJECT COMMUNICATIONS

USAID AgroInvest communication activities continue to grow and evolve, creating opportunities to broaden public access to information about Project work. Using media such as TV and radio programs, AgroInvest informs, educates and raises awareness of both its target audiences and the general public regarding the most prominent land and agriculture related issues. During the reporting period, the project was highlighted in 96 media publications listed in Annex 2.

The Project employs a variety of communications tools to ensure that progress and success of activities performed throughout Ukraine are properly highlighted. USAID AgroInvest web-site, Facebook page and the National Agrarian and Land Press Club are very efficient communications tools. The Project also organized numerous public events and prepared information materials which serve as a reliable source of useful information on various issues, which the Project’s components focus on, this includes policy issues, access to finance for SMPs and market infrastructure development.

### *Events and Presentations*

During the reporting period, the AgroInvest team



All-Ukrainian Conference on Development of Agricultural Service Cooperatives, Zaporizhyya, March 28, 2014



used every opportunity to communicate the Project's goals, disseminate information about its activities, and develop partnerships with media representatives and stakeholders.

The Project was represented at numerous forums, round tables, seminars, and conferences organized by AgroInvest and partner organizations. Despite the very difficult political situation, numerous uncertainties, and safety and security concerns, the total number of public events organized, co-organized or supported by the Project reached 69 between January and March 2014. Through these events, information about USAID AgroInvest, its goals, and progress to-date were highlighted.

#### *Events and Presentations*

- On March 28, 2014, USAID AgroInvest took part in the All-Ukrainian Conference on Development of Agricultural Service Cooperatives. The conference discussed the following issues: (1) The institutional environment of the cooperative movement in agriculture of Ukraine; (2) Service cooperatives as a form of vertical integration in agribusiness; (3) The role of cooperatives in rural development; (4) Environmental mission of agricultural service cooperatives. USAID AgroInvest made a presentation entitled "Legislative and Regulatory Support of Agricultural Service Cooperatives: Problems and Solutions." Additionally, the Scientific and Practical Commentary to the Law of Ukraine "On Agricultural Cooperation and Related Regulations" was presented. On March 21, 2014, USAID AgroInvest took part in the All-Ukrainian scientific - practical conference "Innovation Areas of Professional Training of Agricultural Counselors in Ukraine." The conference was attended by representatives of the MAPF of Ukraine, other interested government agencies, research faculties, graduate students, advisors, experts, counselors, lecturers, farmers, owners of private farms from different regions of Ukraine. AgroInvest made a presentation on the enhancement of the role of agricultural counselors in provision of advisory services aiming at the formation of producer groups and improvement of marketing channels for agricultural produce. Also at the conference, USAID AgroInvest partner – the National Association of Agricultural Advisory Services of Ukraine – made a presentation on applying the acquired knowledge in the practice of provision of advisory services in Ukraine.



All-Ukrainian Conference on Innovation Areas of Professional Training of Agricultural counselors in Ukraine. Kviv, March 21, 2014



IV Inter-regional AgroInvest Forum, Zaporizhzhya, March 12, 2014



- On March 25, 2014, USAID AgroInvest partner – NGO “Civil Platform for Land Reform Implementation in Dnipropetrovsk Oblast” held a round table discussion “Problems of Rural Development and Land Market Formation.” The objective of the round table discussion was to develop proposals to the central government regarding agrarian policy formation, rural development, and land relations. The event brought together more than 50 representatives of the regional agrarian sector, including the head and deputy head of Dnipropetrovsk Oblast Council, representatives of the regional office of the State Land Agency, the Institute for Agrarian Markets Development, rayon and village councils, agricultural producers. The most pressing topics of discussion included administrative and territorial reform, the problem of contradictions between large and small farmers, the fight against corruption, and the problem of rural unemployment.
- On March 12, 2014, USAID AgroInvest experts took part in the IV Inter-regional AgroInvest Forum, which is held annually in Zaporizhzhya. The AgroInvest team provided information about the Project’s activities on market infrastructure development and post-harvest treatment of agricultural produce. The purpose of the event was to facilitate financing for storage and processing of grain, horticultural produce, livestock farms and irrigation systems.



Round table “Problems of Rural Development and Land Market Formation”, Dnipropetrovsk, March 25, 2014

On February 21, 2014, USAID AgroInvest took part in the conference entitled “New Opportunities for Marketing Agriculture Produce; Infrastructural Development of the Agro-Industrial Sector”. The conference was held as part of the exhibition, “The Southern Agro-Industrial Fair “Farmer-2014” in Kherson. Results of the pilot projects which are implemented with USAID AgroInvest support in Kherson and other oblasts were presented at the conference. Also, Protocols of Intentions were signed with three USAID AgroInvest partners engaged in the implementation of activities in Kherson oblast.



Conference “New Opportunities for Marketing Agriculture Produce; Infrastructural Development of the Agro-Industrial Sector,” Kherson, February 21, 2014

### *National Agrarian & Land Press Club*

The National Agrarian & Land Press Club organized one public event in the reporting period focused on issues pertaining to land registration (for details, please refer to Annex 1). In addition, the Press Club prepared six articles which were disseminated for free reprinting among media outlets. These materials cover various subject matters of focus for AgroInvest. The table below shows the number of re-prints for each item. Due to

massive coverage and very well thought through messages, these publications are an important tool that helps attract attention of decision makers to issues AgroInvest aims to address.

Title	Number of reprints
<a href="#"><u>How to Help Ukrainian farmers Cut the Gordian Knot and Ensure Food Security</u></a> . This article focused on providing information about the annual forum of the Association of Farmers and Private Landowners of Ukraine and the problems they face and approaches to resolve these problems.	22
<a href="#"><u>Master Lease and Land Owner Associations – Ways to Improve Lease Relations</u></a> An interview with Oleksandr Muliari, USAID AgroInvest Policy Coordinator, on ways to improve land lease relations in Ukraine through establishing land owner associations and implementing master lease agreements.	16
<a href="#"><u>Land and Registration Reform Accelerates</u></a> – Interview with Pavlo Kulynych, USAID AgroInvest Senior Legal Advisor, on new developments in the land registration system.	18
<a href="#"><u>Political Instability Makes Ukrainian Farmers to Rapidly Search for New Markets for Their Products</u></a> –An interview with Mykola Hrytsenko, USAID AgroInvest Market Infrastructure Specialist, on developing new markets for agricultural produce.	17
<a href="#"><u>The Law on Crop Rotation requires another improvement</u></a> – An interview with Pavlo Kulynych, USAID AgroInvest Senior Legal Advisor, on drawbacks of the currently overregulated procedures for approval of crop rotation plans and ways to improve these procedures.	15
<a href="#"><u>Testing by Land Inheritance</u></a> – An interview with Andriy Koshyl, the head of the Land Rights Resource Center established by the Land Union of Ukraine on the specifics of inheritance of land.	24

### Project Web-site

AgroInvest continued to develop and maintain its bilingual web-site: [www.agroinvest.org.ua](http://www.agroinvest.org.ua) to share the latest Project news, reference materials, and grant and subcontract opportunities. The site content is regularly updated in terms of learning and training opportunities, cooperation, agro-sector news and information materials, including links to all radio and TV programs produced, and information materials available for re-printing.

The table below shows statistics of the usage of AgroInvest's web-site during the reporting period.

Month	Unique visitors	Number of visits	Pages	Hits	Volume/ downloads, GB
January 2014	2,379	4,644	17,899	104,966	4.07
February 2014	2,185	3,820	16,232	97,214	4.99



- [“Improving Accounting in Small and Medium-sized Farms. Importance of Reliable Data for Internal and External Users”](#) - This practical guide was designed to help small and medium sized farmers streamline and improve the quality of accounting and thus increase thier chances to secure a loan due to the improved reliability of the financial data used as a basis for borrower assessment. The guide is being disseminated among farmers by the Project partners – Metabank and Credobank (for more on this publication please see page XXX).



- *“How to Implement the Ownership Right to a Land Plot Inherited by Will or by Law”* - a poster developed by the Land Rights Resource Center that contains a seven-step roadmap for those rural landowners who inherited a land plot. The poster explains how to request the proper land management documentation and resister the inherited land plot through the State Registration Service. The poster is disseminated among rural communities by the Resource Center and local partners during training events.
- *“Scientific and Practical Comments to the Law of Ukraine "On Agricultural Cooperation" and Related Regulations”* - a booklet that contains detailed explanations of all laws and regulations that regulate the establishment and operation of agricultural service cooperatives. The bulk of this legislation and regulations was developed with support of USAID AgroInvest for more information on this publication please see page XXX).

### Video

- This reporting period, USAID AgroInvest supported the developed of a video entitled, [“Promotion of the System of Advisory Services for Farmers.”](#) The film was created under a grant to Project partner – The National Association of Advisory Services of Ukraine. The video articulates how to develop a system of advisory services on land issues and farm management in order to help farmers attain detailed information about input flows and processes dealing with environmental, food safety, health, and animal protection issues. The video is available on AgroInvest’s FaceBook page and on YouTube.

## GENDER INTEGRATION

During this reporting period, AgroInvest continued to provide gender integration trainings for its partners and other agriculturally focused NGOs. All trainings were completed by the Ukrainian Women’s Fund. On February 19 in Chernivtsi, the training group consisted of only women, all representatives of rural communities and many of the discussions focused on the political situation in the country and its future development, as well as development of women’s leadership and their essential role in the crises.

The training in Lugansk on February 12 consisted of, mostly local authorities (social sphere) and representatives of private sector. Many of the participants were unfamiliar with the term “gender” and its socioeconomic meaning, in spite of the fact that many have a gender action plan for the region. This demonstrates the need for their local communities to revise their gender action plans. Participants recognized this and AgroInvest and the Ukrainian Women’s Fund will provide additional support as applicable to help them revise their plans

In Kiev on February 7, AgroInvest trained two groups of over 50 people in total (initially only one group was planned), due to the significant interest in the training after the Project made the initial training announcement. By splitting the participants into two groups, we could retain our level of quality and ensure every participant the opportunity to express their opinions and be heard.

The main findings from the training participants’ feedback forms report on the most pressing problems/issues the women participating in the trainings are experiencing and seeing in their rural communities. These can be summarized as follows:

- There is a low level of activity by women due to stereotypes that women should not be the initiators of activities in their communities;
- High unemployment rates, especially among young women plague rural communities;
- Low levels of participation in entrepreneurship initiatives due to limited access to resources and absence of knowledge limit women’s abilities to advance;
- Difficulties with communication and access to information pose a significant challenge.

*“Women have to work much harder and be much more proactive in order to achieve something in Ukraine, but we discussed many of those issues at the training and I saw I was not alone in my problems. I very much appreciated the exercise on writing short-term plans and I did one for my own business idea upon returning home after training. It helped me to address some gaps, but still more things to do.” - Inna from Vinnitsa who attended the training in Chernivtsi*

With this information, the Project will adjust its upcoming gender-related activities in the next period to make them more effective. An example of this is the concept note for the 2014 USAID Women’s Empowerment Program that AgroInvest is developing in close cooperation with the USAID Ukraine Mission. If selected by USAID Washington, a leadership development program focusing on agriculture for rural women mayors across Ukraine will be implemented. AgroInvest is also using the information to enhance its financial literacy campaign focused on increasing the financial literacy of Ukrainian women. Specifically, AgroInvest is targeting female SMPs so as to increase their financial acumen to place them in a better position to receive credit for their and their families’ agrarian needs. This financial literacy campaign is complemented by USAID AgroInvest’s hands-on practical trainings and demonstration site visits to partner farms and cooperatives to transfer information on farming methods and best practices to inspire



and instill confidence for rural female agrarians to develop and inspire entrepreneurial initiatives. AgroInvest will also review its current cooperation with Ukrainian Women's Fund and other stakeholders in order to continue supporting training participants in rural area.

## **SECTION II: DELIVERABLES**

The following deliverable was completed and submitted during the reporting period:

<b>Deliverables</b>	<b>Date Submitted</b>
October 1- December 31, 2013 Quarterly Report	January 31, 2014

## **SECTION III: CHALLENGES AND PLANS TO OVERCOME THEM**

Component 1:

With the increased political tension in the country and the Presidential elections scheduled for March 2015, the government might not risk approving the draft law "On Agricultural Land Circulation" until after the Presidential elections. The draft law deals with important and potentially sensitive issues and there is a chance the parliamentary review of the law and lifting of the moratorium might be delayed further. This also increases the likelihood that some provisions of the draft law might appear in the Parliament as separate, new legislative initiatives, e.g., sponsored by individual members of the Parliament. AgroInvest will monitor developments with this draft law and any other relevant legislation very closely. It will also work with project partners to raise their understanding of the benefits which an open and transparent agricultural land market will bring to Ukrainian agriculture and its farmers.

Political developments in the country have continued to significantly slow the parliamentary legislative process this quarter. Legislative initiatives that have moved this quarter relate mainly to governmental reform. AgroInvest and its partners legal initiatives and proposals have experienced delays AgroInvest will monitor these issues and will be ready to focus on those issues that have chances for approval through Cabinet resolutions rather than laws.

The new Cabinet of Ministers of Ukraine has declared its intention to deregulate agriculture and agribusiness sector activities in order to abolish corruption and facilitate market development. However, many of the declared steps towards the deregulation are yet to be implemented and very little progress has been observed during the first six weeks of activities of the new Cabinet. There is a risk that the declared agenda will not be implemented and will be overtaken by other issues and concerns over political situation in the country. While the Project is limited in its ability to directly influence the political developments, AgroInvest will work actively with partner industry associations, MAPF and other partners to accelerate the process of deregulation in the sector.

## Component 2:

The continuing economic crisis has significantly deepened since January 2014 because of political and economic transformations and the Russian occupation of Crimea. As such, the banking system has suffered enormous uncertainties the quarter, several banks have collapsed, and the low liquidity and high share of non-performing loans has grown as devaluation of UAH continues (45% since December 2013). Furthermore, the budget deficit exceeds 53% of GDP and updated GDP forecasts envision a 3% decrease in GDP by the end of 2014. These macroeconomic indicators have seriously affected agrilending in Ukraine both in terms of what the financial institutions are able to offer and what the SMPs are demanding. This trend is especially noticeable in the eastern and southern oblasts of Ukraine. As a mitigation tool to address the increased lending risks and decreased volume of lending, AgroInvest will continue supporting and introducing new risk decreasing initiatives for AgroInvest financial partners. This includes working with partners to improve and protect the quality of their credit portfolios but support of new hedging mechanisms such as a loan guarantee program through the DCA.

## Component 3:

A systemic and worsening problem for the successful implementation of Component 3 activities remains the inconsistency of the GoU to introduce government programs and declarations for financial support for the development of agricultural cooperatives and market infrastructure, including agricultural markets. The key challenges are summarized below:

- *Problems associated with the financial hardship in Ukraine.* To-date, the MAPF has not honored its financial obligations to the cooperatives competitively selected in 2012 as recipients of the GoU's support program for agricultural service cooperatives. As such, several AgroInvest grantees (cooperative partners) have not received the funding they were promised in either 2012 and in 2013. As this financial commitment from the GoU was to be used by these cooperatives as a portion of their cost share for these grants, the cooperatives, in turn, paid this portion themselves. Furthermore, while the initial 2014 State Budget included provisions again for financial support to cooperatives, on March 27, 2014, the Verkhovna Rada of Ukraine adopted amendments to the Budget (the Law of Ukraine #1165-VII) which canceled allocations for the development of agricultural service cooperatives and wholesale markets. AgroInvest team highlighted the problem for the MAPF leadership. In order to partially solve this situation, the Ukrainian State Budget 2014 provided a financial support for agricultural service cooperatives. AgroInvest will continue to work with the MAPF and the GoU to lobby for this support program to be reinstated.

Another challenge being faced under this category is the drastic reduction in the activities in the agrarian sphere, especially at the SMP level. The primary challenges here relate to marketing channels for agricultural produce being

negatively affected by the ongoing situation and an overall lack of confidence of domestic and international investors. The situation can be exemplified with a sharp decrease in investments from the initial Slovakian investors for the development of the wholesale agricultural market “Shelen” in Rivne oblast as well as the Latvian investors who had committed to develop the Navigator-Agro logistics and cold storage facility in Kherson oblast, now withdrawing their financial commitments. To address these issues, Component 3, in close cooperation with Component 2, is planning a series of investment forums intended to present potential business projects on the development of wholesale markets and logistics centers.

- *Problems related to the political events in Ukraine and with the Government change.* Due to the political situation and change in of the government and leadership in Ukraine, AgroInvest was forced to suspend its work on the following draft laws under Component 3 this quarter: Draft Law of Ukraine on Amendments to the Law of Ukraine on Wholesale Agricultural Markets; Draft Law of Ukraine on Amendments to the Tax Code of Ukraine regarding the improvement of VAT taxation on agricultural produce harvested by individual homesteads and sold by agricultural service cooperatives; and Draft Decree of the Cabinet of Ministers of Ukraine on Approval of the Pre-Feasibility Study of the National Project “Green Market” and Identification of Main Forms of the Government Support to Implement the “Green Market” Project. AgroInvest will update and redistribute this legislation and continue its activities pertaining to these issues in the coming quarter when the situation in Ukraine calms and those new government officials in power take office.
- *Problems associated with the situation in AR Crimea.* Due to the political events in Crimea and the territory’s attempted annexation by Russia, AgroInvest has been forced to suspend its activities there. This means that six of AgroInvest’s producer organization grantees and four of the wholesale and retail markets it is working to develop in Crimea are adversely affects. As of the end of the quarter, the USAID Mission is completing an internal policy review regarding activities in Crimea and as such requested implementing partners to neither start new activities nor disburse any payments in support of on-going activities in Crimea until at least Friday, April 11. Upon receiving USAID’s guidance, AgroInvest will proceed accordingly pertaining to its activities in Crimea.

## **SECTION IV: PLANNED ACTIVITIES FOR NEXT QUARTER**

The following presents USAID AgroInvest’s major events and activities for the coming quarter. AgroInvest will continue to strive to adhere to its Year 4 Work Plan timeline and activities, but it is noted that due to the ongoing political and social instability in Ukraine, as well as the planned Presidential elections scheduled to take place in the upcoming quarter, the Project will continue to monitor and adjust its activities based on the events as they unfold. Safety and security for all Project staff and its partners will remain the main focus.



## **Component 1, Support to a Stable, Market-oriented Policy Environment**

- As a part on AgroInvest work on deregulation, review all laws and regulations which govern activities of the State Agricultural Inspection Agency and develop proposals (including amendments to respective laws and by-laws) to modify the activities of the inspection system.
- Hold a round table to present AgroInvest proposals on simplification of crop rotation regulations and discuss different approaches to address the crop rotation issue. Together with partner industry associations facilitate resolving the issue through approval of relevant legislation.
- Organize and hold two focus groups on land leases with AgroInvest partners in Kherson and Dnipropetrovsk to discuss and validate the results of the land leases study. Finalize the findings and recommendations of the study and make its public presentation and discussion. Develop practical advice for land share owners regarding how to improve application of land lease legislation and regulations for better protection of their rights and interests. Provide GOU with final recommendations and facilitate adoption of relevant amendments to land lease legislation.
- Discuss the analytical report on the international experience with the role of self-regulatory organizations in formulation and implementation of agricultural policy with the Ministry of Agrarian Policy and Food of Ukraine. Based on the discussion, develop proposals for follow-up activities on this issue.
- Select training providers for the capacity building training program for agricultural industry associations and commence the implementation of the program by holding at least three training modules.
- Publish the manual prepared by All-Ukrainian Association of Village Mayors entitled “Practical Advice for Village Mayors for the Improvement of Sustainable Rural Development and Agricultural Production”.
- Continue the Land Rights Awareness & Education Campaign, including radio and TV programs, and work with media through the National Agrarian & Land Press Club.
- Continue the operation of the Land Rights Resource Center and Land Web-Portal;
- Continue to scale up the Legal Land Rights Services Program to include additional and Khmelnytsky, Zakarpattia, Kirovohrad oblasts.

## **Component 2, Stimulate Access to Finance**

- Conduct at least three agrotechnological training for partner financial institutions on various technologies applied by SMPs;
- Develop the concept of subsidizing loan costs to SMPs by regional budgets and work with the MAPF to promote it in all oblasts of Ukraine;

- Conduct training to partner credit unions for the purpose of improving the quality of their services to SMPs with a focus on development and implementation of new products, efficient promotion of financial services, internal audit enhancing;
- Conduct internal audits and on-site monitoring in Agrilending Task Force member credit unions;
- Conduct at least seven agrotechnological greenhouse production training sessions for SMPs in the southern regions;
- Conduct two trainings on financial literacy and access to finance for SMPs and members of their families in Kherson oblast;
- Continue facilitating promotion of Kredobank loan product (promissory notes for suppliers of agricultural inputs) among SMPs.

### **Component 3, Facilitate Market Infrastructure for SMPs**

- Continue to support the process of refining the modification and amendments to the Tax Code of Ukraine regarding VAT taxation on agricultural produce sold by agricultural service cooperatives at the approval stage;
- Conducting trainings in the pilot regions for potential SMPs and POs on development of projects for strengthening capacity for each separate producer organization aimed at helping them to expand their services, improve their abilities to access markets and enhance the production levels and quality of individual members;
- Holding internal demonstration site visits to spread the best practices on value chains development on the basis of POs implementing grant programs provided through AgroInvest;
- Providing continued technical support in the development of “Shelen” wholesale agriculture market in Rivne oblast and planning a ribbon cutting of the markets initial opening;
- Organizing and supporting activities in developing designs and preparing feasibility studies for the following projects:
  - Development of the wholesale-and-retail agriculture market in Chornyanka, Kakhovka raion; construction and renovation of logistic facilities in Kherson oblast of agricultural service cooperative “Ovochivnyk-Plus”
- Developing, printing and dissemination of the methodological recommendations for SMPs on the following topics:
  - Post-harvest treatment and storage of fruit and vegetable products
  - Safety of animal products at the stage of post-production treatment/processing
  - Safety of crop products at the stage of post-harvest treatment/processing

## Project Communications

- Prepare mission Weekly Highlights and submit to USAID;
- Prepare monthly highlights for broad audience of project partners;
- Conduct three meetings of the National Agrarian and Land Press Club;
- Prepare at least nine information materials for free of charge dissemination;
- Prepare six radio programs;
- Maintain the project web-site and Facebook page;
- Prepare publications on current project issues, including success stories;
- Take part in the USAID Field Days as appropriate.

## SECTION V: LEVEL OF EFFORT REPORT

### LOE Matrix as of March 31, 2014

Labor Category	Total Work Days	Total Work Days Utilized To Date	Total Remaining Work Days
LT Technical Assistance (Key Personnel)	1,239	765	474
LT Technical Assistance (Expatriate)	81	81	0
LT Technical Assistance (CCN)	14,405	8,927	5,478
ST Technical Assistance (Expatriate)	600	266	334
ST Technical Assistance (CCN)	595	405	190
HO Support	240	195	45
<b>Total</b>	<b>17,160</b>	<b>10,639</b>	<b>6,521</b>































\*LOE was reallocated as per contract modification #10 dated March 4, 2014






























## Meeting of the National Agrarian & Land Press Club

































#	Title, date	Main issues discussed	Speakers	No.of journalists
1.	<b>Press Club meeting</b> entitled “How will the land registration system work in light of the new legislative initiatives in the area of State registration implemented in 2014?” <b>March 27, 2014</b>	<ul style="list-style-type: none"> <li>- Effectiveness of the land- and-registration reform (2013 Results);</li> <li>- What did cause a need to adopt the Cabinet of Ministers’ Decree dated October 17, 2013 “On Approval the Procedure for State registration of Rights to Real Estate and Encumbrances Thereon and Procedure for Providing Information from the State Register of Property Rights to Real Estate”, which approved a procedure for the state registration of rights to real estate?;</li> <li>- Why was the Decree adopted on October 17, 2013, but became effective only February 12, 2013?</li> <li>- Pros and cons of providing individuals and entities with a possibility to submit documents for the registration via courier services;</li> <li>- Whether it is expedient to perform a simultaneous registration of property and ownership rights derived from the ownership right based on a single application for the state registration of rights that may be submitted as by owner, as by transferee;</li> <li>- What are the benefits for land owners and users due to changes in the mechanism enabling to receive a new land title state certificate instead of lost, defected or damaged one not under the court, but under a state registrar decision?;</li> <li>- To which extent will the Decree “On Approval the Procedure for State registration of Rights to Real</li> </ul>	Facilitator: <b>Serhiy HUBIN</b> , President of the National Agrarian & Land Press Club <b>Speakers:</b> <b>Ihor SLAVIN</b> , Director of the department of the State Agency for Land Resources of Ukraine; <b>Ihor VASYLIEV</b> , Director of the Technical support department of the State Enterprise “Center of the State Land Cadaster”; <b>Ihor ALEKSYEYEV</b> , Head of the State Registration Service of Ukraine; <b>Hennadiy NOVIKOV</b> , Head of the Agrarian Union of Ukraine; <b>Anna MATVIYENKO</b> , Chief of the Legal department of the Association “Land Union of Ukraine”; <b>Oleksandr VOLOSHYN</b> , Land Management Expert of “Firm ‘Astarta-Kyiv’, Ltd.”; <b>Pavlo KULINICH</b> , Senior	25

#	Title, date	Main issues discussed	Speakers	No.of journalists
		<p>Estate and Encumbrances Thereon and Procedure for Providing Information from the State Register of Property Rights to Real Estate” facilitate the development of lease relations in rural areas?</p> <p>- What are the further steps to improve legislation on the state registration of rights to land and surface properties dictated by practice?</p>	<p>Legal Advisor of USAID AgroInvest</p>	






**List of publications in press highlighting USAID AgrolInvest**  
**January 1 – March 31, 2014**

1.  A step to legal literacy: a woman –villager began to fight for her rights
2.  Is it possible to demand obstacles removal when using and disposing the property?
3.  Experts discussed how the land registration system would work
4.  What is the responsibility of the cadastral registers?
5.  Testing by land inheritance
6.  The Law on Crop Rotation requires another improvement
7.  The procedure for recalling the State Registrar's decision by a court
8.  Should the rent amount be indicated when registering lease rights for a land plot?
9.  Sisters quarreled over their inheritance
10.  State certificate for land ownership and what to do if the state certificate is lost?
11.  Can citizens be forcibly deprived of the ownership for land plots?
12.  New markets for agricultural products
13.  Where farmers can sell their products?
14.  How will the land registration system work in the light of legislation innovations on the state registration of the rights in 2014?
15.  About rural development and price policy
16.  On the order for agreements conclusion on the land servitude
17.  Political instability makes Ukrainian farmers to rapidly search for new markets for their products
18.  A usual story: to execute inheritance. But sometimes it can be very difficult...
19.  New state registration procedure: novelties and differences
20.  When can a land right be suspended?
21.  How to manage a land plot which is collectively owned?
22.  It is possible to sell a part of land plot and how to do this?
23.  Trainings on land issues have been held in Voznesensk and Tatarbunary
24.  Land and registration reforms accelerate
25.  When a land issue is resolved, this motivates both citizens and specialists
26.  Marketing for small farmers: looking for alternatives
27.  Leasing land? Pay for it according to the law!
28.  Agricultural service cooperatives can contribute to the revival and further development of rural areas - expert
29.  Who has access to land: the effective ones or the rich ones?
30.  Master lease and land owner associations

31.  [Can I exchange one land on another one?](#)
32.  [Can I exchange the land, which is in the lease?](#)
33.  [How to improve leases](#)
34.  [Clarification on the implementation of monetary valuation of land in state and communal property in case of sale](#)
35.  [Terms of an exchange contract for a land plot](#)
36.  [How to help Ukrainian farmers to cut the Gordian knot of problems and ensure food security?](#)
37.  [AgroInvest conducted a training for farmers - the credit union "Hromada"](#)
38.  [AgroInvest conducted a training for farmers in Cherkasy oblast](#)
39.  [Protection of land rights of citizens has become a priority area of work for Tatarbunary raion, Odesa oblast](#)
40.  [What you need to know about the alienation of land lease rights](#)
41.  [PreCarpathian farmers are provided free legal advice on land issues](#)
42.  [On the order of approval of land management projects for purposes of land allocation](#)
43.  ["My Land - My Right", second program of the radio series devoted to the recent changes to the state registration system](#)
44.  [On the way of returning a land plot: a life story](#)
45.  [It took six months to turn the air in land: a story of addressing the issue of "non-existing" land](#)
46.  [Got a land plot as inheritance? What is next?](#)
47.  [Announcement on the Law Center in Voznesensk posted on the official web-site of the Voznesensk Raion State Administration](#)
48.  ["My land, my right" radio program of February 18, 2014, devoted to the status of family farms](#)
49.  [Free legal advice on land issues for peasants of southern Ukraine](#)
50.  [Information on the status of implementation of the action plan of the National Program to Promote Small Business in Ukraine in 2013](#)
51.  [As a result of the agrarian conference, a protocol on cooperation was signed between the USAID AgroInvest and agricultural enterprises](#)
52.  [Normative monetary land valuation, why it is needed](#)
53.  [System of Agricultural Advisory Services to Help Agricultural Producers](#)
54.  [Brief summary of the Legal Land Rights Program implemented in 2012-2013: poverty and ignorance go together](#)
55.  [Mykola Hrytsenko: Farmer's status will improve villagers' well being](#)
56.  [Dairy cooperatives are becoming more competitive](#)
57.  [Where to go to receive free secondary legal aid?](#)
58.  [What should I do to get free secondary legal aid?](#)
59.  [Population of Kherson oblast is fully secured in terms of major foodstuffs](#)

60.  [Visit the stand of the Association of Pig Producers of Ukraine at the Agro Animal Show](#)
61.  [In Odessa oblast, the protection of land rights is still in demand](#)
62.  [Free legal services for residents of remote villages](#)
63.  [Free legal assistance on land issues](#)
64.  [Ho CVU and partners continue protecting land rights of citizens in southern Ukraine](#)
65.  [Roundtable "Certification of agricultural advisers and expert advisors: New Approaches, Theory and Practice"](#)
66.  [Newsletter of the Independent Public Advisory Council on the price situation in the agricultural market as of February 13, 2014](#)
67.  [How to get free primary legal aid?](#)
68.  [AgroInvest a training "Agrotechnological knowledge for finance professionals"](#)
69.  [Protection of land rights of citizens in the south of Ukraine: specific activity in 2014](#)
70.  [Regulation of land relations in rural areas](#)
71.  [On the order of approval of land management projects on land allocation](#)
72.  [What should you know about the alienation of land lease rights](#)
73.  [Is it necessary that agreements be certified in the notary's office?](#)
74.  [Where are you heading, land reform?](#)
75.  [AgroInvest held training for trainers](#)
76.  [How to register the land ownership?](#)
77.  [Agro Animal Show 2014](#)
78.  [Training seminar entitled on obtaining loans and financial security for small and medium-sized agriculture producers, Marganets, Dnipropetrovsk oblast](#)
79.  [Land Legislation Review for the Period of 13.01. - 19.01.2014](#)
80.  [Press Conference: "Land reform - preparing in advance" POSTPONED!](#)
81.  [USAID AgroInvest Newsletter](#)
82.  [Should agreements compulsory be registered in the office of notary service?](#)
83.  [Pond in the garden land plot](#)
84.  [How to register ownership in the event of loss or damage of state act?](#)
85.  [A new procedure for the privatization of garden land plots](#)
86.  [Procedure of privatization of land plots](#)
87.  [Scientific and Practical Commentary to the Law of Ukraine "On Agricultural Cooperation" and related regulations](#)
88.  [Is it possible to ensure food security by shovel and a rake?](#)
89.  [How to revitalize abandoned heritage?](#)
90.  [Amendments to the Law of Ukraine "On credit unions" - our common victory](#)
91.  [Programme of activities of the international exhibitions "Cereal Technology in 2014», «Agro Animal Show 2014" and "Fruits. Vegetables. Logistics 2014"](#)



- 92.  What is the procedure for acquiring title to land adjacent territory of apartment building?
- 93.  Almost one in four land owners live far away from their land plot
- 94.  The largest in western Ukraine agricultural market "Shelen" will be opened next year
- 95.  A positive attitude to land reform dominates in Dnipropetrovsk oblast
- 96.  Land Legislation Review for the Period of 30.12.2013 - 05.01.2014



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**| AgroInvest Project**

# **Environmental Mitigation and Monitoring Report**

## **January 1 - March 31, 2014**

**Contract No. AID-121-C-11-00001**

**April 2014**

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## **Introduction**

The purpose of the USAID AgroInvest Project is to provide technical assistance to accelerate and broaden economic recovery in Ukraine and increase the country's contribution to global food security efforts. AgroInvest is achieving this objective by supporting a stable, market oriented agricultural policy environment, stimulating access to financial services for small and medium producers (SMPs), and facilitating a more effective market infrastructure for SMPs.

The scope of work identifies three main components, refined into six tasks, as follows:

- Component 1: Support a Stable, Market-Oriented Environment
  - Task 1-a: Accelerate Market Oriented Reforms
  - Task 1-b: Strengthen Industry Associations
  - Task 1-c: Provide Public Education for Land Rights
- Component 2: Stimulate Access to Finance
  - Task 2-a: Sustainable Access to Financial Services for SMPs Provided
- Component 3: Facilitate Market Infrastructure for Small and Medium Producers
  - Task 3-a: Producer Organization Development
  - Task 3-b: Develop Wholesale Markets and Other Market Infrastructure

USAID requires that all supported project activities be environmentally-sound to ensure project development sustainability. The implementation of all AgroInvest activities is being done in accordance with the requirements of USAID Environmental Procedures and Policy and with Ukraine country environmental regulations. Where there is a conflict between the host country and USAID regulations, USAID's regulations prevail. To-date, no conflict has occurred during the application and integration of the two environmental policies.

AgroInvest aims to build and strengthen the local capacity for environmental assessment and management through training of the Project's local partners, and to establish linkages between USAID Environmental Procedures and Policy and Ukrainian Environmental Policy during the implementation and operation of all sub-projects, to ensure the sustainability of Ukrainian agriculture after the end of USAID funding.

### **USAID Environmental Procedures and Policy**

USAID regulation 22 CFR 216, provides the conditions and procedures for environmental review of all supported project activities. USAID prepared an umbrella IEE based on this regulation on April 9, 2010, which was approved by the Acting Bureau Environmental Officer (BEO) and the USAID Ukraine Mission Director on April 13, 2010. The IEE Threshold Determination for AgroInvest recommended a Negative Determination with Conditions for all proposed activities stating that, "Pursuant to 22 CFR 216.2(c)(3), the originator of the proposed activities has determined that most of that most of the USAID support under the AgroInvest project will consist of interventions entirely within the categories listed in paragraph (c)(2) of Section 216.2 of Title 22 CFR 216, and therefore are categorically excluded from any further environmental review requirements."

That said, the AgroInvest Project screens each of its sub-projects/activities as they are identified to determine the level of risk for potential adverse environmental impacts (e.g. low risk, medium risk and high risk), followed by preparation of Environmental Review and Assessment (ER) Checklists when applicable so as to clearly identify any potential impacts due to the sub-project implementation. Based on the outcome of the ER checklists, Environmental Mitigation and

Monitoring Plans (EMMPs) for preventing or minimizing the occurrence of adverse impacts are prepared. The EMMPs are then incorporated into the sub-project design and implementation to satisfy the requirements of USAID regulation 22 CFR 216, and to ensure that the sub-project design is environmentally sound.

### **AgroInvest Activities**

As discussed above, to comply with the requirements of the umbrella IEE, AgroInvest developed an environmental review process that is being used to screen each sub-project as it is identified, followed by preparation of ER checklists for identification of potential adverse environmental impacts due to implementation and operational phases, and their respective EMMPs where/when applicable to reduce or eliminate the occurrence of adverse impacts.

At present, the majority of AgroInvest's current and past activities (exceptions are discussed below) have fallen under a categorical exclusion because the activities are fully within the following classes of actions:

- Education, technical assistance, or training programs except to the extent that such programs include activities directly affecting the environment (such as construction of facilities, etc.). [22 CFR 216.2(c)(2)(i)];
- Analyses, studies, academic or research workshops and meetings. [22 CFR 216.2(c)(2)(iii)];
- Document and information transfers. [22 CFR 216.2(c)(2)(v)];
- Studies, projects or programs intended to develop the capacity of recipient countries to engage in development planning, except to the extent designed to result in activities directly affecting the environment (such as construction facilities). [22 CFR 216.2(c)(2)(xiv)].

Those activities of AgroInvest that do not meet the categorical exclusions outlined above fall solely under Component 3. Component 3A works with producer organizations and agriculture servicing cooperatives to build their organizational and administrative capacities as well as help them to increase their profitability through increased production of higher quality produce/products. One of the means of accomplishing this is through providing small grants to these organizations for equipment procurement and installation. As the equipment and the related activities pertain to its use has the potential to impact the environment, AgroInvest executes ER checklists and develops EMMPs for each producer organization grantee activity. This quarter, each grantee and activity under Component 3A was fully compliant with its respective reporting and EMMP requirements. A listing of each Component 3A grantee can be found in Annex 1 of this report.

Component 3B focuses on the development of wholesale markets and other forms of market infrastructure (logistics centers, warehouses, etc.). AgroInvest limits its involvement to this development to creating and assisting local level initiative groups as well as conducting feasibility studies for regional markets and wholesale markets. No funding from AgroInvest is used for any physical site preparation or construction of any of the markets for which the feasibility studies are executed. That said, a section regarding environmental mitigation and risk issues is included in each of the feasibility studies in-line with USAID Environmental Procedures and Policy and with Ukraine country environmental regulations. Additionally, when and where possible, European Union standards pertaining to environmental, safety, and health are incorporated into the feasibility studies to help Ukraine better align with EU requirements as it becomes more integrated with western markets.

### **Events in Ukraine affecting AgroInvest Component 3 Grantees/Activities in Crimea**

Protests in Kyiv began on November 21, 2013, following the Government of Ukraine's (GoU) announcement that it was suspending preparations to sign an association agreement with the European Union. On February 22, following three months of large protests and violent clashes,

former President Viktor Yanukovich departed Kyiv. The Ukrainian Parliament established a new government on February 27 and set new presidential elections for May 25, 2014.

This reporting period, Crimea became occupied by Russian soldiers. As the result of a less than transparent referendum in mid-March, the Autonomous Republic of Crimea announced its independence from Ukraine and declared itself a part of Russia. On Tuesday March 18th, the Regional Contracting Officer informed all USAID funded projects with active operations in Crimea to not execute any additional payments nor begin any new activities until further notice. This situation adversely impacts six of AgroInvest's Crimean grantees (specified in Annex 1 below). AgroInvest is working closely with the grantees and USAID to determine next steps as each grant is approximately half-way through its implementation period. While all six grantees will remain adherent to their respective EMMPs, their respective period of performance and/or funding may be cut short.

## Annex 1: Component 3A Producer Organization Grantees

	Grantee	Program/Project Name	Grant Agreement Number	Start/End date	Date EMMP approved	Notes
1	ASC Krymekoproduct	Creation of Rendering Service System to Collect, Remove and Processing of Straw from the Fields by Producing Fuel Briquettes	AGRO-GA11-3A-04/2	10/22/12-10/17/13  *It is noted that this grant was terminated on 10/17/13	10/1/12	The grant with ASC Krymekoproduct was officially terminated on October 17, 2013 based on the grantees failure to make progress with the timeframe agreed to regarding its responsibility in renovating the facility where the briquette making equipment would be placed.
2	ASC Gospodar Pidgiryia	Development of Dairy Industry in Pidgiryia Region	AGRO-GA11-3A-04/1	10/22/12-11/22/14	10/4/12	As of the end of the reporting period, ASC Gospodar Pidgiryia is currently compliant with its EMMP.  Of note this quarter: On March 20, 2014, during an AgroInvest site visit, the installation status of equipment was verified as well as the contract for the supply of goods and services (in accordance with the contract and the grantee's EMMP). Additionally the following was discussed with the grantee: work schedule, execution of contracts for the supply of products, update and compliance with the

						requirements to comply with environmental safety and working conditions.
3	ASC Khayal-2009	Creation of a cool storage chamber to organize strawberry and strawberry seedling storage	AGRO-GA12-3A-06/01	12/18/12-12/18/14	12/7/12	<p>As of the end of the reporting period, ASC Khayal-2009 is currently compliant with its EMMP.</p> <p>It is noted that due to the events in Crimea taking shape this quarter and USAID Regional Contracting Officer informing AgrolInvest to suspend all payments to Crimean partners. AgrolInvest is working closely with the grantee and USAID to determine next steps as the grant currently has over half a year left in its period of performance.</p>
4	ASC Boodjak	Developing of a milk processing facility	AGRO-GA11-3A-04/3	01/03/13-12/30/14	12/20/12	As of the end of the reporting period, ASC Boodjak is currently compliant with its EMMP.
5	ASC Zakhidnyi	Improving the Quality of Compound Feed through Implementation of Extrusion and Granulation	AGRO-GA12-3A-06/02	12/28/12-12/28/14	12/20/12	<p>As of the end of the reporting period, ASC Zakhidnyi is currently compliant with its EMMP.</p> <p>Of note this quarter: Tenders to procure equipment and its installation were conducted in-</p>

		Technologies				line with EMMP requirements and staff was trained in the new equipment operation and safety procedures.
6	ASC Ivankivetskyi Svitanok	Establishment of a milk processing facility	AGRO-GA12-3A-06/04	04/16/13-4/16/15	3/28/13	<p>As of the end of the reporting period, ASC Ivankivetskyi Svitanok is currently compliant with its EMMP.</p> <p>Of note this quarter: Ivankivetskyi Svitanok signed a contract to perform electric installation works.</p>
7	ASC Severyn	Construction of a cool chamber for fruits and berries storage	AGRO-GA12-3A-06/03	04/16/13-4/16/15	3/29/13	As of the end of the reporting period, ASC Severyn is currently compliant with its EMMP.
8	ASC Umyut	Phytoindustry development in the Crimea	AGRO-GA12-3A-06	05/21/13-5/21/15	<p>Original EMMP approved 4/29/13</p> <p>Revised EMMP approved 8/30/13</p>	<p>As of the end of the reporting period, ASC Umyut is currently compliant with its EMMP.</p> <p>Of note this quarter: Equipment installation were conducted in-line with EMMP requirements and staff were trained in the new equipment operation and safety procedures.</p> <p>Additionally, due to the events in Crimea taking shape this quarter and USAID Regional</p>



						Contracting Officer informing AgrolInvest to suspend all payments to Crimean partners, AgrolInvest is working closely with the grantee and USAID to determine next steps as the grant currently has over half a year left in its period of performance.
9	ASC Losyatynske Molochne Dzherelo	Establishment of a cool storage chamber for berries	AGRO-GA12-3A-08/1	07/30/13-7/30/15	7/9/13	As of the end of the reporting period, ASC Losyatynske Molochne Dzherelo is currently compliant with its EMMP.
10	ASC Shyroke	Establishment of a Cool Storage Facility for Vegetables and Melons	AGRO-GA12-3A-06/6	07/31/13-7/31/15	7/13/13	<p>As of the end of the reporting period, ASC Shyroke is currently compliant with its EMMP.</p> <p>Of note this quarter: ASC Shyroke signed a contract to perform electric installation works. The cooperative conducted training in accident prevention and safety procedures and appointed the staff members responsible for operation of the cool storage chamber.</p>
11	ASC Lypivsky	Establishment of Facility for	AGRO-GA12-	08/12/13-	8/8/13	As of the end of the reporting period, ASC Lypivsky is

		processing potatoes and crops	3A-08/2	8/13/15		<p>currently compliant with its EMMP.</p> <p>Of note this quarter: Tenders to procure equipment and its installation were conducted by the vender's certified technicians in-line with EMMP requirements. Staff was trained in the new equipment operation and safety procedures.</p> <p>Additionally a waste log book and accident prevention and labor safety briefing log were developed, maintained, and checked.</p>
12	ASC Fruits of Crimea	Development of a modernized fresh fruit and vegetable logistics/processing facility	AGRO-GA12-3A-08/3	8/29/13-8/29/15	8/13/13	<p>As of the end of the reporting period, ASC Fruits of Crimea is currently compliant with its EMMP.</p> <p>Of note this quarter: On January 24, 2014, during an AgroInvest site visit, the installation status of equipment and the contract for the supply of goods and services (in accordance with the contract establishing equipment) were verified. Additionally the following was discussed:</p>

						<p>work schedule, execution of contracts for the supply of products, fulfillment of the requirements to comply with environmental safety and working conditions.</p> <p>It is noted that due to the events in Crimea taking shape this quarter and USAID Regional Contracting Officer informing AgrolInvest to suspend all payments to Crimean partners, AgrolInvest is working closely with the grantee and USAID to determine next steps as the grant currently has over half a year left in its period of performance.</p>
13	ASC Dzhylek	Establishment of a Cool Storage Facility for Vegetables and Fruits	AGRO-GA13-3A-12/1	11/11/13-5/11/13	MEO approved streamlined EMMP 11/19/13	<p>As of the end of the reporting period, ASC Dzhylek is currently compliant with its EMMP.</p> <p>Of note this quarter: equipment was installed and tested by the vender's certified technicians; staff was trained in the operation and safety procedures of the new cool storage chamber.</p> <p>A wastes log book and</p>

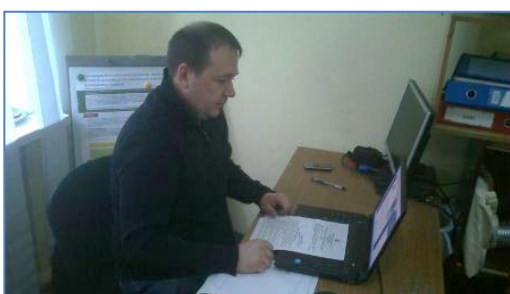
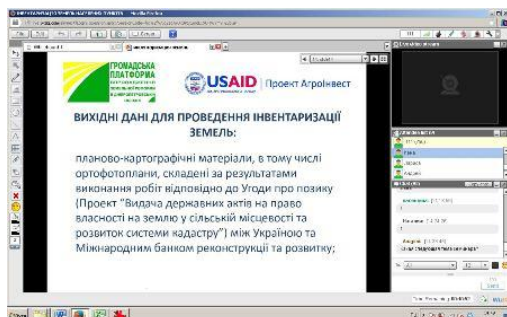
						<p>accident prevention and labor safety briefing log were developed, maintained and checked.</p> <p>It is noted that due to the events in Crimea taking shape this quarter and USAID Regional Contracting Officer informing AgroInvest to suspend all payments to Crimean partners, AgroInvest is working closely with the grantee and USAID to determine next steps as the grant currently has over half a year left in its period of performance.</p>
14	ASC "Start M"	Development of a modernized fresh vegetable logistics/processing facility	AGRO-GA13-3A-12/2	11/15/13-5/15/13	MEO approved streamlined EMMP 11/19/13	<p>As of the end of the reporting period, ASC Start M is currently compliant with its EMMP.</p> <p>Of note this quarter: equipment was installed and tested by the vender's certified technicians; staff was trained in the operation and safety procedures of the new equipment.</p> <p>A wastes log book and accident prevention and labor safety briefing log were</p>

						<p>developed, maintained, and checked.</p> <p>It is noted that due to the events in Crimea taking shape this quarter and USAID Regional Contracting Officer informing AgrolInvest to suspend all payments to Crimean partners, AgrolInvest is working closely with the grantee and USAID to determine next steps as the grant currently has over half a year left in its period of performance.</p>
15	ASC Rivnopravnist	Development of Pasture Based Dairying and Milk Collection Points	AGRO-GA12-3A-08/4	1/3/14-7/3/15	12/23/13	<p>As of the end of the reporting period, ASC Rivnopravnist is currently compliant with its EMMP.</p> <p>Of note this quarter: Rivnopravnist initiated the tendering process for selection and procurement of equipment in-line with EMMP requirements.</p>
16	ASC Golden Bee	Establishment of modernized honey processing and packaging facility	AGRO-GA13-3A-12/3	12/10/13-6/10/15	MEO approved streamlined EMMP 12/3/13	<p>As of the end of the reporting period, ASC Golden Bee is currently compliant with its EMMP.</p> <p>Of note this quarter: ASC Golden Bee conducted the</p>

						<p>tendering process for selection and procurement of equipment in-line with EMMP requirements.</p> <p>It is noted that due to the events in Crimea taking shape this quarter and USAID Regional Contracting Officer informing AgroInvest to suspend all payments to Crimean partners, AgroInvest is working closely with the grantee and USAID to determine next steps as the grant currently has over half a year left in its period of performance.</p>
17	ASC Snovyanka	Improving the Quality of Compound Feed through Implementation of Extrusion and Granulation Technologies	AGRO-GA13-3A-12/4	3/7/14- 9/7/15	MEO approved streamlined EMMP 3/3/14	<p>As of the end of the reporting period, ASC Snovyanka is currently compliant with its EMMP.</p> <p>Of note this quarter: The tender to procure equipment was started in-line with EMMP requirements.</p>
18	ASC Chysta Flora	Establishment of a Cool Storage Facility for Fresh Fruits and Berries	AGRO-GA13-3A-12/5	3/10/14- 9/10/15	MEO approved streamlined EMMP 3/3/14	<p>As of the end of the reporting period, ASC Chysta Flora is currently compliant with its EMMP.</p> <p>Of note this quarter: The tender to procure equipment</p>

						was started in-line with EMMP requirements.
19	ASC Molochni Riky	Improving the Quality of Compound Feed through Implementation of Extrusion and Granulation Technologies			Streamlined EMMP submitted to USAID on 3/5/13	As of the end of the reporting AgrolInvest was awaiting feedback from the MEO regarding ASC Molochni Riky's streamlined EMMP.

# Webinars help to quickly share knowledge among rural land managers



Volodymyr Hryaniuk, NGO lawyer, delivers a webinar, February 27, 2014

*"Webinars are convenient. One does not have to spend a lot of time and travel to the raion center in order to obtain professional advice on land issues and get updated on latest developments in the land sphere any longer. Unreliable connection to Internet is our only problem."*

— Ms. Valentyna Bura, a land surveyor from Hubynicka village council, Novomoskovsk raion

*"I will gladly advise my colleagues from land survey organizations of this opportunity as besides receiving latest information, one can also network and share experience."*

— Ms. Tamara Chorna, a land surveyor from Dnipropetrovsk raion

In the process of implementing a project "Developing a network to provide legal support to the rural population in the sphere of land relationships", USAID AgrolInvest's grantee, NGO "Public Platform for Implementing the Land Reform in Dnipropetrovsk Oblast" introduced an innovative product — program of webinars for land surveyors from village councils.

The preparatory work consisted of holding internal discussions to develop the curriculum, select webinar topics, identify a proper technical platform, and conduct a pilot webinar to test technical and organizational issues.

Land surveyors learned about the invitation for the webinar from notices posted on the organization's web site and also received notices through e-mail subscription.

Land surveyors were able to sign up for the webinar on the web site in advance and get advised on technical aspects of the participation, such as procedures for connecting, communicating, asking questions, etc.

Two initial webinars for land surveyors from village and town councils in Dnipropetrovsk oblast entitled "Making a land inventory in populated areas" were held in February and March 2014. Altogether, 42 land surveyors took part in the two initial webinars.

The webinars enabled rural specialists to receive latest information on the topic without incurring travel costs. Webinar participants highly appreciated the information they were provided. They will use this knowledge to help rural citizens protect their land rights.

Initially, the audience of webinars was limited due to the fact that Internet is still underdeveloped in some rural areas, and a number of village councils were disconnected from Internet because of indebtedness to Internet providers recently. Therefore, it was decided to seek for additional resources to help more land managers participate. Following a negotiation with the regional library director, land surveyors were proposed to join the next webinars through computers available in rural libraries that participate in the *Bibliomist* program.

Next steps include preparing a concise video guide on how to connect to a webinar for the next cluster seminars for land surveyors. It will be demonstrated for the first time on the seminar. Also, it is planned to extend the audience to cover the neighboring Poltava oblast.





# USAID | AgrolInvest Project

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## SUCCESS STORY

### Bringing Farmers and Financial Officers Together in the Field to Increase Access to Finance

**USAID AgrolInvest is helping small vegetable producers increase their knowledge thus increasing their opportunities to access credit from local financial institutions.**



photo: Oleg Stoyanov

*Farmers and Hromada Credit Union members participating in a hands-on training pertaining to proper cucumber cultivation.*

***The equation is simple, farmers who use advanced production techniques and methods tend to produce larger yields of higher quality produce. In Kherson Oblast, USAID AgrolInvest is working closely with its partner credit unions to provide access to practical hands-on learning and training opportunities for local farmers.***

Kherson Oblast is known for the vegetables and fruits produced on its fertile soil. Despite this, there are two main deficiencies that plague the ability of small farmers to develop: 1) Lack of access to finance; and 2) Lack of access to trainings focused on modern agriculture methods and practices specifically designed for small farmers. USAID AgrolInvest, along with Hromada Credit Union, are addressing both of these through an innovative approach that brings partner financial institutions together with their client farmers in the field.

Even when farmers do have the ability to access financing, it is often the case that they are not able to pay back the loan on time. For example, more than 50% of the farmers – clients of AgrolInvest's partner credit union Hromada – who applied for financing to grow cucumbers in 2013 could not repay their loans on time. USAID AgrolInvest and Hromada analyzed the reasons of the poor loan performance of the farmers and found that the problem which had led to the non-performing loans was based on the low yield and quality of cucumbers the farmers were producing. These low yields and less than ideal quality cucumbers could not be marketed and sold at the prices required to pay back the loans, let alone turn a profit for the farmers. It was quickly identified that through utilizing modern technologies and methods, noticeable increases in yields and quality could be realized. As such AgrolInvest developed an innovative approach that brings partner financial institutions together with their client farmers and experienced agronomists and crop experts in the field.

In the specific case of this approach with Hromada in Kherson, AgrolInvest worked with partner input suppliers – leaders in the seed industry – to identify a cucumber expert to begin conducting practical trainings in the field for 20 farmers. Through the series of eight day-long training sessions, the farmers rotate through each of the participants farms every two weeks. This way, each phase of the plants growing cycle is analyzed as a group in the farmers' greenhouses and fields with an expert agronomist onsite. The participants are provided with detailed recommendations on soil preparation, irrigation, fertilization, plant protection methods, harvesting, and post-harvest processing. Upon completion of the training series, the farmers have the skills and know how to serve as demo sites for other area farmers.

Those that participate in the training series are given preferential treatment for subsequent loans because the riskiness is alleviated as the credit union can be more confident that the farmers in question have increased their agricultural acumen. AgrolInvest and Hromada plan to expand the training program for farmers of other vegetable crops in Kherson, and AgrolInvest is working with its other financial institution partners to replicate the program in other parts Ukraine.

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4		Cumulative Project		Notes and Explanations	
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result		LOP Target
Project objective 1.1: Market-oriented policy reforms accelerated									
Indicator									
1.1.1- Number of policies/regulations/administrative procedures analyzed as a result of USG assistance	4/5	14/10	13/10	6	11	10	42	41	1) Association of Village Councils made analysis and provided recommendations to Draft Law “On the Rights of Local Communities to Set up Their Associations”.
									2) Agrarian Union of Ukraine analyzed and developed recommendations to amend Law of Ukraine “On State Registration of Rights to Immovable Property” regarding simplification of registration of land lease rights.
									3) Agrarian Union of Ukraine provided recommendations to State Program of Agricultural Development until 2020 in regard to credit policy.
									4) Agrarian Union of Ukraine provided recommendations to amend the Land Code of

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4		Cumulative Project		Notes and Explanations	
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result		LOP Target
									<p>Ukraine and Law on the Land Survey in order to simplify application of crop rotations by agricultural producers.</p> <p>5) Ukrainian Grain Association prepared analysis of draft law “On Amendments to Certain Legislative Acts of Ukraine (regarding Protection of Domestic Producers)” registration No. 3882 of January 14, 2014).</p> <p>6) Ukrainian Agribusiness Club prepared analysis of the draft Cabinet of Ministers Resolution “On Amendments to the Procedure for Technical Control of Agricultural Machinery”.</p>
1.1.2- Number of policy reforms/regulations/administrative procedures drafted and presented for public/stakeholder consultation as a result of USG assistance	1/2	7/5	11/5	12	16	6	35	21	1) AgroInvest developed proposals on simplification of regulations for crop rotations and presented them for review and discussion to government agencies and other stakeholders.

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4		Cumulative Project		Notes and Explanations
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result LOP Target	
								<p>2) The Resource Center under the Land Union of Ukraine drafted law of Ukraine "On Certain Activities to Increase the Role of Local Communities in the Management of Land Recourses". The proposed law was registered in Verkhovna Rada on February 17, 2014 (registration No. 4150).</p> <p>3) The Resource Center under the Land Union of Ukraine drafted law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine on Determining the List, the Content and the Procedure for Approval of Land Management Documentation" (registration No. 3238).</p> <p>4) Ukrainian Agribusiness Club developed and presented for public discussion a draft law on amendments to</p>

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4			Cumulative Project		Notes and Explanations
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result	LOP Target	
									legislation regarding permit documents for economic activities.  5) Organic Federation of Ukraine drafted and presented for public discussion amendments to Law of Ukraine No. 425-VII “On Circulation and Production of Organic Agricultural Products and Raw Materials”.  6) Organic Federation of Ukraine developed and presented for public discussion 7 drafts Cabinet of Ministers Resolutions with detailed rules of organic production based on new organic law.
1.1.3- Number of policies rejected/vetoed/removed that are inconsistent with agricultural market-friendly/investment-friendly procedures	0/0	0/3	1/3	0	0	2	1	9	No policies rejected/removed during the reporting period.
1.1.4- Number of policies, regulations and	0/0	0/3	6/3	0	1	3	7	10	No policies, regulations and administrative

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4			Cumulative Project		Notes and Explanations
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result	LOP Target	
administrative procedures passed									procedures passed during the reporting period.
1.1.5- Number of public-private dialogue mechanisms utilized as a result of USG assistance	2/4	3/8	5/8	0	3	8	13	32	No new public-private dialogue mechanisms utilized during the reporting period.
Project objective 1.2: Industry associations strengthened									
Indicator									
1.2.1- Number of regional-level working groups engaged by partner industry associations	NA	NA	0/5	0	0	5	0	20	No regional working groups engaged during the reporting period.
1.2.2- Number of institutions/organization undertaking capacity/competency strengthening as a result of USG assistance	2/0	6/8	4/8	0	1	4	13	20	No new industry associations engaged in capacity building program during the reporting period.
1.2.3- Aggregated increase in self-financing for target industry associations	0/0	0/3	3,8%/6%	NA at this time	NA at this time	8%	3,8%	26%	This indicator will be reported at the end of Yr4.
1.2.4- Number of new members in partner industry associations	0/0	0/5	115/10	28	59	10	174	35	8 new members joined Agrarian Union of Ukraine; 7 new members joined Association of Village Mayors; 1 new member joined Association of Pig

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4		Cumulative Project		Notes and Explanations	
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result		LOP Target
	Breeders; 9 new members joined Ukrainian Agrarian Confederation and 3 new companies became members of Ukrainian Agribusiness Club.								
Project objective 1.3:Public education for land rights provided									
Indicator									
1.3.1- Number of media appearances on land issues	0/0	0/0	814/100	101	194 <sup>1</sup>	100	1008	500	The number of media appearances includes media publications produced by local partners in Kherson, Odesa, Mykolaiv, Chernivtsi, Ternopil, Ivano-Frankivsk and Dnipropetrovsk oblasts plus publications produced as part of the Outreach Campaign “My land, my right”.
1.3.2- Awareness of land rights among target communities	0/25%	NA/30%	20,32%/35%	NA at this time	NA at this time	45%	20,32%	55%	No updated information available at the moment. The data have not been updated as required surveys have been delayed due to ongoing situation in Ukraine.
1.3.2a- Share of female	0/50%	NA/50%	50%/50%	63%	63%	50%	50%	50%	Same as above.

<sup>1</sup> In the previous quarterly there was a typo here (99 instead of 93), actual annual calculated used correct figure of 93 for previous quarter

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4		Cumulative Project		Notes and Explanations	
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result		LOP Target
rural citizens in target communities									
1.3.3- Number of land deeds issued in target communities	0/0	340/2,000	10,207/6000	1,554	28,445	3,000	38,992	12,500	The number of land deeds is reported based on data provided by local partners.
1.3.4- Number of land conflicts resolved as a result of project assistance	0/0	24/150	229/350	28	240	300	493	1,000	The number of conflicts resolved is based on the reporting provided by the local providers of secondary legal land rights services.
1.3.5- Percentage of legal aid service cost covered by non-project sources	0/0	0%/5%	17.37%/40%	21,86%	17,17%	40%	17,37%-Indicator calculated on annual basis as an average of quarterly figures. Will be updated at the end of Yr4.	100%	Data for the percentage of legal aid services covered by non-project sources for the past quarter is available for one grantee. The overall figure will be updated based on annual data calculations.
Project objective 2.1: Sustainable access to financial services for SMPs provided									
Indicator									
2.1.1- Value of agriculture finance facilitated	\$0/\$0	\$13,14M/\$4M	\$33,4M/\$7M	\$6,3M	\$13,6M <sup>2</sup>	\$15M	\$60,1M	\$60M	During this quarter project partners reported \$6.3 million in the value of their agrilending attributed to AgroInvest technical support. This number is

<sup>2</sup> For previous quarter the figure has been adjusted from \$9.7M to \$7.3M, due to a mistake in calculations made by VAKS earlier, therefore the total annual and cumulative figures have been adjusted.



PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4		Cumulative Project		Notes and Explanations	
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result		LOP Target
									lower compared to earlier periods due: (1) unstable economic and political environment which imposed limitation of SMPs operations ; (2) loss of partnership with 6 partner credit unions in the Crimea.
2.1.2- Number of credit transactions facilitated	NA	7052/1000	8027/2000	2113	4047	3,000	19,126	10000	Project partners reported that the value of finance facilitated under indicator 2.1.1 had been executed through 2,113 transactions., Smaller value of individual transactions reflects higher risks for SMPs and lenders in the existing environment.
2.1.3- New loan portfolio at risk at 90 days	0/0	10%/10%	4%/10%	3,8%	4%	10%	4%	10%	NPL-rate improved compared to the last reporting period due to: (1) increased attention of partner credit unions to collection processes at unstable economic environment (2)AgroInvest assistance in training the partners on loan portfolio management. .
2.1.4- Number of	0/0	3/3	2/2	2	2	1	7	6	Two new loan products

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4			Cumulative Project		Notes and Explanations
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result	LOP Target	
innovative financial products developed and introduced into the market as result of project assistance									for SMPs were developed/enhanced during the reporting period: (i) loans for farm development and (ii) loans for small holding (individual homestead) development.
2.1.5- Number of SMPs trained in financial competencies pertaining to increasing access to finance	NA	NA/NA	404/460	101	290	500	694	2500	101 SMPs participated in AgroInvest access to finance trainings. A large portion of the trainings were delivered as agrotechnological master classes in the fields, accompanied by training in corresponding financial competencies.
2.1.5a- Share of women SMPs trained in financial competencies pertaining to increasing access to finance	NA	NA/NA	29%/25%	47%	46%	30%	29% Indicator calculated on annual basis as average of quarterly figures. Will be updated at the end of Yr4.	30%	53 of the 101 SMPs trained during the reporting period were female.
<b>Project objective 3.1: Producer organizations developed/strengthened</b>									
Indicator									
3.1.1- Number of producer organizations identified, assessed and	0/5	9/8	10/7	0	0	0	18	20	No new producer organizations have been identified and

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4		Cumulative Project		Notes and Explanations	
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result		LOP Target
selected for assistance	selected for assistance during the reported period. During the reporting period AgrolInvest signed agreements with 4 cooperatives selected for assistance in the previous quarter.								
3.1.2- Value of investment (in kind or otherwise) facilitated through producer group projects	\$0/\$0	\$0/\$450,000	\$847,454/\$500,000	\$238,551	\$294,931	\$625,000	\$1,142,385	\$2,225,000	\$238,551 USD was invested to producer organizations through cost-shares included in AgrolInvest grants during this quarter.
3.1.3- Perceived improvement in the quality of services provided to members by producer organizations	0/0	5%/5%	17,6%/10%	NA at this time	NA at this time	10%	19%	35%	This indicator is based on annual PO surveys. The next round of such surveys is planned for July/August 2014.
3.1.3a- Share of female members reported improvement of services provided by producer organizations	0/0	21%/16%	46%/16%	NA at this time	NA at this time	17%	43%	18%	Procedure is same as for 3.1.3.
3.1.4- Number of producer organizations, water users associations, trade and business associations and community-based organizations receiving	51/5	48/40	98/35	5	40	40	237	160	During the period representatives of 5 producer organizations participated in trainings conducted by the Project.

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4		Cumulative Project		Notes and Explanations	
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result		LOP Target
USG assistance									
3.1.5- Number of participants in USG supported trade and investment capacity building trainings	137/125	392/400	365/350	59	222	150	1116	1175	59 individuals have been trained in investment development this quarter.
3.1.5a- Share of female training participants	23%/50%	55%/50%	48%/50%	32%	41%	50%	48%	50%	The share of females who participated in trainings during this quarter according to the Lists of Participants accounts for 32%.
Project objective 3.2: More effective market infrastructure for SMPs developed									
Indicator									
3.2.1- Number of wholesale markets formed (through at least Stage 4)	0/0	0/0	1/1	0	0	1	1	2	During the period continued the selection process for one of the wholesale market for feasibility study
3.2.2- Number of local/regional markets of market infrastructure (e.g. storage/cold storage, packing/processing/sorting facilities) formed with project assistance	0/0	3/44	6/6	0	0	4	9	14	Finalized technical-economic justification for Chernyanka market, ASC Beryslav Agro (fruit storage), ASC Ovochivnyk Plus (vegetable storage).
3.2.3- Number of trading/market places established	0/0	300/500	201/1000	0	0	2,000	501	5000	No trading/market places been established in the past quarter
3.2.4- Number of micro enterprises linked to larger firms as a result of USG assistance to the value chain	0/0	119/100	216/200	0	212	400	547	1000	No micro enterprises were linked to larger firms in the past quarter.

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4		Cumulative Project		Notes and Explanations	
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result		LOP Target
3.2.4a- Share of female-owned micro enterprise	0/0	17%16%	46%/16%	0%	45%	17%	46%	18%	As this number is calculated based on indicator 3.2.4, there were no female-owned enterprises linked to larger firms.
3.2.5- Value of investment facilitated in market infrastructure	0/0	\$2,170,673/\$400,000	\$3,67M/\$10,6M	\$300,000	\$531,500	\$10,25M	\$6,372,173	\$21,25M	\$300,000 invested into Shelen market in Rivne during past quarter.
Cross-Cutting Indicator									
Proportion of females who report increased self-efficacy at the conclusion of USG supported training/programming	0/0	0/0	31%/20%	69%	58%	60%	31% Indicator calculated on annual basis as average of quarterly figures. Will be updated at the end of Yr4.	60%	During the reporting period 69% of female participants of joint AgroInvest and Ukrainian Women Fund training program reported increase of the own self-efficacy.