



Growth in Rural Economy & Agriculture in Tajikistan (GREAT)

Final Evaluation

Department for International Development

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Abbreviations and Acronyms

ACTED	Agency for Technical Cooperation and Development (<i>Agence d'Aide à la Coopération Technique Et au Développement</i>)
AKDN	Aga Khan Development Network
AKDN/MSDSP	Aga Khan Development Network /Mountain Societies Development Support Programme
AMFOT	Association of Microfinance Organisations, Tajikistan
AWA	Agriculture and Water Activity
BA	Business Association
BCA	Benefit-Cost Analysis
BCI	Better Cotton Initiative
BCR	Benefit/ Cost Ratio
BMZ	German Federal Ministry for Economic Cooperation and Development
CBER	Cross-Border Economics Relations Centre
CBO	Community-Based Organisation
CBSC	Cross-Border Service Centre
CC/PG	Commodity Cluster/Producer Group
CCIC	Consultative Council on Improving the Investment Climate
CGAP	Consultative Group to Assist the Poorest
CGIAR	Consultative Group on International Agricultural Research
CH ₄	Methane
CIMMYT	International Maize and Wheat Improvement Center
CO ₂	Carbon Dioxide
CO ₂ -eq	Carbon Dioxide equivalent
CPI	Consumer Price Index
DANIDA	Danish International Development Agency
DCCT	Donor Co-ordination Council in Tajikistan
DI	Data Instrument
EBRD	European Bank for Reconstruction and Development
ECTAP	Enhanced Competitiveness of Tajik Agribusiness Project
EQ	evaluation Question
EU	European Union
FAO	Food and Agriculture Organisation of the United Nations
FFPSD	Framework for Finance for Private Sector Development
FGD	Focus Group Discussion

GAP	Gender Action Plan
GBAO	Gorno-Badakshan Autonomous Oblast
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GII	Gender Inequality Index
GIZ	Agency for International Development
GKI	GosKomInvest
GOT	Government of Tajikistan
ha	hectare
IGPCC	Inter-Governmental Panel on Climate Change
IMF	International Monetary Fund
INGO	International Non-Governmental Organisation
IPM	Integrated pest management
IWG	Inter-Government Working Group
KII	Key informant interviews
LF	Logical framework (logframe)
M&E	Monitoring and evaluation
MC	Mahalla Committee
MDG	Millennium Development Goal
MFI	Microfinance Institution
MT	Metric ton
N ₂ O	Nitrous Oxide
NGO	Non-Governmental Organisation
OECD DAC	Organisation for International Co-operation and Development Assistance Committee
OSCE	Organisation for Security and Cooperation in Europe
PG	Producer Group
PPD	Public Private Dialogue
QA	Quality Assurance
RGP	Rural Growth Programme
SC	Steering Committee
SEDP	Sustainable Economic Development Programme
SEQAS	Specialist evaluation and Quality Assurance Services
SI	Structured Interview
SME	Small and Micro Enterprises
SSI	Semi-Structured Interview

TAG	Technical Advisory Group
TAMs	Technical Advisory Machinery Group
TG	Target Groups
TJS	Tajikistani Somoni
TOC	Theory of Change
TOR	Terms of Reference
TRIGGER	Towards Rural Inclusive Growth and Economic Resilience
UNDP	United Nations Development Program
USAID	United States Agency for International Development
USD	United States Dollar
VFM	Value for Money
WB	World Bank

EXECUTIVE SUMMARY

Introduction

The Growth in Rural Economy and Agriculture in Tajikistan (GREAT) programme focused on four areas: supporting the development of a business enabling environment (Output 1); promotion of agricultural production and other rural economic activities such as food processing and energy efficient buildings using the private sector (Output 2); improved access to financial services (Output 3) and increasing revenue from cross-border trade (Output 4).

The original Terms of Reference (TOR) called for a mid-term review, but when GREAT was granted a no cost extension until the end of June 2016 this was changed by DFID to a final evaluation, using the same TOR. This final evaluation covers the period from 2013 to March 2016. Key evaluation questions (11) based on the DAC criteria¹ provided an evaluation framework covering programme strategy, results and cross-cutting issues including climate change, gender and governance and reporting. Therefore, the main report, and the executive summary, discusses each output in turn by appropriate evaluation question before discussing the cross-cutting issues. In the executive summary, DAC evaluation criteria for the outputs are underlined. Efficiency of the programme is discussed in the Value for Money section.

Methodology

Primary data was collected on a sampling basis (using a combination of random and purposive methods) from 68 key informants, 334 structured interviews and 35 focus group discussions (FGDs) which provided quantitative and qualitative data and information. In addition, an electronic survey was carried out to support findings on Output 1: it was sent to 11 different organisations but received very limited responses. Primary data was complemented by secondary data provided by the Programme and its partners, plus other sources found by the evaluation team independently. Findings presented in this report are the result of a triangulation of sources of data and information, and a review of literature (especially on government policy). Preliminary findings were shared with DFID and GIZ at the end of the first in-country mission. In the second mission, separate meetings were held with (a) DFID and GIZ, (b) GREAT implementing partners, and (c) the Government and other donors to present and discuss the draft report.

Background

The national economy of Tajikistan is seriously disadvantaged both in absolute terms and in relation to its neighbours – apart from war-torn Afghanistan to the south. Agriculture contributes 27 per cent of gross domestic product, and three-quarters of the population lives in the rural areas.² Its natural resource base is weak and the food security situation is precarious – many of the agricultural inefficiencies of the Soviet system have remained while productivity has declined. Business is constrained and a key condition for improving economic growth and investment involves improving the business environment and enhancing cross-border trade.

Output 1: Business Enabling Environment

The evaluation found that the activities supported by GREAT to assist the Business Enabling Environment are relevant to the needs of rural development. The activities undertaken (particularly the three main directions of action – public-private dialogue (PPD), Business Association development, and regulatory reform) are relevant, and arose from a correct understanding of the nature of the development problem.

GREAT set out to help resolve problems with the business environment, and the logframe describes a set of anticipated results for Output 1. However, there were technical difficulties of attribution. Activities/outputs are planned and implemented in the presence of additional, active interventions by

¹The DAC criteria ensures that the following areas are looked at during an evaluation: Relevance, Effectiveness, Impact, Sustainability and Efficiency.

²National Bank of Tajikistan (2016) *Statistics Bulletin*, Dushanbe, National Bank of Tajikistan; Tajikistan Statistics Agency www.stat.tj/en

other donor programmes as well as Tajik organisations. This situation makes the task of assessing the specific and unique contributions of GREAT to the business enabling environment more complex. Indicators of performance need to be directly related to GREAT activities, rather than rely on wider measures of economic or business performance, except when a direct functional link can be identified.

The effectiveness of Programme actions varied by activity. GREAT support for the establishment of regional PPD forums, involving both government and the private sector was significant. This was replicated and developed into a more formalised national Consultative Council on Improving the Investment Climate (CCIC) network of regional and local PPD structures. While the CCIC might have developed a regional structure in due course, the Programme's pilot activities appear to have accelerated that process and provided a useful model of approach. This initiative has resulted in a valuable process to help resolve problems for individual enterprises, while stimulating wider policy action e.g. for the food processing sector. This relevant and important initiative complemented and extended the work of the CCIC, and displayed sustainable impact through its adoption by CCIC.

There is evidence from regions where the PPD initiative was most firmly established that GREAT may no longer be so deeply involved with CCIC as a key partner. This situation may have evolved since the national CCIC took a more prominent role while the Programme was winding down its activity. But CCIC and GosKomInvest (GKI) are looking for greater collaboration in the future.

The creation of Business Associations provided a structure at local and regional levels with potential to identify and communicate opportunities for local business and economic development to government. They offer an opportunity for a sustainable structure to emerge that will be relevant to achieving greater effectiveness in linking business to government at local and regional levels. Business Associations provided additional opportunities for women, including at least one specifically for women entrepreneurs.

The programme did not seek to address a national level constraint for the business environment and seek its reform. Instead it placed emphasis on developing sustainable institutional structures and relationships. This activity is broadly relevant and effective. It is, by its nature, a step removed from an ability to directly initiate action on business environment issues, as its role is one of influence. Although an initiative with a strong regional focus such as GREAT has limited ability to affect national policy and action, some might be achieved through partnership with national organisations (such as GKI). It could also present examples of actions that might be replicated elsewhere e.g. reducing burden of specific regulation on business.

GREAT helped to reduce the administrative burden on businesses by working with regional administrations to lessen requirements for regulation. This included supporting the Government of Tajikistan (GOT) to conduct meetings with the private sector throughout the country. These meetings were effective in obtaining views and experiences, especially about the implementation of the new Tax Code. The outcomes from these meetings were communicated to GKI, who in turn are using the findings to inform recommendations on how it might be possible for the Tax Committee to mitigate negative impacts of the tax code, including the practices associated with its implementation.

Output 2: Agriculture

The evaluation finds the activities carried out under the agricultural aspects of Output 2 to be relevant and useful. There are eight different activities: (a) institutional development of Sarob, (b) community inclusiveness, (c) cotton sector development, (d) crop diversification and rotation, (e) Technical Advisory Machinery Group (TAMs) formation and development, (6) training and skill development, (f) strengthening market linkages and (g) information collection, analysis and dissemination. In terms of effectiveness, an across the board positive result has been found through the primary and secondary data collected, with just a few suggestions for increased focus.

In terms of increased agricultural productivity, the impact of Sarob interventions have been considerable, with an overall impact of a net annual income increase in the region of USD 10 million for five major crops.

For the differential impact of GREAT on women, serious attempts have been made to include women in project activities, and some improvements have occurred for female households, for example increased income. Progress towards gender equity has also taken place, but all progress here is slow, which is somewhat inevitable as social norm change in a conservative society such as Tajikistan will take many years to accomplish.

The upland/lowland divide has been used as a proxy for impact on poverty. However, measuring the poverty impact of GREAT's agricultural components is difficult, because the focus was initially on farmers in relatively advantaged areas of the country. Only relatively late in the programme did the focus shift towards a more poverty reduction focus, as the Community Inclusiveness (CI) approach was introduced, and Sarob moved towards working with upland farmers, therefore it is too early to be definitive. However, early signs in terms of preparation and early implementation seem encouraging.

But effectiveness has been threatened by an unanticipated potential institutional barrier - conflict between local government and farmers over what farmers should grow. This would be of concern if *freedom to grow*³, which is enshrined in new governmental policies, is prevented in practice through the Ministry of Agriculture having to meet official targets. This is especially the case for cotton production, despite the fact farmers found alternative crops more profitable.

Support from GREAT to partners is relevant and positive overall. An effective foundation for strong working relations is the selection of partners who already work in areas like those of GREAT, as is the case here. Whilst there may have been some differences in project management with one of the partner INGO's (see page 66), overall the feedback has been positive and GREAT has managed effective relationships with its three key partners.

On sustainability, the findings on the agricultural output are inconclusive because it is too early: it will require a few more years of programme support – depending on the contents of a future GIZ programme – to see if results are sustainable. A major factor working against sustainability is the time gap between the end of GREAT and the start of any new programme, which risks momentum being lost and could undermine the success of both approaches to agricultural development.

The findings regarding the sustainability of the Sarob advisory model are more promising, with most Sarob advisors able to make a profit, and all stating that it was 'very likely' or 'likely' that they would continue as Sarob advisors. For the TAMS element of Output 2, the findings do not point towards the option of scaling up, and it looks as though the model as it currently stands has run its course. For the Sarob cooperative, it is unclear whether this could be sustainable, due to the current economic downturn. Overall on the sustainability of the commodity cluster/producer group (CC/PG) model it is too early to comment since the model is still in its nascent stage. For Sarob itself, the figures suggest that it is likely that sustainability will be possible, provided donor subsidies continue and the economic downturn does not get considerably worse. In addition, Sarob should successfully navigate some serious concerns regarding their willingness to continue cross-subsidising the work of its advisors.

Coordination with other donors appears to be well organised and formalised. The one coordination issue that is highlighted is that other donor programmes may offer free extension services which will undermine GREAT's approach of the user paying.

Output 2: non-agricultural Outputs – Food Processing

Activities/results of the non-agricultural food processing aspects of Output 2 were relevant and effective. The choice of direction has a clear relevance to the Theory of Change in providing effective assistance to processing and packaging of fruit and vegetables. Fruit and Vegetable (F&V) processors were offered technical and business support, and farmers were supported with low cost and more efficient tools and methods for fruit drying. This achieved positive impacts by improving business capabilities with outcomes in the successful start-up of new processors, and greater business stability

³While national policy on agriculture emphasises *freedom to farm*, the Soviet-era target-based approach still exists.

and potential for expansion of existing enterprises. Implementation and impact of this part of GREAT was constrained in its scale by insufficient numbers of enterprises.

Support was offered to existing enterprises, which had managed to get into production despite hazards and constraints. The evaluation team found that:

- a) The provision of a Business Development Service was effective and helped to reveal industry-wide issues facing F&V sector development, such as a need for more effective marketing;
- b) GREAT was effective in identifying high costs of raw products to processors as a major constraint on competitiveness. GREAT also contributed to a deeper understanding of the issues that continue to constrain the full realisation of the potential of the agri-processing industry.

Coordination with external Partners has been essential to implementation. A variety of specialist skills and experiences have been used to match the diversity of needs of client enterprises.

The sustainability of the Output's activities is dependent on whether the introduction of processors to external advisors will continue to exist on a fully commercial basis, of which the extent is unknown. While not understood fully, the identification of cost constraints on the development of the F&V sector can contribute to other efforts (e.g. EU Programme) which could help to develop the sector.

Output 2: Non-Agricultural Outputs – Energy Efficient Products

The activities and results of the non-agricultural energy efficient products aspect of Output 2 were relevant and effective. This component was concerned with the production and sale of energy efficient products to households consisting (mostly) of wooden windows, doors and energy efficient stoves along with the expansion of craft enterprises. GREAT's efforts were effective in that they expanded production and sales from rural to urban areas, and the market diversified to include commercial as well as domestic clients. In addition, the product range and customer base were expanded to include insulation of houses and other buildings. Overall this aspect of the Programme supported over 100 craft enterprises, and 2,500 households had purchased the items with a sales value of about \$US700,000. A survey of energy efficient craftspeople/enterprises assisted by the Programme (80% male and 70% aged over 35) indicated an overall satisfaction with their participation. Crafts enterprises do not have local nor international product certification, but are eager to get such indicators of quality.

This element of the GREAT Programme was effective in contributing to warm comfort for households, and increasingly also to commercial clients for an expanding range of insulation products. The commercial basis of the initiative linked to its evident market success supports the view that it will continue to have a positive effect for domestic and commercial users of insulated products and provide a sustainable Programme output.

Output 3 – Financial Products

Activities/ results of the financial products output were relevant and effective. The output has a strong connection with evolving economic and business development needs, and is consistent with GOT policy. The support of micro-finance institutions (MFIs) as the key vehicle for the availability of microfinance for rural enterprises is relevant and necessary.

GREAT's objectives for Output 3 emphasise an expansion of MFIs in providing business loans for rural enterprises. New types of loan products were effectively linked to GREAT activities, including start-up business loans (widely applicable), agro-credit and warm comfort loans to assist energy efficiency.

The Output achieved significant results with variations between individual elements.

- a) Results arise first from support given to the Association of Microfinance Organisations, Tajikistan (AMFOT) and the significant capacity building of this organisation. AMFOT remains a work in progress, with problems of credibility among key MFIs. Nonetheless, AMFOT has potential to develop with further external assistance. The logframe target of 100 per cent self-sufficiency for the organisation was achieved.

- b) The provision of specific types of loan products by selected MFIs to specific clients that met Programme objectives was an innovative and successful initiative that accelerated a focused attention of MFIs on these new business opportunities.
- c) The wider use of responsible lending principles and the promotion of financial literacy has a sustainable impact, and can be shared with other actors, especially the European Bank for Reconstruction and Development (EBRD).
- d) Some assistance and encouragement to local groups to consider other models for providing microfinance (especially Credit Unions) was helpful with potential impact, but limited in scale and effort.

Output 4 – Cross Border Revenue

Activities/ results of Output 4, cross-border revenue, were relevant and effective. Output 4 created an infrastructure to facilitate and encourage cross-border trade consisting of: (a) political /administrative structures which facilitated practical operations in the form of an Inter-Government Working Group (IWG); (b) cross-border, bi-lateral commissions at oblast / regional level which promoted and facilitated practical collaboration, and (c) practical facilities and operational support for traders and others in the value chain which provided an infrastructure. The latter included Cross Border Cooperation Support Centres (physical markets with controlled access), Business Groups of small entrepreneurs, matchmaking events to facilitate new trading between participants, and roadside services along transport corridors.

The Theory of Change emphasised that expanding cross-border trade should deliver benefits for people and communities in cross-border areas. These consist of expanded trade in high value items, also associated with better quality. A key requirement for success is the provision of markets that will be safe and convenient for traders, including women.

Output 4 activities were relevant to Programme objectives and achieved sustainable results through a practical and effective structure and strategy. Its objectives were substantially achieved, including increased trade with benefits to communities and groups, including women:

- a) The emergence of new cross-border traders: only 25 per cent of traders had cross border business activities before;
- b) An increase of 32 per cent in trade was recorded from 2013 to 2015;
- c) Increased profit margins were reported by 87 per cent of participants, and 16 per cent reported diversifying their business;
- d) Agricultural items dominated the pattern of trading (both fresh and processed fruit and vegetables) with some diversification, for example into textiles / sewing;
- e) Increased trading resulted in new jobs, in predominately rural localities.

The sustainability of the results of the cross-border trade output is highly likely. This arises from a) the creation of a commercially viable set of facilities, such as cross-border markets; and b) the set-up of new administrative structures, such as the Inter Government Working Group and Cross-Border Commissions, which can provide a mechanism to initiate adjustments in response to evolving needs. Sustainability, however, will require positive actions by Governments to ensure that IWGs and Cross-Border Commissions continue to operate effectively.

Gender

Conclusions regarding whether gender was effectively and relevantly integrated across the programme were made harder due to the Gender Consultant being unable to work in-country. However, some positive trends have been noted here. Examples include the rising number of women engaged in business, the heightened share of individual women entrepreneurs and certificate holders and the growing proportion of women involved in small enterprises, and GREAT has been actively involved in furthering these trends.

- In Output 1, the Association of Women Entrepreneurs was established. However, the evaluation found that more needs to be done to effectively integrate women into Business Associations in general. There is a need to go beyond the achieved stage of including women,

by for example conducting more and better training in the areas of gender sensitisation and leadership skills training.

- In Output 2 one of the most interesting – and encouraging – relevant findings of the evaluation was that both men and women members of Producer Groups (PGs) across the board reported that both genders were equally engaged in PG decision making, and that it was intended that there would be gender-equitable sharing of benefits. Female employment is high in the basic processing activities, although much of this is seasonal due to the production patterns of processors.
- In Output 3 women comprised 46 per cent of MFI clients, across all age groups and female employment is significant in MFI client enterprises, accounting for 74 per cent of all employees, but broken down this equates to 90 per cent of part-time employees and 58 per cent of full-time employees.
- In Output 4, women have been active in opening new opportunities across the borders, especially in Kyrgyzstan, however in Afghanistan traditional attitudes place restrictions on the ability of Tajik women to conduct business there freely.

Climate Change

The Programme has concentrated on promoting adaptation and risk reduction measures, such as increasing water management efficiency, introduction of drought-tolerant varieties, late-flowering varieties of tree crops, afforestation of unstable slopes and the promotion of conservation agriculture. Some of these technologies also produce co-benefits in terms of climate change mitigation, although this is not a key focus of GREAT, since Tajikistan is such a very small contributor to global greenhouse gas emissions. The evaluation concludes that these measures will produce positive climate change impacts and are therefore relevant for the context of Tajikistan.

Value For Money (VFM)

Both DFID and GIZ appeared to place a lower significance on VFM analyses than is indicated in the GREAT Business Case. Further, GIZ's view was that the evaluation was responsible for compiling baseline data on GREAT VFM indicators, despite this not being referenced in either the GREAT Business Case or the evaluation's TOR. DFID also advised that it was not able to fund any expansion of the TOR to take up this role.

These differing views on VFM placed the evaluation at odds with the in-Country team on the VFM assessment approach; and provided early signals to the evaluation that the VFM analysis of GREAT would suffer from a lack of available data sets. This limitation was indicated in the Inception Report, which left the specific GREAT VFM indicators to be tested subject to the possible later discovery of suitable data sets. The differing perspectives on the relative importance of VFM as a key performance indicator for GREAT has had a material impact throughout the evaluation process. Initially, the evaluation over-invested time and effort in attempts to extract VFM data sets from available data. This was followed by a long period of revisiting VFM text in the Inception Report to reconcile the parties differing views on the priority of VFM in GREAT.

As a consequence VFM analysis conducted by the evaluation was limited to Output 2.1 Agriculture, which utilises close to 60% of GREAT resources. Using Benefit Cost Analysis techniques, Output 2 was found to be good value for money (efficient) with an average Benefit Cost Ratio of 30. A BCR of 30 means that the discounted benefits are worth 30 times as much as the discounted costs. A more detailed explanation of the limitations to the GREAT VFM analysis is provided in Annex 18 *The GREAT VFM story*

Governance and Reporting

Regarding programme governance, the evaluation concludes that the design of governance structures is effective to ensure that it can provide the necessary strategic oversight and guidance. It was not possible, however, to conduct a thorough investigation of this subject, as GIZ was unable to organise a meeting between the evaluation team and the main governance body, the Project Steering Committee.

In terms of logframe design, there was a failure to set targets in terms of the variables identified in the baseline, and a failure to update it to include the community inclusiveness approach in any of the logframe updates. On the other hand, some important developments did take place, the most important of which was the capacity building of implementing partners to conduct their own monitoring, construct databases and analyse this data in a way that delivers useful results.

Lessons Learned

Lessons learned are set out in the main report by output and cross-cutting issue. Most of these related to evaluation questions on effectiveness.

Key lessons for overall programme design and ones which indicate a need to engage nationally as well as locally:

- The structure of Programme management, with different teams responsible for each output is not conducive to a holistic approach to growth in the rural economy.
- Relationships with the CCIC structures at national and regional levels including GKI and the oblast administrations (which work closely with CCIC to enact the regional dimension to its activities) need to be prioritised if it wishes to become a relevant part of the reform process in future. Complementary to this, Business Associations are individually useful at a very local level, but unable to offer a combined position or voice on important business and economic development issues. Combinations of Business Associations, if it is possible to regularly survey their experiences, might prove valuable as sources of information on current restrictions on business and economic progress, and a source of ideas on the requirements for solutions.
- Future efforts to affect the MFI sector are more likely to be effective at a policy level rather than having a concern with operational matters such as the design of innovative loan products.
- Not mainstreaming gender analysis meant programme staff followed a business as usual approach to addressing women's issues, rather than a gendered approach which means addressing issues insofar as they affect both women and men.

Technical lessons learned included:

- The need for a clear agenda for change in the business environment to improve rural economic performance. This absence prevented the Programme from developing an evolving and dynamic understanding of processes and problems that needed resolution to obtain better rural economic performance e.g. the inspections regime and import-export regulations which currently suffer from delays and associated costs.
- While national policy on agriculture emphasises *freedom to farm*, the Soviet-era target-based approach still exists. Successor programme monitoring should learn to pick up contradictions between policy and practice, and bring them to the attention of the relevant authorities

Overall Conclusions

Overall GREAT was highly relevant and implemented efficiently. An exception is the VFM component, where lack of adequate information from the Project prevented robust conclusions being reached on efficiency. Output indicators were met for the business enabling environment although there were unrealistic expectations of what a limited regional initiative could achieve in securing changes in the national business environment. But sustainable structures and mechanisms were successfully put in place to influence the national level – Business Associations and PPD.

In agriculture, the logframe indicates under-performance, but this is more apparent than real, because the inappropriateness of some components of logframe design led to the setting of unrealistic targets, and, more importantly, because failure to update this document resulted in key achievements going unreported. Indeed, the agricultural programme was broadly very effective and the two-pronged approach of working with commercial farmers and with resource poor farmers in PGs has the potential to achieve effectiveness in increasing farm incomes at all levels, as well as promoting inclusive rural economic growth – impact.

Technical assistance to agri-processing was effective in supporting start-up and operational enterprises. Energy efficiency results were effective in reducing energy consumption or more likely improving value for money for many households. The alignment with selected MFIs who offered loans for agri-processing and energy efficient products was a useful initiative that effectively accelerated the focus of MFIs on these new business opportunities within GREAT, but it was of limited impact more widely.

Cross-border trade and business revenues increased significantly in cross-border areas affected by GREAT. The engagement by enterprises was effectively stimulated directly by the measures put in place by the intervention. Trade expansion delivered benefits for people and communities in cross-border areas, including in high value items associated with better quality.

Key Recommendations

Recommendations are made in the main report for a successor programme, and more widely for other rural development programmes in Tajikistan. These are divided into key recommendations focused on general programme design issues for a successor programme, and specific technical issues. This section will summarise key successor programme design recommendations.

A successor programme should continue to address both rural economic growth and rural inequality issues (particularly poverty and gender). These twin aims should be built in from the outset, possible contradictions identified, and measures put in place to address them. Recommendations include supporting the financial sustainability of Sarob and the CC/ PG model to ensure greater inclusiveness. In addition, a gender monitoring and evaluation strategy, together with relevant methodological instruments and mechanisms, including timely reporting specific to a programme should be developed and implemented.

Rural development requires a holistic view of the problem of the business enabling environment both in terms of local specific and national business problems. A distinction needs to be made between what can be tackled locally (e.g. through oblast administration) and items that require national level action, and defined priorities are required for each with measures for tracking progress. Recommendations are made with respect to planning and implementation. Other successor programme design recommendations are concerned with following up unexpected outcomes of GREAT, and ensuring a more integrated approach to programme management.

From a VFM perspective, it is recommended that programmes identify and rigorously maintain a focus on, and monitor a set of agreed VFM indicators that reflect clear links between the cost of inputs of an activity and its related monetised outputs. Activity-level VFM indicators need to be clearly identified in the text and annexes of documentation to support better visibility and accountability for VFM. DFID's technical VFM data reporting and accounting requirements for programmes will need to be established in the monitoring and evaluation framework and mandatory reporting formats as set out in the DFID Memorandum of Understanding with the Programme Manager; and then monitored regularly.

1. INTRODUCTION

This report opens with an Introduction to the evaluation followed by a detailed Methodology and Background context to the Evaluation Questions (EQs). The central part of the report – Section 4 – answers the EQs by output, setting out the evidence (including survey data) for each EQ before a conclusion. This is followed by a section on Cross-Cutting Evaluation Questions, after which Lessons Learned are identified. Overall Conclusions are drawn and Recommendations are made.

Purpose, Scope and Objectives of the Evaluation

The original Terms of Reference (TOR) called for a mid-term review of *Growth in the Rural Economy and Agriculture Tajikistan* (GREAT). Undated, these were written prior to November 2014 when it was unclear that the programme would be extended. However, when GREAT was granted a no cost extension until the end of June 2016 this was changed by DFID to a final evaluation, using the same TOR.

The purpose of this Final-Term Evaluation of the Growth in Rural Economy and Agriculture, Tajikistan (GREAT) programme is to conduct a robust and independent assessment of the performance of the GREAT programme over the period 2013-2015. The key focus of the Evaluation is to make recommendations for the programme's next phase. As a result the target audience for this report is DFID and GIZ/BMZ. Evidence from the evaluation will also be used by the Government of Tajikistan and donors to inform the development and implementation of future programming and government policy on growth in the rural economy as well as agri-businesses.

It is recognised that although aspects of accountability are important, capturing learning and suggesting practical recommendations that will contribute to a strong further phase of this programme are key components of this evaluation. GREAT's relevance, effectiveness, efficiency, expected impacts and sustainability will be assessed as part of this evaluation⁴.

This report covers key cross-cutting issues, including poverty and gender, which are most relevant to GREAT. However, other cross-cutting issues such as human rights and HIV/AIDS have not been covered. They were not included in the TOR, and did not form a part of the programme. The TOR themselves are attached as Annex 1.

The key problem with the TORs is that they were written for a mid-term review rather than a final evaluation. When DFID decided on this change they did not issue revised TORs to take this shift of focus into account. The key difference was that the mid-term review TORs did not envisage that the evaluation team would be responsible for primary data collection from beneficiaries:

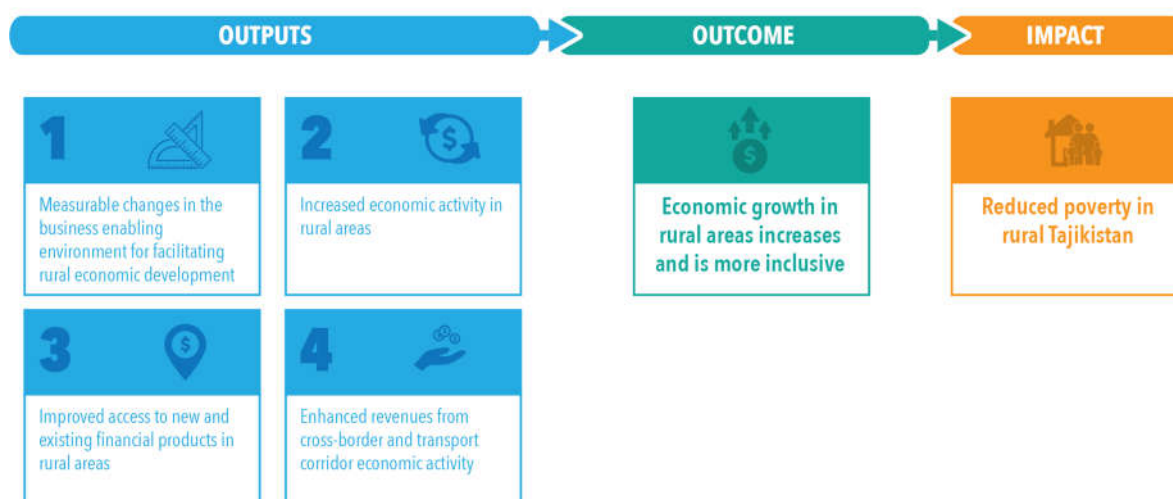
Most of the data for monitoring the logical framework, particularly on outputs and outcomes, will be the responsibility of the implementing partner (GIZ) ... The follow-up data collection for the final evaluation and report will be contracted through a separate contract. The evaluation Provider will be able to apply to this separate bid.⁵

A process of negotiation between DFID and IMC did take place, and this addressed the requirement for data collection from beneficiaries.

The overall objective of GREAT was to reduce poverty through increased economic growth in rural areas in an inclusive manner. The Theory of Change can be found in Annex 2 and a summary diagram is provided below.

⁴Terms of Reference (TOR): Mid-term evaluation of the Growth in the Rural Economy and Agriculture: Tajikistan (GREAT) – provided as ANNEX 10.

⁵Terms of Reference: Mid-term evaluation of the Growth in the Rural Economy and Agriculture: Tajikistan (GREAT) paragraph 5.3

Diagram 1: Theory of Change Diagram

It was based on the premise that inclusive rural economic growth will be achieved by providing direct support to farmers and rural entrepreneurs at a time of agrarian reform.

Evaluation Team

Delays to the launch of this evaluation meant that several members of the original core team resigned due to personal or professional reasons and were replaced by candidates approved by DFID. The key changes were with respect to the Team Leader, Microfinance / Private Sector Development Specialist, the non-replacement of a Rural Development Specialist, and the appointment of a Gender Specialist.

The Core Team was assisted by a Technical Support Team covering Monitoring and Evaluation/Rural Development, Value for Money, Communications, and report editing support. None of these personnel changed over the course of the evaluation.

IMC commissioned M-Vector, a highly reputable international data collection and analysis organisation with permanent offices in Tajikistan, to collect primary data from GREAT's intended beneficiaries, using a wide range of data instruments (DIs) designed by the core team in consultation with the relevant GREAT staff members. The scale and scope of the subcontractor's work is described in the Methodology section.

The evaluation team was not subject to outside interference. The staff of GREAT were requested not to attend interviews with other implementing partners, beneficiaries and resource person. Similarly, implementing partners were asked not to be present during interviews with beneficiaries, and senior staff of implementing partners were asked to absent themselves when discussions were held with their junior staff. This policy was fully adhered to.

Timeline of the Evaluation Framework

IMC Worldwide received acceptance of its proposal to conduct the evaluation in July 2015. An inception visit was carried out by the previous Team Leader and the previous Programme Manager the following month. The original TOR asked for a five-page Inception Report and this was confirmed during the Inception Visit. However, in subsequent discussions with DFID-Tajikistan, considerably more detail was requested and after several iterations, including submission of the draft to Specialist Evaluation Framework and Quality Assurance Services (SEQAS) the Inception Report was finally accepted by DFID in January 2016.

Production of the final version of the Inception Report was delayed for several reasons: (1) the requirement for re-drafting; (2) the resignation for personal reasons of most of the original core team members and the need to recruit replacements; and (3) international staff availability.

The primary data collection phase commenced at the end of February 2016, after delays caused by a set of unavoidable circumstances, which are explained in detail, together with the timeline, in Annex 4 of this report. Submission of the last data sets to the core evaluation team⁶ did not take place until the end of May. The core team submitted the first draft of the report to DFID in mid-June 2016 and the Team Leader visited Dushanbe to present preliminary findings at the end of June. The team spent July redrafting the report in response to comments from DFID and GIZ. A redraft was submitted to DFID at the end of July, and further comments were received in mid-August. A third draft was submitted to SEQAS at the end of August, with feedback received on 21st September 2016. A fourth draft was submitted to DFID at the end of October, and DFID comments were received in mid-December 2016. A fifth draft was submitted mid-January 2017, and a second SEQAS review undertaken in April 2017.

Stakeholders and end users were given opportunities to comment as follows:

- a) At a presentation on preliminary findings to DFID and GIZ in Dushanbe at the end of the first visit in March 2016;
- b) By sending DFID-Tajikistan a draft report in June to be distributed to relevant stakeholders;
- c) By the Team Leader visiting Dushanbe in late June to present and discuss key findings at a series of meetings with: (a) DFID and GIZ (b) implementing partners, and (c) the Programme Steering Committee;
- d) By sending DFID-Tajikistan redraft of the report in August, to be distributed to relevant stakeholders.

The Evaluation Framework

The evaluation framework, which is detailed in the Inception Report (Section 8) and is summarised in Annex 3, is set within the OECD DAC evaluation criteria (Relevance, Efficiency, Effectiveness, Impact and Sustainability). The issue of coordination regarding similar development activities currently taking place in Tajikistan is also addressed. The approach adopted is to answer key evaluation questions (EQs) which have been agreed with GIZ and DFID-Tajikistan. Through a series of iterations with inputs from GREAT staff and other stakeholders, the EQs have been prioritised to a list of eleven questions corresponding to the DAC criteria. The EQs also address the issue of coordination with similar development activities currently taking place in Tajikistan. Prioritisation allows for greater focus and analysis in the selected areas.

The EQs have been developed into an evaluation framework, and fall under four main themes, as shown below. The relevant OECD DAC criterion/criteria are listed in square brackets against each EQ.⁷

Theme 1: Development Strategy

EQ1: Are the activities supported through GREAT the right ones given the Theory of Change and the context of Tajikistan? [Relevance]

Theme 2: Development Results

EQ2: How effective were the interventions in delivering their intended objectives relative to the proxy or other counterfactuals (increasing outreach, increasing incomes and jobs)? [Effectiveness]

EQ3: Was there differential impact of GREAT on women compared to men (poor/ less poor; upland/ lowland) in terms of quality of life, relative incomes, jobs, access to services and barriers experienced? [Impact]

EQ4: Were there any unintended outcomes and impacts? [Impact]

⁶ Refers to the replacement team, and not the original team who devised the Inception Report. The evaluation team that travelled to Tajikistan in 2016 was the Team Leader), Private Sector Development Lead, and Project Manager. The team were also met by the local Private Sector Development Expert while in country.

⁷ As noted in the Inception Report for the evaluation framework, GIZ have indicated that their priority areas are EQs 2, 3 and 4 in the above list.

EQ5: How relevant was the support from the programme to partners? [Relevance and Effectiveness]

EQ6: Will the changes achieved by the programme be sustained? Why / why not? [Sustainability]

Theme 3: Development Processes

EQ7: How coordinated is GREAT, particularly with regard to similar development activities? [Coordination]

EQ8: How could value for money be improved in the programme and costs contained without affecting delivery? [Efficiency]

EQ9: To what extent were the cross-cutting issues of Gender and Climate Change effectively and appropriately integrated across the programme? [Effectiveness]

Theme 4: Programme Governance and Management

EQ10: How effective is the programme's governance, reporting and planning processes? [Effectiveness]

EQ11. Can a scaled-up programme deliver wider rural economic transformation, and what are the key considerations for programme expansion? [All DAC criteria]⁸

GIZ indicated the first four EQs in the above list as their priority areas early on in the discussions.

Alignment with the Principles of the Paris Declaration

The 2005 Paris Declaration on Aid Effectiveness contains the following five principles:

- a) Ownership: Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption.
- b) Alignment: Donor countries align behind these objectives and use local systems.
- c) Harmonisation: Donor countries coordinate, simplify procedures and share information to avoid duplication.
- d) Results: Developing countries and donors shift focus to development results and results get measured.
- e) Mutual accountability: Donors and partners are accountable for development results.

During the evaluation Tajikistan ownership and alignment were ensured by reviewing all relevant government policy documents, and subsequently assessing the extent to which GREAT's aims and activities are consistent with these. It was established during the evaluation that harmonisation is put into effect by the Donor Coordination Council in Tajikistan (DCCT), which functions as development partners' coordination mechanism with the GOT in support of the [National Development Strategy 2008-15](#) and the [Living Standards Improvement Strategy 2013-2015](#). Its purpose is to ensure that the work of donor agencies is fully co-ordinated and coherent, and hence in accordance with the principles of the Paris Declaration. The evaluation itself was results-based, so that the outcomes and impact of GREAT were measured as a key feature of the exercise. The principle of mutual accountability was adhered to by regular interaction with both DFID and a range of Government ministries and other public sector agencies.

⁸According to the TORs for GREAT, *The evaluation will highlight possibilities for replication and scaling-up. Scaling up is institutional in nature. It involves other sectors/stakeholders groups in the process of expansion – from the level of grassroots organisations to policymakers, donors, development institutions, and investors at international level* (H. Menter, S. Kaaria, N. Johnson and J. Ashby: *Scaling Up*; Chapter 1 of D. Pachico and S. Fujisaka (eds.): *Scaling Up and Scaling Out: Achieving Widespread Impact through Agricultural Research*; Economics and Impact Series No. 3, International Center for Tropical Agriculture (CIAT), Cali, Colombia, 2005). A closely related term is “scaling out”, which pertains to geographical spread. Hence the former can be described as vertical whereas the latter is horizontal. The advantage of scaling up is that *as one goes higher one goes up the institutional levels ... the greater the chances are for horizontal spread; likewise, as one spreads further geographically (scaling out), the greater are the chances of influencing those at the higher levels (ibid)*. Both concepts are covered in the section of the evaluation on scaling up.

Communication and Dissemination Plan

Effective communication is fundamental to the achievement of the evaluation objectives, in terms of the dissemination of, and facilitating learning from, the results obtained. The evaluation team planned three categories of communication-related activity to support these objectives:

- 1) building on the stakeholder analysis carried out by GREAT, an audience identification/mapping exercise to tailor communication to each audience group and identify key representatives who can support the dissemination of communication products to their networks. Audiences discussed during the inception week include GREAT Steering Committee, DFID Livelihood and Private Sector Development team members, GIZ and BMZ teams, and the Donor group for Agriculture and Private Sector Development.
- 2) relevant communications products to support learning among those audiences; and
- 3) dissemination activities based on activities 1 and 2.

A two-page desktop-published summary of each output for respective audiences (including beneficiaries), and a four-page desktop-published brief of the final report have been produced. These products have been written and designed by a dedicated communications representative of IMC Worldwide. There are also obvious benefits in ensuring that these products are available online, hosted by a relevant knowledge hub/portal, possibly one funded by GIZ (yet to be agreed upon).

2. METHODOLOGY

The methodology described here was contained in the Inception Report and approved by DFID-Tajikistan and SEQAS. This section reiterates this and provides updates about how it was applied in practice.

With four outcome indicators and four outputs⁹ (having two, six, five and two indicators respectively), GREAT is a complex and wide-ranging programme, operating across almost the entire spectrum of the rural economy, at both sectoral (agriculture, natural resource management, agricultural processing, agricultural trade, energy, rural finance) and institutional levels (enabling environment, cross border trade issues), with more than 30 partners. Within existing resource and data constraints, and to provide timely results, the evaluation has been selective in its focus. Elements of all four outputs have been analysed, but there has been a need for a degree of differential focus between and within outputs. Criteria for selection of areas of focus were: (1) the amount of GREAT resources allocated, and (2) the areas that were under consideration for continuation in a potential future programme.¹⁰

Stakeholder groups (particularly GREAT implementing partners) were identified by GIZ, and have been the focus of primary data collection.

The methodology used to collect evidence regarding the EQs in the evaluation framework falls into three categories: secondary data; interviews carried out by the core evaluation team; and primary data collection.

Secondary Data

Secondary data utilised falls into three main areas:

- a) Literature review: documents from Netfiles and the GREAT website; official publications of the Government of Tajikistan (GOT) (policy documents and national statistics), websites of partners and other donors, together with documents provided by them; documented data supplemented with national data sets formed the basis of value for money and other analyses;
- b) Data sets generated by implementing partners such as Sarob;
- c) Internationally available data sets such as FAOStat3.

Details on further documents and websites consulted are listed in Annex 5.

The key data set used (other than those generated by the primary data collection exercise described below) was that generated by Sarob with assistance from the monitoring section of GREAT. This constitutes a rich source of numerical information on areas such as crop yields, input use, and the economics of crop production.

Key Programme documents used were:

- a) The various versions of the GREAT logframe
- b) Framework for Finance for Private Sector Development (FFPSD) evaluation framework Strategy
- c) FFPSD Monitoring and evaluation framework plan
- d) FFPSD Plan of operations (inception phase, implementing phase)
- e) FFPSD Progress reports
- f) GIZ Gender Analysis for the Programme TRIGGER, Tajikistan
- g) GIZ 2014. *Gender Analysis, Tajikistan*, GIZ Dushanbe
- h) GREAT Inception Report
- i) List of stakeholders from the programme

⁹ GREAT is part of a larger programme, *Framework for Private Sector Development in Tajikistan* (FFPSD), which contains a total of five outputs. The first four are supported by DFID, and the fifth, *Improved evidence-based policy-making and regulation* by the German Federal Ministry for Economic Cooperation and Development (BMZ). This fifth Output is not included in the ToRs for the present evaluation.

¹⁰ From discussions with DFID-Tajikistan

- j) Monitoring of TAG system and Sarob, 2014
- k) Organisational chart FFPSD/GREAT

Key non-Programme documents were:

- a) All the GOT policy documents listed in Annex 5
- b) TAJSTAT 2014. *Food Security and Poverty No. 3, 2014*, Statistical Agency under President of the Republic of Tajikistan, Dushanbe
- c) TAJSTAT www.stat.tj/en/analytical-tables/real-sector/
- d) UNDP 2014. *Tajikistan National Human Development Report*, UNDP, Dushanbe
- e) UNDP 2015. *Human Development Report*. UNDP, New York

Interviews by the Evaluation Framework Team

An inception visit was conducted by the previous Team Leader and the previous Project Manager between 10th and 14th August 2015. Meetings were held with GREAT staff, implementing partners and other stakeholders in Dushanbe. After this visit the Inception Report was produced and approved under the DFID SEQAS process in January 2016. The key components of the Inception Report were:

- a) Rationale and approach to the evaluation
- b) Sources of evidence
- c) Team organisation and roles
- d) Approach to data collection and analysis

The core evaluation team spent 16 days in-country from the 27th February to the 13th March 2016 to collect information, data, insights, and feedback on the Programme from a range of stakeholders. The first week was spent in Dushanbe, and those interviewed included DFID-Tajikistan and staff of the British Embassy, the GIZ/GREAT implementation team, GREAT implementing partners, senior GOT officials, representatives of donor agencies and other stakeholders. The second week was largely spent in the field, with two two-member teams (with interpreters as required) visiting implementation partners and beneficiaries in Khatlon and Sughd Regions. These regions were selected based on having a relatively large number of beneficiaries, as described in detail in the Inception Report. In each case the interviews were guided by interview checklists as appropriate to the individual or group being interviewed. Each checklist was designed to help answer key issues in the evaluation framework. In the field, beneficiaries were interviewed in groups, and these interviews took the form of brief Focus Group Discussions (FGDs), and structured interview (SI) formats were used for larger scale survey interviews. The persons and groups interviewed during the fieldwork are listed in Annex 6 of this report.

During the process of drafting this report GIZ and DFID had ample opportunity to review and comment on the findings and submit their comments. No significant disagreements were raised, and where there were minor differences these have been resolved through dialogue and appropriately edited in this report. No major differences of opinion were experienced either within the evaluation team, or amongst the stakeholders consulted, and further the evaluation team are not aware of any conflict of interest.

The Team Leader subsequently visited Dushanbe to present findings to: (1) DFID and GIZ; (2) the implementing partners of the agricultural components, and (3) the Steering Committee. In addition, the report has been reviewed by DFID's independent reviewers, SEQAS, at the end of August 2016 and again in January 2017.

Primary Data Collection

The key purpose of the primary data collection exercise was to obtain the views of the Programme's intended beneficiaries and of the staff of implementation partners who interact directly with these beneficiaries. In some cases, this information could also be used to triangulate information from staff of the Programme, its partners and from the above documentation. Each DI was designed to be used with a specific group of respondents, and no group was asked to participate in more than one interview. Therefore, all the DIs were designed to answer all the evaluation questions on which these

respondents could provide information and insights, namely EQs 2, 3, 4 and 6. The others were addressed using a combination of the literature backed up by team interviews.

IMC Worldwide commissioned M-Vector, a highly reputable international data collection and analysis organisation with permanent offices in Dushanbe and Sughd, to collect primary data from GREAT's intended beneficiaries, using a wide range of DIs. These include quantitative and qualitative tools to increase robustness and reliability of findings. The reliability of responses has been cross-checked by triangulation.

Key Informant Interviews (KIIs) and FGDs with primary stakeholders were designed to provide greater understanding of the reasons behind findings from GREAT and evaluation quantitative results. Wherever practicable (i.e. where the gender composition of the group contained a sufficient number of women) separate interviews were held with men's and women's groups, and in the women's groups the moderator was always a woman. The purpose of this segregation was to prevent men's voices from dominating; a common problem encountered within mixed FGDs. In order that each of the groups selected for FGDs would have a sufficient number of each gender, groups were selected that had a reasonably-balanced male: female ratio, so that a large enough focus group could be formed for each¹¹. This practical consideration of necessity overrode the desirability of representing all the crops across the commodity crop cluster.

Draft DIs were developed by the evaluation core team in advance of the team's 2016 visit to Tajikistan and were shared with relevant GIZ staff. Comments were obtained from the latter by e-mail and via Skype discussions, after which the drafts were revised accordingly. The amended DIs were then further refined through discussions with M-Vector senior staff, translated by professional translators and used to train the data collection teams. Training included topics such as adapting the interviewing environment to the needs of women and sensitivity to the constraints women face in the context of Tajikistan. Training on FGDs covered a number of techniques, including ways to remove domineering or politically-biased individuals by asking the individual to leave the group so that a personal one-to-one interview could be undertaken to "gain from their considerable experience". The DIs were then piloted, further amended as necessary by the core evaluation team, and used in field interviews by the data collection teams.¹²

The English language versions of the DIs used by the M-Vector teams are attached as Annex 7. They fall into five categories:

- a) KIIs with implementing and business partners – to assess partner perception of the key enabling factors that have contributed to or detracted from successful outcomes, effectiveness of GREAT's governance, reporting and planning processes and modalities of partnership.
- b) Structured interviews (SIs) for relatively large samples of intended beneficiaries of the Programme (e.g. farmer and members of business associations) using before/after comparisons to determine development results and to include differential impact on relative income, employment and production, as appropriate to Programme objectives.
- c) KIIs with key service providers and other actors in the Programme (such as staff of the implementing partners), designed to help triangulate information from direct beneficiaries and provide complementary information in greater depth and detail.
- d) FGDs with other intended beneficiaries of the Programme, such as members of commodity cluster producer groups, to elucidate reasons behind development results, barriers to accessing services, unintended impacts and, wherever possible, broader livelihood benefits.
- e) An electronic, internet-based survey was also conducted with business associations (Output 1) to fill in remaining gaps in data sets.

Resource availability was sufficient for M-Vector to complete two weeks of data collection (including travel time). There were three data collection teams, each made up of five experienced data collectors, and each team had one vehicle. Teams included two members experienced in qualitative methods, two

¹¹ In accordance with recognised practice the number of participants per group was in the range six to ten.

¹² But see "Weaknesses and Strengths of the Methodology" below.

enumerators to conduct SIs, and a supervisor responsible for in-field quality control. To facilitate data collection from women, each data collection team included at least one female member.

Completion of the Value for Money section of the report was particularly dependent on secondary data, as the specialist who produced this evaluation component was not part of the core team. His analysis is therefore based primarily on GREAT documentation, and this presented challenges, primarily concerned with non-availability of the data normally used in such analysis. Full details are provided in Annexes 10 and 17.

Because of data limitations, the VFM analysis for GREAT concentrated on a Benefit-Cost Analysis (BCA) for Output 2, Agriculture based around Output Indicators 2.1, 2.2 and 2.3, which had available data on the programme costs and monetised benefits derived for this Output. Similar BCAs could not be conducted for other Outputs.

In its 2013 Annual Review, DFID set aside the Business Case target Benefit-Cost Ratio (BCR) of 70 for GREAT because it was found to be unreliable in the changed context of Tajikistan agricultural development. DFID did not subsequently determine an alternative BCR for GREAT, so the evaluation referred to commercial rates of return for guidance on whether, or not, the largest component of GREAT using 59.5 per cent of the budget resources represented VFM. The findings are that the agricultural component of GREAT does represent good value for money with a Benefit to Costs Ratio (BCR) calculated by the evaluation of 30.

The use of BCA in the case of Output 2, Agriculture, is relevant because this form of economic activity development is sustainable in the long term; and benefits both improved food security and income generation opportunities for the rural poor of Tajikistan. To demonstrate that taxpayer funds were well-invested in this activity sends a strong signal regarding the viability and suitability of similar investments of this type, both in Tajikistan and in other, similar emerging agrarian economies.

Sample Selection

Sampling frames for the SIs were constructed from complete lists of beneficiaries supplied by the relevant GREAT implementing partners. For example, in the case of the Sarob agricultural co-operative, the sampling frame was the membership lists of a (randomly selected) sample of Sarob advisors. Given the gender realities of rural society in Tajikistan, membership of rural organisations tends to be overwhelmingly male dominated. Sampling design was therefore purposive to ensure adequate representation of women. Similarly, Sarob tends to concentrate its activities more in the lowlands, but the uplands are relatively disadvantaged, and therefore a larger proportion of upland areas were selected to ensure that the views of upland farmers were captured. Field supervisors were fully instructed in the use of sampling frames, including the selection of reserve informants.

The level of resource availability imposes constraints on the sampling approach that was adopted, for example, simple random sampling across the whole country was not practicable, and extrapolation to the general population is not possible. Comparisons within the sample and within Districts however were possible by gender and wealth (proxy of income band).

The number of data-collection locations was determined by pragmatic considerations, particularly resource availability. Within the timeframe and with the resources available to the evaluation, two regions could be visited (and a further border location for data collection against Output 4).

Selection of regions and locations within them was made purposively per the following criteria:

- a) Two different regions, one each in the north and south where there are results from Outputs 2 and 3. This was intended to maximise data collection time by the M-Vector team and to minimise travel times;
- b) Locations with lowland and upland sites;
- c) One of the lowland sites should have cotton as a major crop;
- d) Sites where GREAT has been operational for at least 12 months.

A combination of structured and cluster sampling was used for selection of primary beneficiaries and clients. The first level of structuring within regions was between upland and lowland districts, since there are major differences between both production possibilities and marketing opportunities between the two, and upland rural areas also have a greater proportion of poorer households. Districts can generally be described as upland or lowland, and in the sampling frame district names were used as a surrogate for upland and lowland areas. Although there are established statistical techniques for calculating optimum sample size, time and resource constraint considerations plus the number of daily interviews that a data-collection team member could reasonably be expected to conduct in such terrain, were the basic determinants of sample size. Moreover, this was not a random sample, as the locations were purposively, rather than randomly, selected. Further purposive selection was made to ensure inclusion of women, who are normally seriously under-represented in the population being studied. For example, in the survey of the cooperative Sarob for Output 2, 11.25 per cent of the selected respondents were women, which is more than three times the proportion of Sarob clients who are female.

The selection criteria above resulted in a shortlist of possible clusters based on Districts. Final selection of Districts from within the shortlist of possible Districts has, in the first instance, been guided by those Districts that provide maximum opportunities to collect data relevant to Output 2, given that this is the output of maximum GREAT spend. Districts were then cross-checked for opportunities to collect data for other Outputs, and adjustments made to ensure all Outputs are covered. A final selection of five clusters and corresponding regions, districts and altitude bands is given in Annex 8.

The sampling frame for selection of respondents within the five clusters (three lowland and two upland) comprised the membership lists of clients in each of these clusters, for each output. Assistance from GREAT and GREAT partner organisations (for example, Sarob and implementing International Non-Government Organisations (INGOs) for Output 2, micro-finance institutions (MFIs) for Output 3) was enlisted to identify beneficiaries/clients. Within each cluster, membership lists were stratified by gender.

For SIs, within clusters and within outputs as appropriate, where disaggregated data exists from GREAT and their partners, the sample was stratified by gender. Within some activities, for example support to energy efficiency entrepreneurs, the clear majority of those supported are male. In this case, where female entrepreneurs exist they were purposively selected.

A key variable for assessing the inclusiveness of economic growth is the resource wealth or poverty of beneficiaries and the extent to which the latter have benefited. Since this could not be satisfactorily assessed in advance, the two altitude bands were chosen as proxies, as upland areas contain a larger proportion of poor people than lowland areas.

Development results were determined using a before/after comparisons. Questionnaire interviewees (SI respondents) were asked to compare their experiences and situation before and after the relevant intervention (for example before and after introducing a new crop variety). The before/after comparison is a proxy counterfactual and appropriate to the scale of the evaluation.

It is accepted that the above approach is open to year-on-year variation in weather patterns. Consideration was therefore given to using non-beneficiaries as a counterfactual but this approach was rejected for the following reasons:

- a) Due to the large number of variables for each stakeholder group, for example, farm type; business type; socio-economic status among others, finding a sampling frame for a matching group of non-beneficiaries is not practical within the time available for data collection.
- b) To determine the characteristics of the beneficiaries and non-beneficiaries to assess whether they originated from similar populations would require a long and elaborate questionnaire collecting data that is not focused on GREAT results.

There are several advantages of using a before/after comparison.

- a) In a context where there are many complex variables, this overcomes difficulties of matching respondents.
- b) It allows a larger sample size from those supported by the programme, thus potentially increasing the richness of the information about the effect of the Programme itself.
- c) It allows questions to focus on those relevant to the evaluation rather than questions relating to determining the beneficiary typology.

The principal risk associated with the before/after approach is the reliance on respondent recall. However, within the time scale of most GREAT interventions (1 to 3 years) recall is expected to be reasonably good.

Although a single difference comparison, as proposed, will not be as robust as a double difference design, in conjunction with baseline and other programme data, and findings from other instruments it will provide sufficient evidence to enrich evaluation findings.

KIIs were conducted in the same districts/clusters as SIs. They fall into three categories:

- a) KIIs with individuals from institutional partners (Business Associations (BAs), Business Groups, Sarob advisers, MFIs, cross-border centres) who would be expected to have knowledge of the topic area to be discussed;
- b) KIIs with primary beneficiaries;
- c) KIIs with respondents from populations where overall numbers in the selected District are relatively small (Energy Efficiency beneficiaries, food processor beneficiaries).

The selection of institutions and their representatives to be interviewed was in accordance with their role within GREAT. They were purposively selected to provide insight on the EQs. Selection was done before leaving for the field and M-Vector data collection teams were provided with lists of those they were expected to interview. Respondents within organisations were selected for their knowledge of the topic to be discussed and their involvement in GREAT supported initiatives. Introductory letters from GIZ were used to facilitate this process.

Selection of primary beneficiaries (Business Association members, Technical Advisory Group/ Technical Advisory Machinery Group clients, MFI clients, etc.) for KIIs was at random within each district cluster from lists disaggregated by gender of potential respondents. Selection of KIIs with energy efficient and food processor beneficiaries included all/most beneficiaries within each district/cluster.

Respondents for SIs and KIIs were selected at random from lists of potential respondents in each cluster per the following protocol:

- a) A list of beneficiaries for selected district(s) was obtained from GREAT wherever possible. If not available from GREAT, lists were obtained from implementing partner(s). This list contained names, locations and contact details.
- b) The list was divided by gender.
- c) From each (gendered) list, names were assigned a random number (1 to n) using a tail of random numbers.
- d) Primary interviewees were selected randomly, together with replacements in the event the originally selected individual was not available for interview.
- e) Respondents for SIs were selected in a similar fashion.
- f) The enumerators then contacted potential respondents and if after two attempts they were unable to obtain an interview moved on to the next name on the (gendered) list.

Wherever possible, the allocation of names of random numbers and sample selection was done in Dushanbe by the core team and M-Vector management. Where this was not possible due to unavailability of lists from GREAT, this was done by supervisors in the regions.

FGDs were held with five to ten women or men. Participants were drawn from a locality. Participants were selected from beneficiary and/or membership lists depending on output and/or intervention. From within lists, potential participants were selected by gender and within gender at random.

The overall approach to data collection was to collect information using multiple instruments from five different clusters and one border location.

Overall sample size has been based on pragmatic considerations – the maximum number of interviews that can be completed in a two-week period by three data collection teams. Taking information provided by M-Vector, the total number of SIs, KIIs and FGDs that could be undertaken in the time available was estimated. Within the time available to the evaluation team, the total number of SIs, KIIs and FGD that could be conducted is given in Table 1 below. Within this overall, the number of interviews was distributed between outputs per: a) the approximate number of clients expected to benefit under each output; b) the importance of the output going forward to the next phase, and c) the appropriateness of the instrument to the respondent group. For example, Output 2 (Increased economic activity in rural areas, the supply of advisory services) has many potential beneficiaries and is an important element of the next phase. SIs were also appropriate instruments for collecting quantitative data, in combination with other, more qualitatively-focused data-collection instruments (e.g. FGDs), for clients receiving agricultural advice and services. Hence the greatest number of SIs was allocated to Output 2 related issues.

The largest stakeholder group involved in SIs were Sarob clients and community based organisation (CBO) members. Within the five selected districts, SIs were conducted with between 10 and 25 per cent of Sarob clients in the district¹³.

The second largest stakeholder group involved in SIs were microfinance clients. GREAT does not have data on the number of clients by district, although this information was obtainable from some MFI partners¹⁴ within districts. This data was requested from partners via GREAT or collected at regional/district level. One hundred MFI clients were interviewed across the five locations.

Findings from SIs were further triangulated, and confidence in findings increased, through KIIs and FGDs. Numbers of respondents/participants providing qualitative data, were smaller. However, numbers are assessed as sufficient to allow an analysis of patterns of response.

It was recognised from the outset that sample sizes for the various DIs were subject to review in light of experience in the field and subject to resource limitations and time constraints. Table 1 shows by DI and by Output the number of interviews that were conducted against the number originally planned. In most cases the planned level was achieved. In some cases, the number of interviews conducted deviated from the number originally planned. The reasons are given in the notes to Table 1. The table shows both the total number of respondents and, in parentheses, the number of female respondents who were interviewed. (No gender-disaggregated targets were set in advance due to a lack of relevant information).

¹³ Using figures provided by GREAT in September 2015

¹⁴ Some MFIs were unwilling to provide details of their clients, wishing to keep this data confidential.

Table 1: Number of Data Instruments Planned and Achieved by Output											
Type of DI	Output 1		Output 2		Output 3		Output 4		Totals		
	Planned	Achieved	Planned	Achieved	Planned	Achieved	Planned	Achieved	Total Planned	Total Achieved	
FGDs	0	0	20	20 (10)	10	9 (3) ^b	6	6 (2)	36	35	
KIIs	15	15 (3)	30	37 ^a (2)	15	4 (3) ^c	10	12 (8) ^a	70	68	
SIs	32	32 (2)	160	160 (24)	100	100 (46)	60	42 (34) ^d	352	334	

Note: number of female respondents (or, in the case of FGDs, all-female groups) is given in parentheses for Output 2. In Outputs 3 and 4 female majority FGDs are indicated.

Reasons for the discrepancies between number planned and number achieved:

a. M-Vector carried out additional KIIs for these two outputs, because it transpired more key informants were available for interview than originally envisaged.

b. The shortfall here was because in one case it was not possible for the team to gather the necessary minimum of participants for an FGD. This is because one MFI had a large number clients in one area who were in default, and most of these clients failed to answer calls from the MFI.

c. Most of the respondents (local MFI offices) from this category could not answer questions on such issues as value of loan capital, loan fund invested and average loan size per year, since this information was either available only from head office, or could only be divulged with written head office permission. Attempting to contact the head offices in question would have entailed a delay of several days, and time constraints did not permit this.

d. The Cross-Border Trade Centre was expected to provide M-Vector with the membership list, but reported that details for only 42 members was currently available.

Field data was spot-checked by data collection supervisors and each data-collection form sampled was signed accordingly. A minimum of 10 per cent of data collection forms were checked and signed by supervisors. Completed DIs were translated and findings entered into databases designed by M-Vector, and cleaned in conjunction with the core team. Translated data was scrutinised by the core team and where questions arose, field data collectors were contacted by M-Vector to answer questions. Debriefing sessions were held with M-Vector team supervisors and the core team (electronically) to discuss any issues that have arisen immediately after return from the field.

FGDs were recorded verbatim and M-Vector FGD data collection teams were set up to allow for this. In the field, after closing the discussion, FGD facilitators summarised key issues that had arisen using templates designed for this purpose. This was important to capture nuances that were missed in FGD record sheets. Complete data was translated and entered into a purpose-designed database under checklist themes and by stakeholder group in M-Vector's Dushanbe office.

The evaluation process provided affected stakeholders with access to evaluation-related information. Before the first visit to Tajikistan draft data instruments were prepared, shared with the relevant staff members of GREAT and subsequently discussed with them via Skype for any necessary modifications. The evaluation team shared and discussed preliminary findings with DFID and GIZ at the end of the first in-country mission (March 2016). In the second mission (June 2016: Team Leader only) separate meetings were held with (a) DFID and GIZ, (b) GREAT implementing partners, and (c) Government and donors to present and discuss the draft report. Confidentiality was maintained throughout by not identifying individuals by name or position in the report. Both the IMC team and M-Vector are highly experienced evaluators, well grounded in the norms and principles of treating informants (particularly beneficiaries) in a respectful manner and on a basis of equality. All informants were assured that their anonymity would be respected, that they would not be named in the evaluation report or other documents, and that the information they provided would be treated in the strictest confidence by releasing data only in aggregated forms.

Weaknesses and Strengths of the Methodology

The weaknesses lie primarily with the issue mentioned earlier, namely a data collection exercise that was over-ambitious in relation to the available resources. One important consequence was that the samples for the various field exercises could not be random meaning that it is difficult to draw meaningful inferences about the population at large.

Selection of regions and districts for data collection against Outputs 1 to 3 were structured to maximise time available for data collection by the M-Vector team and to minimise travel times. There is the possibility that this introduced some element of bias as concentrations of GREAT clients may fall in areas of higher potential. However, by selecting both upland and lowland areas, this risk was minimised, as the former are inherently of low potential.

Time limitations also impinged on the piloting process. It was not possible to travel to the areas under agricultural interventions for Output 2, nor to the border areas for pre-testing of DIs for Output 4. A total of five types of DI were pretested in Rudaki District, adjacent to Dushanbe, with a total of 18 interviews. As a result, a few questions were fine-tuned to make them clearer, but there were no major changes.

A range of statistical techniques could be used to analyse the data generated by the DIs, but given that the samples were not random, it would not be possible on this basis to draw inferences about the population as a whole, but only about the sample itself, and this greatly limits the usefulness of such an exercise. Given the focus of the evaluation, contingency tables are particularly useful when comparing groups – e.g. men and women, upland and lowland farmers – with respect to a particular variable, and the chi-square test is most commonly used to assess statistical significance in such tables. However, in this case, because of the disproportionate number falling into each such category, the expected value in some cells is less than five, and this calls for a correction for continuity (the “Yates correction”). During analysis, it transpired that once this correction had been applied to the contingency tables, the chi-square test invariably returned a statistically non-significant value. Correlation and regression analysis was used. In analysing gender-specific data, sex of the respondent was entered as a “dummy” variable. The results of the statistical tests are given in Annex 13.

Information deriving from FGDs is not suitable for analysis using traditional statistical techniques for qualitative data. While techniques have been developed to analyse data from FGDs¹⁵, these require sophisticated approaches such as audio- and video-taping of sessions followed by exhaustive expert analysis.¹⁶ The difficulties of using these techniques multiply exponentially when discussions have to be translated. Lacking the necessary resources, simpler approaches to analysis were used, particularly a comparison of the responses to the same topic by male and female members of the same group, and the comparison of responses to the same topic across groups in different areas.

The e-survey for Output 1 (based on *Survey Monkey*) was sent to 11 firms that could not be interviewed face-to-face. A familiar problem with such surveys is low response rate, and this applied here: only three completed responses were received.

Outside of the sampling methods, a further set of issues is that of counterfactuals. Ideally one would wish to use an “experimental-control” approach, where beneficiaries and non-beneficiaries were paired and compared. However, while in the case of beneficiaries a robust sampling frame is available in the shape of membership lists provided by GREAT’s implementing partners, this is not the case for non-beneficiaries. Almost by definition there is no ready-made sampling frame and it was not feasible to construct them within the available time limits. In addition, even if it had been feasible to construct such a sampling frame, another issue would have arisen that non-beneficiaries are *ipso facto* a different population from beneficiaries, so that relationships of trust would exist with one group, but not the other, thus introducing an element of bias.

¹⁵ These include constant comparison analysis, classical context analysis, keywords-in-context and discourse analysis.

¹⁶ See for example, Onwuegbuzie et al 2009

Within the context of the above weaknesses, the sampling method was robust. Random sampling was used wherever possible. A great strength of the methodology is the fact that the interviewers were introduced to the respondents by staff of the GREAT implementing partner in question, so that there was an existing relationship of trust on which M-Vector staff could draw.¹⁷ This was abundantly illustrated in the case of several FGDs, where information was sometimes imparted and discussed that was quite critical of official agencies. This stands in sharp contrast to the collection of official government statistics in Tajikistan, where respondents tend to be unusually suspicious of officialdom, due to an assertive tax assessment regime.

Letters of introduction for core team and M-Vector from GIZ, DFID and/or Government of Tajikistan facilitated the data collection process.

In many surveys the DI is in English, and this introduces a serious element of bias, as different enumerators may translate the questions differently. In these surveys, however, all interviews were conducted in the local language, with questionnaires and checklists translated by M-Vector. Interviews were conducted face-to-face (except for the e-survey).

A particular difficulty with FGDs is that in a patriarchal society like that of rural Tajikistan, where mixed groups are interviewed the men tend to dominate the discussion while the women are largely silent. This was avoided by deliberately having separate all-male and all-female groups. In the latter case the facilitator was always a woman. This approach not only avoided the problem of male-domination, but it also made it possible to compare gender differences in responses when the same topic was under discussion.

This gender-nuanced approach exemplifies the experience of M-Vector in that they had learned important lessons regarding the collection of data in an appropriate and respectful manner. This was confirmed during the evaluation team's training sessions with the M-Vector team in which they spontaneously displayed familiarity with best practice in data collection.

Finally, the approach of concentrating staff resources in areas where examples of GREAT supported work were relatively plentiful on the ground and of relatively long standing, may have missed a number of outliers, but it had the advantage of maximising the number of potential respondents, and the depth of experience they had had with Programme-supported initiatives. It also had the advantage of easing logistic difficulties.

Limitations and Risks

The limitations and risks indicated in the TORs remained valid, for example data collection not possible due to security risks or natural hazards, insufficient reliable data from programme M&E and data from relevant ministries and government agencies, reliable data is not available either because it does not exist or because it is not made available for use and findings not aligned with political interests. Several further such constraints are identified below.

The evaluation adhered broadly to the schedule of work committed to in the Inception Report but serious issues emerged in terms of the magnitude of the primary data collection exercise, given the constraints in terms of time and other resources available for its completion. It was planned to complete a total of 458 DIs in the space of two weeks, and a further two weeks was allocated for cleaning the data, verbatim translation and entry into the data bases. This was certainly ambitious, and further problems emerged in the course of data collection, such as the requirement to obtain clearances from various government bodies, imposing time delays. Further delays were occasioned by the fact that the core team was required to spend a great deal of time on analysis, clarification, interpretation and writing up of a large volume of primary data, all of which arrived behind schedule because of the above issues.

The Gender Specialist on the team, because of an incorrectly applied for visa, was not permitted to enter Tajikistan. She then developed a questionnaire but was unable to get clear sex-disaggregated

¹⁷ Partner staff were not, however, present during the interviews

data on specific GREAT activities and the gender analysis had to be built on the replies received from GREAT, and from gender-relevant points picked up in the FGDs and interviews.

Due to time constraints, it was not possible to interview all past and present partners and stakeholders of GREAT. In addition, the name of one of the agricultural partner organisations, BioKishovarz, was not included in the list of implementing partners and stakeholders, and no survey of their clients was arranged. However, the field work schedule was already so crowded that adding yet another set of respondents would have been completely impractical. Nevertheless, staff and beneficiaries of the main agricultural partners, Sarob, Oxfam and the Agha Khan Foundation/Mountain Societies Development Support Programme (AKDP/MSDSP), were intensively involved with the data collected during field work.

Information on income levels – which are difficult to collect in most settings – is an especially sensitive subject in Tajikistan as elsewhere because of concerns relating to tax assessment. In the primary data collection process, care has therefore been taken not to ask direct questions about actual income levels and changes in income in the DIs. To minimise this problem, respondents were asked to state their monthly incomes (including remittances) in terms of the following five bands: (1) up to 500 TJSi; (2) 500 but < 1,000; (3) 1,000 but < 2,000; (4) 2,000 but < 3,000; (5) 3,000 +.¹⁸ In addition, questions on income changes were restricted to relative, rather than absolute, changes.

Other limitations concern the value for money (VFM) evaluation of GREAT being limited by the following factors.

- a) DFID VFM indicators in the GREAT business case were found to be unsuitable during the DFID 2014 Annual Review. However, these indicators have not been amended, or replaced with alternate indicators, so leaving GREAT without VFM goalposts to be appraised by the evaluation framework. Accordingly, the evaluation is required to make independent value judgements as to the VFM of GREAT.
- b) There is little disaggregation of GREAT logframe achievements data along gender and none on geographic lines, as is required by the Business Case. The evaluation framework has found proxies for geographic data analysis purposes for specific activities in Output 2 (crop types), which enable the evaluation to make quantitative assessments in the form of BCR.
- c) GREAT's logframe does not establish clear links between individual activities/ initiatives and their monetised indicators, where these exist. Instead it is stated by GIZ that all activities support all Outputs. Notwithstanding, the evaluation team identified one major activity where links can reasonably be made between input costs and monetised indicators; and has conducted BCR calculations for this activity.
- d) The DFID MoU with GIZ does not require the use of activity-based accounting and reporting formats for GREAT, but stipulates accounting at the indicator level. The evaluation team considers this decision to be an opportunity lost, because activity-based accounting would support more detailed VFM analyses of GREAT. It needs to be noted that while the GIZ accounting system does not provide activity-based financial information, GIZ did offer to provide the evaluation with manually disaggregated financial information, as needed. The evaluation team received GIZ's assistance with disaggregated financial data; and used budget data from the GREAT Business Case to support BCR analyses for Output 2, Agriculture.

The full context of these limitations to the VFM aspects of the evaluation framework is set out in Annex 18, The GREAT VFM Story.

As agreed in the Inception Report, the semi-precious stones element of GREAT was not included in the evaluation. This was because of the relatively small size of this component, which meant that it would not have been an effective use of the evaluation team's scarce time and other resources to have included it. On the other hand, agriculture is such a dominant part of the rural economy that a correspondingly large amount of time and other resources were devoted to this sector. This is also reflected in the amount of space in this report which is devoted to the agricultural sector.

¹⁸ At the time of the field work the Tajikistan Somoni (TJS) was worth approximately 14 US cents.

The evaluation team considers that the principal risk arising from these limitations on VFM analyses is the inability of both GIZ and the evaluation team's work to identify those activities/ initiatives of GREAT that have yielded the greatest benefits for the investment made to date; and therefore, may be considered stronger candidates for on-going funding under a successor programme. Consequently, GREAT is not as able to provide the extent of empirical evidence from a VFM perspective to support activity selections as would be expected in a successor programme.

Finally, there is the issue of the use of the word "impact" in this evaluation. In the Inception Report this word appears in two of the evaluation questions (EQ 3 and 4). In some cases, it proved possible to measure impact in terms of beneficiaries' livelihoods. Examples are the significant yield increases and increased value of production achieved by Sarob clients. However, in many other cases insufficient time has elapsed to allow for a meaningful judgement as to the full effect GREAT's efforts have had. In such cases the effects have been achieved at a lower level, often lying somewhere between an outcome and an impact.

3. BACKGROUND

The Challenge: Agriculture and the Business Environment

This section of the report provides key background on the operational content of GREAT, including an overview of the policy environment. More detailed background information can be found in Annex 9 on features of Tajikistan's economic and policy environment which demonstrates that the national economy of Tajikistan is seriously disadvantaged both in absolute terms and in relation to all of its neighbours apart from war-torn Afghanistan to the south.

It is similarly disadvantaged in terms of its agricultural and rural development. The country is landlocked and semi-arid, while its mountainous terrain makes for high transaction costs in marketing of inputs, output and services. Only 35 per cent of the country's surface area of 142,600 km² is suitable for agriculture, a mere 7 per cent of which comprises arable land. Permanent pastures cover about 3.6 million hectares. Yet the agricultural sector contributes 27 per cent of Gross Domestic Product (GDP), with cotton, the country's second most important export, accounting for 15 per cent of export earnings and 27 per cent of tax revenue. Almost three quarters (73 per cent) of Tajikistan's population live in rural areas, and half of the population (and two-thirds of women) are agriculturally-dependent. Overall, arable land is in short supply with around 0.15 hectares per capita overall and 0.2 hectares per capita for the rural population¹⁹.

As a result of a weak natural resource base, exacerbated by the devastating effects of the 1992-97 civil war, which destroyed so much human life and economic infrastructure, the country's post-communist evolution has been slow by regional standards, and the food security situation remains precarious. This is illustrated by the country's failure to meet the 2015 development targets as enshrined in the World Food Summit and the Millennium Development Goals.

Tajikistan has long suffered from a serious, negative trade gap. In 2014 this was valued at \$4.3 bn (42.6 per cent of GDP), and it has a critical need for increased exports and lower imports (which might also include import substitution). That macroeconomic reality is one reason why there has been a strong interest in the potential for the country to develop its agri-processing industry, as a source for helping to reduce its negative trade balance.

An OECD report in 2014 referred to the under-development of the agri-processing sector²⁰, and among the challenges it cited were: insufficiently developed processing; limited infrastructure and storage facilities; weak links between processors and farmers; limited export promotion and marketing opportunities; limited availability of information on export possibilities; time-consuming and expensive cross-border trade; difficulty accessing finance, and a fragmented sector limiting economies of scale.

Tajikistan has not been as successful as her neighbours in achieving rapid transition from a centrally planned economy to the market-based one. Hence in agriculture, for example, under the collective farm system those who worked the land were not farmers in the conventional sense, as they were not decision makers, but relied on instructions from the farm management team. Technical decisions were made by on-farm agronomists, while inputs were supplied and outputs purchased by state bodies. The impact of this is illustrated by the fact that during the evaluation's field work with farmers they frequently complained that they lacked technical knowledge and that the market for inputs, services and advice is underdeveloped. The business sector suffers from similar problems.

Additional to the specific problems facing agriculture, the development of Tajikistan continues to face restrictions on its ability to expand its economy, which is shifting rapidly towards a private sector-led structure (e.g. private sector employment was 43 per cent of total in 2000 rising to 64 per cent in 2014). This has been positive but (on the evidence of official statistics for Tajikistan) the dominance of agriculture continues, accounting for 65 per cent of employment in 2000 but 65.5 per cent in 2014

¹⁹ National Bank of Tajikistan (2016) *Statistics Bulletin*, Dushanbe, National Bank of Tajikistan; Tajikistan Statistics Agency www.stat.tj/en

²⁰ OECD (2015), *Policy Handbook Increasing Exports in Tajikistan: The case of Agri-Business*, Paris, OECD

(yet only 23.5 per cent of GDP). Over the same period employment in industry (including manufacturing, mining etc.) declined from 6.9 per cent to 4.0 per cent reflecting an absolute decline from 121,000 jobs to 97,000.

The country continues to face self-imposed restrictions on its ability to realise its full potential. That conclusion is especially evident in the business enabling environment, which has been the subject of much comment and action by international organisations (especially World Bank / IFC, EBRD, IMF, UNDP) and by donors (such as EU, USAID, DFID). The World Bank in its *Doing Business* report shows that the country still has much to do. This report compares a country's position ("ranking") on World Bank scores for specific ease of doing business indicators. The 2016 Report for Tajikistan indicated an unfavourable position, ranking Tajikistan 132 out of 189 countries. Since 2009 the overall ranking of Tajikistan in the World Bank's *Doing Business* analysis has improved from 159 to the current 132 out of 189 countries covered. However, there are also cases where the ranking became less favourable, for example, paying taxes and enforcing contracts has gone from a 159 and 23 ranking respectively in 2009 to a ranking of 172 and 54 respectively in 2016.

The position of women in Tajikistan presents a complex picture, with some areas of improvement and some of deterioration in recent years. On the positive side, the number of women engaged in business is growing rapidly, with the number of individual women entrepreneurs doubling between 2011 and 2014. Among entrepreneurs operating on a patent basis, the proportion of women grew from 14.7 per cent in 2011 to 21.3 per cent in 2014, while the proportion of women working in small enterprises reached 41 per cent.²¹ Moreover according to the most widely used global index, UNDP's Gender Inequality Index (GII), there has been a positive trend, with Tajikistan's GII falling from 0.568 in 2008 to 0.357 in 2015.²²

In rural areas, however, the position of women is widely reported to be deteriorating. The reforms of the Soviet era, which tended to emphasise gender equality and which introduced measures to improve the status of women, have been eroding, as traditional values reassert themselves.²³

Policy Environment

Agrarian reform is a key development challenge and a particularly important part of the government policy arena. Amongst priorities set out in *Agrarian Reform of the Republic of Tajikistan* are:

- a) Agricultural reform, including agricultural diversification, restructuring of dehkan farms into individual and family farms, voluntary membership of cooperatives, and mechanisms for agricultural service cooperatives to provide inputs, processing and marketing services
- b) Agricultural finance including enabling farmers to access credit

Increased agricultural and labour productivity is key to achieving food security and reducing poverty:

*"To increase gross agricultural output and labour productivity...it encompasses key spheres such as agriculture, water resources management, land use rights and healthy diet and eventually ensuring food security...reduce poverty, particularly in rural areas."*²⁴

Achieving this requires the sustainable use of water and land resources and the development of infrastructure for food production.²⁵ Policy also stresses the need for *Freedom to Farm*, giving farmers the freedom to choose which crops to grow, rather than the Soviet era situation of target-based

²¹ www.stattj/en/Gender6/Genderbaz/

²² The GII is a composite measure reflecting inequality in achievements between women and men in three dimensions: reproductive health, empowerment and the labour market. The higher the Index the higher the degree of inequality. In 2015 the Index ranged from a low of 0.016 in Slovenia to a high of 0.744 in Yemen. Tajikistan now ranks 69th out of 155 countries (Sources: Human Development Report 2010 and Human Development Report 2015; United Nations Development Programme, New York.)

²³ UNDP 2010, *Human Development Report*.

²⁴ GOT 2010 *The Poverty Reduction Strategy of the Republic of Tajikistan for 2010-2011*

²⁵ GOT 2009. *Poverty Reduction Strategy of the Republic of Tajikistan (PRS) for 2010-2012*,

guidelines. The policy is now to emphasise market demand, the provision of guarantees, strengthening material and legal bases, and establishing favourable conditions for farmers to market their products.

Additional challenges identified in food security policy documents are:

- a) The poor state of equipment and technical resources, and the high costs of agricultural equipment, spare parts, fuel, quality seeds, mineral fertilizers, pesticides and cattle pedigrees
- b) Too many intermediaries between agricultural producers and consumers;
- c) Lack of information on product markets and prices;
- d) Lack of small enterprises for processing agricultural products locally;
- e) Poor condition of important agricultural land (soil salinisation, wind erosion, increased level of underground water);
- f) Dilapidated water-pumping stations and distribution systems, leading to lack of access to irrigation water and its ineffective use.²⁶

Other key policy documents for GREAT are the National Development Strategy of the Republic of Tajikistan for the Period to 2015 and The Living Standards Improvement Strategy of Tajikistan for 2013-2015. These define strategic and priority areas for government action, areas for policy intervention, and areas in which the legislative framework on investment and entrepreneurship requires improvement. Challenges which they identify, and which are relevant to GREAT include:

- a) Excessive administrative barriers to entrepreneurship and investment;
- b) A lack of transparency in the inspection procedure, and excessive verifications;
- c) Over complex and costly import and export procedures, leading to corruption;
- d) Entrepreneurship and investment risk;
- e) A need for support to the country's specialised sectors, particularly for the manufacture of consumer products (including the use of light and non-bulky imported raw product e.g. textiles) and the food processing industry;
- f) Unfounded inspection of the private sector creating obstacles to ensuring further development of entrepreneurship.

Policy formulation in Tajikistan is quite gender-equitable. For example, a key feature of the agrarian reform agenda is to provide farmers with "equitable and long-term access to land, *based on gender equality principles*" (emphasis added). Moreover, the law forbids wage discrimination, in that men and women are guaranteed equal wages for equal job categories and qualification levels. However, the problem is that women tend to be concentrated in the lower status sectors, and in the lower job categories within these sectors, leading to lower incomes.

In 2012 the Land Code of the Republic of Tajikistan was amended to ensure women's equal access to land. Local executive bodies of the GBAO region introduced the obligation to ensure equal access of women and men to land (Article 7 of the Land Code of the Republic of Tajikistan). Thus, the legislation now guarantees the preservation of women's access to land in the case of divorce, even where the right of land use registered only on a spouse name. This legislation gives hope that the equality of women's access to land will be achieved *de facto* in Tajikistan.

Despite the fact that the legislation proclaims the right of women and men to have equal access to economic resources, including bank loans, mortgages and other forms of financial credit, in practice, the proclamation of equal access does not always produce this effect. In particular, if property is acquired during marriage (traditionally registered on the husband's name) the Bank will provide credit only to someone who has property as collateral. A woman cannot be provided a loan if the land is not in her possession.

²⁶Food Security and Poverty No. 3 – 2014; Food Security Programme of the Republic of Tajikistan for the Period 2015; Increasing Exports in Tajikistan: The Case of Agribusiness (OECD 2015)

Programme Response

The theory defining GREAT is that a private sector led, market-based approach, backed by a sound regulatory framework, provides the best opportunity for achieving inclusive economic growth. Evidence globally shows a strong correlation between inclusive economic growth and poverty reduction. In Tajikistan, land redistribution and the transfer of assets as part of the agrarian reform process provide a one-off opportunity for hundreds of thousands of poor rural households to benefit from market-based economic growth. If this opportunity is not grasped, there is a danger that the benefits of agrarian reform will be captured by powerful groups.²⁷

To address the challenges outlined above, and in accordance with the Theory of Change (Diagram1), GREAT adopted four outputs.

GREAT's outputs and target groups in the economically vibrant areas of the lowlands, and along transport corridors including less productive upland areas of Sughd and Khatlon and fragile regions in Gorno-Badakshan Autonomous Oblast (GBAO) and Rasht Valley are set out below.

Output 1 Business enabling environment: Measurable changes in the business enabling environment for facilitating rural economic development.

Target group: The Consultative Council on Improving the Investment Climate (CCIC), private-public dialogue (PPD) platforms, and business associations

Output 2 Agriculture and Non-Agriculture: Increased economic activity in rural areas - the supply of advisory services in rural areas (cotton, fruit and vegetable and non-agricultural products) is used by the producers frequently and contributes to the increase in economic activities (gender disaggregated).

Target group: Farmers, agri-processors and non-agricultural businesses.

Output 3: Financial products: Improved access to new and existing financial products – micro-finance institutions, banks and their umbrella organisations offer demand-driven financial services, especially for small and micro enterprises and agricultural producers, and take into account the specific needs of female borrowers and environmentally oriented financial products.

Target group: Small and micro enterprises (SMEs) and MFIs;

Output 4: Cross-border trade: Enhanced revenues from cross-border and transport corridor activity – improved framework conditions contribute to improved incomes from cross-border trade with Afghanistan and Kyrgyzstan, while economic activities alongside transport corridors help to ensure growing business activity, especially for women.

Target group: The Inter-Agency Working Group (IWG), Tajik-Afghan and Tajik-Kyrgyz bilateral commissions, Cross-Border Cooperation Support Centres (CBCSCs) and business groups.

These are examined in turn in Section 3 of the report, within which each of the relevant evaluation Questions, EQs 1 to 7 plus EQ 11 are examined. The other three EQs cover overarching themes and are therefore addressed separately, in Section 4 and Section 5.

In terms of Programme focus, Output 2 can be considered the most important, because it absorbs the bulk of resources. Agriculture is by far the largest component of this output. This dominance is reflected in the amount of space and attention devoted to agriculture in this evaluation report.

²⁷GREAT Business Case

The planned outcome of these four outputs was that economic growth increases and is more inclusive, and improved framework conditions for economic activities contribute to increased investments and raised income. Planned impact was reduced poverty in rural Tajikistan.

4. OUTPUTS AND EVALUATION QUESTIONS

This section of the report assesses the achievement of the outputs using the indicators in the logframe, and the evaluation questions.

Output 1: Measurable Changes in the Business Enabling Environment for Facilitating Rural Economic Development

Output 1 Business Environment EQ 1 (Relevance): Are the activities supported through GREAT the right ones given the Theory of Change and the context of Tajikistan?

Three interventions were undertaken by GREAT to respond to the problems facing the business enabling environment and to improve it for the benefit of rural development – public private dialogue, Business Association Development and Regulatory Framework Improvement.

Public Private Dialogue (PPD)²⁸

A major Programme initiative was the establishment of regional PPD structures, and to pioneer this method of connecting business directly with official structures. The ability of business to communicate directly with official structures at regional level to seek the resolution of problems is itself a business enabling environment reform of significance.

The national level CCIC was set-up in 2007. It is stated by GIZ²⁹ that:

During the entire reporting period the Programme focused on further developing regional Consultative Councils (CCICs) and at the same time increasing the cooperation intensity with the national CCIC Secretariat.

The outcomes in relation to CCIC consist essentially of a now established mechanism for the connection of business with official structures on a systematic basis. This can be seen in operation through the CCIC programme and reports of activities – posted on the web. GREAT financed the participation of the Secretary in Global PPD Workshops. In all trainings related to PPD the national CCIC participated while GREAT supported its Secretary to establish links with the regional levels. GREAT continues to enjoy the respect of senior officials associated with the CCIC.

In Sughd, Rasht Valley, Khatlon and GBAO the Programme supports the preparation of provincial PPD CC sessions with expertise and methodologically, particularly assisting the private sector to cope with its role. The cooperation with the public sector in the regions was intensified. Most advanced is the PPD system in Sughd.

There was cooperation also with GosKomInvest (GKI), which has a focus on attracting foreign investment).

The Programme participated in several international PPD conferences including a PPD Workshop in Copenhagen in March 2015 and enabled the national CCIC Secretary and the Deputy Head of GKI to participate.

Business Association Development

GREAT assisted the development of 20 Business Associations in Sughd, Khatlon, Rasht valley and GBAO. Members of the Associations are small enterprises who share an interest in e.g. cross-border trading, services for dehkan farms, and as women in the Association of Women Entrepreneurs.

As a guideline, Associations can increase their members from 10 to 20 people and from three to 10 legal entities each. Some have received support and subsidies to introduce fee-based services such as legal and bookkeeping consulting for their members and received an organisational audit from GREAT, which focusses on transparency, efficiency, effectiveness, and member-orientation. The

²⁸ See also: (ZarinaKosymova, Deputy Team Leader, Output 1&2, /GREAT Programme, GIZ/AFC; and OdiljonYakubov, Coordinator in Sughd, Output 1&2, /GREAT Programme, GIZ/AFC) Presented at the Public-Private Dialogue 2014 Workshop (Frankfurt, March 3-6 2014)

²⁹ GIZ 2015. *Progress Report to 03/ 2015 Narrative Report*, Annex 2, p.4, Dushanbe, GIZ

Programme trained tutors of, and developed syllabi on the *Basics of Successful Entrepreneurship and Business Planning* per the standards of the Ministry of Education, including a training module on *Market Economy and Market Relations*.

Several members have taken first steps towards organising an umbrella organisation for representing the interests of the private sector. This type of development might signal an emerging desire for Tajikistan to develop business representative organisations, similar to Chambers of Commerce. The absence of regional Chamber-like structures in the country (there is a national Chamber of Commerce) leaves a gap in the institutional architecture. That is especially important during a period when a permanent and substantial structural shift has already occurred through the expansion of the private sector.

The Associations are a positive development in improving the business environment in their regions. First, in the absence of regional business representative organisations in Tajikistan, the Associations provide an organisational forum for businesses to discuss common issues of concern. Our survey evidence shows that Associations are highlighting issues that can be brought to the attention of administrations, especially at regional level. Linking members' concerns to PPD capabilities strengthens both. A reduction of regional taxes in Khatlon is an example of this type of activity.

Regulatory Framework Improvement

Regulatory improvement often means reducing the regulatory burden on business. This is best done by working with regional administrations to lessen their requirements for regulation where the latter is not effective in protecting the interests of consumers or other stakeholders.

GREAT supported the Government (mainly GKI) to carry out meetings with the private sector throughout the country for collecting views and practical experiences with the new Tax Code. In March 2015, GREAT submitted the consolidated report on the results of these meetings to GKI, which in turn is using this document for decision-making to mitigate the negative impact of tax code and taxation practices.

Output 1 EQ1: Conclusions

The activities undertaken by GREAT (particularly the three main directions of action – PPD, Business Association Development and Regulatory Reform Improvement) are generally appropriate, and arose from their correct understanding of the nature of the development problem in Tajikistan. Each of these initiatives has an individual logic and value. Collectively, they help build a programme and a process for regulatory improvement.

GREAT initiated a successful model for regional PPD, which has now been replicated and developed into a more formalised national network of regional and local PPD structures. While the CCIC might have developed a regional structure in due course, the Programme's pilot activities have accelerated that process and provided a useful model of approach.

The Programme did not seek to choose a particular national level constraint (among many) for the business environment in rural areas and seek its reform. Instead it placed emphasis on developing institutional structures and relationships e.g. for PPD via consultative processes, and through Business Associations. The activities are realistic ways in which GREAT could best and most effectively contribute towards improving the business enabling environment of Tajikistan.

Output 1 Business Environment EQ2 (Effectiveness): How effective were the interventions in delivering their intended objectives?

Output 1 EQ2: Evidence

Below is a summary of the logframe for Output 1 and achievements:

Table 2 Output Indicator 1: Business Enabling Environment (Scores on World Bank Distance to Frontier Basis). World Bank 2016 Report for End Period*		
Baseline (12/2012)	Target (03/2016)	Achieved (03/ 2016)*
World Bank Overall Score 45.8 Start a business 84.5 Getting credit 12.5 15% business people confirm that business environment reforms by Government in last 12 months had positive impact. 250,483 licenses were issued; time between application and issuing of license is 24 days and 30 days (construction) (Gender disaggregation cannot be tracked). 12/2012: 30 fee paying members of 3 supported associations.	World Bank Overall Score 50.2 Start a Business 88.7 Getting Credit 37.6 40% business people confirm business environment reforms in the last 12 months had a positive impact. 20% increase in licences issued 430 fee paying members	World Bank Overall Score 54.2 Starting business 90.6 Getting credit 40.0 69.5% of respondents consider current economic situation in Tajikistan as good (M-Vector) 314,221 licenses were issued, +25.4% increase. 250 members
Source: GREAT logframe 03/2016		

Much of the influence on the business environment is a consequence of national laws, regulations and the behaviour of national institutions such as the Tax Committee. An initiative with a strong regional focus such as GREAT, has limited ability to affect national policy and action. Yet, some might be achieved through partnership with national organisations (such as GKI) and through presenting examples of actions that might be replicated elsewhere e.g. reducing burden of specific regulation on business.

GREAT set out to help resolve some of Tajikistan’s problems with its business environment, and the logframe describes a set of anticipated results for Output 1. However, there were technical difficulties associated with the monitoring and evaluation of certain outputs of GREAT. In relation to Output 1, the Inception Report noted that the performance indicators on the business environment include some that are:

non-monetised and are compiled at the national level for Tajikistan while there is no readily identifiable VFM assessment technique for determining the economic benefits (of the intervention)³⁰.

GREAT’s Contribution and the Problem of Attribution in the Multi-Agency Context

A related feature of the context within which the majority of GREAT activities/outputs are planned and implemented is the presence of additional interventions by other donor programmes as well as Tajik organisations. This situation makes the task of assessing the specific and unique contributions of GREAT to the business enabling environment more complex.

A continued poor performance by Tajikistan on key indicators of the cost of doing business compiled by the World Bank³¹ has stimulated a variety of donors and international organisations (e.g. DFID, EU, USAID, IFC, EBRD, ADB). These partners, along with elements of GOT and affected private sector organisations, devised and implemented a series of reforms over a number of years. The validity of using general country-wide indicators of change in the business enabling environment as a measure of GREAT performance is optimistic in this multi-agency action environment e.g. changes in a measure of business confidence, or in number of business licenses issued.

Equally, this situation means that a measurement of Tajikistan’s performance on World Bank Doing Business indicators cannot implicitly assume that any changes in specified business enabling environment indicators can automatically be attributed to GREAT actions, or to what extent that

³⁰ IMC 2015. *GREAT Inception Report*

³¹ World Bank 2016. *Doing Business: Measuring Regulatory Quality and Efficiency: Economy of Tajikistan*

might be the case in specific instances. For example, in the Project logframe (Output 1 Indicator 4) it is stated, as a measure of GREAT performance:

The environment for investing in the Tajik economy has improved, as expressed in an improvement in the Doing Business Rating (Distance to the Frontier).

The logframe specifies indicators for tracking performance, including Tajikistan’s top performer *Starting a Business* (with a 2016 Distance to Frontier score of 90 – see above). The performance of this specific indicator was not affected by GREAT activities. It is clear from its 2012 score of 84.5 on a Distance to Frontier basis compared with 90.5 in 2016 that most of the gains in this indicator were achieved in advance of the GREAT Programme. For example, the World Bank ranking of Tajikistan for starting a business improved from 168 in 2009 to 57 in 2010 was acknowledged as being the result of a specific EU / USAID Programme at that time.

These illustrative examples strengthen the conclusion of the Inception Report that indicators of performance need to be directly related to GREAT activities, rather than rely on wider measures of economic or business performance, except when a direct functional link can be identified.

Positive Change Initiated by GREAT

It is however acknowledged that the Programme initiated positive change in the business enabling environment, especially at regional level through the following:

- a) Assisting the establishment of regional PPD forums, involving both government and private sector. This is a significant and important initiative that complemented and extended the work of the CCIC, and involved local partners in Sughd, Rasht Valley, GBAO and Khatlon.
- b) A reduction of permits for business, enacted at regional level, and complementary to the One Stop Shop system for business registration reducing business costs.
- c) The development of Business Associations, which were supported with training and assistance on a range of practical business issues. The latter can range from greater knowledge of laws and regulations to accessing farm equipment.

Public Private Dialogue and Onward Effects on the Business Enabling Environment (especially at Regional Level)

GIZ data was helpful in revealing the extent of activity and results of PPD, especially at regional level, over the period 2012-16. The organisation of the national CCIC, to regional level, was an important evolution that was encouraged and facilitated by the Programme. Efforts were focused on Sughd, Rasht Valley, GBAO, with some support to Khatlon. In statistical terms GIZ data indicates the following broad outcomes:

Indicator of Activity	Number of events
Number of regional CCIC sessions	13
No. of decisions for improving the business enabling environment	211
Implemented decisions	107
Monitoring conducted	15
No. of PPD platforms implementing exit strategy	2
Workshops to improve public-private communication	1
Events conducted for Regional PPD improvement	1
No. Of trained PPD facilitators	39

The Programme provided details on decisions which were accepted by the relevant administration. Actual practical application is more difficult to assess and could be variable due to several features of legal and regulatory behaviour in Tajikistan. In that context GIZ Programme staff also commented that (and the evaluation accepts):

- a) Knowledge on legal regulations is insufficiently disseminated;
- b) Rule of law is insufficiently developed;
- c) PPD is insufficiently anchored within government structures;

- d) The private sector is very slow in organising its advocacy capacities and improving its contribution to the PPD;
- e) There is a strong dependency of both private and public sectors on donor initiatives and funding for PPD.

GREAT indicated that it contributed to the development of several relevant laws. This cooperation indicates that the Programme was an active partner with government in helping to shape the business enabling environment including:

- a) Regional CCIC System (Law on Support and Protection of SME Development);
- b) Law on Cooperatives (GIZ working with OSCE);
- c) Law on Inspections (Study tour to Germany).

The effectiveness of GREAT in this role cannot be verified in detail, although partners (especially CCIC) indicated their appreciation of GIZ support in a general sense. In the above instances, GREAT was one of several contributors to a changing environment.

Regional PPD is a positive initiative by government and its agencies demonstrated by the establishment of a comprehensive regional structure as a part of the national CCIC, (mentioned by Association of Agri-Processors and heads of MFIs). PPD, especially at regional level, has a low capacity for drafting technical proposals to change regulations and the private sector is poorly organised to press for improvements in the regulatory environment (e.g. the Chamber of Commerce does not have a regional structure). These constraints are not an implication of the adequacy or not of GREAT, whose focus was on introducing the regional structures for PPD – capacity development was a CCIC issue.

GREAT's efforts with regional administrations did achieve certain concrete results beyond simply creating a framework for discussion, which is clearly necessary for credibility. Activity indicators for Output 1 (Table 5) refer to 211 decisions for improving the business environment taken and 107 implemented. One example (which also relates to Output 4) was a relaxation of regulations that prevented the export of food products.

Constraints on Evidence of Effectiveness

It is not possible to identify the specific impacts of Programme activity at regional level. The GIZ information is a valuable statement of activity, but does not offer (other than by assumption) a specific measure of impact and outcome on business activity and economic conditions. However, to produce such a measure would require considerable analysis and time to study its effects.

GREAT selected a substantial regional focus for its efforts to improve the business enabling environment, making the quantitative logframe indicators that referred to (national level) World Bank measures of progress in the business environment redundant. This regional focus was logical in the context of the Programme's overall purpose and organisation – affecting rural communities. Yet the result is that some outcome measures are now – effectively – of a qualitative nature, and depend on an assessment of the extent to which implemented decisions were followed through on a sustained and consistent basis by a public administration that on other issues³² seems not to be committed to effectiveness even when it is manifestly in its own best interests. The experience of business environment reform generally is that regulation might be enacted in law, but not implemented in practice either at all, or ineffectively. This does not detract from the Programme's efforts to seek beneficial regulatory change. In the following paragraphs we examine our survey evidence to help clarify the situation in Tajikistan on matters relevant to the Programme.

It would have been helpful to the Programme and to monitoring if, for example, a small number of especially important regional reforms had been specified and selected for intensive examination, both as a means of helping to ensure their implementation and to demonstrate the importance of following up of decisions into effective action.

³² For example IMF recommendations and agreements on alterations to financial practices, see discussion on finance in Output 3

Having made that comment, we think that the decision to focus on regional level action for the improvement of the business environment was appropriate for GREAT. Good progress was made on helping to create structures and processes that show evidence of sustainability and the commitment of regional and national administrations to their continuation. The national CCIC formally and publicly embraced this structure, and also it received support from regional administrations.

Business Association Development

Business Associations are a strong and important accompaniment to regulatory reform, as they can relate the business enabling environment to their practical experience, and improve access to business advice and support on an affordable basis through group activities thus increasing business effectiveness.

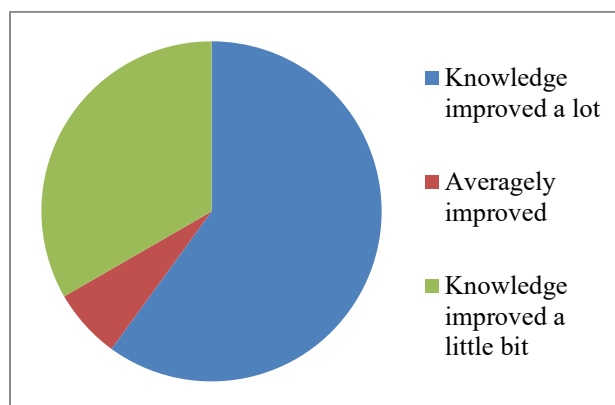
GREAT established 20 Business Associations of business people with an interest and commitment to their own, and their community development. GIZ data indicates that there are 400-500 paying members of Business Associations. Other indicators of development are:

- a) Nine viable paid services introduced;
- b) Forty-five organisational audits;
- c) A network of trained Business Associations and individuals; participating in PPD.

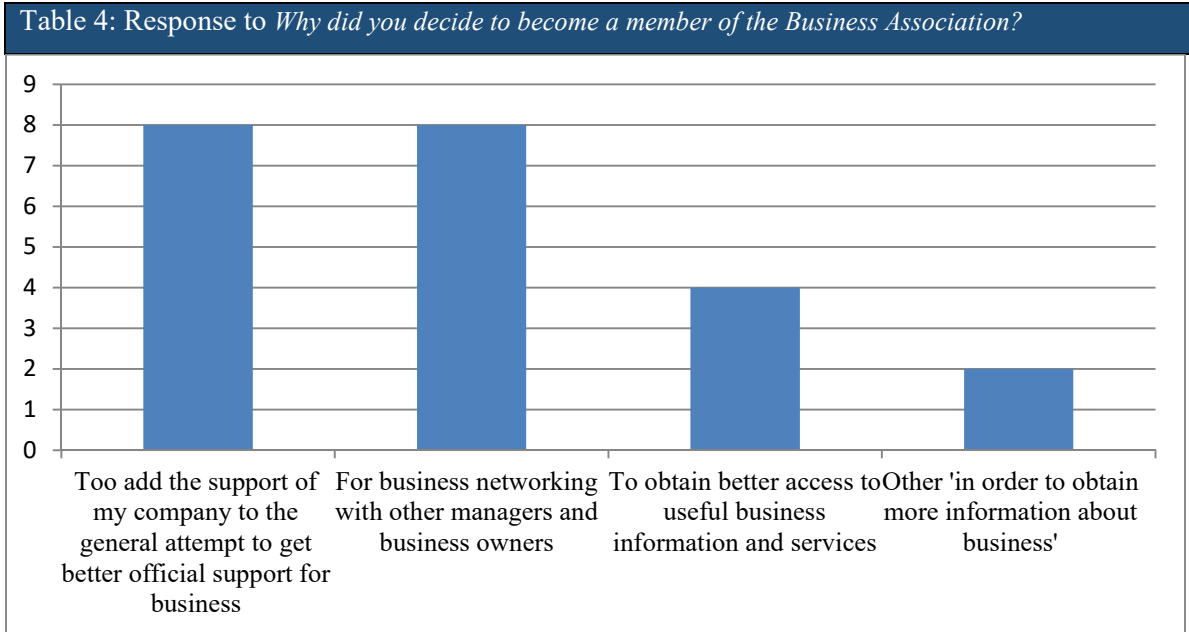
Business Associations are especially valuable where there is a lack of business representative organisations such as Chambers of Commerce: they are not a substitute, but bring an opportunity for enterprises to collectively consider the factors that influence the business situation and to communicate concerns to official bodies. Associations also present opportunities for wider contacts and for gaining new capabilities.

We undertook surveys of Business Association members. In this sample of 32, 55% were primarily engaged in agriculture, 26% in services, and 85% operated locally with markets within their district. Among those surveyed, women were in a minority (16%) although all members considered women were treated equally with men. Members appreciated being in an Association and most reported that they had obtained better business skills and awareness from membership. In relation to business conditions, the main problems reported were high inflation, the economic crisis, high taxes, interest rates on loans, and inspections. The latter were not seen as excessive by most respondents.

Diagram2: Response to *Do you feel as though you have more knowledge and understanding of business than 3-4 years ago?*



All respondents concluded that their knowledge and understanding of business had improved.



Of the 15 respondents, 9 chose only 1 answer to this question.

There was a general awareness of PPD and some general knowledge of specific results. Mention was made of administrative rules and tax levels as possible issues where improvements had been made for business. The Associations were perceived as very useful forums for assisting members to understand business better and to highlight problems.

Perceptions of the sort of issues discussed in PPD contacts were – decrease in VAT (and issues of taxes), issues in renting, selling price of agricultural produce, money loans to purchase seeds, certification and organisation issues, activity of international organisations, need for more legal knowledge, need to simplify tax reporting, decreasing interest rates, access to agriculture technology, general business and investment information, and technical training.

Although, currently, there appeared limited local detailed knowledge of GREAT’s specific activities and results on business environment issues, a wide awareness of PPD was clear and was considered important by Association members.

In relation to perceptions of change in the business regulatory environment, compared with two or three years ago we take below the example of business inspections. A majority of respondents (32) thought that conditions had improved, especially in Khatlon. The following summary figures indicate:

Table 5 Conditions for Business Inspections

Region	Has there been change in business inspections?		Have conditions become better?	
	Yes	No	Yes	No
Khatlon	7	5	11	1
Sughd	6	14	9	11
TOTAL	13	19	20	12

The role of GREAT in influencing specific indicators of change in the business enabling environment, such as the above example, cannot be precisely attributed, as the Programme did not target specific reforms. More active agents for specific reform include IFC, EU, USAID, EBRD. GREAT did, however, help to assist the creation of a more favourable environment for business reform through the encouragement of regional PPD.

Business Associations are in a process of development. Our indications from direct contact with members is that they are considered valuable, and capable of further evolution. They heighten awareness of business conditions and have contributed to the raising of business skills. Potential exists

for their further development as they obtain greater capacity and sustainability. The latter is dependent on their developing an organisational ability to deliver better business capabilities to members. Such an evolution is already apparent and is building an awareness of how the wider environment of regulation, taxation, and enforcement affects businesses – but also that it might be possible to affect that part of their environment of operation.

Output 1 EQ2: Conclusion

GREAT has achieved significant, positive outcomes from its work especially in setting up PPD systems at regional level, and in transmitting that model of approach and experience across the country. Business Associations are already useful and might have potential as locally-based vehicles for raising business standards and economic success, along with business environment contributions.

GREAT's ability to influence national level reform of the business environment was limited. Given the probable existence of legal optimism, it is not possible to quantify the final effect of the Programme within the Tajikistan business environment. However, it was clearly positive, especially in initiating regional level PPD systems able to stimulate business environment reform processes. It also provided a new mechanism for businesses to overcome administrative constraints that impeded their ability to undertake business successfully.

GREAT does not have a sharp focus on any specific national issue (e.g. enforcing contracts) and arguably that is not a suitable role for the Programme. This means that measuring a concrete outcome from Output 1 cannot be related easily to mainstream business enabling environment issues and regular measures of outcome at national level, in contrast to originally stated objectives. The effectiveness of the approach depends upon how the Programme – or its successor – can deploy its capacity to effect change, with the tool of technical assistance (and limited ability to deploy other tools of influence) without a focus on a specific problem (e.g. getting construction permits, registration of property).

Output 1 Business Environment EQ3 (Impact): Differences in impact by gender, poverty and location

Output 1 EQ3: Evidence

GREAT provided additional opportunities for women to take part in, and lead, Business Associations, including at least one specifically for women entrepreneurs, which was a positive effect for women. At the same time, general female membership of Business Associations appears limited, although all members (including women) think there is no gender discrimination.

Output 1 EQ3: Conclusion

Any increase in income and employment is likely to contribute to poverty reduction in economically depressed areas in a situation of excess labour, including from returning migrant workers. Issues of taxation, regulation and inspection continue to emerge as issues that should be included in any business environment reform agenda which would also contribute to a positive impact on poverty and gender.

The reforms to the business environment and the creation of Business Associations are gender neutral but contribute to an easing of the pathway for all, including women, to become involved in business and for the idea of women in business to become a part of normality.

Output 1: EQ 4 (Impact): Were there any unintended outcomes and impacts?

Output 1 EQ4: Evidence

There were no unintended outcomes or impacts.

Output 1 Business Environment EQ 5 (Relevance and Effectiveness): How relevant was the support from the programme to partners?

Output 1 EQ5: Evidence

Regional administrative support is an essential pre-condition of progress in the set-up of regional PPD activities and the reform of regulations. There is evidence from regions, including Sughd where the PPD initiative was most firmly established, that GREAT may no longer be as deeply involved as a

key partner. This situation might have evolved since the national CCIC took a more prominent role while the Programme was winding down its activity.

The experience of Business Associations can help to identify opportunities for improvements for consideration by Consultative Councils. This outcome from the GREAT Programme represents a valuable source of intelligence and influence. Our initial survey with members of Business Associations confirmed the value of the initiative to them. Members also identified current business issues e.g. taxation rates and behaviour, high interest rates, and too many official inspections.

More specifically, our analyses led to a conclusion that local and regional organisational development needs a contribution from a business-led platform for success. The form that such a platform might take could be characterised as a variant on the Chamber of Commerce model, with business community legitimacy, a management structure and a capability to act in partnership with official structures in regional and national administrations, and the regional organisation of CCIC. A question to clarify is whether, in practice, Business Associations are motivated to undertake an expanded role, which could be clarified under a successor programme.

NGOs are not key players in this area.

Output 1 EQ5: Conclusion

GREAT can only achieve progress in the reform of the business environment through the mobilisation and facilitation of partners to affect legal and regulatory change, or organisational innovation. Clearly there has been some success with CCIC and potentially with Business Associations. It is possible that the Association of Microfinance Organisations, Tajikistan (AMFOT) will also become an influencer on reform of the business enabling environment.

Output 1 Business Environment EQ6 (Sustainability): Will the changes achieved by the programme be sustained? Why/why not?

Output 1 EQ6: Evidence

CCIC inherited or absorbed the regional structures initiated by GREAT, which is a positive Programme outcome. Our investigations (e.g. in Sughd Province as well as at a national level) demonstrate that initiating and displaying the value of a structure through a temporary donor input that is then taken forward and developed further by government is a measure of a successful initiative. Processes that involve collaboration between business and government agencies resulting in visible practical results achieve their own momentum. Also, this cooperation is politically useful to help ensure the continued support of international agencies for which improvement of the business environment is a priority for national economic development.

Structures for PPD have displayed sustainability. This applies specifically at regional /local levels. The national CCIC pre-dates GREAT and now has a comprehensive regional structure and operates specifically at two levels, with the national structure, chaired by the President, meeting twice per year and having a concentration on strategic issues rather than specific company-focused matters. CCIC and GKI work in close cooperation, which assists the consideration of business development issues, due to the GKI focus.

These structures for managing CCIC processes now appear to be administratively self-sufficient with a limited need for external support from international and local partners. The CCIC, however, might be seen to be insufficiently pro-active in defining and pursuing business reform initiatives – it is constrained by a limited capacity for analysis.

Output 1 EQ6: Conclusion

CCIC is already operating with certain external support (e.g. EBRD), and there is no necessity for a successor programme to offer further assistance.

GREAT's initiative in the creation of Business Associations and PPD is one of significance in helping to construct a local structure to embed ideas and techniques of rural development. Potential exists here for a successor programme to work with Business Associations and national structures (especially the Tajikistan Chamber of Commerce) to support effective local representation in national structures.

Output 1 Business Environment EQ7 (Coordination): How coordinated is GREAT, particularly about similar development activities?

Output 1 EQ7: Evidence

GREAT did not enter into significant relationships with other programmes on business environment issues. But GREAT's activities are required to be coordinated, especially with efforts to achieve similar aims through the national CCIC, which is the main body bringing together various actors in legal and regulatory matters of the business environment. These include bodies such as the Tax Committee, but also other donors (USAID, IFC etc.) and key influencers such as EBRD. While cooperation does exist with CCIC, the latter expressed the view that liaison was limited. At the same time, CCIC hope that successor programmes of support could cooperate more closely. As a national body it is important that discussions between GREAT and a successor programme will reach the CCIC for their consideration.

The success of GREAT as it relates to the business environment touches upon and seeks to engage the resources and actions of a range of official and business structures. The PPD initiatives will lead to a set of business-identified problems (taxes, inspections, unhelpful and unnecessary regulations etc.). PPD structures, including the CCIC, are useful as a receiving point for problems, but they are not set-up to become pro-active and to seek out problems and their resolution.

Arguably, an organisational mechanism to do that has been absent to date. Business Associations members are engaged in providing consulting and legal services (one third in a recent survey of Association members). However, most members are interested mainly in opportunities for inter-business cooperation. This emerged from interviews at national and regional (Sughd) levels. At the same time the Programme worked with regional authorities to resolve specific problems e.g. exporting processed fruit and vegetables, which may have a longer positive effect beyond the specific and immediate issue.

Output 1 EQ7: Conclusion

The Programme's success in PPD and related initiatives has been more apparent at a regional rather than national level. CCIC management have indicated that they would welcome working with GREAT in any appropriate further initiatives that might be supported. There are two main ways in which (in principle) support could be offered to CCIC. The first is to assist the organisation to be more pro-active in identifying reform initiatives that it might pursue (as opposed to being the recipient of problems facing business). Second, there is scope for capacity building the CCIC itself and regional partners to become better at identifying and analysing opportunities for reform leading to action proposals.

Output 1 Business Environment EQ11 (DAC Criteria): Can a scaled-up programme deliver wider rural economic transformation, and what are the key considerations for programme expansion?

Output 1 EQ11: Evidence

Because the CCIC now has a comprehensive regional structure across Tajikistan, a form of scaling up has already occurred, to the extent that the national structures and related activities were (at least partially) inspired and directly assisted by the Programme.

Output 1 EQ11: Conclusion

There is potential for scaling up or extension in relation to the number and types of business enabling environment issues that, in principle, could be dealt with. A successor or new programme would need to expand influence from processes of engagement to place greater priority on achieving tangible results to reduce the impacts on business of identified problems. These problems relate to tax rates and official behaviour, business inspection, problems in cross-border trading regulations and processes.

Output 2, Increased Economic Activity in Rural Areas: Agriculture

The sources of information and evidence used in analysis of this Output were: the secondary data as described in the Methodology section (particularly the Sarob database), interviews by the core evaluation team with implementing partners and farmers during the former's field visits in March 2016, and the data sets generated by the primary data collection exercise conducted by the M-Vector team (using the SI of Sarob clients, the KIIs with Sarob advisors and Technical Advisory Machinery Group (TAM) members and the FGDs with members of the commodity cluster/producer groups). References to specific resources are given as footnotes in the tables and figures. Discussion of Output 2 is divided into Agriculture and Non-Agriculture. Tables with supporting evidence data for Agriculture can be found in Annex12.

Output 2 Agriculture EQ1: (Relevance): Are the activities supported through GREAT the right ones given the Theory of Change and the context of Tajikistan?

Output 2 Agriculture EQ1: Evidence

The original Plan of Operations for GREAT (as a component of FFPSD)³³ classified the Programme activities for agriculture under five work fields broken down into 12 components. A revision of this Plan of Operation was developed in 2015³⁴ and produced a new list of work fields for the sector, although this was subsequently informally modified.³⁵ The change of titles appears to represent an evolution of the agricultural component during implementation, rather than any radical departure from the original set of activities as is the norm with adaptive programming.

This implementation effort can usefully be grouped under eight activities: (a) institutional development of Sarob, (b) community inclusiveness, (c) cotton sector development, (d) crop diversification and rotation, (e) TAMS development, (f) training and skill development, (g) strengthening market linkages and (h) information collection, analysis and dissemination. Skill shortages and inability to retain existing skills was identified as a major challenge. Strengthening of market linkages clearly plays a key part in developing a market-based economy, as does improved flow of information on both production possibilities and market opportunities. Hence the relevance of the last three components of the above list to both GREAT's TOC and the challenges outlined in Section 3 will be obvious, but the first five require some further exploration.

Institutional Development of Sarob

After the demise of Soviet era collective farming a large number of agronomists were left without employment and the country had no functioning agricultural extension service in which they could be employed. With support from the Tajik Agricultural Finance Facility these agronomists formed Sarob to supply extension services to farmer clients against an annual fee based on hectareage.³⁶ Sarob was initially registered as a consumer co-operative, but later re-registered as a non-commercial service provider under the new cooperative legislation, which had been drafted with Programme support. Sarob members pay the organisation a fixed membership fee, in return for which they are supplied with benefits such as training, information on new techniques and technologies, and access to inputs, such as improved crop varieties with which to provide improved services to their clients.

Building Community Inclusiveness

The Sarob model is not an inclusive approach. There are considerable scale economies in providing agricultural advice, so that it works best for commercial farmers in more accessible areas with relatively compact farms and flat terrain. In areas where these conditions do not apply, and where farmers are resource-poor, a different model is required. The basic approach of GREAT here has been the development of a community inclusiveness (CI) approach. This is grounded in community mobilisation, which the Programme defines as a capacity building process in which the Programme works together with a community, enabling them to address their needs through organising self-help

³³ FFSD Plan of Operations_en_29052014

³⁴ FFSD Plan of Operations_en_01.2015-03.2016

³⁵ Email from GREAT

³⁶ The name *Sarob* derives from the hotel in which the inaugural meeting was held.

activities and improving access to services and resources.³⁷ The basic strategy therefore is to help beneficiaries overcome the diseconomies of small scale by adopting a group approach, so that the scale of operations can be made more economic.

The main implementation institution is the Mahalla Committee (MC). These are Community-Based Organisations (CBOs) that operate under local government within a single local community on a voluntary basis. They are partly self-funded institutions, but they can also mobilise outside funding for larger initiatives. Various sub-committees, such as Water User Groups and Pasture Management Groups, contribute labour and other resources to specific sectoral activities.

The Programme has now largely turned these functions over to the MCs and now focusses on the commodity cluster/producer group (CC/PG) approach, implemented by two of GREAT's International NGO partners, the Aga Khan Foundation and Oxfam. (These groups are also sub-committees under the MC.) Under this approach, village-based producer groups (PGs) focus on a single crop which has been identified as having good production and marketing prospects. The groups are federated into clusters which are designed to provide a range of services to the PGs, particularly market connectivity. Again, the relevance to the private-sector led market-based approach is evident, with the additional feature of focussing on the poorer areas. The PGs are inclusive in that membership is open to all farmers in the locality, and women feature quite strongly in the membership lists.

Cotton Sector Development

A history of cotton monoculture (i.e. growing the same crop on the same land year after year in disregard of the need for crop rotation) has brought huge environmental problems to Tajikistan, yet this crop remains by far the country's most important agricultural export. The strategy adopted by Sarob, with the assistance of GREAT, has been two-pronged: diversify into other crops, thus reducing the environmental problems associated with monoculture, while simultaneously maintaining overall cotton production levels and increasing cotton farmers' incomes by introducing high-yielding varieties, improving production techniques and popularising environmentally friendly practices.

The Better Cotton Initiative (BCI) plays a key role in this strategy. BCI is an international effort to make global cotton production *better for the people who produce it, better for the environment and better for the sector's future*.³⁸ It has a wide range of stakeholders, including international NGOs, global supermarket chains and sportswear manufacturers. Sarob became an implementing partner in 2014. The BCI has four key aims:

- a) Reduce the environmental impact of cotton production;
- b) Improve livelihoods and economic development in cotton producing areas;
- c) Improve commitment to and flow of Better Cotton throughout the supply chain;
- d) Ensure the credibility and sustainability of the Better Cotton Initiative.

The underlying concept of BCI as promoted by Sarob is that farmers earn more through reduced input needs e.g. due to integrated pest management (IPM), and obtain higher yields due to improved production methods, leading to higher productivity and profitability. The BCI also aims to improve the reputation of Tajik cotton on the world market in order to sustain its production as an important source of income for much of the rural population.

Crop Diversification and Crop Rotation

GREAT's agricultural focus is on crop production, although some Programme components are devoted to the livestock sector, such as producer groups based on livestock produce. Most of the crops promoted under Sarob's crop diversification initiative are food crops, which are dominated by nutrient-rich foodstuffs such as fruits, vegetables and pulses. Diversification into such crops will increase availability of high quality foodstuffs and therefore have the potential to improve the qualitative aspects of food availability.

³⁷Ghausi, Salim M. n.d) *Conceptual Basis of Community Mobilization for GREAT Project Implementing Partners*

³⁸<http://bettercotton.org/about-better-cotton/better-cotton-standard-system>

Technical Machinery Group (TAM) Development

Given the widely-recognised problem of under-mechanisation of Tajik agriculture,³⁹ and the serious problems of under-capitalisation faced by small farmers (i.e. the great majority), there is a need for an agricultural machinery rental market, but this is seriously under-developed. The TAM group approach was adopted by Sarob to address this problem by setting up machinery pools to provide a wide range of agricultural equipment and machinery for hire. By 2015 60 Groups had been established with a total membership of 335 shareholders.

Output 2 Agriculture EQ1: Conclusion

The agricultural activities supported by GREAT are fully in line with the economic and agronomic realities of the country, its current agricultural policy regime and GREAT's TOC. Focusing on crop production, rather than livestock, is relevant because of the importance of crops and the need to concentrate resources rather than dilute the effort by trying to cover too much territory. Both Sarob and the CC/PG model provide agricultural extension and input supply services, and assist with produce marketing in a country where all of these are seriously lacking.

Assistance to the Sarob cooperative model is doubly effective. In addition to meeting the challenge of a seriously underdeveloped public agricultural extension system, it provides an alternative to public sector systems found in so many other developing countries, whose relevance is compromised by the fact that they are typically top-down rather than farmer-responsive, and whose effectiveness is typically compromised by serious levels of under-funding.

The Sarob advisory services fill a big organisational gap by reaching commercial farmers, whose efforts are key to the development of the agricultural economy. However, for resource poor farmers and households, other models are required to enable them to escape from low-productivity, largely subsistence-oriented production. The CI approach in general and, in particular, the CC/PG model, addresses this need. The Producer Group component aims to do so by improving land and labour productivity by boosting both yields and crop quality. The Commodity Cluster component, by enhancing market linkages and achieving scale economies aims to reduce transaction costs of purchasing inputs and services and selling produce.

As cotton is the country's most important crop and second most important export product, the approach of increasing productivity while reducing monoculture is highly relevant to agricultural development. Crop diversification and crop rotation are key adjuncts of this approach, important for both positive environmental impacts and for the new opportunities they provide for risk reduction and enhanced land and labour productivity.

Output 2 Agriculture EQ2 (Effectiveness): How effective were the interventions in delivering their intended objectives?

For this Output the evidence of effectiveness is presented against the logframe targets, before being supported with data from the evaluation survey of farmers and Sarob advisers.

Output 2 Agriculture EQ2: Evidence

³⁹See for example ADB 2015. *Tajikistan Interim Country Partnership Strategy*, Asian Development Bank, Manila.

Sarob: Performance Against the Logframe Indicators

Table 6: Outcome Indicator 2: Baselines, Targets and Achievements for Sales in Agriculture		
Baseline (12/2012)	Target (03/2016)	Achieved (03/2016)
Cotton: 206,750,000 USD (total production: 413,500 tons, 500 USD/TN) Apricot: 31,890,000 USD (total production: dried 9,000 tons, 2,060 USD/t; processed 11,250 tons, 100 USD/t; fresh 2,100 tons, 1000 USD/t)	5% increase in sales value of supported agricultural value chains	a) Cotton: 135,020,500 USD b) Apricot: ca. 6,000,000 USD -42%
Source: GREAT logframe March 2016		

The agricultural component of Outcome indicator 2 is: *In supported value chains increases occur in sales value (in terms of real prices) of producers in 2 supported value chains (cotton, apricots).*

Sales values declined by 42%. Although the achievements cover a period that is three months short of the target date, the two are sufficiently close to make a reasonable set of assessments. The key point to emerge is that, for both crops, the value fell drastically, rather than increasing. However, to judge Programme accomplishments purely on logframe targets and achievements would be ill-advised.

A basic design problem with the logframe is that it takes country-wide production as an outcome indicator, yet the Programme can only influence production within its operational area. For example, in the case of cotton, the advised area served by Sarob and Biokishovar together constitute around 14 per cent of the country’s total cotton area, so it cannot be held accountable for falling national cotton production.⁴⁰ It would be more realistic to hold the Programme to account only for developments in its operational area.

Again, with cotton, Risk Outcome Indicator 2 states that

the land reform process is still ongoing. The land ownership system in cotton growing areas is changing radically. Many farmers that had been members of collective dehkan farms are now receiving their land titles. Consequently, many small farms are starting to operate by their own and preferring to grow other cash crops instead of cotton.

Unattractive returns on cotton obviously provide a major incentive for farmers to diversify into other crops. Efforts under BCI to increase cotton yields while reducing per hectare costs have met with some success, but the area affected has not been large enough to compensate for a falling national production trend.

In the case of apricot, adverse weather conditions in important apricot-producing areas in 2015 had a catastrophic effect on overall production. Climatic factors are clearly extraneous to the Programme.

Output indicator 2.1 is

Number of farmers (with land area given in hectares) under the TAG system, and attributable changes in yields; the number of families which are supported by TAG and yield values for lowland crops (cotton and other crops, apricots) and upland crops (apples, potatoes, rain fed wheat) are increased and generate an increased harvest.

Table 7: Output Indicator 2.1: Baselines, Targets and Achievements for Agriculture – Hectarage and Farmers		
Baseline (12/2012)	Target (03/2016)	Achieved (03/2016)
Lowlands: 20,400 farming families, 29,158 ha in lowlands:	Lowlands: 30,000 families, 35,000 ha: 20,000 ha cotton +	Lowlands: 20,636 families (apricot not included)

⁴⁰ Figures on advised area from Sarob and Biokishovar; national figures from TajStat (www.stat.tj/en/analytical-tables/real-sector/)

Outputs and Evaluation Questions: Output 2 - Agriculture

<p>22,670 ha cotton and other crops with 2.6 t/ha raw cotton yield, 6,488 ha apricots with 2.6 t/ha,</p> <p>Uplands: Average yield: Apples: 2.13 t/ha Potatoes: 21.9 t/ha Rained wheat: 2.27 t/ha</p>	<p>7,000 ha apricots + 8,000 other crops 30% higher yields against baseline;</p> <p>Uplands: 8,000 families, 3,500 ha, Yield increase against baseline (all crops): 15%</p>	<p>38,365 ha, of which:</p> <ul style="list-style-type: none"> • 23,720 ha cotton • 8,893 ha apricot • 3,154 ha wheat • 2,598 ha other crops. <p>Uplands: 3,497 families 5,844 ha, of which:</p> <ul style="list-style-type: none"> • 1,787 ha apples • 1,440 ha potatoes • 2,125 ha of rain fed wheat • 492 ha other crops. <p>Yields:</p> <ul style="list-style-type: none"> • Cotton 3 t/ha (+15.4% increase against baseline) • Apricot 0 t/ha (due to late frost) • Wheat 2.8 t/ha (+23% increase against baseline) • Potato 25.3 t/ha (+15.5% increase against baseline) • Apple 4.9 t/ha (+130% increase against baseline) • Onion 45.3 t/ha (+9.7% increase
<p>Source: GREAT logframe March 2016</p>		

Results are mixed for this Output indicator. Fewer families have been reached but yields are higher, while apricot production is not included. Looking back at the two previous years, when apricot was not excluded, the figures show that the number of farm families engaged in the programme at the end of 2013 was 33,808 (12.7 per cent above the 2016 target), whereas a year later it had fallen back to 23,173 (22.8 per cent below target). This change is, however, more apparent than real. Initially Sarob advisors were to be paid a subsidy based on the aggregate number of hectares under their advice and support. Some advisors over-stated these numbers in order to increase their subsidy incomes. When this practice was uncovered, the planned gradual phasing out of subsidies to Sarob advisors (but not to Sarob itself) was implemented immediately, and the inflated subsidy claims were not paid. No baseline figure is given for number of families in the uplands, but an achievement rate of 3,497 families in early 2016 against a target of 8,000 represents a shortfall of 56.3 per cent. The target however seems quite ambitious given the lack of scale economies in the uplands, which makes them less well-suited than the lowlands to the Sarob advisory approach.

Assessing achievement against either target is complicated by the fact that in the lowlands apricot is not included in the 2016 figures – presumably because the late frost that year destroyed the crop in some important growing areas. Loss of the crop, however, is not sufficient justification for excluding these families altogether, because they received other services from Sarob (such as training in pruning which should improve yield prospects for subsequent years). Adding these in would increase the number of beneficiaries by perhaps 4,000 to 4,500 families, according to Sarob figures.

The logframe was not updated to take new Programme initiatives into account, specifically the CI approach. One of the consequences of this is that families which have benefited from this approach have not been counted, so the achievement figure understates the true number of Programme beneficiaries in the upland areas. The evaluation found that at the time of the study PGs in Sughd and Khatlon had a combined total of 2,716 members. All members have obtained benefits such as training, advice, and input supply, and may therefore be designated as beneficiaries. Turning to hectareage, a key component of the Sarob approach, supported by GREAT, is crop diversification in the lowlands to reduce the harmful effects of over-dominance of cotton among arable crops in this area.

Estimation of achievements is complicated by the use of different units in the various columns. Lumping cotton together with other crops in the baseline for the lowlands makes it impossible to say how much of this area was under cotton, and therefore how much crop diversification out of cotton was achieved against this baseline; this is important when a key Programme objective was to reduce the area under cotton through diversification into other crops.

For total hectareage, the target for the lowlands was set at a 20 per cent increase over baseline, and the achievement exceeded expectations, reaching 31.6 per cent more than the baseline. This probably reflects the growing number of clients under the Sarob system.

The third component of Output indicator 2.1 is yield. The target for the uplands was set at a 30 per cent increase for all crops, while for the uplands (reflecting more challenging conditions) it was set at 15 per cent.

- a) Progress has been made in the lowlands, but the 30 per cent target has not been met with any crop except apple.
- b) Apricot was the victim of adverse weather in 2015,⁴¹ but in 2013 the yield averaged 3.04 MT/ha (16.9 per cent above baseline) and in 2014 it fell to 2.5 MT/ha (3.8 per cent below baseline). Variation in yield should not have been affected by the above-noted misreporting problem. Such variation is not uncommon with tree crops that are vulnerable to frost in the flowering period, but the figures do not suggest any progress towards meeting the target.
- c) Cotton yields rose by 15.4 per cent, which is not much more than half the targeted figure.
- d) In the uplands, the yield target for all crops was +15 percent; yield of onion increased by only 9.7 per cent, but potato, rain fed wheat and apple yield increases all exceeded their targets, growing by 16, 23 and 130 per cent respectively compared to the baseline figure.
- e) It may be added here that yield is not the best indicator of Programme success, particularly over the short term, as weather conditions play such an important part.
- f) As in the case of Output indicator 2.1 the use of national level figures in the logframe makes it difficult to judge the progress attributable to the Programme.

Table 8 Output Indicator 2.2: Baselines, Targets and Achievements, Sustainability of TAGs

Baseline (12/2012)	Target (03/2016)	Achieved (03/2016)
Lowlands: TAG clients pay 50% of TAG costs in 2012 Uplands: TAG clients pay 0% of TAG costs (no TAGs in upland areas)	Lowlands: TAG clients pay 100% of TAG costs in 2015 Uplands: TAG clients pay 100% of TAG costs in 2015	Starting from 2014 TAG clients pay 100% of full costs of TAG service
Source: GREAT logframe, March 2016		

This target has been achieved ahead of time: all TAG clients are paying 100% of the full costs of the TAG service. However, there is a lack of clarity in the logframe as to what is meant by ‘TAG costs’. If it refers to the subsidy paid directly to advisors, then the target has indeed been achieved ahead of target. However, advisors are also subsidised indirectly in the shape of inputs and services they obtain from Sarob, and these continue to be subsidised very substantially by GREAT. If this wider definition of ‘TAG costs’ is used, clients are still not paying 100 per cent of the full costs of running Sarob, including training and access to inputs.

Table 9: Output Indicator 2.3⁴²: Baselines, Targets and Achievements, Diversification of Crops

Baseline (12/2012)	Target (03/2016)	Achieved (03/2016)
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⁴¹ Sarob, with GREAT support, is taking steps to introduce late-flowering varieties of apricot to make the crop less vulnerable to frost, but this will obviously take time, given the gestation period.

⁴² Output indicator 2.3 is concerned with the sustainability of Sarob, an issue that will be examined in Section 4.1 below.

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Three experimental farming families covering 100 ha new crops	600 ha	608.28 ha
Source: GREAT logframe, March 2016		

The target for this indicator had already been met by the end of 2015. However, the target in the relevant section of the logframe is set in terms of hectareage only, whereas the milestones have an additional target that by July 2013 1,500 farming families will be involved in this component, with 30 per cent of them headed by women. These targets (especially the gender participation rate) seem at least as important as the area target, but no further information is given about them. This seems to reflect a problem with logframe design in terms of setting targets.

The classic justification for crop rotation is that it helps maintain soil health. In this case, it will also reduce the financial cost of undue dependence on crop protection agrochemicals associated with monoculture. Farmers have been moving out of cotton in any case, because it has become less profitable than other crops. In addition, the crop diversification implicit in crop rotation will help protect producers against fluctuations in cotton prices and corresponding income uncertainties. Hence efforts to promote crop diversification by Sarob, with support from GREAT, are to be applauded.

[Output 2 Agriculture EQ2: \(Effectiveness\) Evidence from the Survey for “How effective were the interventions in delivering their intended objectives?”](#)

This sub section uses evidence from the evaluation survey of 160 Sarob client farmers.

The survey asked respondents to name the most important problem(s) they faced which, in their view, could be addressed by better agricultural advice. Table 10 sets out what farmers see as their problems and is compared to what was done by Sarob advisers in Table 14.

Table 10: Important Agricultural Problems faced by Farmers which could be Addressed by Better Advice		
Problem	Number Reporting	Percentage Reporting
Pest attacks & pest control	104	65.0
Lack of access to water	45	28.1
Access to agrochemicals, particularly fertilizers	39	24.4
Access to machinery, particularly modern machinery	37	23.1
Access to quality seeds	31	19.4
Expensive inputs	23	14.4
Low yields/poor quality Output	22	13.8
General lack of knowledge	19	11.9
Lack of capital and lack of access to finance	18	11.3
Soil salinity	8	5.0
Tree pruning	6	3.8
Soil erosion	3	1.9
Low product prices	1	0.6
Agrarian reform process	1	0.6
Tax	1	0.6
TOTAL	358	---
Source: Calculated from the evaluation Survey of Sarob farmers.		
Note: Numbers total to more than 160 and percentages to more than 100 because many farmers reported multiple problems		

The first point to note is that these problems closely mirror those listed in government policy documents listed in Section 2. The Table provides additional information insofar as the frequency of reporting a problem provides an indication of its relative extensiveness. These further points should be noted about the information in this table.

- a) Only some of the problems could be addressed through better extension advice, but this does not mean they are unimportant; some farmers may have understood the question better than others.
- b) The above point notwithstanding, other problems on the list (such as access to quality seed and access to better machinery) are now being addressed by Sarob.
- c) Pest control features most frequently in the list; this is probably at least in part a legacy of cotton monoculture.
- d) The reported incidence of some problems may be relatively low (e.g. low product prices, agrarian reform and tax issues), and may in any case be beyond Sarob's remit.
- e) Lack of access to water is a key issue, which Sarob advisors are addressing through advice on improving irrigation efficiency.
- f) One reported problem, tree pruning, is noteworthy, as this is a technique promoted by Sarob advisors, rather than a problem in its own right.
- g) Some of these problems are addressed through non-Sarob components of Output 2, for example lack of access to water and marketing issues for inputs and outputs.

As a means of assessing how successfully the Sarob advisory system has addressed the problems faced by client farmers, the latter were asked about the usefulness of the advice they had received from their advisors. Of 356 responses,⁴³ 66.5 per cent said the advice was very useful, 31.2 per cent said it was somewhat useful and 2.2 per cent said it was not useful. It must be kept in mind that the sample was drawn from existing Sarob client farmers, who presumably would not keep paying for advice if they found it was not useful. It does, nevertheless, indicate an encouraging level of positivity when two-thirds of the replies were in the first category. Moreover, all farmers found the advice on at least one crop to have been very useful – including the eight who said that advice on one of their crops had not been useful. In addition, these eight farmers reported that the reason the advice on a specific crop had not been useful was because of factors beyond the advisor's control, such as adverse weather conditions or a drop in the market price.

⁴³ This is greater than the sample size because farmers reported on more than one crop.

As a follow-up to the above, during the Survey farmers were asked about the positive and negative effects of six types of agricultural innovation introduced on the advice of Sarob advisors. These were: (a) new crop and varieties, (b) new production techniques, (c) new crop rotations, (d) irrigation methods, (e) fertilizer use, and (f) new methods of pest control. Farmers were also asked about the employment impact of innovations.

New Crops or Varieties

A large majority of the farmers reported introducing either new crops or new varieties of existing crops, or both, as a result of advice from their Sarob advisor. Many of them reported more than one new crop (maximum five) and/or more than one improved variety (maximum eight). The distribution is shown in Table 11 (Hence 82.5 per cent of farmers had introduced at least one improved variety of an existing crop.) Moreover, 88.1 per cent of farmers reported having introduced either a new crop or a new variety.

Technology	Number of new crops/improved varieties introduced				
	1+	2+	3+	4+	5+
Entirely new crops	36.9%	16.8%	7.5%	3.1%	1.9%
Improved varieties of existing crops	82.5%	48.1%	24.4%	11.3%	8.2%

Source: Calculated from the survey of Sarob farmers

The reaction to these technologies has been very positive, with only six of the 160 farmers reporting that there were disadvantages, three of whom noted the higher cost of improved seed. It is surprising that less than two per cent mentioned this as a problem, when it is almost inevitable that improved varieties will be more expensive than traditional ones. The benefits of new crops and varieties, clearly greatly outweigh the disadvantages⁴⁴. The survey found that 132 (82.5 per cent) of the sample farmers had introduced at least one improved crop variety on the advice of their Sarob adviser. One had introduced as many as eight new varieties. The distribution was skewed towards the lower end of the range, and the median number was two.

A key aim of Sarob is to increase yields of existing crops, and the results of this are presented in Table 16. The survey's approach to quantifying the yield effect of new varieties was to ask farmers to compare yields of the varieties that Sarob had introduced with traditional varieties of the same crop which they had previously grown. The results for the five indicator crops for the logframe are shown in Table 12. These are compared with national statistics in Table 13. Comparison with other countries in Central Asia are not valid, as Tajikistan is land-locked with extremely difficult access to inputs and markets, a devastating post-USSR civil war, and a history of cotton monoculture going back to the 19th century.

The most meaningful results can be seen in the findings for the three annual crops. Here in 99.6 per cent of cases, the farmers reported increased yield comparing the new with the traditional variety. (In the remaining cases no change was reported.) The percentage increases (55, 88 and 91 respectively for cotton, wheat and potato) are impressive, and the differences are highly statistically significant. This can be accepted as clear evidence of impact.

⁴⁴ Annex 12, Table 12.1: Positive Effects of New Crops and Varieties

Table 12. Yields of Traditional and New Varieties of Logframe 'Indicator' Crops (MT per hectare)															
Summary Statistics	Lowland Crops						Upland Crops								
	Cotton (81) ²			Apricot (7) ²			Rained wheat (28) ²			Potato (9) ²			Apple (2) ²		
	Trad.	New	% ³	Trad.	New	% ³	Trad.	New	% ³	Trad.	New	% ³	Trad.	New	% ³
Mean	2.5	3.8	54.9	3.0	2.9	-0.9	1.7	3.0	87.8	5.8	11.2	90.6	5.5	6.6	20.0
Median	2.5	3.5	49.0	3.0	2.5	0.0	1.5	2.7	65.2	3.0	7.0	100.0	--	--	--
Minimum	1.2	2.5	0.0	2.0	0.0	-100	0.6	0.8	16.7	1.5	2.3	39.0	1.0	1.2	20.0
Maximum	5.0	6.8	150.0	4.0	5.0	66.7	4.5	8.0	300.0	15.0	30.0	150.0	10.0	12.0	20.0
Standard Deviation	0.5	1.1	3.6	1.0	2.1	6.4	1.0	1.6	74.7	5.6	11.2	39.6	--	--	--
Coefficient of Variation	21.6	28.9	66.0	33.3	73.6	-691	58.3	54.6	85.5	96.5	100.4	43.3	--	--	--

Source: Calculated from the evaluation's survey of Sarob farmers

Notes:

1. The yield differences between traditional and improved varieties of the three arable crops are highly statistically significant (see Annex 13). Yield differences for apricot are not significant, but this can be explained by the recent frost-related crop failure in some areas. In the case of apple, no meaningful conclusions can be drawn from a sample of two.
2. The figure in parentheses indicates number of respondents growing an improved variety of the crop in question.
3. The percentage figures shown here are weighted averages of the percentage yield increase calculated from the respondents' reports.

So far in this section, the ‘counterfactual’ issue has been addressed by comparing the ‘before’ and ‘after’ situation. Table 13 presents an alternative way of looking at differences in yields by comparing the yields of Sarob farmers with national figures. Sarob has made this comparison for some key crops which it uses in its cotton improvement and crop diversification programmes. The results for the five most important crops (in terms of area) advised by Sarob are shown in Table 13.

Table 13. Differences in Yields and Net Income, 2015				
Crop	Average yield increase over national average (%)	Net value of higher yield (US\$/ha)	Area under Sarob advisory services (ha)	Net value of yield increase (US\$)
Cotton	24	242	23,720	5,730,000
Apricot ^a	16	485	6,984	3,390,000
Potato	8	419	1,480	620,000
Maize	47	342	584	200,000
Onion	66	2,461	386	950,000

Sources: *Sarob Annual Report for 2015*, various tables; national figures as reported by the National Statistics Committee; GREAT final report (in preparation)
^{as} Figures for 2014; in 2015 late frost caused failure of the apricot crop

Two important caveats should be made about the comparisons shown in Table 13. The first is that it is not possible to test the statistical significance of observed differences, because national statistics are presented only in terms of means. This is particularly problematic in the case of potato, where the difference in means between the two yield figures is relatively small. Second, the two sets of figures do not always compare like with like, because for crops such as potato, maize and onion, the areas where Sarob operates tends to be agriculturally advantaged compared with the rest of the country. Nevertheless, in most cases the differences are so large that it is difficult not to believe that they are at least in part attributable to Sarob’s efforts. This view is strongly confirmed by the evidence presented earlier in this section regarding farmers’ very positive views of Sarob techniques and technologies. The total value of the yield increases shown in Table 13 can be regarded only as indicative rather than absolute, particularly in view of widespread reservations about the accuracy of national statistics. Nevertheless, the combined figure of US\$ 10-11 million over the total advised area is impressive. Even if only the figures for cotton and apricot (which tend to be grown in relatively advantaged areas) are taken, the net value of the increase would be in the order of US\$ 9 million.

New crop rotations

Sarob has put considerable effort into promoting crop rotation, and 54 per cent of sample farmers reported adopting this recommendation⁴⁵.

Most farmers reported that their yields had increased. Presumably this means total production per hectare per annum. Cotton has a long growing season of 120-180 days of frost free weather with the soil temperature 15-16° C or higher, so if there is diversification into shorter duration (and usually higher-yielding) crops the total yield from the land should increase. Allowing the land to rest is a good description of the benefits of crop rotation, which prevents pest and disease build up and improves soil health.

Of the 160 farmers in the sample, 101 (63.1 per cent) reported having introduced entirely new crops in response to a Sarob advisor’s recommendations. However, in only a relatively small number of these cases (15.8 per cent) had this entailed diversifying out of cotton into another crop. The Sarob database shows that half of the farmers have started growing new, higher yielding varieties of cotton, demonstrating that the Sarob strategy of growing more cotton on less land is effective.

New irrigation methods

Only 17 farmers (10.6 per cent) reported increasing total area under irrigation subsequent to becoming Sarob clients, while two reported decreasing the area⁴⁶. The latter, however, already had large areas

⁴⁵ Annex 12, Table 12.2: Positive Effects of Crop Rotation

⁴⁶ Annex 12, Table 12.3: Positive Effects of Irrigation

under irrigation (25 and 28 ha respectively). The average area under irrigation fell over the period, from 8.52 to 8.07 ha.⁴⁷

There were no reported disadvantages of irrigation, and most reported benefits were obvious – increases yields, and that it softens the land – and these did not provide meaningful insights. The most common answer, increasing yields is very encouraging, because it suggests that important water savings can be made while increasing production. This is likely to become increasingly important if, as predicted, climate change reduces water flows in coming years⁴⁸. Sarob advisors reported that they had introduced new irrigation methods to their clients, and some of the advantages listed here seem to reflect this, particularly reduced erosion, salinity and weed infestation, as well as better water distribution on the land.

Use of fertilizer

Most of the sample farmers (82.5 per cent) had used chemical fertilizer before becoming Sarob clients, and all these farmers subsequently reported increasing its use. Of those who had not used it previously, 14 had started using it and 12 had not. Among those now using fertilizer, reported usage increased from an average of 235 to 408 kg/ha, a growth of 73.6 per cent.

Again, no negative effects were reported, and again many of the positive effects were obvious (increased yields, increased incomes) and provided no meaningful insights.⁴⁹

Pesticide use

Respondents were asked about changes in the use of pesticides since becoming Sarob clients. It is not, however, possible to calculate average use before and after across the sample because some farmers reported in terms of litres, some in kilograms and some did not report the unit. However, it is at least possible to classify pesticide use as reported by sample farmers into six categories:

- Never used: 46 (29.1%)
- Increased use: 43 (27.2%)
- Started using: 41 (25.0%)
- Decreased use: 23 (14.6%)
- Used at same level: 5 (3.2%)
- Stopped using: 0 (0.0%)

These figures seem to suggest that pesticide use has increased over the period, but it is not possible to be definitive because the figures are relative rather than absolute.

Only two of the farmers reported awareness of any negative effects of pesticide use. One said that it killed bees and the other said that it was maybe harmful for livestock.

In terms of effects regarded as positive, almost all of the answers were the obvious ones (increased yield, improved quality of crop, the pests disappeared).

Other new production techniques

While the above were the main new techniques and technologies introduced by Sarob, an array of other technologies were introduced by a smaller number of farmers. In this case, there were no reported disadvantages⁵⁰.

Employment Impact

Given the seasonal nature of agricultural work and the complexities of multiple forms of payment (cash, kind, meals, etc. and any combinations of these at different times of year) the DI was limited to

⁴⁷ Given that both the original areas (25 and 28 ha respectively) and the reductions (to 18 and 6 ha) were relatively large, it is possible that what was reported reflected the breakup of two large dehkan farms.

⁴⁸ Oxfam International 2010. *Reaching Tipping Point? Climate Change and Poverty in Tajikistan* (<https://www.oxfam.org/en/research/reaching-tipping-point-climate-change-and-poverty-tajikistan>)

⁴⁹ Annex 12, Table 12.4: Positive Effects of Fertilizer

⁵⁰ Annex 12, Table 12.5: Other New Production Techniques and their Advantages

asking whether more paid workers had been employed after becoming a Sarob client than previously. In the case of a positive answer the size of the increase was recorded.

Forty-eight farmers (38 per cent) answered *Yes*. The number of farmers employing more labour was higher among women farmers, with half of them reporting *Yes*, compared with 34 per cent among men. In terms of the growth in numbers, however, the proportionate increases were almost the same:

- Men: number increased from 285 to 480 (68.4%)
- Women: number increased from 101 to 168 (66.3%)
- Total: number increased from 386 to 648 (67.9%)

Given the less-than-rigorous nature of the questions, it can only be said that, at least amongst this sample, Sarob seems to have had an employment generation effect.

Farmers' Overall Assessment

As a means of assessing overall performance, sample farmers were asked the question: Comparing the services you are currently receiving from the advisor with those you received previously, would you say you are 1. Very satisfied; 2. Quite satisfied; 3. Neither satisfied nor dissatisfied; 4. Quite dissatisfied, or 5. Strongly dissatisfied. The distribution of answers was as follows:

- Very satisfied: 76 (47.5%)
- Quite satisfied: 80 (50.0%)
- Neither satisfied nor dissatisfied: 4 (2.5%)
- Quite dissatisfied: 0 (0.0%)
- Strongly dissatisfied: 0 (0.0%)

As a follow-up to the above, farmers were asked what benefits they thought the services of the advisor had brought to their own farm. The answers are summarised in Table 14 below.

Table 14: Benefits Sarob Advisor Brought to the Farm as Reported by Farmers				
Benefit	Men Farmers		Women Farmers	
	Number	Percent	Number	Percent
Higher cash income	116	85.3	21	87.5
Access to useful advice	114	83.8	18	75.0
Reduction in risks	103	75.7	17	70.8
Access to new ideas and knowledge	101	74.3	18	75.0
Better quality of produce	94	69.1	13	54.2
More sustainable farming practices	76	55.9	16	66.7
More productive/efficient farming practices	66	48.5	14	58.3
Access to markets for farm produce	57	41.9	9	37.5
Higher subsistence production	56	41.3	14	58.3
Reduction in workload	44	32.4	7	29.2
Better access to farm machinery	36	26.5	6	25.0
Better access to inputs	24	17.6	4	16.7
Better standard of nutrition for the family	10	7.4	7	29.2

Source: Calculated from the evaluation's survey of Sarob farmers
 Note: Numbers total to more than 160 and percentages to more than 100 because most farmers reported multiple benefits

The two distributions shown in this table suggest no very great difference between the ordering of benefits comparing men and women farmers.

Overall, however, the list is quite revealing in terms of what it implies about farmers' priorities. At first the fact that a better standard of nutrition for the family comes so low in the list for both men and

women seems incongruous in a programme such as GREAT. However, the low priority accorded to nutrition in this table is possibly more apparent than real. First, respondents were probably thinking more in terms of direct benefits, rather than those like nutrition, which have no obvious connection to the advisor’s work. Second, subsistence production impacts most directly on household food security, and the fact that this ranks around the middle of the distribution in terms of benefits implies a concern with this aspect of farming. Finally, the increased cash income, which heads the list, indicates at the very least that some of this benefit could be translated into improved nutritional outcomes.

The fact that three-quarters of farmers see that there has been a risk-reduction effect and welcome this is very encouraging, as is the fact that their responses place considerable emphasis on the adoption of more sustainable farming practices. This is important, given the increased risk to agriculture implicit in a country which is likely to become a climate change hot spot (see Section 5).

Marketing of Agricultural Produce

Sarob’s advisors are agronomists, and agronomists have expertise in improving land productivity in physical terms, but much less expertise in crop marketing. Yet this is particularly needed in a situation where new crops are being introduced as part of the process of crop diversification and where farmers lack marketing expertise as well as knowledge of the parameters of efficient production. Sarob’s literature stresses the importance of the value chain approach, but the question arises as to how well the cooperative’s members are equipped to deal with this.

The issue was illustrated during the evaluation team’s field trip to Khatlon Region to meet Sarob advisors and their clients. This took place immediately after the harvesting of carrot, which, although it is not a Sarob focus crop, had been promoted by the Sarob advisors that the team interviewed. The team found that many people were selling the crop at the roadside to passing drivers at a price of TJS 15 per bag (TJS 30/quintal). This compares to a price in the secondary market (the regional capital, Kurgan Tyube, one hour’s drive away) of TJS 100/quintal (233% higher than the roadside price) and a price in the tertiary market (Dushanbe – 1½ hours’ drive from Kurgan Tyube) of TJS150/quintal. These price differences suggest that, while the secondary-tertiary end of the market chain is quite well developed, the primary-secondary end is underdeveloped. It must be added, however, that this situation of roadside selling is not the norm, as is indicated by the figures in Table 15 below. Nevertheless, the fact that it happens at all indicates that further work may remain to be done to improve access to marketing chains.

It is encouraging to find from the Survey that 41.3 per cent of sample farmers listed access to markets for farm produce as one of the benefits the Sarob advisor had brought to their farms – although it must be added that, as a reported benefit, this ranked below higher subsistence production.

As in the case of employment generation examined earlier, the importance and complexity of product marketing calls for a free-standing study, but in the present case time and other resource constraints ruled this out. Farmers were asked only where they market their produce. One obvious disadvantage of this level of aggregation is that farmers may market different crops in different locations, but it was not possible to go into this level of detail in this survey.⁵¹ The distribution of answers is shown in Table 15 below.

Method	Cotton farmers		Non-cotton farmers	
	No.	%	No.	%
Sell them at a local market	64	41.0	36	63.2
Take them to a trader or processor to sell them	32	20.5	0	0.0
Have arrangement with trader to come to the farm to buy them	21	13.5	0	0.0
Do not market them, as they are consumed by the household	17	10.9	5	8.8
Trader comes to the farm to buy them without a special arrangement	13	8.3	9	15.8
Sell them by the side of the road	9	5.8	7	12.2

⁵¹ A much more detailed study of marketing issues was completed during the FGDs for the CC/PG approach. However, this was possible only because this was a much more sharply-focussed study than the Survey of Sarob clients, which had to cover a much wider field of enquiry.

TOTAL	156	100.0	57	100.0
Source: Calculated from the evaluation's survey of Sarob farmers				
Note: four farmers reported that they had not harvested a crop the previous year				

These answers are split between cotton farmers and non-cotton farmers because cotton is an industrial crop which must be marketed, whereas the others can also be used for subsistence. Also, cotton is a traditional crop in most of the Sarob area, so that marketing chains have had time to develop, whereas for many other crops marketing arrangements are likely to be less advanced. It must be added that all of those reported here as cotton farmers also grow other crops, and this further complicates the picture, as the same farmer may be using different marketing methods for different crops, but only reports one. (As is illustrated by the fact that 17 of the cotton farmers indicated that the crop they had in mind was for subsistence consumption, so it is hardly likely they were referring to cotton.)

With these caveats in mind, three salient points seem to emerge from the Table. First, none of the non-cotton farmers reported taking crops to a trader or processor; they are much more reliant on the local market. Second, where produce was sold at the farm gate, none had an arrangement with a trader to come to the farm for purchases, but relied more on less formal arrangements. Third, non-cotton farmers report as relying more on roadside sales, although this still applies only to a minority.

The inference supports the intuitive view that non-cotton farmers are less well integrated into value chains. This is an obvious consequence of the nature of their crops, but since the market-based approach is so central to GREAT, it reinforces that view that Sarob's efforts to develop market access should continue to be encouraged.

Key Informant Interviews with Sarob Advisors

Time and resource constraints meant that it was possible to interview only nine Sarob advisors out of a total of 172, four in Sughd Region and five in Khatlon Region. Two of them were women, one in each state. Before joining Sarob, all of them had worked as agricultural advisors, presumably with collective farms.

All of the farmers paid for services in kind, cash or a combination of the two. In-kind payments are valued at the value of the crop in the local market and are equivalent to the cash payment levied by the same advisor. There is little uniformity in the amount paid, the cash value varying from TJS 20 to 50 per hectare per annum in 2015, with a mean of TJS 36.67. This is in line with the range of TJS 20 to 40 reported to the evaluation team during group interviews in Khatlon. In terms of changes in fees over time, some kept them steady, while others had been increasing them over time – in the case of the longest-serving advisor from TJS 20 in 2012 to TJS 40 in 2015.

As was shown earlier, figures on the number of clients and area advised before 2014 are unreliable. Since then the average number of clients per advisor was as follows:

2014: 109.7
 2015: 103.2
 2016: 96.7

Advisors were asked in a free option questions about the type of advice they gave to their clients on methods of increasing crop productivity. The responses⁵² correspond closely with those of the Sarob clients noted in the Survey of Farmer Clients of Sarob Advisors, with the exception of IPM and biological methods of pest control (one of the components of IPM).

Given that farmers are broadly satisfied with the services provided by their advisors, it would seem the latter are well-qualified. Indeed, when asked to state their sources of technical information, their answers suggest that they are exposed to a wide range of up-to-date information sources. The ones reported were: agricultural institutes; training programmes provided by Sarob and other GREAT partners such as Caritas; mass media; internet searches; journals, books, brochures and manuals. Interestingly there was no mention of the country's premier agricultural training institution, the Agrarian University of Tajikistan.

⁵² Annex 12 Table 12.6: Types of Advice on Increasing Crop Productivity

Nevertheless, when advisors were asked to list the three most important problems they faced in providing agricultural advice to farmers, only one of them reported that there were no problems⁵³. While some of the problems are clearly beyond the control of the advisor, others are not. The reports of farmers failing to implement the recommendations of the advisor are of concern. Many possible answers suggest themselves, but a more detailed study would be required to investigate the underlying constraints.

A parallel question to that about advisors' sources of information on technical issues was asked about information on the marketing of produce. The question was *Where do you obtain marketing information to ensure that there is a market for the products and varieties recommended to clients?*

The replies are summarised below.

- Sarob (9)
- Traders/market (7)
- Internet (3)
- A local journal, Agroforum (2)

Quite surprisingly all the advisors reported that they do not give marketing information to their clients. This tends to reinforce the point made earlier about agronomists having expertise in improving land productivity in physical terms, but less interest in crop marketing.

Paralleling the question asked of farmers regarding benefits the Sarob advisor brought to them, the advisors were asked their views of the benefits their advice brought to the problems of their clients. The answers in percentage terms are compared in Table 16 below.⁵⁴

Table 16: Benefits Sarob Advisor had brought to the Farm as Reported by Advisors		
Benefit	Percentage Reporting this Benefit	
	Farmers	Advisors
Higher cash income	85.6	100.0
Access to useful advice	82.5	77.8
Reduction in risks	75.0	88.9
Access to new ideas and knowledge	74.4	88.9
Better quality of produce	66.9	100.0
More sustainable farming practices	57.5	55.6
More productive/efficient farming practices	50.0	55.6
Higher subsistence production	43.8	77.8
Access to markets for farm produce	41.3	44.4
Reduction in workload	31.9	55.6
Better access to farm machinery	26.3	55.6
Better access to inputs	17.5	66.7
Better standard of nutrition for the family	10.6	33.3
Other (not specified)	9.4	11.1
Source: Calculated from (a) survey of Sarob clients, and (b) KII of Sarob advisors		
Note: Percentages total more than 100 because many respondents reported multiple benefits		

The areas in which the two sets of views differ most markedly are in terms of quality of produce, level of subsistence production and access to inputs. However, the most and least important benefits were ranked the same in each case.

⁵³ Annex 12 Table 12.7: Most Important Problem Reported by Sarob Advisors and Number Reporting

⁵⁴ Analysis of variance indicates that when pairs of absolute values are used, the difference between the farmer's view and the advisors' is statistically significant at the $p < 0.001$ level ($F = 48.4$). However, it may not be of any practical significance, given the different perspectives of advisors and their clients.

Advisors were asked what support they had received from Sarob, and the answers are shown in Table 17 below.

Table 17. Support Advisors Reported Receiving from Sarob and Number Reporting			
Reported Support	No.	Reported Support	No.
Support to become an established agricultural advisor	8	Training	5
Help to disseminate promising innovations	8	Equipment	2
Supporting development of TAMS	5	Seeds	1
Promotion of Field Tests	4	Demonstration plots	1
Source: Calculated from the evaluation's KIIs with Sarob advisors			

An open-ended question about the main benefits Sarob had brought to the advisors found that knowledge of farming and training on crop cultivation were the most common benefits⁵⁵.

On a scale of one to five, the advisors were asked how satisfied they were with the assistance they had received from Sarob⁵⁶. Six of the nine answered 'very satisfied' and three were 'satisfied'.

Key Informant Interviews with Technical Advisory Machinery Groups (TAMS)

It was only possible to interview the leaders of six TAMS, two each in Mastchokh, and Vakhsh and one each in Bokhtar and Konibodom. All the key informants were male. Four of the groups are quite new (established 2013), while one each was formed in 2012 and 2011. The groups are predominantly male. Four were male-only, one predominantly male, and one was gender-balanced. The combined male: female ratio of the groups was 23:3.

In terms of services they most appreciated from Sarob, the most frequently listed were: seeds (6/6), tools and machinery (5/6), Credit (4/6) and training (3/6). The overall level of satisfaction with Sarob was high: on a scale of 1 (not satisfied) to 4 (very satisfied), two gave a score of 3 and four gave a score of 4.

The number of client farmers reported as using TAMS services ranged from 196 to 735 per group, with a mean of 491, which is quite impressive and implies that the groups' level of outreach is high.

The advantages of the group approach were seen in terms of access to new technology and economies of scale. Reported disadvantages were meaningless, merely repeating the problem of peak season demand – which is not a problem of the group approach as such.

Community Inclusiveness (CI): The Commodity Cluster/ Producer Group (CC/PG) Model

The thrust of the CI approach as executed by GREAT through its implementing partners is the CC/PG model. This has been in operation for less than a year, and it is therefore not possible to fully assess its performance at this time. However, a great deal of preparatory work has been done by GREAT and its partners, Oxfam in Khatlon Region and AKF/MSDSP in Sughd Region.

Selection criteria exist for the selection of PG members, the establishment of a producer group and for identifying value chain clusters. These are presented and discussed in Annex 11. This shows that the CC/PG model is firmly rooted in the value chain approach, with the cluster acting as a conduit for funnelling produce into the system. These criteria represent a good balance of production possibilities, seasonally-sensitive market opportunity, inclusiveness and environmental concerns.

Community Inclusiveness: The Focus Group Discussions

The above evidence was triangulated by holding FGDs with a selection of beneficiaries. A total of 20 such sessions were held, 10 each in Khatlon and Sughd Regions. In each region five PGs were selected, and FGDs were held separately with male and female members of each. The commodities covered were carrot, dairy, ware potato, seed potato, rice, sunflower and tomato.

At the time these FGD formats were developed it was understood that the PGs were new to the commodity concerned, but in fact several members of several groups had themselves been producing the commodity in question for some time. It had also been the evaluation team's understanding that no

⁵⁵ Annex 12, Table 12.8: Benefits Sarob Brought and Number Reporting.

⁵⁶ 1 = very dissatisfied; 2 = dissatisfied; 3 = neither satisfied nor dissatisfied; 4 = satisfied and 5 = very satisfied

group was yet fully operational, as the approach had been in use for only a few months. In fact, it transpired that several groups had mobilised the information received from the implementing partner to improve the marketing of crops already in the ground and ready to be marketed. These two characteristics of the sample proved to be a rich source of information on previous and ongoing problems and solutions.

The format for these FGDs covered 14 topics, of which four (10-13) deal specifically with gender differences, and one (14) has strong gender implications. These questions are dealt with under the section of the report dealing with gender as an overarching issue. Annex 11 interprets FGD findings on topics 1 to 9. One overall observation that can be made after examining the evidence is that the discussions uncovered few differences of substance between the men and women groups. The only area in which differences were mentioned tended to reflect traditional gender division of labour based on perceived capabilities (e.g. many of the women, but none of the men, reported that men do the more physically demanding work). Where significant differences exist, these are dealt with in the more detailed Annex 11.

The main reasons farmers joined the PG was to improve living standards. Beyond that, the most common response tended to stress three points:

- a) The fact that it is easier and more productive to work as a group than individually;
- b) Benefits from collective action;
- c) The availability of expert advice.

An institutional reason in some cases was caused by the break up of *dehkan* farms and the issues of smaller scale and greater degree of crop diversification. It was reported that the group approach came in good time to address the problems resulting from this.

Reported reasons for not joining a group can be grouped into six categories.

- a) Some farmers do not grow the crop in question, specialising in other crops instead.
- b) The PG is a new model and some farmers have adopted a wait and see approach.
- c) Larger farmers and members of family *dehkan* farms were reported as being uninterested in the group approach, as their production levels were large enough that they could achieve scale economies without such collaboration.
- d) Some villagers are non-members because they are pensioners, women with young children and the infirm.
- e) In one group, it was reported by both men and women FGDs that some members turned out to be lazy and unwilling to share equally in the work.
- f) Finally, in two groups it was reported that many farmers wanted to join the group from the outset, but that the agronomist had selected only the best farmers. In time, the members thought, they might allow others to join, or help set up another group, but for the moment membership is restricted.

Output 2 Agriculture EQ2: Summary of Key Findings

Information from the Sarob data base together with primary data collected from Sarob clients, advisors and members of TAGs during the evaluation, triangulate to show that in fact the agricultural component of GREAT has achieved a high degree of effectiveness. Key effectiveness findings are as follows.

- a) Two thirds of farmer respondents reported finding Sarob advisors' advice to be very useful, 31 per cent found it useful, while only two per cent found it not to be useful, thus demonstrating overall effectiveness.
- b) Similarly, 97.5 per cent of respondent reported themselves to be satisfied or very satisfied, and none reported themselves dissatisfied, with the advice received from Sarob advisors compared with that available previously.
- c) Two thirds of both Sarob advisors and TAMS group leaders interviewed said they were "very satisfied" with Sarob support and in both cases the remaining third pronounced themselves "satisfied".

- d) The TAMS groups included in the interviews had an average of almost 500 clients suggesting a quite high degree of effectiveness in terms of outreach of mechanisation services, which is especially important in a country which is recognised as having an under-mechanised agricultural sector.
- e) The great majority of respondent farmers (86 per cent) reported that the most important benefit Sarob advisory services had brought was higher cash income, which is pivotal in a Programme designed to achieve growth in the rural economy.
- f) Compared with traditional varieties of the logframe's indicator crops, Sarob-promoted varieties of produced average yield increases of 50 to 90 percent.
- g) Eighty-three per cent of respondents have introduced new varieties of existing crops in response to Sarob advice, with two-thirds reporting significantly increased yields; average yield increases for field crops ranged from 55-91 per cent; this indicates effectiveness in terms of increasing productivity.
- h) Thirty-seven per cent of clients have introduced at least one new crop as a result of Sarob advice (and many have introduced more than one), suggesting that the Programme has had a significant degree of effectiveness in terms of crop diversification.
- i) The fact that most farmers adopted or increased their use of technologies and techniques promoted by Sarob, such as fertilizer use, pest control (including IPM and fruit-tree pruning, and farmers report that these boosted productivity is an important effectiveness indicator.
- j) Although it was not possible to investigate the employment effect of Sarob in all of its complexity, most farmers did report that adoption of Sarob techniques and technologies had had an employment-generation impact.
- k) The fact that, in terms of frequency of reporting, pest attack is by far the most important problem for farmers suggests that efforts to control pests through such approaches as IPM have not yet been fully effective, while the fact that not all farmer respondents seemed to be aware of this approach suggests that efforts to introduce it might usefully be stepped up.
- l) Similarly, crop marketing is more formalised and institutionalised in the case of the traditionally dominant crop, cotton, than it is with newer crops; this, together with the fact that none of the Sarob advisors surveyed reported providing marketing information to their clients, suggests that crop marketing for newer crops is another area in which effectiveness could be improved, perhaps through collaboration with those running the CC/PG model, where knowledge about crop marketing is well advanced.

Output 2 Agriculture EQ2: Conclusion

In terms of GREAT's effectiveness in agriculture, monitoring against the logframe paints a disappointing picture, but in fact much of the apparent underperformance reflects a combination of (a) a serious defect in logframe design, (b) failure to update this document to take programme evolution into account and (c) consequent under-reporting of achievements.

A key defect in logframe design was the use of country-wide figures as the baseline figure against which to measure performance. This produced unrealistic targets, as the Programme could only be expected to affect performance within its operational areas, which is a fraction of the national agricultural area. Reporting against national figures seriously underestimated the achievements that have been made within the areas where GREAT's implementation partners operate with Programme support.

The most serious problem in terms of failure to update the logframe for the agricultural component is non-inclusion of the CI component. Prospects for Programme effectiveness, in terms of delivering inclusive growth, were heightened when it was accepted that it should go beyond supporting Sarob and adopt this parallel approach. However, failure to include this model in subsequent adaptations of the logframe meant that monitoring against this document was confined to work in support of Sarob. Thus, monitoring against the logframe indicated that GREAT was less than 50 per cent effective in terms of meeting targets on number of beneficiary families. But failure to include beneficiaries of the original approach based on support to the development of Mahalla Committees, and the later approach of the CC/PG model, meant that the number of beneficiary families was seriously underestimated.

In terms of reporting achievements, the most serious example was when the number of beneficiary families in the lowlands apparently fell from 23,173 in 2014 to 20,636 in 2015. In the latter case this reduction reflected a decision to exclude apricot-growers because of widespread crop failure due to frost. This decision is questionable, because such families continued to receive advice and training on apricots in the year in question – advice that could be expected to benefit them in subsequent years, so that they could still reasonably be regarded as beneficiaries

In terms of counterfactuals, instead of supporting Sarob, GREAT could instead have bolstered the country's nascent public sector agricultural extension service, rather than attempting to assist in the development of a private sector extension and development model to be based ultimately on full cost-recovery, as in Sarob. Experience from elsewhere indicates that in developing countries the public-sector model tends to suffer serious deficiencies. A key problem is that typically the incentive structure is vertical, with the extension agent receiving instructions down the chain of command from the Ministry of Agriculture and reporting up the same chain. The extension agent is thus responsible to his or her immediate superior, rather than to the farmer, and this has not tended to be conducive to farmer-responsiveness and hence effectiveness. With the model Sarob uses, the incentive structure is horizontal: the advisor's income is based on the number of hectares covered, so that there is a strong incentive to provide profitable services for the client, because this will encourage both customer loyalty and growth of the client base, and hence growing profitability for the advisor. A key conclusion here is that this potential has met with considerable success, and it is at best doubtful if the same level of investment in a public-sector model would have emulated this.

The CC/PG approach to CI was introduced only in 2015, so it would be premature to attempt to assess how effective it has been in terms of delivering intended objectives. However, three factors give grounds for optimism that this approach could have real impact in future. The first is the rigorous approach adopted by GREAT's implementing partners in preparing the ground for success, in terms of maximising prospects for both CI and economic performance. The second is the broadly very positive view that participating farmers have formed of this model, as demonstrated by both the large number of groups that are already formed, and by the very constructive responses elicited from both male and female PG members during the FGDs held as part of this evaluation. The third reason is that for a number of groups the selected commodity has been grown in the past and that producers had faced multiple production and marketing problems. At the FGDs, members reported numerous ways in which the Programme has already both identified and successfully tackled these problems.

Output 2 Agriculture EQ3 (Impact): Differences in impact by gender, poverty and location

Output 2 Agriculture EQ3: Evidence

In terms of increased productivity, the overall impact of Sarob interventions has been considerable. This can be seen by combining the findings reported in Tables 12 and 13 above. The former provides a before-and-after comparison for three key crops, and reported yields increased by 55, 88 and 91 per cent for cotton, wheat and potato respectively, all the differences being highly statistically significant. The second table compares yields of Sarob clients to the national average, albeit for a slightly different basket of crops. The main overlap is cotton and potato, where Sarob's reported yield differences are much lower than those show in Table 12, yet the overall impact for the five crops shown in this table is a net annual income increase in the region of USD 10 million.

Gender

Gender is considered more comprehensively later (Section 5). The discussion in this section will be limited to gender aspects of the Sarob and the CC/PG approaches. It is worth noting that several respondents reported that there had been greater gender equality in Soviet times, but that after independence there has been a growing tendency, particularly in the rural areas, for society to return to the country's older roots, and that traditional gender roles are increasingly being re-established. Any discussion of gender roles in rural Tajikistan must be seen in this context.

In terms of gender balance, Sarob's performance tends to improve the further up the pyramid one goes. At the top end, it has one female board member out of five and one female regional advisor out of four. At advisor level, however, the cooperative has 13 female advisors out of 173 (7.5 per cent).

Not only is the proportion of female advisors very low, but the proportion of dropouts is relatively high: 31 per cent female compared with 7.5 per cent male. Finally, at the base of the pyramid, only four per cent of Sarob’s client base is female.

Strenuous efforts have in fact been made to improve institutional gender balance, including the establishment of a School of Women Agronomists in 2013, which ultimately failed because of a lack of interest among potential entrants. A total of six graduates of the school became Sarob advisors.⁵⁷ Two external, but inter-related, factors are responsible for this. The above-mentioned highly conservative social attitudes include hostility in some quarters to the idea of women doing the type of work Sarob advisors must do. This is reinforced by the lack of suitable candidates owing to the very low proportion of women among agricultural graduates (which in turn reflects conservative social attitudes).

A basic question is whether male farmers would be interested in taking advice from female advisers. The evaluation team was able to interview Sarob’s only female regional advisor in order to hear her perspective on this. She reported that in her capacity as an agricultural advisor she advises 54 men, and reported that she has absolutely no problems in dealing with them. In fact, she was of the view that men are more likely to believe women because they are more trustworthy. Her feeling was that the farmers’ opinion of the value of an advisor was based less on gender, and more on their perception of that person’s education, integrity, knowledge and experience.

Another basic question is whether Sarob advisors would be interested in taking on women farmers as clients. In FGDs with advisors conducted by the evaluation team there was universal agreement that there was no barrier to this, and that the reason there were many more male clients than female is that their clients are household heads, who are nearly all men. It was also observed that in cases where the (male) client had migrated to Russia for employment the household head and Sarob client was a man, but the de facto head of the household was often a woman and that there was no problem providing advice to them.

In the survey of Sarob client farmers commissioned by the evaluation, purposeful efforts were made to include women respondents, but despite this only 24 out of 160 interviewed farmers were women. (This is 15 per cent, which is nearly four times the proportion of women in Sarob’s client base.)

Two criteria were used to assess whether women clients benefit less from Sarob membership than their male counterparts. The first was crop yields, which can be directly attributed to Sarob interventions to a reasonably large extent. The other is income ranking, which will be discussed below.

In the case of yield, the null hypotheses were that there are no gender differences with respect to (a) baseline yield, (b) post-innovation yield, (c) absolute magnitude of yield increase, and (d) relative magnitude of yield increase. Only in the case of cotton did statistically significant differences emerge, and then it was only for (a) and (b) above. The figures are shown in Table 18 below.

	Men	Women
Mean yield of traditional varieties (metric tons/hectare)	2.56	2.18
Mean yield of modern varieties (metric tons/hectare)	3.93	3.16
Source: Calculated from survey of Sarob client farmers (see Annex 13)		

Both pairs of differences were statistically significant at the 95 per cent level, so that, within the sample, the observed difference between cotton yields on men’s and women’s farms are unlikely to be attributable to chance. Correlation is no proof of causality, but it may be speculated that the explanation could lie in the fact that cotton is a purely commercial crop, and gender roles may play a role in explaining the differences. However, in a general survey it is not possible to investigate such issues in the necessary detail.

Data on incomes must be treated with a great deal of caution because of the earlier-reported problem of misreporting of such a sensitive subject. Table 19 below shows the distribution.

⁵⁷ Sarob 2015 *Annual Report*.

Table 19. Monthly Incomes of Sarob Farmers							
Income Band	Monthly income	Men		Women		Total	
		No.	%	No.	%	No.	%
I	Up to 500	12	8.8	3	12.5	15	9.4
II	500 but < 1,000	41	30.1	5	20.8	46	28.8
III	1,000 but < 2,000	53	39.0	10	41.7	63	39.4
IV	2,000 but < 3,000	22	16.2	4	16.7	26	16.3
V	3,000 +	8	5.9	2	8.3	10	6.3
TOTAL		136	100	24	100	160	100

Source: Calculated from the survey of Sarob farmers

Farmers were first told the definition of the five income bands and then asked to assign themselves to one of them. Had there been systematic under-reporting it would be expected the figures would cluster around the bottom of the scale, but in fact the highest frequency is found in the middle band, and the lowest frequencies in the top and lowest bands. This distribution therefore does not support the case for systematic misreporting, and the information can be used at least tentatively to investigate further.

Table 20 shows the same distribution disaggregated by gender. There is no obvious gender-related pattern in the two distributions, nor are the differences that exist statistically significant (Annex 13).

Altitude Band

Altitude band is shorthand for the upland/lowland divide, a proxy for location. The uplands are more remote and less agriculturally productive than the lowlands, and hence more susceptible to poverty. Initially Sarob concentrated its activities in the lowlands, because of its emphasis on commercial farms, and this is the band in which most Sarob clients still tend to be located. Later, with encouragement from GREAT, the cooperative expanded its activities into the uplands and by 2015 was operating in 10 upland districts with a total advised area of 5,238 hectares (compared with 4,397 hectares in 2014), mainly of wheat, potatoes and apples.⁵⁸ However the 2015 figure for the advised area in the uplands still represents only 13.1 per cent of the Sarob's total advised area of nearly 40,000 hectares.

There is little point in comparing upland and lowland crops with respect to yield, because the cropping patterns are very different, as are growing conditions. Differences between upland and lowland farmers with respect to incomes are shown in Table 20. These figures show that, as with the overall picture shown in Table 20 above, for both types of farmer the middle-income band has that most respondents, with the distribution tailing away on either side of this band. There is a tendency for the uplands to have proportionately more farmers in the lowest band and fewer in the highest band, but, as in the case of gender, there is no clear difference between the two distributions.

Table 20. Monthly Incomes of Sarob Farmers by Altitude Band					
Income Band	Monthly income	Uplands		Lowlands	
		No.	%	No.	%
I	Up to 500	5	12.8	10	8.3
II	500 but < 1,000	12	30.8	34	28.1
III	1,000 but < 2,000	14	35.9	49	40.1
IV	2,000 but < 3,000	7	17.9	19	15.7
V	3,000 +	1	2.6	9	7.4
TOTAL		39	100	121	100

Source: Calculated from the survey of Sarob farmers

Community Inclusiveness (CI)

The poverty reduction focus of the agricultural component of GREAT is primarily implemented through the CI approach. Programme interventions in agriculture initially focussed on supporting the development of a private sector agricultural extension and development service through Sarob's TAG system. However, the 2013 Report from the Joint Progress Review of FFPSD found that the TAG

⁵⁸ Sarob 2015. *Annual Report*

system was *only partly suitable for the upland/mountain regions, which are characterised by different farming systems*⁵⁹ In response the Programme adopted a parallel approach of working with community-based structures through the CI approach. The field survey data suggests that the distribution of income across the five categories is lower for women than for men. If this is representative, it would support the view that women do less well than men under Sarob in terms of their actual income. This may, however, apply only to de jure or de facto female-headed households (who were predominant among the women in the sample). Since it was not possible to conduct household surveys within existing constraints, it is not possible to say whether women within male-headed households benefit equally or substantially from higher incomes.

In terms of the lowland-upland divide, Sarob certainly started life largely serving commercial farmers in the lowlands, but GREAT has done useful work in helping the cooperative expand into the uplands, although lowland members dominate the client base. In parallel with the above findings on men compared to women, the field study data indicates that the distribution of incomes across the five categories is lower for upland farmers than for their lowland counterparts.

The above point triangulates with the findings of the joint review,⁶⁰ and consequently GREAT adopted the CI approach to specifically target disadvantaged populations in less favoured parts of the country – an approach which has since evolved into the CC/PG model.

Because the CI approach is implemented by two INGOs whose institutional policies strongly emphasise gender equity, it is unsurprising that the institutional rules of the PGs require a minimum of 30 per cent female membership. Among groups formed to date, this ratio has been achieved at the aggregate level, but at the individual group level, there is huge variation, with a male: female membership ratio that ranges from 7:93 to 100:0. Rural conservatism would help explain why there are so many male-dominated PGs, but it would not explain why there are a number of groups where the membership is female-dominated. In one case, however, it is clear. Women have traditionally been responsible for dairy production around the farmstead, so it is logical that they would dominate in dairy-based PGs.

The consensus within male and female FGDs is that women and men share equally in: (a) saying how the group is run, (b) the work of producing the crops, (c) the work of marketing the crop and (d) distribution of benefits. In the case of (b), there tends to be a gender division of labour, but the overall workload is regarded as being equitable.

Each board has five office bearers, and gender division of labour is found here too. Among the groups interviewed the preponderance of males among office bearers is much greater than among the membership at large. There is also gender differentiation at the level of individual positions within the groups. The position of group leader is heavily male dominated. At the other extreme, the highest female representation is found among group secretaries. Both these findings tend to confirm conventional stereotypes.

Output 2 Agriculture EQ3: Conclusion

The fact that the institutional structure of Sarob is not gender-balanced is attributable to gender-conservative features of Tajik society, rather than to a lack of affirmative action on the part of either Sarob or GREAT. This innate conservatism is also largely responsible for the lack of women in Sarob's client base, because household heads are for the most part male. This is not, however, to argue that Sarob has had no beneficial impact on other household members. Its work has clearly led to rising incomes among its clients, and this may have impacted positively on other household members, but it was not possible to investigate such complex intra-household issues with the resources available to the evaluation.

Such evidence as is available indicates that Sarob advisors have no objection to working with female clients, while client farmers have no objection to taking agronomic advice from women advisors,

⁵⁹ DFID-GIZ 2013.: *Project Progress Review: Framework and Finance for Private Sector Development in Tajikistan* (FFPSD)

⁶⁰ DFID-GIZ 2013. op cit

being more interested in the quality of advice than the gender of the provider. However, this finding is somewhat counter-intuitive, as few would surely expect such open-mindedness in a conservative male-dominated society.

In terms of the lowland-upland divide, Sarob certainly started life largely serving commercial farmers in the lowlands, but GREAT has worked with the cooperative to help it expand into the uplands. Sarob is still, nevertheless, heavily lowlands-oriented, largely because this is the environment to which the model is best suited. In response to findings of the external review, the CI approach was developed to specifically target resource-poor farmers in less favoured parts of the country, an approach which has since evolved into the CC/PG model.

The overall result is the emergence of a two-pronged approach to agricultural development, which is well suited to producing a positive impact on food security, particularly by improving food availability in a food-deficit country, while simultaneously improving food access for poorer farmers.

The commitment to gender equity at institutional level within INGOs which are the implementing partners for the CC/PG model has manifested itself in, for example, their target of having at least 30 per cent female group membership. This target has been met at the aggregate level, and the fact that gender ratios vary widely from group to group should not be a matter for too much concern, since PGs are grouped around particular commodities, and traditional gender division of labour is bound to play a role in dictating the membership composition of a specific commodity group.

It would also be unhelpful to conclude from the fact that group office bearers are male-dominated indicates a failure on the part of GREAT or its implementing partners to meet their aspirations on gender equity. The PG is a democratic institution, and it would be undemocratic for any outside agency to attempt to dictate the result of elections. Compared to so many other institutions in Tajikistan, the general level of gender balance across the PGs is very encouraging, as is the role of women within the groups and within member households. Group members may well feel that they are better represented by a man as PG Head, as he represents the group in the Cluster and a man's voice would have a better chance of being listened to in such a male-dominated gathering.

It is more important that there was consensus within both male and female FGDs that the model has impacted equally on women and men, since they share equally in saying how the group is run, and in the apportionment of benefits.

It is too early to state whether the CC/PG model has impacted differently on poor and less poor farmers. The rules of this model direct it towards small farmers, but size of farm is not the only determinant of poverty in Tajikistan, as the country is heavily dependent on overseas remittances and it is possible for a small farmer to be relatively well-off.

Output 2 Agriculture EQ4 (Impact) Were there any unintended outcomes and impacts?

A few cases of unintended impacts were either reported to the evaluation team during its face-to-face interviews or uncovered during the primary data collection exercise it commissioned. These are listed below.

Output 2 Agriculture EQ4: Evidence

Farmers

The only significant instance of unintended outcomes or impacts emerging from interviews with farmers came from an FGD with a sunflower-based CC/PG in Sughd Region. Here the promotion of sunflower reportedly evoked the opposition of the local authority, which decreed that the group members should grow potato instead. The members resisted because sunflower is a much more profitable crop, and it was reported in the FGD that the local authority then retaliated by driving a tractor over the sunflower seedlings. This was certainly an unintended consequence of promoting a crop which GREAT and its implementing partner had established through their research to be the most profitable option for the group in question.

GREAT Implementing Partners

Increased production of high value crops has stimulated local production of equipment to support such production. Farmers in Sughd used to import beehives from Russia, but now these are being made in the vicinity of honey-based production groups.

Producer groups were initially identified by the implementing partners, but in some locations, people are beginning to take the initiative and form their own producer groups and are asking the Programme to help them.

In its previous work, an implementing partner used an approach similar to GREAT's PGs, but when they became an implementing partner and started using this in combination with the cluster approach they saw this as a means of achieving important scale economies and therefore extended this approach to other areas.

Output 2 Agriculture EQ4: Conclusion

There were both positive and negative unintended consequences of the agricultural component of the Programme, but in number they were very few.

Output 2 Agriculture EQ5 (Relevance and Effectiveness): How relevant was the support from the programme to partners?

Output 2 Agriculture EQ5: Evidence

The Programme's three main partners in agriculture are AKF/MSDSP, Oxfam and Sarob. All three were appreciative of Programme support, but all three noted that they themselves pre-date GREAT and that they had ongoing activities that lie within that Programme's mandate, which GREAT then supported, so that a high degree of synergy was possible.

Sarob

Sarob is in greater need of institutional support than the two INGOs, because it is a new organisation and an indigenous one. It is also trying to create an ambitious – even ground-breaking – model of a private sector, self-financing agricultural extension and development into a former command economy in an area traditionally dominated by a single strategic crop. GREAT's assistance was key to the institutional development and strengthening of Sarob. One such instance is the help that GREAT was able to provide to Sarob to establish itself as a cooperative once the appropriate legislation had been enacted. Sarob senior staff reported that the vision of the two is the same, that GREAT is contributing vital knowledge, its support is flexible, it is creating conditions for sustainability and there is a close degree of understanding and collaboration between GREAT staff on the one hand and Sarob's senior management and subject matter specialists on the other. Sarob had no criticism to offer of its relationship with GREAT.

In terms of additionality, virtually all Sarob's accomplishments can be ascribed to GREAT and to an earlier GIZ-implemented project, the Tajik Agricultural Finance Facility. The latter was instrumental in establishing Sarob and developing the original model. Through GIZ experience with this, GREAT was able to continue to develop the concept, by such actions as helping it to become established as a co-operative and to introduce new elements such as TAMS and IPM. GREAT helped Sarob to expand by its funding, which allowed Sarob to extend its geographical coverage (especially into upland areas), to provide mentoring in improved technologies (such as fruit tree pruning) to assist in the development of the database and to expand into commercial activities as an approach to ultimate self-sufficiency. Without GREAT assistance Sarob would most likely have been unable to expand beyond a pilot project. This information was provided to the evaluation team in its interview and other interactions with the Chairman of the Management Board and Director of Sarob.

Community Inclusiveness (CI) Implementing Partners

According to senior staff of the implementing partners, Oxfam and AKA/MSDSP, with respect to the development approach there are no substantive areas of dissimilarities between themselves and GREAT that make for tensions or conflicts of interest. Before the commencement of collaboration with GREAT, both had been working in agricultural development, but had already shifted towards a market-based approach. Since the start of the collaboration this evolved into the CC/PG value chain

model, involving the identification of commodities with comparative advantage, provision of technical services, marketing, extension and input supply for small farmers.

One INGO reported that the GREAT agricultural component team are open to different approaches, both are deeply involved and have the necessary technical expertise. GIZ organises workshops with all partners, where outstanding issues are discussed; stakeholders do not always agree completely on all matters, but the norm is to find a way around problems. For example, at one point there were some disagreements with GIZ regarding some design features of the collaboration. Resolution of these was time-consuming, but a compromise solution was reached in the end.

The other INGO, while appreciating GREAT's technical expertise and their role in the technical and market research required to identify suitable commodities for the clusters, felt that there was too much GREAT involvement in day-to-day programme implementation. This issue, however, is no longer a live one, and senior staff of the INGO concerned now feel that communications and interaction have improved to the point that there are no longer any outstanding implementation issues.

Both of GREAT's INGO partners in the CC/PG approach were established in rural Tajikistan before GREAT began operations, and many of their efforts were especially focussed on working with small farmers to improve their productivity through enhanced agronomic advice and input supply. The additionality that GREAT brought to the table was to assist them to marry this to the agricultural value chain and commodity cluster approaches, so that increased value added could be achieved through stronger market linkages. The evidence that this is attributable to GREAT is derived from discussions between the evaluation team and staff members of the INGOs at headquarters level, and in the field. GREAT funding also enabled the INGOs to expand their operations into new areas.

INGO-Sarob Interaction

It is obviously important that the two INGOs, which implement the CI component in different areas of the country, should share experiences and ensure that there is mutual learning, and there is, in fact, close interaction between the two INGOs through coordination meetings and workshops. For example, in early 2016 they held a joint workshop on village extension systems, during which the participants engaged in experience sharing and explored the strengths and weaknesses of their approaches.

There is also interaction between the two INGOs and Sarob. In particular, Sarob advisors provide services to PGs on a fee-paying basis in the same way that they support other clients, an arrangement with which both sides expressed satisfaction. However, as argued previously, there are possibly important lessons on marketing that Sarob, as a basically production-oriented advisory system, could learn from the INGOs. The latter's expertise in this area, combined with that of GREAT staff, is illustrated by the quality of market chain research they conducted during the groundwork they conducted for the establishment of CC/PG approach.

Output 2 Agriculture EQ5: Conclusion

In substantive terms, support from GREAT to its implementation partners has been both relevant and effective, and, although there have been a few disagreements in the past, these have now been settled, and there are no outstanding issues.

Output 2 Agriculture EQ6 (Sustainability): Will the changes achieved by the programme be sustained?

Output 2 Agriculture EQ6: Evidence

The CI component of GREAT and its implementing partners initially concentrated efforts on forming sub-committees under the MCs for agricultural activities such as pasture management and water user groups, but these have now been handed over to these committees for management. A key sustainability issue is therefore whether CBO activities continued to function after the handover.

As a means of assessing this, GREAT developed a *CBO effectiveness monitoring tool* that has been used by partner organisations for quarterly reporting on subsequent performance. Based on GREAT partner organisations' use of this DI; the following results were reported.

In terms of key markers:

- a) Seventy-three per cent of established MCs have created Village Development Plans, identifying the communities' priorities and needs;
- b) Seventy-five per cent of established MCs have established a Village Development Fund to support self-help activities and support poor families;
- c) Only 11 per cent of MCs have opened a bank account in which to deposit the Village Development Fund, in all other cases the funds were placed in the care of the MC finance officer;
- d) At least two self-help activities have been organised at the village level each year for village development purposes;
- e) Seventy per cent of MCs have created subcommittees such as Water User Associations, Animal Husbandry Associations, Parent Teacher Association, Culture and Art Subcommittees at the village level.

In terms of overall performance:

- a) Forty-seven per cent of established MCs are identified as 'strong', with a high level of understanding and excellent performance;
- b) Thirty-nine per cent are identified as 'medium' MCs with good level of understanding and performance;
- c) Fourteen per cent of established MCs are identified as 'poor', due to factors such as weak leadership, low interest in active participation in the development process and poor performance of activities.

An important caveat must be added at this point, namely that, given time and resource limitations, it was not possible for the evaluation team to verify the above figures.

Most of these indicators sound encouraging from a sustainability perspective, since almost half of MCs have achieved a strong level of performance (however that is defined) and that 70-75 per cent of MCs appear to be active in such key activities as producing Village Development Plans and establishing sub-committees. However, it must be added that nothing can be inferred from the above data as to how actively these institutional developments have been translated into action, and how effective any such actions have been in terms of improving the livelihoods of the community, especially of the poor. In addition, although these pointers are encouraging, it is too early to conclude that this progress is sustainable.

GREAT's current approach to inclusive livelihood improvement in poorer areas is centred on the CC/PG approach. As indicated earlier, this approach is still at a very early stage of development, and it is not therefore possible to form an informed judgement regarding its longer-term sustainability. This section will therefore concentrate on the older model implemented under Sarob.

Sarob Advisors

Table 21 below provides some key reported figures on the development of Sarob advisory services over the past four years.

Table 21. Reported Development of Sarob Advisory Services						
	2011	2012	2013	2014	2015	Change 2014-2015
Area under advisory services (ha)	17,315	34,200	68,290	37,636	39,907	+6.0%
Area under other services (ha) ^a	n/a	n/a	300	5,996	6,330	+5.6%
Contracted Clients	975	2,025	4,253	1,926	2,058	+6.8%
Area subsidised by Sarob (ha)	17,315	34,200	51,008	0	0	---
No. of TAGs/Individual advisors ^b	13	21	51	86	172	+100%

Source: GREAT Progress Report, 2015

Notes:

^a Fruit tree pruning, improved machinery services, quality seeds, beyond the ones advised

^b During this period the system of TAGs (groups of advisers) was phased out in favour of individual advisers, so that the numbers in different years are not directly comparable.

The rapid expansion in both area and number of clients up to 2013 shown in the above table creates a rather false picture in terms of performance. As noted earlier, in some cases advisors over-reported figures to maximize subsidy income, but even when this was not the case, it was too often achieved at the cost of reduced quality of service provision. Programme monitoring detected both these problems, and the associated numbers were scaled back to realistic levels in 2014. In addition, the phasing out of these direct subsidies was brought forward, so that none were paid from 2014 onwards. Despite this, the number of clients and advised hectares continued to grow from 2014 to 2015, suggesting that there is indeed a growing market for advisory services, for which farmers are willing to pay.

Subsidy withdrawal from 2014 meant that Output Indicator 2.2 in the logframe (The self-sustainability of TAGs is increased), with a 2015 target of TAG clients paying 100 per cent of TAG costs in both lowlands and uplands, was achieved two years ahead of target.⁶¹ However this target refers only to direct subsidies. Sarob advisors are also subsidised in the form of inputs and services provided by Sarob, which are heavily supported by subsidies from GREAT.

At the level of Sarob advisors, profitability is key to sustainability. During the KIIs with the advisors, they were therefore asked to assess their profitability situation in each year since they became advisors. The results are summarised in Table 22.

Situation	Year				4-year average
	2012	2013	2014	2015	
Significant loss	0	0	0	0	0
Small loss	0	0	0	1	0.25
Broke even	0	1	0	0	0.25
Small profit	6	4	4	5	4.75
Significant Profit	2	4	5	3	3.50
Not applicable*	1	0	0	0	----

Source: Calculated from the KII of Sarob advisors
*One of the advisors did not join Sarob until 2013

From a sustainability perspective, these figures are very encouraging. All but one advisor made a profit in each year, and more than a third of them made a significant profit over the period. Moreover, the one advisor who made a loss in 2015 did so because the weather conditions were bad that year as a result of which he waived his fees. The one advisor who broke even in 2013 did so for similar reasons.

The figures show no recognisable overall trends, but three advisors reported individual trends. One saw his profits fall from ‘significant’ in 2012 and 2013 to ‘small’ in the next two years, and attributed this to the withdrawal of subsidies in 2014. This is encouraging, because it suggests that, at least for some advisors, it is still possible to make a profit without subsidies. The fact that the number of advisors doubled between 2014 and 2015 indicates that the business is still attractive, even without direct subsidies. Moreover, the two advisors who reported that their profits had risen from ‘small’ to ‘significant’ over the period, said that this had happened because as their expertise increased they attracted more clients.

Again, on a scale of one to five,⁶² the advisors were asked how likely it was that they would continue in this work. Eight of the nine answered ‘very likely to continue’ and the ninth was ‘likely to continue’. This provides further evidence that, assuming these advisors to be representative, the Sarob model is sustainable insofar as the advisors can continue to operate with present levels of support.

⁶¹ In 2014 Sarob was reorganised and the TAG system, with groups comprising Field Agronomists who reported to a Senior Agronomist was discontinued. The new system is not hierarchical and all Sarob advisors are now members of the Cooperative

⁶² 1 = very unlikely to continue; 2 = unlikely to continue; 3 = could go either way; 4 = likely to continue and 5 = very likely to continue

Technical Advisory Machinery Groups (TAMS)

When KII respondents were asked if they thought the business was sound enough to survive in the future there was a 50-50 split between positive and negative answers. This split exactly corresponded with the team that conducted the interview, which could suggest the possibility of enumerator bias in the way that the question was put, even though all of them were meant to be asking the same set of questions in the same language. This, however, must remain speculative, as it is not possible to conduct a post-hoc verification at this point.

Table 23 looks at the expansion of the TAMS model since it was established. Clearly the trajectories in terms of both number of TAMS and number of members have been falling quite rapidly, and expansion stopped in 2014. The number of members per group has stayed fairly constant since the outset, so the falling trend in number of new groups does not appear to have been compensated for by expansion of existing groups.⁶³ According to Sarob, the reason for the drop-off in expansion is that no new business models were presented after 2014, although it is not clear why this is the case. This is not to say that the model is unsustainable insofar as existing TAMS are concerned, but, for the moment at least, expansion of this model has come to an end, and it would be difficult on the present evidence to argue that this particular component of the Sarob cooperative could be scaled up.

Year	Number of TAMS		Number of Members		Members per Group	
	New	Cumulative	New	Cumulative	New	Cumulative
2012	28	28	148	148	5.3	5.3
2013	26	54	156	304	6.0	5.6
2014	6	60	31	335	5.2	5.6
2015	0	60	0	335	0.0	5.6

Source: Calculated from Sarob database

Sarob Cooperative

Sarob advisors are indirectly subsidised through the services, such as training, which they receive from Sarob, as are the TAMS. The key issue here is whether Sarob cooperative itself can be sustained, and this is subject to debate.

All Sarob advisors are members of the cooperative and as such pay a flat fee of TJS 500 per annum. This, however, covers only about 15 per cent of Sarob's costs, and there is little prospect that the fee rate can be significantly increased, given that the membership fee is equivalent to an annual fee income from 12.5 to 25 ha, depending on the rate the advisors charge their clients. If all costs were to be covered by membership fees, the number of members would have to increase from the present level of 172 to about 1,150, and this is unlikely at least in the short to medium term. In any case, such an increase in membership numbers would impose additional costs in areas such as training, so that even more income would be required to cover Sarob's costs. In response to this challenge, Sarob decided to diversify the services it provides. Their market research indicated that there was demand among farmers for high quality inputs and equipment. Sarob therefore decided to test modern equipment, new varieties and other inputs, and supply successful innovations to their members at a reduced price. These inputs are channelled through the advisors, who receive a sales commission.

Table 24 shows (a) the total level of agreed contributions to the Sarob budget (columns 3 and 4) and b) the Sarob budget for the final year of GREAT (columns 5 and 6). These figures show that, on an annual basis, some measures have been eliminated, and others downscaled, but for the most expensive single item of expenditure, 'Support to diversification/ testing of equipment', the relative contribution of GREAT has increased, so that overall level of financial support from GREAT has remained constant in both absolute and relative terms over the three-year period, with GREAT contributing just under 80 per cent of Sarob costs.

Table 24. Contributions to Sarob Budget

⁶³ Unfortunately, no figures are available on possible changes in the area covered by existing TAMS over the period.

Outputs and Evaluation Questions: Output 2 - Agriculture

Measures	Absolute (EUR) and Proportionate Contributions to Sarob budget by Sarob and GREAT			
	Supplement to the Financing Agreement, 2015 (EUR)		Sarob Budget 2015-16 (EUR)	
	Sarob	GREAT	Sarob	GREAT
Training TAG development	113,400 (22.0 %)	401,850 (80.0 %)	80,000 (33.9%)	156,000 (66.1%)
Stipends for women field advisors (women field schools)	0 (0.0 %)	40,000 (100.0%)	0 (0.0 %)	0 (0.0 %)
Advisory services by TAGs (subcontracts)	0 (0.0 %)	311,300 (100.0%)	0 (0.0 %)	0 (0.0 %)
Support to diversification/ testing of equipment	280,000 (34.1 %)	540,000 (65.9 %)	30,000 (14.6%)	175,000 (85.4%)
Support to TAMS	0 (0.0 %)	150,000 (100.0%)	0 (0.0 %)	0 (0.0 %)
Improving internal communication	0 (0.0 %)	30,000 (100.0%)	0 (0.0 %)	0 (0.0 %)
Office Costs /Administration	104,500 (23.9 %)	332,500 (76.1 %)	60,000 (19.3%)	251,000 (80.4%)
BCI support	35,000 (15.3 %)	194,500 (84.7 %)	10,000 (14.3%)	60,000 (85.7%)
Total	532,900 (21.0%)	2,000,150 (79.0%)	180,000 (21.8%)	645,000 (78.2%)
Source: Computed from <i>Promotion of Technical Assistance Groups, diversification of agricultural production and support to self-help initiatives (Mechanization Services, TAGS, Tajikistan: Supplement to the Financing Agreement and the Special Service Agreement; GIZ, Eschborn, 2015</i> Note: The first two columns represent a multi-year planned budget, while the third and fourth represent a one-year revision.				

Output 2 Agriculture EQ6: Conclusion

In many ways, the answer to this question is complicated by the current downturn in the Tajik economy, which is affected by the reduced remittance income from Russia as a result of its economic downturn. The latter cannot currently be predicted with any degree of certainty.

Community Inclusiveness (CI)

GREAT's early work was on assisting the establishment of CBOs and helping strengthen these fledgling organisations to make them sustainable. The fact that around three quarters of them have created the Village Development Plans and Village Development Funds to continue this work and have established sub-committees at village level is encouraging. However, because it was not possible during the evaluation to assess the effectiveness of these instruments and institutions it is difficult for the team to reach firm conclusions about sustainability. One worrying statistic is that only 11 per cent of MCs have opened a bank account in which to deposit the Village Development Fund, while in all other cases the funds have remained in the care of the MC finance officer. Normally such ad hoc arrangements in such a vital area inevitably raise issues of concern as to the sustainability of these community initiatives, and questions would arise as to how secure the latter type of arrangement can be in terms of protecting the funds. However, given the current crisis in Tajikistan's financial sector and the generally low levels of trust in the banking sector, keeping the funds with the MC finance officer may make sense in many cases.

It is too early to comment on the sustainability of the CC/PG model, as it is still in its formative stages. However, delays in approving a successor programme to GREAT raises that possibility that support from the implementing partners is likely to be, at best, compromised at a critical stage in the development of this approach. This could obviously affect sustainability prospects significantly.

Sarob

Removal of the inflated figures on client numbers caused by the subsidy issue shows that between 2011 and 2015 the area serviced still grew from 17,315 to 39,907 hectares (130 per cent) indicating a strong and growing demand for advisory services. This is supported by the finding that the number of

clients grew over the same period from 975 to 2,058 (111 per cent), so that the number of hectares per client grew by 9.2 per cent. The advisory business is therefore growing and, according to the figures in Table 24, profitable, even without subsidies. This strongly suggests that the business is sustainable, but this will depend on whether Sarob can continue to provide its advisors with the present level of services without subsidies from programmes such as GREAT.

In the case of TAMS, the picture is very different, with a downward growth trajectory in terms of the establishment of new TAMS over the period 2012 to 2015 and a similar trajectory in terms of new members. Growth stopped completely in 2015. Regarding existing TAMS, the fact that in the KII survey among TAMS leaders it was indicated that half of them reported that the business was unsustainable casts some doubt on the sustainability of this model in its present form.

The crux of the issue is sustainability of Sarob itself, since the cooperative is still heavily reliant on subsidies from GREAT. Obviously if such a high level of subsidisation were to be required into the future, Sarob could not be sustained without continued donor support. However, Sarob's commercial activities have begun to generate significant income, in addition to which Sarob is now implementing activities on behalf of other agencies, such as FAO, provided these activities are compatible with its own mandate. This generates overhead receipts which contribute to meeting the cooperative's costs. According to the latest GREAT progress report, if the commercial department develops in future as projected, Sarob could be self-financing from 2017 onwards. Taking a rather less sanguine view, Sarob senior management informed the evaluation team that the organisation can become self-sustaining after a maximum of three years from now (i.e. by 2019 or 2020), financed through its commercial activities.

Even if the more conservative of these two timescales is accepted, the model under which Sarob presently operates could be described as sustainable, provided donor subsidies continue over the intervening period. However, sustainable is not the same as sustained, particularly in a situation of serious economic downturn, when fledgling enterprises are particularly vulnerable. A great deal would depend upon how long Sarob is willing to continue to cross-subsidize the work of its advisors, when their membership fees cover such a small fraction of costs. There are two issues here. The first is that, while the present board is willing to cross-subsidise in this manner, it is not impossible that a future board could decide that this is not a commercially viable or desirable option. The second issue is whether the income Sarob presently generates from its commercial activities will remain at present levels. If earnings are high enough to support such a high degree of cross-subsidisation, might this not attract competitors, and might not this competition drive down the margins that Sarob presently enjoys? If either or both scenarios materialise, sustainability may depend on Sarob either scaling back the level of support it presently provides to its members, or increasing membership fees to a level that more closely reflects the cost of service provision. This in turn would depend on clients being willing and able to pay higher fees – which in turn will depend on the profitability of the innovations the advisors introduce.

Finally, as in the case of the CC/PG model, delays in approving a successor programme to GREAT over a critical period in Sarob's development could seriously compromise sustainability prospects.

Output 2: Agriculture EQ7 (Coordination): How coordinated is GREAT, particularly with regard to similar development activities?

Output 2 Agriculture EQ7: Evidence

The DCCT is a formal mechanism to ensure that donor agencies do not overlap or replicate each other's work, and both DFID and GIZ are members. In addition, a number of donor representatives that have programmes in areas related to GREAT's spheres of interest (UNDP, USAID, World Bank, etc.) have, in the interests of donor and programme coordination, been accorded observer status on the GREAT Steering Committee. Although it was not possible for the evaluation team to meet with the Project Steering Committee as a whole, interviews with other donors on the Committee indicated that they are well aware of co-ordination issues and concerned to avoid overlap and unnecessary duplication.

The initial inspiration for GREAT's work in agricultural extension and development was what has become known as the 'Australian' model. In most of that country's states, agricultural extension policies and practices have increasingly come to be rooted in considerations of private/public goods. These changes have had major impacts, including more extension being delivered by the private sector⁶⁴. Sarob adapted this model to suit Tajik conditions. The major differences are that Sarob goes beyond extension advice (e.g. supporting TAMS and input supply), while the extension providers come from the not-for-profit (cooperative and NGO) sector. However, the basic principles of user pays and cost recovery have been maintained (albeit within a context of the subsidies paid by GREAT).

The greatest threat to this approach is the possibility of some other agency deciding to provide free extension services. Normally in developing countries, this means the public sector agricultural extension system. In developing countries, this typically is grossly under-resourced and ineffective, but in Tajikistan it hardly exists at all, so there is no basis for concern that it might undermine the efforts supported by GREAT. However, there is no tradition of cost recovery in-country: in Soviet times extension was part of the collective farm system, so that it was effectively free. Since Independence a number of donor-funded extension service projects have come and gone. These may not have been sustainable, but the combination of the Soviet and post-Soviet systems have created a sense of dependency, a mind-set that can be difficult to alter. Nevertheless, the level of success that GREAT's implementation partners have had in attracting clients indicates that if farmers find the service valuable they are still prepared to pay for it. The danger is that if another project is launched which provides free extension services, the dependency syndrome will re-emerge, creating resistance to the user pays and cost recovery principles.

An example of this exists at present in the shape of USAID's Feed the Future Program under which there is an Agriculture and Water Activity (AWA) component. AWA aims to improve food security and nutrition of children and women of childbearing age in western Khatlon Region. Almost all of its aims are also components of GREAT's Output 2, and Khatlon Region, where AWA operates, is one of the areas in which both Sarob and GREAT's Community Inclusiveness approach are also active. AWA's extension services are in some cases free, creating concerns about the reintroduction of dependency: even if the projects are not in the same villages or *Jamoats*, they do cover the same districts, and farmers do meet, especially at markets (which is where most farmer-to-farmer extension occurs), so that the projects cannot exist in a vacuum and the issue of reintroduction of dependency arises.

Against this, USAID argues that it provides free extension only to the poorest women, who are subsistence-oriented. These women, they argue, could not possibly meet the cost of extension. It might be added that a number of AWA's partners (Oxfam, AKF and Sarob) are also implementing partners of GREAT, so that as responsible institutions they can be expected to coordinate their activities under the two programmes.

A similar situation exists at Sarob, which has collaborated with FAO on two major projects, conservation agriculture and IPM. The former project has now terminated but Sarob continues to promote this approach because of the good results and high satisfaction rates it has generated among client farmers. A successful FAO-funded IPM programme (which is currently ongoing) is expected to have beneficial environmental and climate resilience effects. This situation is indicative of aid coordination in practice, because GREAT has been engaged in capacity building at Sarob, and now FAO has been making use of this capacity to pursue activities that are closely in line with those of GREAT.

Finally, it should be added that, not only are DFID, FAO, GIZ and USAID aware of each other's activities through the DCCT and the Steering Committee, but they are also required, through their agencies' commitments under the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra

⁶⁴ Marsh, Sally P. and David J. Pannell 2000. *Agricultural extension policy in Australia: the good, the bad and the misguided*; The Australian Journal of Agricultural and Resource Economics

Agenda for Action, to ensure that their interventions are not only mutually coordinated, but also in line with the policies of the host nation.

Output 2 Agriculture EQ7: Conclusion

The situation regarding donor co-ordination at the national level is encouraging, with respect to both the donors' commitments on aid effectiveness under the Paris Declaration and the Accra Agenda, and the formal co-ordination mechanisms that exist on the ground – the DCCT and the observer status enjoyed by key donors on GREAT's Steering Committee. Over the past years DFID and GIZ have discussed with USAID and WB on a regular basis the danger of undermining the fee-based advisory services promoted under GREAT. USAID and WB are aware and gradually adjusting their grant-based approach to a recovery based model.

Output 2 Agriculture EQ11 (DAC Criteria). Can A Scaled-Up Programme Deliver Wider Rural Economic Transformation, And What Are The Key Considerations For Programme Expansion?

Output 2 Agriculture EQ11: Evidence

Sustainability is the key requirement for scaling up. With respect to agriculture, the evaluation found that the work of Sarob advisors can be profitable. However, although direct subsidies to advisors have now been discontinued, the sustainability of their businesses is to an important extent dependent on the sustainability of Sarob itself. The cooperative is itself heavily subsidised by GREAT at the moment, albeit with plans to replace this over the next two to four years (depending on whose estimate one uses) by revenues generated from Sarob's commercial activities. Whether this is the case depends critically upon whether or not these activities can generate a rapidly growing income stream over the next few years.

In the case of the CC/PG model, this experiment has made a very good start in terms of planning, research, recruitment, training and organisation of producer groups. In the process a large measure of enthusiasm has been generated among the intended beneficiaries. However, the model was launched less than a year before the evaluation, and most beneficiaries have yet to complete a complete cycle of activities, so it is too early to evaluate sustainability prospects, and hence prospects for scaling up.

Output 2 Agriculture EQ11: Conclusion

The key consideration for expansion of Sarob is whether the assumptions regarding future income streams are correct. If they are, then judging by the positivity of Sarob's clients and advisors who were interviewed, the model is sustainable and therefore can be scaled up, at least in the better-endowed parts of the country. Much will depend on developments over the next three years or so, and scaling up could not be considered until Sarob's financial model has been empirically tested.

In the case of both Sarob and the CC/PG model, it is basically too early to say whether sustainability can be achieved. Obviously, no model should be scaled up unless there is clear evidence that it is sustainable.

Output 2: Increased Economic Activities in Rural Areas: Non-Agriculture

This part of the GREAT Programme is concerned with two main economic activities:

- a) Processing of Agricultural Outputs;
- b) The Production of Energy Efficient products.

Processing of Agricultural Outputs

Output 2 Non-Agriculture EQ1 (Relevance): Are the activities supported through GREAT the right ones given the Theory of Change and the Context of Tajikistan?

Output 2 Non-Agriculture EQ1: Evidence

Given GREAT’s TOC the inclusion of an agri-processing element is logical, and consistent with the requirement to support processing and packaging with some emphasis on fruit and vegetables (F&V). There is also a well-identified set of problems and potential development pathways to alleviate the problems confronting the further development of the sector e.g. storage and infrastructure issues, poor farmer-processor links, certification, and quality control.

The logframe for this intervention is summarised in the Table 25.

Table 25. Output Indicator 2.2 Baselines, Targets and Achievements for Food Processing Companies		
Baseline (12/2012)	Target (03/2016)	Achieved (03/2016)
11 processing companies receive intensive technical support	15 processing companies in that year, but 51 cases of assistance, may include more than one delivery of assistance for some clients	39 processing companies received technical support –across a variety of types of help e.g. technical, financial, and marketing.
Source: GREAT logframe (03/2016) and GIZ information		

The Programme’s approach focused on providing assistance directly to existing agri-processing businesses, and also to farmers. In this last regard, the assistance was primarily in the form of low cost and more efficient tools and methods for fruit drying. In the case of enterprises, the sector focus was on assisting F&V processors to become more effective through better financial management, marketing, ensuring food safety, the use of new technologies (e.g. for drying), packaging, techniques for processing, and canning fruit jams, sauces, etc. Apart from assistance to farmers, 39 enterprises in the processing sector were identified in GIZ data as receiving assistance.

Implementation was constrained in its scale and intensity by the fact that the price to processors of items from farmers in Tajikistan is high compared with those of other and neighbouring countries. The reason for such differentials is not clear. Whatever the cause, such a pricing environment will cause a lack of competitiveness of both farm output and any onward processing. That might be especially true for any attempts to export. An industry effect could be to reduce the size of a processing sector.

The delivery of assistance directly to F&V enterprises and to farmers will undoubtedly be of value to the processing industry, and there is evidence that this has occurred. In an environment of high raw product prices, a higher efficiency of production and superior marketing can, of course, be offsetting features. But, the assistance is offered to existing enterprises, which have managed to get into production despite hazards and constraints. The approach does not – except marginally – assist new enterprises to enter the market.

However, the focus on assisting existing enterprises identified and addressed specific problems and issues at an operational level that can offer deeper understanding to tackle core constraints on the expansion of the agri-processing sector in Tajikistan.

The provision of such a Business Development Services approach may, in principle, be undertaken by other programmes and organisations e.g. facilitated by EBRD’s similar facility, if expanded and focused. The approach in this sense does not possess a uniqueness.

Output 2 Non-Agriculture EQ1: Conclusion

The choice of direction of this part of the Programme has a clear relevance to the TOC in helping processing and packaging for F&V. The Programme (due to its scale and focus) cannot address directly other major identified constraints on the growth of agri-processing in Tajikistan. At the same time, we recognise that the approach has merit in enhancing the effectiveness of existing processors and helping some emerging enterprises into operation, while offering practical guidance on how some industry constraints might be alleviated e.g. in upgrading technology, or improving marketing.

Output 2 Non-Agriculture EQ2 (Effectiveness): How effective was the intervention in delivering its intended objectives?

Output 2 Non-Agriculture EQ2: Evidence

The evaluation team met directly with three processing companies that had received assistance through the Programme, including from Business Associations and others, see Box 1. The assistance in most instances was welcomed and acted upon to produce a good impact on the client business. We also undertook limited field surveys using structured questionnaires.

Box 1: Profiles of Companies Met Directly:

Enterprise 1: The company was founded in 2013 and employs 42 persons of whom 27 are female. It produces a range of F&V processed items including juices (e.g. tomato, cherry, apple, peach) and processed and packed (glass jars) items e.g. carrots, tomato, onion, pears. The raw materials are currently sourced throughout Tajikistan. The company sells across all the country.

The company received valuable assistance directly from GIZ, in supporting the partners to obtain technical training in processing from Germany and the availability of a consultant (from Kyrgyzstan) who visits regularly. This support emerged from initial contacts with the BA and onward referral at the pre-start-up phase when seeking business advice and support.

Enterprise 2: This enterprise is engaged with dried fruits business. It has 40 full time employees (75 per cent female). It processes over 700 tons of dried apricots, apples and prunes. Over 90 per cent of products are exported and the rest is sold in regional markets.

The company obtained assistance from the EBRD's Business Advisory Service Programme, especially on the processing of organic products. New standards for production which were introduced were reported as helpful. It plans to obtain an organic certificate, to renew the technique and technology and have a good storehouse. The company thinks that they would need training on proper fruits cleaning as well as getting financing for implementing new technologies of packaging.

Enterprise 3: The company pickles tomatoes, cucumbers, wild leek processing 160 tons of materials per year, which are obtained locally, but also from other regions of the county due to limitations in local supply. It sells across Tajikistan only. It employs 25 people 10 of whom are full-time and the remainder part-time, with 13 staff being female. The company cannot operate full-time due to a restricted storage capacity. It has no quality certification (e.g. ISO 9000) and no plans to obtain.

The company has agreements with farmers for purchase of most of its materials, but finds difficulties in paying them on time due to the cash flow pattern of the business. Sales are to wholesalers across the country. The company keeps in contact with buyers of its Output, and seeks to offer a competitive price. At the same time, it is aware that its competitiveness is not based on product uniqueness, as its product range is not differentiated from other suppliers. The company places emphasis on promoting its business to clients, but thinks that the market in Tajikistan is under-supplied with local food processed items, suggesting that the competitive environment is not very threatening currently.

The company has ambitions to expand its operation, but is finding access to investment capital difficult, considering the cost of capital (interest rates). It would prefer to add storage facilities to its current assets. It is conscious also of a regulatory and taxation environment that is a constraint on business operations.

While we received one complaint about an item of advice that appeared not to work for one client (this case was communicated to GIZ), that situation does not invalidate the overall conclusion that this part of the Programme has been successful. It is also believed to be capable of scaling-up in principle. This however depends on the availability of suitable clients, given the context of high product price, as discussed earlier.

Our limited surveys of processing companies, although not a representative sample, suggested the greater export potential of fruit-based products (dried apricots, apples, peaches) and a greater reliance on the domestic market for F&V items (e.g. pickled tomatoes, various juices). The latter may, of course, represent a form of import substitution.

It is evident that the future of food processing, and its potential for expansion, is closely tied to the agriculture-industry value chain. The major constraint of relatively high raw product prices, mentioned earlier, is not a matter that can be resolved directly by the processing industry. Moreover,

the industry is, naturally, also affected by the more general business environment of Tajikistan which continues to have negative features.

Yet, the processing companies which we contacted directly have shown a willingness to see improvements to their facilities and methods of operation. There is evidence of exporting potential for a part of the product range.

The examples of companies we have surveyed directly do not, of course, represent all GREAT’s work with processors. The Programme worked with 39 processors from 2011 until 2016 concerned with the production of, for example, conserves, dried fruits and marinated vegetables. The types of assistance delivered emphasised new technology, marketing, food safety, and financial management.

Table 26. Type of Assistance – Food Processing	
Type of Assistance delivered (1)	Number of cases
Marketing	16
Food safety	12
Financial management	11
New technology (e.g. cold storage)	15
Product development	4
Packaging	7
New drying techniques	2
Equipment	2
TOTAL	69

(1) Note: clients could obtain more than one type of assistance

The Programme’s actions within the selected focus for this output were effective. They assisted directly a significant number of companies in F&V to improve and expand their operations, demonstrating the scope for improvement and raising awareness that they can benefit from technical assistance. These valuable actions, as well as having direct impacts on the participating companies might be viewed as a demonstration of the potential of the industry to expand further if other conditions permit. The latter may range from secure raw products at a price and quality suitable for competitiveness in the internal market of Tajikistan and for export and the availability of focused technical expertise. Other requirements for success could include (for example) more contracting of the output of a defined area of land from farmers, with processors seeking a security of supply rather than to speculate on the market at time of harvests. Better access to finance for development, more quality certification, better export intelligence and support for exporting enterprises are further examples of potential action. However, we understand that the Programme was confronted with a situation of a shortage of suitable clients to take advantage of the assistance on offer.

Output 2 Non-Agriculture EQ2: Conclusion

The focus on helping existing processing companies to get started more effectively and to improve their operations was beneficial, deploying Business Development Services activities. Yet this activity (even at a reduced scale) might usefully have been combined with (or replaced by) tackling one of the major industry-wide constraints as identified earlier. In specific terms:

- a) The supported activities for agri-processing achieved an understanding of the dynamics of the industry currently in Tajikistan, especially in F&V, and assisted some start-up and operational enterprises, with positive results, indicating also certain conditions needed for wider industry success e.g. quality considerations;
- b) The Output, due to its specific focus, did not address the issue affecting alleged high prices for Tajikistan raw outputs, although it was stated as a key constraint in the development of the industry.

Output 2 Non-Agriculture EQ3 (Impact): Differences in impact by gender, poverty and location

Output 2 Non-Agriculture EQ3: Evidence

Food processing companies tend to employ females, often being the majority of staff. For example, in three typical enterprises cooperating with the Programme, (a) employs 42 persons of whom 64 per cent are female, while (b) has 40 employees of whom 75 per cent are female, and (c) has 13 employees, of whom 80% are female and an additional 12 seasonal employees (mostly women). The location of these enterprises tends also to be rural, close to farms, and accessible to much (but not always all) needed raw materials. The rural location may mean they employ people who would otherwise be unemployed or under-employed labour.

Output 2 Non-Agriculture EQ3: Conclusion

There is a tendency for female employment in the processing activities, although much would appear to be seasonal due to the production patterns of processors. Much of the employment is located in rural localities where jobs are relatively more scarce than in towns.

Output 2 Non-Agriculture EQ4 (Impact): Were there any unintended outcomes and impacts?

None identified.

Output 2 Non-Agriculture EQ5 (Relevance and Effectiveness): Relevance of support from programme partners

Output 2 Non-Agriculture EQ5: Evidence

External Partners have been essential to the implementation of the initiative. The small team managing this Output contracted a variety of specialist skills and experiences to match the diversity of needs of the client enterprises (see above variety of types of assistance provided). Any extension of this initiative will, of course, continue to rely heavily on external partners. Client companies should in future be expected to fully or substantially meet the costs of professional time involved in the provision of assistance as the pilot phase of help is now completed. Minor costs (e.g. local accommodation and travel) incurred during piloting allowed client processors to observe the value of external assistance to them.

Output 2 Non-Agriculture EQ5: Conclusion

Enhancing and expanding food processing is a multi-disciplinary activity. The clear implication remains that any further action on this matter will continue to need additional expertise / partners.

Output 2 Non-Agriculture EQ6 (Sustainability): Will the changes achieved by the programme be sustained?

Output 2 Non-Agriculture EQ6: Evidence

It is clear that there are current constraints on the further development of agri-processing in Tajikistan related to the range of concerns outlined earlier e.g. poor raw product supply arrangements, lack of quality certification which will constrain the sustainability of changes. The agriculturally-dependent economy will continue to seek added-value production based on its primary output, but the group of issues (problems of price competitiveness in target markets, a continuing need for upgrading technical production capabilities and marketing) will need resolution as a complex of linked problems. That is especially the case to the extent that expansion of the agri-processing sector seeks to achieve sustainability through exporting where some of the above concerns might reduce competitiveness.

Output 2 Non-Agriculture EQ6: Conclusion

The sustainability of changes depends both on the ability and motivation of processing enterprises to seek continued improvements, and external factors such as availability of markets and population purchasing power (a current crisis in the Russian market where most of the exports are destined, and where a remittance led economy suffering substantial contraction are negative influences now). Sustainability of change implies further external assistance to processing companies to take further the improvements noted under the Programme. The issue of an apparently high cost of raw produce is a common problem across the industry which will need external assistance to clarify and resolve. Any next phase of support will need to coordinate with other similar initiatives e.g. with the EU's

Economic Competitiveness of Tajik Agribusiness Project (ECTAP) to help sustain gains made under GREAT.

Output 2 Non-Agriculture EQ7 (Coordination): How coordinated is GREAT with similar development activities?

Output 2 Non-Agriculture EQ7: Evidence

This intervention cooperated with assessments of the needs and challenges of the agri-processing sector in Tajikistan e.g. ECTAP, the 2015 OECD assessment⁶⁵. This statement is based on evaluation team discussions with ECTAP management and the contents of the OECD report which expressly acknowledged cooperation with GREAT.

Output 2 Non-Agriculture EQ7: Conclusion

While, as indicated, this initiative performed well within the terms of its own parameters, it did not relate specifically to, for example, work on the business environment or business finance, and seems not to have challenged those outputs with the specific needs of the agri-processing sector. That can be explained by the focus on assisting individual processors rather than concentrating on industry-wide issues and development constraints as outlined above.

Output 2 Non-Agriculture EQ11 (DAC Criteria): Can a scaled-up programme deliver wider rural economic transformation and what are the key considerations for expansion?

Output 2 Non-Agriculture EQ11: Evidence

The Intervention can assist existing processing companies to become more successful. However, as this output appeared to be short of clients in relation to its resources, its ability to expand is limited in its present form.

Output 2 Non-Agriculture EQ11: Conclusion

The examination of the agri-processing dimension to the GREAT Programme identified current constraints on the realisation of the full potential of this important part of the Tajikistan economy. The Programme also identified and demonstrated approaches that have assisted F&V processors to become more effective both at the level of individual farms (e.g. fruit drying) and with processors through the acquisition of better technology and marketing. The Programme also highlighted a major constraint (of higher input costs) that will need to be tackled to help ensure future potential is best realised

⁶⁵OECD 2015 *Increasing Exports in Tajikistan: The case of Agribusiness: Policy Handbook*

Energy Efficient Products

Output 2 Energy Efficient Products EQ1 (Relevance): Are the activities supported through GREAT the right ones?

The logframe summary for the intervention is as follows.

Table 27 Output Indicator 2.2: Baselines, Targets and Achievements for, Energy Efficient Products plus Jewellery.		
Baseline (12/2012)	Target (03/2016)	Achieved (03/2016)
39 non-agricultural energy saving start-up businesses (0 headed by women)	184 non-agricultural businesses (10 per cent women)	156 non-agricultural businesses (18 per cent women) 10 craftspeople (all of them women) producing jewellery
Source: GREAT logframe 2016		

Output 2 Energy Efficient Products EQ1: Evidence

This Intervention is concerned with the production and sale of energy efficient products to households. These consisted originally (mostly) of wooden windows and doors and also energy efficient stoves. The product range currently is wider and includes more general insulation products.

Rural households frequently have limited access to electricity, while their appliances for heating and cooking at other times were highly inefficient stoves and non-insulated doors and windows. Consequently, households were burning fuel (often valuable and scarce locally-growing wood) with poor results in terms of cost and comfort. This situation became an issue of rural poverty. A new product range was proposed to alleviate that situation through (initially) offering households an effective and low cost method to reduce costs, or to achieve better warm comfort for the same cost. There were also environmental gains from a more efficient use of fuel.

Some years ago, (2008-10) a pilot project in GBAO managed by GIZ developed designs for doors, windows and stoves for both space heating and cooking. The project also worked with local craftspeople to initiate a new market for these items, helping household cost reductions, increasing their comfort and reducing the demand for locally-sourced wood for fuel. These product designs and the concept of helping craftspeople to manufacture and sell this range of items were introduced into GREAT as a means of assisting rural economic development.

The strategy of approach for this output was to expand the production and sale of these energy efficient products to households, creating a new market (initially) for insulated doors, windows and better stoves. This would be achieved by:

- a) Training a group of craftspeople to make the items concerned, fitted to the specific dimensions of a client's premises;
- b) Assistance in developing the market and achieving sustained sales;
- c) Arranging with partner MFIs for the availability of warm comfort consumer loans, to assist the on-going viability of the market, as well as loans to craftspeople.

Output 2 Energy Efficient Products EQ1: Conclusion

This Output described its objectives in terms of numbers of start-up enterprises / makers of energy efficient items. However, generating motivation for increasing energy efficiency in rural households was also a core purpose. This project and its strategy of approach built on a useful pilot project, thereby increasing its chances of early success in implementation. The activities are relevant to identified problems of energy availability, effectiveness in its use and the absence of warm comfort in rural households. In that regard, the outcomes were related strongly and directly to Programme outputs. The context for delivery of the output altered as an urban-base promotional approach stimulated an urban as well as a rural application of the product range that was central to the nature of the energy efficient purpose of the output. We conclude that the activities are appropriate to its purpose.

Output 2 Energy Efficient Products EQ2 (Effectiveness): How Effective were the Interventions in Delivering their Intended Objectives?

Output 2 Energy Efficient Products EQ2: Evidence

GREAT worked with the following implementing partners CESVI from Italy, Agency for Technical Cooperation and Development (ACTED) from France, GERES and Welthungerhilfe on Output 2 Non-Agriculture. They all had similar roles and tasks: training craftspeople to manufacture the insulated items as described above. The initiative involved accessing raw materials (mostly wood), mainly from Russia. The original designs evolved with the experience of implementation and consumer tastes; expanding the product range. The variety of customers also diversified to include more general insulation of houses and other buildings.

Facilitating contacts between MFIs and craftspeople was not always successful. Individuals make their own arrangements and the implementing partner does not act as a facilitator. In any event the MFIs have been making warm comfort loans available. The latter were initiated by the Programme and achieve a beneficial linkage between the development of energy efficient products and the support of MFIs.

A survey of 10 energy efficiency craftspeople /enterprises (80 per cent male and 70 per cent aged over 35) indicated an overall satisfaction with their participation in the Programme. The following main outcomes from this small and indicative survey are noted:

- a) Sixty per cent of respondents received assistance from donors, 90 per cent of these were satisfied with the assistance received;
- b) Respondents expressed interest in further small business training as well as requesting some special foreign equipment for their operation;
- c) Sales of energy efficient products specifically expanded significantly from 2013 to 2015; Between 2014 and 2015 data from the 4 implementing partners indicated a rise of 68 per cent in the number of items sold (mostly window and doors) and a rise in sales of 79 per cent;
- d) Ninety-five per cent of products were sold to local households and the rest to industrial/commercial organisations. The total sales value data is unclear, although Respondents reported USD 34,000 equivalent, this may refer to all sales by the enterprises and not just for energy efficient products. 50 per cent of respondents reported no change in sales increase; 40 per cent reported a decrease in sales compared with the same period in 2015. Only one respondent reported an increase in sales.

The energy efficiency initiative has helped to create new enterprises, and to expand and diversify others. GIZ reporting for the period to mid-2015 indicated that the Programme had supported over 100 crafts enterprises, and that 2,500 households had purchased the items with a sales value then of about \$US 700,000.

Table 28 presents data on the quantity of items sold from 2013 to 2016.

Table 28. Quantity of Items Sold – Energy Efficiency	
Product	Number sold 2013-16
Windows	4,908
Doors	3,225
Other (e.g. stoves, general insulation products)	4,919
TOTAL	13,052
Note: Compiled by GREAT from returns from energy efficiency installers/ rafts firms, and made available by German Agro Action.	

The Programme has closed this energy efficient project, as the initiative is now self-sustaining and evolving. Detailed records were kept of the enterprises involved in the production and sale of energy efficient products (often produced as part of a wider product range by craftspeople). The results show a large group of small enterprises engaged in this range of energy efficient products as an integral part of their core business.

Output 2 EQ2 Energy Efficient Products: Conclusion

This Output has been a success. It has brought the benefits of the new product range to many rural households, and at the same time inspired the expansion or formation of self-sustainable small enterprises, on the basis of commercial funding. Additionally, the client base has evolved into urban areas, while the product range has also become more diversified to include more general insulating solutions.

Output 2 Energy Efficient Products EQ3 (Impact): Differences in impact by gender, poverty and location

Output 2 Energy Efficient Products: EQ3: Evidence

Crafts enterprises are predominantly male in patterns of employment (in 10 craft enterprises surveyed, 80% of employees were male). There is an impact on consumers through a potential decrease in expenditure on fuel, and / or an increase in benefit, in either case benefiting poor households. The initial targeting of the initiative on rural households indicates a probable first phase effect, however the initiative, which is inherently self-sustaining after start-up assistance, is now becoming more inclusive of urban residents.

Output 2 Energy Efficient Products EQ3: Conclusion

The initiative is becoming less rural in its focus as its market embraces urban as well as rural localities. In terms of direct employment there is no evidence suggesting a shift towards a larger female participation.

Output 2 Energy Efficient Products EQ4 (Impact): Were there any unintended outcomes and impacts?

Output 2 Energy Efficient Products EQ4: Evidence

The initiative has expanded from an initial focus on a limited product range emphasising doors and windows to a wider concern with overall insulation, through the demonstration of possibilities in a practical setting. This unintended outcome extended the advantages of the insulated products to urban as well as rural households, with environmental side effects also a benefit. Taking the example of insulated windows, sales from 2014 to 2015 increased by 68 per cent in volume, and 79 per cent in value. The Initiative stopped support in 2015/16 although the product range continues to be manufactured and sold.

Output 2 Energy Efficient Products EQ4: Conclusion

The extension of the initiative into urban areas occurred quite quickly due to commercial promotion and GIZ piloting in 2014 – itself reacting to new demand as urban clients became aware of the product range, due to promotional and sales showrooms located in towns. This promotion helped to widen the original (rural) focus of the energy efficient products, and was seen in a sharp increase in volume and value of sales of windows and doors.

Output 2 Energy Efficient Products EQ5 (Relevance and Effectiveness): Relevance of support from the programme to partners

Output 2 Energy Efficient Products EQ5: Evidence

Implementing partners have been central to the success of the initiative. It has been implemented on a devolved basis where partners operate on a contract basis with GIZ to ensure the success of the Programme strategy, to train craftspeople, open retail premises and showrooms, monitor performance and product evolution. There were four partners – ACTED, CESVI, GERES, and Welthungerhilfe. GIZ reports that GREAT (through its implementing partners) supported over 100 enterprises producing the energy efficient product range⁶⁶.

Sales of products by clients of implementing partners are indicated below (figures are for numbers of items) for the years 2014 -16.

⁶⁶ GREAT 2016. GIZ: *Framework and Finance for Private Sector Development in Tajikistan, (PN: 10.2106.2) Results of Programme Activities - Narrative Report*

Table 29: Sales of Energy Efficient Products by Client			
Implementing Partner	No. Windows	No. Doors	Other (more general insulation)
ACTED	1,980	1,728	612
CESVI	549	178	1,619
GERES	1,149	300	430
Welthungerhilfe	1,035	976	2,358
GIZ (pilot)	95	43	0
Total	4,808	3,225	5,019

Support from GREAT to implementing partners consisted first of the designs of the product range, which had been piloted in GBAO in an earlier project. Second, GREAT set up a promotional programme and facilities for sales (advertising, brochures) located in town centres to gain best exposure to potential customers. This was an effective complement to the production focus of implementing partners and of makers / suppliers of the final (customised) product range.

Output 2 Energy Efficient Products EQ5: Conclusion

The implementing partners have kept detailed records of the extent of sales through maintaining contact with specific craft enterprises/carpenters, who were recipients of support from the Programme. At least some implementing will now cease functioning in this regard and view the intervention as completed (e.g., Welthungerhilfe has closed its Khujand office).

The above total of 13,052 items sold by craft enterprises during the 2014-16 period indicates the formation of a significant new market for the items involved through the facilitating actions of Implementing Partners.

The manufacture and sale of the energy efficiency product range continues through the operation of craft enterprises. The product range also continues to evolve and thereby replicates the experience of the output in its discovery that implementation stimulated an awareness of the advantages and opportunities for better insulation beyond rural households). In this regard the output had an unexpected multiplier effect.

Output 2 Energy Efficient Products EQ6 (Sustainability): Will the changes achieved by the programme be sustained?

Output 2 Energy Efficient Products EQ6: Evidence

The initiative is commercially based, with craftspeople and MFIs obtaining commercial returns from a profitable venture that is operating in a market newly aware of the potential and benefits of better insulation. Information from individual craft enterprises shows their sales of energy efficient products accelerated sharply in 2014 (up by 4.3 times as new products brought to market) and with further gains in 2015, allied to more product diversification. Some of their other production could have decreased, (ACTED draft figures made available by German Agro Action).

Sustainability is assisted also by a widening of the market into urban areas (as indicated) for both households and commercial / industrial clients. Alongside this expansion of the client base, there has been an extension of the product range into more general insulation solutions. There is no merit in seeking a scaling up of this Output.

Output 2 Energy Efficient Products EQ6: Conclusion

There is a high probability that the initiative is already self-sufficient – and might draw new suppliers into an evolving market.

Output 2 Energy Efficient Products EQ7 (Coordination): How coordinated with similar development activities?

We are not aware of similar developments in the country. Discussions with ACTED and German Agro Action indicated that the energy efficiency product range appeared unique during the period of Programme activity. It is, of course, increasingly likely that more awareness of market opportunities for insulated products will attract new suppliers.

Output 2 Energy Efficient Products EQ11 (DAC Criteria): Can a scaled-up programme deliver wider rural economic transformation and what are the key considerations for programme expansion?

Output 2 Energy Efficient Products EQ11: Conclusion

This element of GREAT has delivered a potentially self-sustaining, commercially viable solution to the sale and manufacture of a range of insulation products to both rural and urban households – and also to commercial and industrial customers.

Output 3: Improved Access to New and Existing Financial Products in Rural Areas

Output 3 Financial Products EQ1 (Relevance): Are the activities supported through GREAT the right ones?

Output 3 EQ1: Evidence

Output 3 was designed to support MFIs, banks and their umbrella organisations offer demand-driven financial services, especially for SMEs and agricultural producers, and consider the specific needs of female borrowers and environmentally oriented credit products. Its technical assistance approach:

- a) Offered pre-designed innovative financial product to selected partner MFIs as an easy-to-use method of accessing new and specified business clients and opportunities. These loan products were linked directly to specific elements of GREAT e.g. agri-credits; warm comfort, start-up loans;
- b) Raising financial literacy among users and clients of finance providers;
- c) Assisting country-wide microfinance development, mainly by assisting AMFOT to become self-sufficient, and support Bovari va Hamkori, a credit wholesale organisation that provides loan capital to individual MFIs, on-lending funds from donors (including DFID, GIZ);
- d) Promoting the adoption of Responsible Financial Principles by MFIs through training – an objective shared by other influencers on the MFI sector.

The deployment by GREAT of technical assistance to influence the microfinance sector (as opposed to providing loan capital) required the Programme to offer unique benefits of loan product design linked to new market opportunities. The opening of new initiatives such as “warm comfort”, and agro-credit, allowed a beneficial link between the Programme’s outputs and new business opportunities of interest to MFIs. A targeting of a selected number of MFIs – rather than an industry-wide approach – also allowed focus and a more effective partnership approach to evolve. This approach was assisted by the still somewhat embryonic state of the MFI industry at the start of GREAT. It allowed the Programme to influence the loans offered by MFIs and to ensure they were appropriate to the needs of the Programme. It was a good approach.

The approach also had its limits. It could only affect part of the MFI industry directly, and as MFIs became more capable and stronger the influence could decline. It was important also to recognise that GREAT was one of a number of influencers on the microfinance industry as a whole, and that GREAT’s objectives and capabilities could only affect parts of the industry. Assisting AMFOT was one way of transmitting GREAT ideas more widely across the MFI sector.

The availability of microfinance to businesses operating in Tajikistan has been and remains an essential ingredient of the move towards a fully functioning market economy. The private sector is growing in significance, e.g. from 43.1 per cent of employment in 2000 (accounting for 752,000 jobs) to 63.9 per cent (or 1,487,000 jobs) in 2014. This marked trend shows no sign of reversing. Indeed, the forces of change affecting the country are likely to result in its continuation as indicated in the National Development Strategy for Tajikistan to 2015⁶⁷ (published in 2007) which sought:

Development of the private sector and attraction of investments, based on the expansion of economic freedoms, strengthening property rights and the rule of law, and development of public-private partnerships

The strategy also stated that the GOT would:

provide state support for small- and medium-sized business. These will include information support, training and development of the micro-financial services market to promote private entrepreneurship, particularly among rural women

However, over the last year at least the economy has been facing new problems that affect the environment for MFI activity. In the last year, there has been a reduction in the volume of microcredit

⁶⁷ Republic of Tajikistan 2007. *National Development Strategy of the Republic of Tajikistan to 2015*

extended: from 2014 to 2015 it reduced by 2.7 per cent overall and by 13 per cent for industry). The situation for 2016 is not clear although the IMF report on Tajikistan's financial sector suggests that there have been further reductions, consistent with continued economic contraction. Therefore, there remain difficulties in sustaining viability in the sector, which heightens the importance of a stronger MFI sector.

Supporting AMFOT is also highly relevant as it is the only umbrella representative organisation for MFIs, and therefore occupies a unique and significant role in support of the microfinance industry. By March 2016 AMFOT reported that it had 87 members, of which 84 were loan-giving organisations. It undertakes an active programme of training, conferences, and information support including a newsletter, for a developing industry.

The role of GREAT in AMFOT's evolution has occurred in the most recent phase of a longer period of its development. Direct contact with AMFOT indicated that the recent TA support from GREAT had helped to advance the organisation further along the path of its development.

Output 3 EQ1: Conclusion

The provision of effective microfinance support fits with government policy and the real needs of business development and the MFI sector in Tajikistan. The GREAT approach is realistic in its emphasis on the deployment of significant technical assistance, and logical and coherent in its assessment of the needs of rural producers and consumers, while ensuring synergy between different components of GREAT – agriculture, agri-processing, energy efficient products and local and cross-border business development.

The GREAT Programme (unlike other complementary initiatives) does not have the capability to offer additional loan capital to MFIs as a means of influencing their strategies and operations, although this approach also has merit.

Output 3 Financial Products EQ2 (Effectiveness): How effective were interventions in delivering their intended objectives?

Output 3 EQ2: Evidence

Indicators and achievements for Output 3 are presented in Table 30 below.

Table 30. Summary of Microfinance Logframe Key Objectives		
Output Indicator	Planned (at 2012) for 2016 delivery	Achieved by 2015 (GIZ reporting)
MFI innovative financial products rolled out to partner MFIs	2,500 businesses use innovative financial products (30 per cent owned by women)	12/2015: 3 products (Warm Comfort, Agro Credit Line) rolled out to 3,003 clients (36.9 per cent women) with total amount of 15,137,701 TJS.
Increased number of start-up loans disbursed	3,500 start-up loans disbursed, 40 per cent for women heads of enterprises.	02/2016: 2,678 start-up loans disbursed with an amount of 22,776,547 TJS; 40.3 per cent to women
Increased number of individual entrepreneurs and SMEs with access to finance	Active borrowers with outstanding loans increase by 35 per cent (60,000 loans) and 35 per cent are women.	35,074 new clients attributed to the programme with a loan amount of 683,024,939 TJS, out of this 37.9 per cent was given to women.
Increased number of individual savings accounts	80 per cent increase in number of individual savings accounts in 8 partner MFIs from 173,666	12/15: 927,243 individual saving accounts (+217.9 per cent compared to first baseline)
AMFOT is self-sufficient (1)	From 70 per cent self-sufficiency in 2012 to 100 per cent	100 per cent self-sufficient by 2015.
Responsible financial principles applied widely.	50 per cent of financial institutions apply the principles by 2016, and 15 per cent conduct training on financial literacy.	139 financial institutions (100 per cent) apply principles of Responsible Finance. 14 per cent (12 financial institutions) conduct training on Financial Literacy.

(1) Association of Microfinance Organisations, Tajikistan

(2) Sources of information: AMFOT for items 2,3,5,6. Project for item 1. Deposit Insurance Company and Tajikistan National Bank for 4.

The roll-out of innovative financial products indicates a level of success in terms of the numbers of credits deployed by partner organisations. However, it is unclear whether the loan products are especially innovative, although they are convenient for partners to use. From surveys / interviews with MFIs, who are not part of the Programme, we know that they are deploying similar credits. At the same time, MFIs do have internal capacity for designing innovative loan products.

With respect to effectiveness specifically, the innovative products were helpful to the implementation of GREAT in that they brought to the attention of selected MFIs business opportunities associated with elements of the GREAT Programme. The Programme's design of financial products should have made it easier for GREAT clients in agriculture, business or in purchasing insulated products to obtain access to finance. Enhancing financial literacy and encouraging responsible financial principles to be applied by MFIs were added actions that strengthened the ability of GREAT clients to get loans from MFIs by increasing mutual trust between financial providers and their clients.

GREAT has been effective in increasing the availability of credit resources. The total number of microfinance borrowers in Tajikistan at the end of 2015 was 307,877⁶⁸ which provides perspective on the scale of GREAT's impact – 5,633 loans - in relation to the economy as whole.

Key points arising from interviews demonstrate GREAT's contribution to microfinance availability:

- a) The availability of designed microfinance loan products outside of the Programme's partner MFIs was known in general and attracted some use, but did not appear significantly different from the design of other loan products being used by non-Partner MFIs (e.g. for start-up support);
- b) Financial literacy training and responsible lending are important features of the industry, with calls for more on financial literacy. GREAT efforts are a useful contribution to a multi-organisational effort on these matters.

⁶⁸ National Bank of Tajikistan 2016 Statistical Bulletin to 2015.

GREAT's support of the MFI umbrella organisation AMFOT built upon previous support of the organisation by German Technical Cooperation, a predecessor of GIZ, and its development as an important representative organisation was strengthened by GREAT. It supported AMFOT to communicate better on issues of common concern, and to encourage the microfinance industry to adopt new approaches to improve awareness of business opportunities.

Output 3 EQ2: Conclusion

Output achieved success in meeting its objectives, but that overall opinion is composed of variations between individual elements.

- a) Support of AMFOT was of much significance for its development, and thus also for the cohesion and overall promotion of the microfinance industry in Tajikistan. AMFOT remains a work in progress with a need for strengthening, which will be essential if major MFIs are to become and remain as members. However, the logframe target of 100 per cent self-sufficiency for the organisation has been achieved.
- b) Alignment with selected MFIs to encourage them to offer specific types of loan products to clients of value to Programme objectives was a useful initiative that accelerated a focused attention of MFIs on these new business opportunities within GREAT, but it was of limited impact more widely.
- c) The promotion of financial literacy and responsible lending was a useful initiative that added to a wider effort being undertaken by several other donors / actors. GREAT may claim a shared success in this part of the programme.
- d) Some assistance and encouragement to local groups to consider other models for providing microfinance (especially credit unions) was helpful but limited in scale and effort.

Output 3 Financial Products EQ3 (Impact): Differences in impact by gender, poverty and location

Output 3 EQ3: Evidence

The indication from surveys was that the activities of MFIs are gender neutral. The attitude of gender neutrality in rural business and entrepreneurship is assisted by many examples of successful women in business. Several of the main MFIs are headed by women e.g. Arvand, Humo. The answers to the question of gender participation in the industry, including interviews with key figures in the industry is further confirmed by surveys, presenting a consistent response from both male and female participants.

Survey results in Table 31 indicate that women comprise 46 per cent of MFI clients, across all age groups, but with an emphasis upon more mature females as clients. This is consistent with FGD and field discussions and indicates an absence of serious obstacles to women's access to business as entrepreneurs.

Age of Respondents	Per Cent
Under 35 yrs.	19
35-49	48
50+	33
Gender Balance	
Male	54
Female	46

Note: total sample size of 137 respondents

Output 3 EQ3: Conclusion

This equality of attitude and action will be assisted further if, in future, responsible financial principles include explicit gender neutral content in providing guidance to MFIs on best practice in the evaluation of loan applications.

Output 3 Financial Products EQ4 (Impact): Were there any unintended outcomes and impacts?

None identified.

Output 3 Financial Products EQ5 (Relevance and Effectiveness): Relevance of support from the programme to partners

Output 3 EQ5: Evidence

Table 32 presents data from the origin and value of sales of MFI clients by geographical market area, which demonstrates that most credit was used to support locally focused enterprises. Very little was used for national or export trade, which reflected a client base dominated by small rural enterprises.

Table 32 Summary of Sales by Market Area					
Indicator of origin of sales	Market Locations				TOTAL
	Local area (10km distance)	Within region e.g. Khatlon	Rest of Tajikistan	Outside Tajikistan	
Per cent of Value of Sales	70.0	20.4	8.5	1.1	100.0
Number of companies involved in sales (1)	99	37	21	4	100
Value of Sales TJS	6,515,215	1,902,443	792,995	96,787	9,307,450
Value of Sales \$US (2)	827,855	241,734	100,762	12,300	1,182,265

(1) Companies can sell in more than one area

(2) Exchange rate TJS 7.87per US\$

The relationship of GREAT with eight partner MFIs was based upon the achievement of practical business benefits in the form of profitable lending by MFIs. GREAT sought the availability of development finance for specified purposes and types of client. Mutual business benefits were key. Most partnerships were strictly of a business nature. Several MFIs (e.g. Humo) indicated that they knew little of GREAT, but could participate in the use of innovative lending products as a way of becoming more successful in business terms.

The development of AMFOT was of a different character, and more direct interaction was required, where AMFOT was the willing recipient of focused technical assistance that changed its organisational profile and modified its orientation.

Output 3 EQ5: Conclusion

Programme support to partners was relevant and effective: it combined strengthening the development of AMFOT along with encouraging and facilitating MFIs to deliver substantive results in the form of loans to rural enterprises, many linked directly to other GREAT Outputs.

Output 3 Financial Products EQ6 (Sustainability): Will the changes achieved by the programme be sustained?

Output 3 EQ6: Evidence

The sustainability of changes in the operations of the MFI sector in Tajikistan, which were brought about by GREAT, affect microfinance providers, their clients and their representation. The Programme affected providers directly through the design of loan products and the encouragement of using responsible lending. The innovative loan products proposed by GREAT were related directly to the needs of Programme components (e.g. agro-credit line, warm comfort loans). These loans were convenient for participating MFIs to access a specific market opportunity. They had a transitory impact only upon those MFIs using them. Our reporting (see Output 3 EQ1 Evidence) indicates that MFI providers can and do design loan products internally.

The Programme's contribution to the industry's promotion of responsible lending principles was undertaken along with several other programmes, but especially EBRD. That change should be sustained by client requirements and competition, along with GOT and EBRD monitoring. The Programme may have contributed to building support for an expansion of credit unions through awareness raising among business associations. The programme contributed to a multi-agency effort to raise levels of financial awareness among MFI clients, with likely sustainable impacts through this form of capacity building.

In the case of AMFOT, the Programme helped to strengthen a representative organisation for MFIs acting as an advocate for the industry. Its strategy and capabilities have improved through Programme

assistance. But it needs to further strengthen its current capacities to connect more effectively with policy makers, regain credibility with significant former members and to retain and motivate existing members.

Output 3 EQ6: Conclusion

The intervention is based upon all parties achieving viable business outcomes. Relationships between MFIs and new clients may have some sustainability, while the supported activities (e.g. retailers selling energy efficient products) may still use consumer loans. AMFOT has the potential to operate as an independently sustainable organisation with further capacity improvements.

Output 3 Financial Products EQ7 (Coordination): How coordinated with similar development activities?

Output 3 EQ7: Evidence

There have existed opportunities for coordination with related programmes to assist the development of the microfinance sector in Tajikistan. Due to its role EBRD has an especially important influence on the sector, and it attracts other donors who support the microfinance sector using EBRD as a form of expert delivery agent and partner. We have not seen evidence of GREAT and EBRD having a formal working partnership. Importantly, their activities are compatible, even if EBRD has a relative focus on support of the larger MFIs. Others, such as USAID have their own programmes. In principle, the DCCT provides a forum to clarify actions and potentially could facilitate cooperation and coordination.

Output 3 EQ7: Conclusion

There are a variety of national and international agencies working within the microfinance sector, and there is in any case much scope for the delivery and acceptance of varied types of assistance. Targeted lending interventions, by different supporters for example, appear to largely operate in parallel with little need for formal coordination, while in some areas such as financial literacy training, or responsible financial principles, GREAT operates as one of several influencers. We have not encountered conflict but at the same time have not been aware of efforts to pursue active collaboration, for example on promoting responsible financial principles, or examining as a matter of wider strategy the scope and need for (say) expanding the role of credit unions, or looking for ways to diversify the types of financial product available to rural enterprises.

Output 3 Financial Products EQ11 (DAC Criteria): Can a scaled-up programme deliver wider rural economic transformation, and what are the key considerations for programme expansion?

Output 3 EQ11: Evidence

There are several elements of this part of the GREAT Programme that have contributed usefully to the objectives for rural economic development, but which do not need scaling up. Examples include promoting responsible financial principles, which seem to have been adopted by MFIs on a reasonably comprehensive basis, reflecting the work of the Programme along with other actors. Financial literacy training is recognised as important by the industry as a means of securing better clients and fewer defaults. There is a case for the financial industry itself to now lead on this matter.

The Programme developed innovative loan products and linked these to emerging market opportunities for MFIs e.g. in financing energy efficient product sales. These were useful initiatives, developed from a situation where only technical assistance was available. This approach highlighted and facilitated access to a specific but limited product-market for MFIs. However, that approach might now be less effective, due to the increasing maturity and commercial competence of MFIs, who are increasingly capable of identifying and responding to market opportunities for microcredits. We have found from our contacts with MFIs (not only the big 5) that they are capable of identifying market opportunities and adapting or designing suitable loan packages without external assistance – that is a view expressed by MFIs themselves. That view is endorsed by the IMF in its recent report⁶⁹ (and referred to in the Financial System Stability Assessment for Tajikistan) where they state that MFIs also outperform banks on the number of loans, portfolio quality, and profitability.

⁶⁹ IMF 2016. *Republic of Tajikistan: Financial System Stability Assessment*

There are, however, important opportunities to enhance rural development that could be assisted through additional assistance. We highlight three (and expand on these ideas in the Recommendations section of this report). They are:

- a) The further strengthening of AMFOT;
- b) The expansion of the number of credit unions to encourage more savings to take place (even among low income households) along with greater access to micro lending on terms that make credit increasingly accessible to emerging and existing micro enterprises;
- c) To seek ways of expanding the range of types of financial products available to rural enterprises.

Output 3 EQ11: Conclusion

The majority of the Output's activities offer little or no scope for scaling up. There is potential for the expansion of new (or little developed to date) actions as mentioned above e.g. in relation to AMFOT and credit unions. Currently, however, there remain few types of financial institutions and financial products available to rural enterprises (including farmers) potentially acting as a brake on development.

Output 4: Enhanced Revenues from Cross-Border and Transport Corridor Economic Activity

Output 4 Cross-Border Trade EQ1 (Relevance): Are the activities supported through GREAT the right ones given the Theory of Change and the context of Tajikistan?

Output 4 EQ1: Evidence

GREAT's activities on Output 4 seek the encouragement and facilitation of cross-border trade between Tajikistan and two of its neighbours, Afghanistan and Kyrgyzstan, and with emerging opportunities with China via GBAO. It is based on the proposition that there is potential for mutual economic and social benefit, especially if there is sufficient differentiation of product-market activities across borders.

The Cross-Border Trade Initiative that makes up Output 4 is a major effort to help translate existing trade agreements into tangible form. A persistent macroeconomic problem is a serious negative trade gap: in 2014 the value of the trade gap was \$4.3 billion (42.6 per cent of GDP⁷⁰). The drive to increase cross-border trade has an obvious direct relevance to rural development, especially as trading points on borders between Tajikistan and its partner countries would be located outside major cities. Increases in cross-border trading would assist the expansion of a variety of local businesses and help to stimulate the creation of others.

Output 4 involved the creation of infrastructure to allow the Cross-Border Trade Initiative to operate successfully. This consists of (a) physical facilities (actual markets) and organisational initiatives to assist traders make effective contact with each other (matchmaking); (b) a wider awareness raising of business opportunity across the borders among entrepreneurs, and (c) a suitable official and political facilitating context to provide legal and administrative certainty to those engaged in trade.

To achieve the above conditions for success and create the ability to deliver rural development benefits, the Programme established a support and facilitating infrastructure whose main features consist of:

Political / administrative structures that facilitate practical operations:

- a) An IWG on cross-border trade and economic relations connecting relevant ministries and government agencies, providing overall legitimacy for the initiative and a coordinating function, led by Ministry of Economic Development and Trade. The Programme assists the IWG by providing organisational and technical support;
- b) Cross-border, Bilateral Commissions (6) consisting of oblast /regional level officials to promote and facilitate practical collaboration to help ease of trading e.g. achieve the ability to trade foodstuffs across borders without unnecessary official interference. These commissions report to the IWG.

Practical facilities and operational support for traders and others in the value chain:

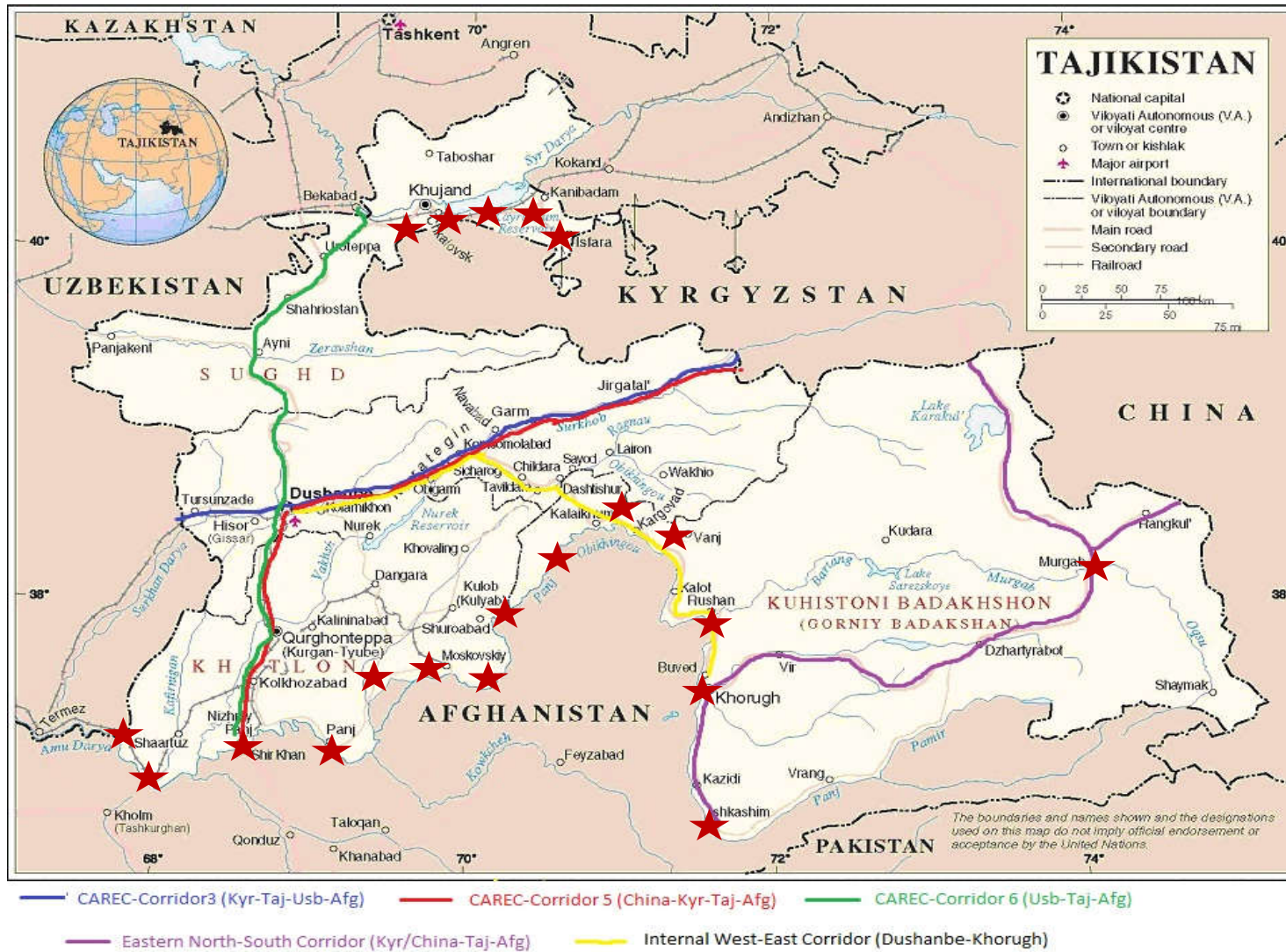
- a) Cross Border Support Centres (CBSCs) facilitate cooperation, provide services to matchmaking and to small enterprises. They can charge for services;
- b) Physical markets on the Tajik side of borders, with controlled access to ensure the integrity of borders, but allowing easy access of traders and customers;
- c) Business Groups of small entrepreneurs, to assist business development and networking. The Business Groups can act as a form of mutual help and contribute also to the expansion and sustainability of trade by sharing information on business opportunities and on methods for avoiding difficulties;
- d) Matchmaking events to help new trading take place between participants who are actual or potential traders. These events are important in promoting the idea of trading by alerting businesses on both sides of the borders to the opportunities that could exist from expanding trade across borders and indicating how that can be done in practical terms;

⁷⁰ GOT 2016.Tajikistan: Statistics Agency *Economic Bulletin*

- e) Roadside services along transport corridors that consist of a combination of hotel and catering services, vehicle maintenance etc.

Figure 1 is a map of the facilities set up under Output 4 initiatives indicating a spread of cross-border market locations (indicated by red stars), and transport corridors along which economic activities are encouraged and facilitated, helping to create a set of inter-connected business functions (as a form of industrial / commercial complex).

Figure 1: Map of Output 4 Facilities



As the map shows, most cross-border initiatives and facilities have been with Kyrgyzstan and Afghanistan. GREAT has been successful in establishing what might be a self-sustaining infrastructure.

Output 4 EQ1: Conclusion

An earlier evaluation⁷¹ noted:

The engagement of the programme in supporting cross-border markets, in initiating business relations and in working on the policy level to reduce impediments to trade are a good example of establishing multi-level intervention strategy.

As a general statement, the above remains valid. This output of GREAT is highly relevant to the national economic situation as it is strengthening trade links and business between Tajikistan and its neighbours. A rising trend of trade values and volumes is evident (see data below). GREAT created necessary infrastructure (administrative and physical) which is also sustainable and capable of replication.

Output 4 Cross-Border Trade EQ2 (Effectiveness): How effective were the interventions in delivering their intended objectives?

Output 4 EQ2: Evidence

A combination of internal GIZ data and external sources was used to assess effectiveness. Discussions were undertaken with GIZ experts involved with the management of the cross-border trade output, and with stakeholders in GOT and elsewhere. Crucially we have undertaken surveys of participants including members of business groups, traders, and matchmaking participants – recognising overlaps between these groups.

We have sought to clarify who has been involved in this new trading, who have been the beneficiaries, have women been sufficiently involved, what type of items have been traded, and what are the opportunities, restrictions, problems and threats for the future?

Additionally, important parts of the facilitating environment for cross-border trade (outputs 4.2. and 4.3.) have also been examined. Table 33 shows that recommendations to assist cross-border trading have largely been implemented (Output 4.2.). Bilateral Commissions (5 out of 6) met regularly and assisted the continued integrity of cross-border trading arrangements (Output 4.3).

To address questions associated with the volume and impact of cross-border trading (Output 4.1.), we analysed new data consisting of survey results from 7 DIs. The surveys involved direct participants in cross-border trading (business groups, matchmaking participants, market traders, service providers supported by GREAT). They consisted of two FGDs, four SIs with samples of respondents, and one set of interviews with KIs. Details of these DIs are found in Annex 7.

Evidence on the progress of Output 4 in achieving its objectives is presented:

- First, in terms of actual trade volumes and patterns as a fundamental requirement for progress;
- Second, in terms of complementary evidence from surveys and FGDs that provides insights into its economic and social effects;
- Third, the continued improvement and maintenance of the trading infrastructure of regulation and cross-border cooperation at official level.

The logframe objectives, which emphasise market turnover, the position of women, administrative and organisational matters, are as follows:

⁷¹ ACTED (2014) *Impact assessment and opportunity analysis of cross border economic relations between Tajikistan and Afghanistan*

Table 33. Output Indicator 4: Baselines, Targets and Achievements for Cross-Border Trade		
Baseline (12/2012)	Target (03/2016)	Achieved (12/2015)
222,382 EUR turnover on cross-border markets / month, 29 per cent women 20,050 EUR from transport corridor/ month (07/13)	667,146 (+200 per cent) EUR turnover on cross-border market activities/ month (30per cent women) 36,692 (+83per cent) EUR revenue from transport corridor/ month	560,038 EUR/ month (+151.8 per cent) Gender not known. EUR 79,242 (+295.2 per cent/ month)
16 recommendations of cross-border trade conference. (Nov 2011), none implemented	16 recommendations implemented	14 implemented
2 Bilateral Commissions meet on a regular basis.	6 Regional Bilateral Commissions meet regularly. (4 Tajik, 3 Kyrgyz, 3 Afghan)	5 Bilateral Commissions meet.

Source: GREAT logframe 2015

GREAT logframe indicators for Output 4 refer only indirectly to the building of an infrastructure and model for cross-border trade. The required results, relying on local markets and traders, emphasise items that contain the inherent assumption that the Output has become established and sustainable (partly through institution-building) and therefore attention should now be focused on on-going performance (similar to an established company).

The logframe indicators relate essentially to the monitoring and continuation of the existing, established system for the organisation and facilitation of cross-border trade. The results indicate that the objectives have substantially been met. The only over-performing activity was roadside markets. Therefore, the logframe performance, while satisfactory in its own terms contains no forward engaging strategic vision. This might indicate that this part of the Programme is essentially seen as being delivered.

Moreover, the indicators requested do not touch upon the question of net benefits that might be associated with the intervention. Trade is a two-way transaction. The effects of the output on net exports / imports, or on whether Tajikistan's economy has achieved a reduction in its trade deficit as a result of this action is not known. Additionally, the logframe does not clearly establish a link (other than by broad implication) between the activities and the TOC objective of delivering benefits for people and communities in cross-border areas.

A first requirement for delivering benefits in cross-border areas is to increase the volume of trade taking place, indicating that the cross-border infrastructure is operating. We rely on GIZ data for that first basic indicator. The following information suggests that cross-border management was highly active in seeking system improvements: the turnover of cross-border markets grew faster than target.

Table 34. Cross-Border Trade Turnover (EUR)			
Indicator	2013	2014	2015
Total Revenues (cross-border markets, + roadside services) Amounts per month	500,807	541,563	560,038
Roadside services only (amounts per month)	27,072	32,664	79,242

There have been recent downturns in cross-border trading volumes caused by a (temporary) closure of some centres.

The initiative met a need and provided an effective opportunity for small traders and enterprises to access new customers and markets. The amounts traded are significant for small rural communities in financial terms. Improved conditions therefore, contributed to improve income in cross border trade with Afghanistan and Kyrgyzstan. Part of those improved conditions arose from increasing

implementation of recommendations emerging from a November 2011 International Cross-Border Trade Conference.⁷²

The evidence shows some of the tangible results of the initiative, expressed most clearly and obviously in a visible increase in cross-border trade, attributable to the expansion of infrastructure (organisational and physical) developed by GREAT for cross-border trade⁷³. An earlier report by ACTED stated *cross border markets have significantly increased economic opportunities of the people living in the border areas*⁷⁴ as part of a wide-ranging assessment at that time. Since that assessment this element of GREAT has continued to witness increases in trading with Kyrgyzstan and Afghanistan, with China now also adding to the opportunities available. Survey evidence (reported below and in Annexes) also supports the above findings that there have been clear economic gains.

Remaining questions seek to clarify issues of effectiveness in relation to the questions of who has been involved in this new trading, and who have been the beneficiaries, have women been sufficiently involved, what type of items have been traded, and what are the opportunities, restrictions, problems and threats for the future?

Survey Results: Business Groups

We first outline the main outcomes from each of the above key stakeholder groups before providing an analysis, which takes into consideration additional information, for example, from other discussions (e.g. with Ministry for Economic Development and Trade), and available statistical information.

The formation of Business Groups was an integral part of the Cross-Border Economics Relations Centre (CBER), GREAT facilitated the further formation and coaching of Business Groups, which were for entrepreneurs to:

- a) Share their daily life and work experience;
- b) Exchange different ideas, problems and solutions;
- c) Develop joint activities which will facilitate better access to (new) markets, cost sharing, improvement of technical and product standards.

A survey of 18 Business Group members indicated that 16 were aged over 40 years and that 14 were aged over 50 years. This shows a group of well-established members, of whom the great majority (16) were engaged in agriculture (the remaining two were associated with textiles and sewing). Their enterprises were small, four employed 10-15 people and the rest were smaller.

Main services received from Business Groups were training (16), contacts with new customers (14), information on tax and regulations (13). Other matters were present but of lesser significance e.g. new suppliers (8), support to participate in fairs (6), matchmaking events (7), information on customs and legal issues (5). Their first preferences were new customer contacts, training, and access to credit, tax and regulations. There was a high level of awareness of external support, with GIZ / GREAT being identified by half the respondents as a source.

Their answers indicate favourable impacts of Business Groups on enterprise development that is wider than simply cross-border trade promotion. While the latter has an intrinsic value, it is clear also that the opportunity for enterprises to engage with Business Groups, initially for promoting cross-border business, has provided opportunities for a more general improvement of business capabilities. The Business groups, in this way, have achieved results in improving enterprise development that extends the impacts visible from a cross-border trade-only perspective.

⁷² CAREC (Central Asia Regional Cooperation) 2011. *Cross-Border Transport Accord (Tajikistan- Kyrgyzstan-Afghanistan)*

⁷³ See, for example GIZ 2014. *Results of Programme Activities - Narrative Report Business Groups*

⁷⁴ ACTED 2014. *Impact Analysis and opportunity analysis of cross-border economic relations between Tajikistan and Afghanistan*

Being a member of a Business Group was cited by 17 (94 per cent) members as having brought benefits to their business, and 16 said they had not had cross-border business activities before joining a group. The previous unavailability of a platform/structure for meeting with traders and entrepreneurs from the other side of the border was cited as a reason for not having had cross-border business relations before the group by 12 members; another two referred to a lack of business information; another referred to an absence of contacts before joining, and the three-cited other unspecified reasons. The above responses indicate that the Business Group has been an important influence in expanding cross-border trade, through providing a suitable platform for that activity.

Respondents were asked about the benefits of being a Business Group member. Responses were: higher profits (13); more trade (8); able to employ more staff (7); more customers (12); able to expand business (9); other (1) and none (0). When asked about how much being a member changed their profit margins the responses were: a lot (1); a little (10); the same (6); lost money (1) and don't know (0), see tables 60 and 61 in Annex 15. The great majority of respondents were satisfied with their Business Groups, and with Cross Border Service Centre (CBSC) inputs (Annex 15). Business success, in terms of more customers, an expanding business and higher profits were key to success and the continued commitment of members.

A separate analysis of profitability⁷⁵ suggested an average return of 24 per cent, with return varying between 30 per cent (food and beverage) and 11 percent (food items). See Table 14.1 in Annex 15. Increased profits, more trade and customers attributed to their association with Business Groups has, of course, been reflected generally in the high levels of satisfaction recorded by members.

Out of the 18 members, 11 had diversified into different methods of agricultural production, including crop rotations, irrigation, use of fertilizers, see Table 14.4 in Annex 15. This shows a continued domination of agriculture in the pattern of trading, although some diversification is also apparent – in this example into textiles. There is a seasonal agricultural emphasis in the trading pattern, which might also partly reflect a lack of storage and processing capacity. There were also higher value agricultural items, e.g. young fruit trees.

The diversity of non-agricultural items was of special interest, and included both manufactured items and services. Small scale canning and pickling of fruits and vegetables was one (typical) local product range, along with freshly baked food items and confectionery. Less typical of local agricultural-based outputs was the use of Tajik medical services by Kyrgyzstan residents. There was also an indication that sewing seemed to emerge as a significant business opportunity, with a focus on school clothing.

Fourteen members had created 72 full-time jobs, and 12 had created 60 part-time jobs, see Table 14.5 in Annex 15. Increased trading has resulted in new employment, in what will be predominately rural localities.

With respect to the payment of annual Business Group fees 5 respondents said they were new enterprises, and another 5 indicated they had not been asked to pay. There were 2 non-responses, see Table 14.6 in Annex 15. Those that did pay referred to having had better income, or lower income (e.g. case where extra tax bill linked to reduced payment). Overall the situation about payment is not clear and seems inconsistent. This raises issues about secure self-sufficient funding for the sustainability of Business Group without donor support.

Survey Results: Matchmaking Participants

In this survey 24 matchmaking participants were interviewed, split equally between Sughd and Khatlon regions. The group interviewed comprised (mostly) men, with 80 per cent aged over 35 years:

Collectively they employ 483 people of whom 57 per cent are women.

⁷⁵ GIZ 2014. *Income estimation CBER*

Table 35: Matchmaking Participants		
Sector	Number of enterprises	Per cent
Industry (industrial products, household items, furniture, equipment, clothes and footwear)	5	21
Agriculture and horticulture	6	25
Food (confectionary, sugar, milk and meat products, oil, soft drinks, canned products)	6	25
Other (Ice cream production and sales of dried fruits, raw materials, food and beverages)	7	29
Total	24	100

All respondents participated in matchmaking events. On average participants took part in six matchmaking events, 42 per cent reported that they took part in matchmaking events between Tajik, Kyrgyz and Afghan traders as well as handicraft people from other countries. Twelve per cent of participants took part in matchmaking event between traders and entrepreneurs from regions of Tajikistan, and 46 per cent of participants reported that they took part in both types of matchmaking events.

Only 25 per cent had cross border business activities before participating in a matchmaking event. The other 75 per cent did not, and their reasons for not taking part included the lack a platform for meeting with the traders and entrepreneurs from the other side of the border (50 per cent); lack of business information (16 per cent); and an absence of contacts with Tajik, Kyrgyz or Afghan traders (8 per cent). Overall 96 per cent found participating in the matchmaking events beneficial.

With respect to the benefits of matchmaking events: to meet potential business partners/clients from other regions of Tajikistan or neighbouring countries was cited by 54 per cent; to increase business by setting up professional cooperation with business partner was cited by 20 per cent; to learn about new markets by 13 per cent, and other (joint investments, introduction of businessman from Kyrgyzstan and other regions) by 8 per cent.

Benefits of the matchmaking cooperation were found to be either improving or starting cross-border trade (59 per cent); extending activities in different sectors (37 per cent), and other by 4 per cent.

Benefits participants considered the partnership brought to their business were: a) higher profits – 45 per cent; b) more trade – 34 per cent; c) more staff employed – four per cent; d) more customers - eight per cent; e) expanded businesses – four per cent; f) that signing the partnership contract changed their business profit margin – 87 per cent; g) businesses diversified and changes included from lemonade to juice production, livestock to sales, electric to medical equipment – 16 per cent; and h) 92 per cent were satisfied with matchmaking (4 per cent was strongly dissatisfied).

A total of 34 full time jobs were created as a result of the cooperation and signing agreements (70 per cent men and 30 per cent women). A total of 41 part-time jobs were created (78 per cent women and 22 per cent men). Fees to attend the matchmaking event varied from TJS 50 up to TJS 2000.

Survey Results: Six Cross-Border Traders

One respondent had been trading for 30 years across the border in medicine and medical equipment (as well as sunflower seeds) from the large town of Kurgonteppa (not located on the border) and with a turnover of \$350,000. This case is not typical, but indicates that the cross-border initiative can be helpful to well-established existing traders as well as stimulating new business. Another respondent (from Isfara) had been trading for 10 years, again with a well-established business (turnover \$17,240) selling fertilizers, fuel and dried fruit. Other respondents had been in operation for three or four years. The ages of traders ranged from 44 to 73, with an average of 53, suggesting that this business might be more attractive to more mature traders, but this is not conclusive due to the small sample size. Only one of the six traders interviewed was female.

The items traded (with the exception of medical items) had a distinct emphasis on agricultural production with strawberries, raspberries, persimmons, grapes, pistachio nuts, and lemons being cited by several traders. Several respondents indicated that all or part of their agricultural goods came from

their own farm. That pattern suggests a significant seasonal element might characterise much trading. Local crafts were indicated by one trader with a focus on silver items (rings, necklaces, earrings). In contrast the pattern of items imported into Tajikistan by these same traders consisted of goods such as X-ray film (from exporters of medical items), batteries, lamps, flour, and livestock.

The attractions of cross-border trading were mentioned as an opportunity to make higher profits in an enlarged market, and to dispose quickly of perishable fruit and vegetable items in season. There was general approval of the arrangements for facilitating trading. Half of the respondents scored GIZ support as “excellent” a further two as “fair / moderate” and one considering it “poor”.

Improvement opportunities as seen by respondents included:

- a) Lower taxes;
- b) More matchmaking and exhibition events;
- c) Clarify the delineation of borders, where there is uncertainty;
- d) Opportunity to cross the border to sell directly to customers in their own territory.

Survey Results: Focus Group Discussions

Six FGDs were undertaken with members of Business Groups (3) and a further three were undertaken with matchmaking participants. They involved 43 participants of whom 15 were women (in two all-female groups) and 28 were men (in four all-male groups). In many cases participants were both business group members and matchmaking participants.

The evidence obtained from these groups supports the following conclusions.

- a) Traders cannot cooperate without official permission and necessary contracts. Contracts are seen as the best way forward for trading relationships, especially as cases of fraud are known. Yet, there is uncertainty about the legal situation facing trading, despite meetings etc. There is a demand for easy-to-read documentation for clarification and guidance.
- b) There is also concern that the behaviour of customs and other agents of government is rent seeking in character.
- c) While there is much trade in agricultural commodities across the border, the actual range of items is much wider, from processed and cooked foods/bakery items, to cut-and-sew making-up of clothing and medical services. Imports from Kyrgyzstan and Afghanistan often emphasise bulk items such as fuel (especially coal), cement, fertilizers and small-scale craft items.
- d) Cross-border trade is significantly more profitable than selling in the Tajikistan market only.
- e) It is better to buy from Afghanistan than to sell there. Afghan traders are believed to be free from all kind of taxes, which is why their prices are considered cheap.
- f) Women are generally equal in treatment with men, but do face problems in some cases due to poor places for trading and they are often not accepted easily as male business people, especially in Afghanistan.

For further details, see Annex 16.

The above extracts from a much greater volume of comment from the FGDs indicate that, overall, the cross-border trading initiative has been successful in engaging the involvement and commitment of traders on both sides of the borders where it has taken place.

While the systems that have been set in place by GREAT have worked well, and stimulated and facilitated an underlying desire and potential for trade, the experience of traders has revealed a mixture of situations – as might be expected from a new and complex venture of this nature.

Output 4 EQ2: Conclusion

Trade and revenues increased significantly in cross-border areas affected by GREAT. Surveys of those involved directly with cross-border trade showed that the engagement by enterprises was stimulated directly by the measures put in place by the Programme. The creation of the cross-border trade infrastructure described earlier was of fundamental importance.

The available data indicates a set of favourable outcomes as well as some problems and risks. The first and underlying condition for success was the evidence of a considerable interest in business and entrepreneurial activity by Tajiki business people and organisations. Without a sizeable response to the new opportunities created by GREAT there would not be a positive impact on the problems the output was designed to alleviate. That entrepreneurial response is an indication of a human resource of significance.

Output 4 contributed significantly to the sustained expansion of trade with Kyrgyzstan and Afghanistan, and facilitated emerging and increasing trade with China. This conclusion is apparent from the measured increases in volumes of trade during the period of implementation of the Cross-Border Trade Initiative. In that regard the first requirement for the intervention was met.

Yet, as discussed earlier, volumes of trade are not the direct indicator of the output's underlying purpose *per se*, but rather a necessary mechanism to achieve three main objectives:

- a) Deliver benefits for people and communities in cross-border areas;
- b) Enlarge trade in high value items associated with better quality and an improved enabling environment for cross-border trade;
- c) Develop markets that will be safe and convenient for traders, including women when seeking to meet the overall aims of the intervention.

The way in which the intervention sought to contribute to the generation of benefits assumed that there was a coincidence between trade flows and development benefits – mostly measured in jobs and incomes. The focus of the logframe on the achievement of trade flows and the generation of revenues is equivalent to a policy that equates the generation of cash as a suitable proxy measure for the achievement of economic and social benefits.

The ability of the intervention to make a useful contribution to rural development is limited in scale by the nature of its client focus (micro/small enterprises) offering product/service offerings on a commensurate scale. These remarks are not to deny or denigrate the value of the initiative. Their purpose is to clarify the nature of the tools available to deliver its purpose.

Having made that point, the responses from members of business groups and traders indicate that there were clear, positive gains for development:

- a) Expansion of business income from cross-border trading was reported as leading directly to additional jobs as enterprises expanded to realise the opportunities uncovered by new trading and new clients;
- b) There was extensive comment that cross-border trading had resulted in higher profits, with resulting income (and therefore GDP) effects;
- c) The transport corridors providing services for an expanded trading activity may be seen as part of the multiplier / facilitating effect of the enhanced trading economy that has emerged in association with development.

With respect to the possibility of new production units, perhaps located at or near the border with Kyrgyzstan, we cannot know whether such ideas have a prospect of commercial viability. But cross-border trading has started to lead to turning trading patterns into production possibilities – one example is the production of baked products; another is a small initial investment in the cut and make up of clothing items for school children. This emerging group of ideas, set out especially by respondents to the FGDs indicates a confidence that trade across the borders is now a more established and predictable part of commercial patterns and no longer an experiment or a novelty idea due to the emergence of customer-supplier relationships.

Alongside these positive commercial and development indicators there remain several problems that reduce potential and which might be a brake on future development. There are two main issues:

- a) First is feedback that physical trading conditions in (at least some) markets are unsatisfactory, and especially make it difficult for women traders to be effective in all weathers;

- b) Second, there appears to exist persistent administrative and regulatory problems. These range from payments demanded by customs and other officials which are thought by those complaining, not to be legal alongside aggressive tax and other demands (similar issues have been reported elsewhere), while border police and security are seen to be obstructive and sexist, making women traders and business people uncomfortable and feeling threatened. Other issues include:
- Problems of language communication especially if there is no common language such as Russian;
 - Reconciling different currencies, with border exchanges (if they exist) offering poor terms.

In summary, in relation to the development objectives, the first objective, of delivering local development has progressed well, on the basis both of rising trade volumes and the feedback from participants.

The second aim, of trading in high value goods has been at least partially met. It is unrealistic to suppose that all items traded will be of high value. There is evidence from traders that there is success in that matter, and even that there could be potential for moving from trade to local fabrication. Overall, this objective can be seen to have been substantially achieved.

There has been substantial female participation in trading, and women entrepreneurs have been active in opening new opportunities across the borders. However, this has been especially the case in Kyrgyzstan but not so much in Afghanistan, where traditional attitudes continue to place restrictions on the ability of women to achieve an equal standing with men in conducting business.

Output 4 Cross-Border Trade EQ3 (Impact): Were there differences in impact by gender, poverty and location?

Output 4 EQ3: Evidence

The location of cross-border facilities (e.g. in GBAO beside Afghanistan) suggests their location is in more deprived areas, and in areas already the object of special development measures.

There was, within Tajikistan, a generally gender neutral approach to women in business that has helped to spontaneously lead to a greater involvement of women in each of the organisational and activity components. There have, however, been several gender-discrimination problems affecting women. First, sexist attitudes leading to discomfort among female traders has been reported among officials and security personnel at cross-border markets which might affect their commitment to this type of business it. Secondly concerns have been expressed that physical conditions, including a lack of shelter, for female traders are not satisfactory in several (unspecified) markets.

Additionally, in some places women need a male escort to access market areas to negotiate business issues. Trading with Afghanistan is especially difficult for women due to restrictive attitudes.

Collectively these features might discourage women from participating in the opportunities created through the intervention. The result is that there appears to be a shortfall in relation to the third objective, arising substantially from attitudinal problems in a society still in a process of change.

Output 4 EQ3: Conclusion

The location of cross-border markets in rural areas assists their poverty reduction impacts. The outcomes for women vary by location. While in Tajikistan and Kyrgyzstan there appears to be general acceptance of women in business and as entrepreneurs (while acknowledging the current existence of sexist attitudes by some officials and security staff) this concept seems less acceptable in Afghanistan, causing some tension in trading across that border.

Output 4 Cross Border Trade EQ4 (Impact): Were there any unintended outcomes and impacts?

The initiative was highly focused upon its stated purpose and objectives, and no surprising situations were noted.

Output 4 Cross Border Trade EQ5: (Relevance and Effectiveness) Relevance of Support from Programme Partners

Output 4 EQ5: Evidence

The initiative required the support of a range of partners, some of whom emerged with new organisations, such as CBSCs. Working relationships with official structures on both sides of the frontier, were facilitated through the buy-in of higher levels in the regional and national administrations. The sustainability of the initiative needs this level of support. The Bilateral Commissions played an especially important role in helping to facilitate the practical operations of the outputs. The GIZ implementation team positively managed this relationship and its practical activities. We encountered also positive support for the intervention from the Tajikistan Ministry for Economic Development and Trade.

Output 4 EQ5: Conclusion

The output is built upon the realisation of partnership opportunities for mutual advantage. Partnership is embodied in the facilitating infrastructure.

Output 4 Cross-Border Trade EQ6 (Sustainability): Will the changes achieved by the programme be sustained? Why/why not?

Output 4 EQ6: Evidence

The Cross-Border Initiative has good chances of sustainability due to the evidence of local ownership of the processes that have been initiated. These are the new structures created (e.g. Bilateral Commissions) and owners/managers of physical markets. Importantly the individual traders and enterprises who have established a new business have an incentive to support sustainability of the facilities and processes. Livelihood strategies are being strengthened from cross-border trading, which have capacity for further expansion, even without further Programme support (although the latter would be welcomed). A key to its potential for sustainability is the existence of an established and tested infrastructure of organisations, systems, physical structures, and a business community with associated patterns of trading and relationships.

It has also attracted the support of other donors to help strengthen the initiative, as part of their wider contribution to Tajikistan development. For example, in 2014 the Organisation of Security and Cooperation in Europe (OSCE) organised a three-day workshop for participants from Afghanistan, Kyrgyzstan and Tajikistan on simplifying and harmonising procedures for international trade.

In early 2015 the Japan International Cooperation Agency provided grant aid (via UNDP) for promoting cross-border cooperation through effective management of Tajikistan's border with Afghanistan. The objective is to strengthen the border management and stability, making cross-border trade easier for communities.

Output 4 EQ6: Conclusion

There is a close relationship between the sustainability of the cross-border intervention and the maintenance of the partnership and facilitating infrastructure as indicated above. At the same time, it is possible to consider the concept of sustainability in dynamic as well as static terms (i.e. new ideas and experiences could alter the current "model" as discussed later in Recommendations).

Output 4 Cross-Border Trade EQ7 (Coordination): Coordination with other development activities

Output 4 EQ7: Evidence

The effectiveness of cross-border trade depends on inter-governmental partnership as demonstrated in the IWG, infrastructure and the effectiveness of participating business enterprises. The Cross-Border Trade Initiative is evidence of this, as well as being a development activity in its own right. However, and as GREAT has recognised, cross-border trade is also assisted by a better business environment and the availability of business finance. As indicated earlier it has also helped to attract support for cross-border trade from Japan.

Output 4 EQ7: Conclusion

The Cross-Border Trade Initiative is embedded in external and internal coordination between its partners and other outputs of GREAT. Key examples include the ability of traders to obtain easier access to micro loans, while its organisational structures (e.g. cross-border commissions) are sustainable examples of coordination.

Output 4 Cross-Border Trade EQ8 (Efficiency): How could value for money be improved in the programme and costs contained without affecting delivery?

Output 4 EQ8: Evidence

Output 4 has generated significant volumes of new business in border areas, and achieved the implementation and testing of a successful model of approach that has the potential for additional roll-out in other areas (see above tables for data on value of trade). Key success factors have included:

- a) The motivation and involvement of local actors (Business Groups, individual traders);
- b) The creation of new organisational vehicles that make up the delivery structure;
- c) Connections with other parts of GREAT e.g. microfinance, loan products, regional PPD to achieve reductions in regulation, agro-processing helping to develop opportunities for added trade.

Output 4 EQ8: Conclusion

The opportunities for adding further value relate to the existence of an already tested model that has been demonstrated to work (in principle) with its application to additional locations (e.g. closer links to China). In specific terms, the opportunities for increasing revenue and VFM further lies in a combination of initiatives, including strengthening current arrangements:

- a) Ministry for Industry and Trade accepts overall strategic responsibility for the overall initiative, including maintenance of relationships and oversight (as well as need material support) with neighbouring and involved states;
- b) Cross-border Commissions continue with government support, and actively promote and facilitate cross-border trade, in partnership with Business Associations,
- c) The physical structures of markets are improved, especially for women traders;
- d) Commissions and Governments promote free trade zone development to encourage and facilitate trade into fabrication opportunities.

Output 4 Cross-Border Trade EQ11 (DAC Criteria): Can a scaled-up programme deliver wider rural economic transformation, and what are the key considerations for programme expansion?

Output 4 EQ11: Evidence

The programme offers opportunities for scaling-out, especially as the activities and structures appear to be sustainable. On this basis scaling-out is possible consisting essentially of increasing the number of cross-border centres in operation, along with a diversification and expansion of the types of activity undertaken by centres.

With respect to increasing the number of centres, an interest in increased trading with China, and opportunities for the development of transport corridors and expanded or additional crossing points are evident (in potential). Tajikistan could also become a useful transit territory to facilitate access to Afghanistan, Kyrgyzstan and beyond (in principle to Uzbekistan and central Russia). In this context, it is possible, in principle, to envisage a scaling-out of current actions and models. At the same time, the current model is likely to evolve in its design and character if the results of the initiative are self-sustaining (see above remarks on EQ8).

Diversification and expansion of activities should include strengthening capacity in Cross Border Commissions to clarify the legal rights and responsibilities of traders, along with facilitating the evolution (when commercially viable) of those established trading relationships that seek production and / or distribution facilities in border locations.

Output 4 EQ11: Conclusion

The Cross-Border Trade Initiative has created a potentially sustainable and replicable model for action that in principle could be extended to other cross-border locations e.g. should sensible trading resume with Uzbekistan, or trade with China grows faster.

5. CROSS-CUTTING EVALUATION QUESTIONS

The order of discussion of cross-cutting EQs follows a sequential order of gender, climate change, VFM and governance, reporting and planning, rather than the numerical order of the EQs in Section 1.

Cross-Cutting EQ9 (Effectiveness): To what extent was the cross-cutting issue of gender effectively and appropriately integrated across the programme?

Cross-Cutting Gender Issues in Design and the Logframe EQ9: Evidence

GREAT programme documents lacked: a gender analysis to identify the possible impact of the programme on men and women; a gender strategy, and an action plan to address gender issues with a clear and well-balanced budget.

In practice the Programme did address gender issues, although the focus was on quantitative indicators to ensure women's participation in the Programme. Gender is mentioned in the logframe, but this is usually done simply by adding the phrase "disaggregated by gender" or "gender-disaggregated" to indicators. This is not nuanced, as it essentially imposes a "one size fits all" approach in a situation where there is considerable diversity between the outputs, and within the outputs between the indicators.

Coverage is also very uneven in terms of the four outputs. Although gender is mentioned in indicators for outputs 3 and 4, there is no mention of the subject at all under Output 1, and the subject is only mentioned for the non-agricultural indicators for Output 2.

In the case of Output 1 (Measurable changes in the business enabling environment for facilitating rural economic development) it is difficult to believe that there are no important gender issues in private sector participation in policy dialogue. There are areas of policy which are likely to impinge differently on male and female entrepreneurs, and there is an ever-present danger that unless the voices of female entrepreneurs are given a fair hearing, issues of specific relevance to them will not be adequately addressed.

Under Output 2.1 (agriculture) the phrase *gender disaggregated* is mentioned under the output statement, but it appears nowhere in the indicators. However, the greatest shortcoming of the logframe was a failure to update it to take the evolving community inclusiveness approach into account. The very concept of inclusiveness implies that the extent to which gender issues are adequately addressed will play a key role in determining success or failure.

Stakeholder analysis identified the absence of a key potential partner, the Committee on Women and Family Affairs, which has branches at the oblast, hukumat, and community levels and is responsible for managing state programmes promoting women's status and gender equality.

Cross-Cutting Gender Issues in Programme implementation: Evidence

Programme implementation was more effective than logframe design and development in terms of demonstrating an underlying awareness of gender as a cross-cutting issue. This is discussed below.

Empowerment

An assumption/ risk in the logframe is that *Women's social and economic status does not deteriorate further*, implying that this is an exogenous variable. While GREAT is limited in what it can do to reverse some of the national societal trends, its work on developing community inclusiveness provides a model for the economic empowerment of women within such a context. The sense of empowerment demonstrated by some women members of PGs demonstrates this, although results are mixed. While FGDs found that some women benefited from the training, as was indicated by their careful note-taking and by their positive attitude to the skills and knowledge gained, others were barely aware of the content of some of the training programmes they had attended.

These FGDs also showed that GREAT has contributed to countering gender stereotypes. The credibility of the women farmers who have achieved significant results in agriculture has in some cases enhanced their social status. In some of the FGDs men explicitly recognised the importance of women's work and their contribution to the family budget and welfare.

The FGDs also showed that women and men differ in the way they utilise the income they earn from their production activities, with men being more focused on the expansion and reconstruction of housing, purchase of vehicles, clothing, and spending income on their own personal needs, while women are more focused on expenditure on household needs, especially food, health and children's education. This suggests that, not only is the pursuit of gender equity justified as a democratic imperative, but it also has a considerable multiplier effect in terms on improving overall household welfare and food security.

Output 1: Business Enabling Environment

Under Output 1, GREAT implicitly recognised the importance of gender awareness when it assisted in the establishment of the Association of Women Entrepreneurs of Badakhshan. During training activities for business associations, the need for a balanced gender membership was emphasised and the proportion of women members in mixed gender associations grew to 7 per cent in Bakht, to 10 per cent in Navzamin, and to 20 per cent in Dary Prirodi.

Business Associations created a useful mechanism to allow women to become involved in business development issues, while PPD forums assisted the integration of women into discussions. It is clear from the records of PPD meetings, published by CCIC, that there is significant female participation.

The business culture of Tajikistan has evolved to the point where there is a general equality of treatment of women along with men in the case of management and entrepreneurship. As an indicator, around 40 per cent of loans issued by MFIs are to women managers or single entrepreneurs. Women are also present as top managers in MFIs, which themselves are significant businesses (e.g. Humo, Arvand).

Output 2: Agriculture

In the agricultural component of Output 2, GREAT played a key role in the establishment of the Sarob School of Women Agronomists to increase the number of female applicants for positions as Sarob member agronomists. The fact that this effort eventually failed was a result of societal factors which are beyond Programme control. In the case of GREAT's CI approach, the requirement that at least 30 per cent of the membership of PGs should be women indicated a strong commitment to gender inclusiveness. This target was met in the aggregate, but in the case of individual groups, performance was mostly off track: the target failed to consider social realities of rural society, such as gender division of labour and traditional gender specialisation in the production of specific agricultural commodities. However, the finding that the 30 per cent rule was not adhered to for specific commodity groups indicates a welcome degree of pragmatism in applying the principle in practice. The acid test is empowerment, and one of the most interesting – and encouraging – findings of the evaluation was that in the FGDs both men and women members of PGs across the board reported that both genders were equally engaged in PG decision making, and that it was intended that there would be gender-equitable sharing of benefits.

Output 2: Non-Agriculture

GREAT has made a significant contribution to rural development by providing support for non-agricultural activities. In the F&V based processing sector, women are employed primarily as unskilled labour: for any additional jobs created through the Programme at least 70 per cent were occupied by women, although many of these are at the lower end of the pay scale. Increased demand for produce for processing had a knock-on effect on the primary production of F&V, and horticulture is a sector in which the female labour force plays an important role: more than half of the work for these crops is done by women. This creates additional work for women in production, but the evaluation could not establish whether the net effects were positive or negative (e.g. more work vs higher disposable income).

In processing companies, women are well represented among the more technical positions. However, in the case of managerial positions, women are an exception rather than a rule. GREAT counteracted the latter by employing a female international advisor on F&V processing.

Hardly any women are employed in energy-efficient housing, due to fact that working with wood (constructing doors and windows) and metal (heaters) is traditionally the domain of men. However, rural women are key decision makers on the procurement of energy efficient products in the housing sector and in house renovation. Therefore, GREAT's marketing and awareness campaigns on energy-efficient housing targeted rural women, and schoolchildren. The same applies to the promotion of energy saving clay stoves and joint bread baking.

In the opinion of GREAT staff, the main constraint that needs to be addressed to improve women's access to non-agricultural activities is the traditional attitudes of society on the activities of men and of women. The lack of women's access to finance, training, mentoring and advice also limits their involvement in jobs of higher quality and higher responsibility. The Programme responded to this by giving priority to female advisors in F&V processing, and by targeting women for training and other support activities. The F&V female advisers were well accepted by client enterprises.

Output 3: Financial Products

Compared to men women have less collateral at their disposal, have less formal education and have had less exposure to training in financial literacy. This limits their prospects when applying for loans. The Programme's approach to counteracting this situation was through the following activities:

- a) Development and introduction of innovative lending products with MFIs such as warm comfort (promoting energy-efficient housing products), agricultural credit line, and agricultural leasing, all at least with the inherent requirement of gender equality;
- b) Successfully designing and implementing a start-up promotion activity among MFIs with a focus on female entrepreneurs, including support and coaching on start-ups;
- c) Testing the establishment of credit unions in practice, which have a high share of female members;
- d) Conceptual work on guarantee schemes for higher risk profiles, particularly inviting women for all kinds of training. The latter was reflected in the promotion of green loans for enhancing the use of energy-efficient housing products, in which men and women would be treated equally when applying for a loan.

GREAT developed its objectives to improve access to new and existing financial products in rural areas in the context of the *National Development Strategy for Tajikistan (2015)*. The focus was on providing *information support, training and development of the micro-financial services market to promote private entrepreneurship, particularly among rural women*. Its achievements for eight partner MFIs by 2015 included: out of 2,634 businesses 39 per cent were owned by women and used three innovative financial products – start-up, warm comfort, and agro credit line. Women's share in the number of start-up loans disbursed was 38 per cent. The number of individual entrepreneurs and SMEs with access to finance increased to 43, 274 clients, of which 41 per cent were women.⁷⁶

That situation has been facilitated by the availability from MFIs of a set of innovative loan products, in a positive initiative from GREAT, which used its ability to deploy technical assistance in a targeted way. The designed loan products were relevant to an evolving demand for small credits resulting from wider influences on the microfinance industry (e.g. from EBRD and others). Several GREAT interventions contributed to that demand including energy efficient products and cross-border trading. Complementary to this was raising awareness of women's involvement in business as entrepreneurs (e.g. through BAs and AMFOT information). Together the promotion of responsible lending principles, greater business competence and awareness strengthened and supported women's interest in getting involved with business.

Before GREAT, and independent of it, there was evidence of increasing female participation in business e.g. several MFIs have women Chief Executives. The Programme helped to underscore and strengthen this trend through training and promoting responsible financial principles.

The confidence of women that they can be successful in business (and thus users of micro loans) is evident from the FGDs as well as the statistics of their actual use of microfinance. The encouragement

⁷⁶ GREAT 2012. Logframe: 2012-16

of the example of other women involved successfully in business (seen in FGD responses) supports making the idea of women in business an unexceptional part of the current economic reality of Tajikistan. GREAT was a significant contributor to this expansion of business awareness and action by women. These results were consistent with more qualitative information obtained in interviews with MFI members (such as Humo, Chasma, Arvand – which include female chief executives), which revealed a view that gender-based criteria in the consideration of access to finance by applicants did not exist. The business culture of Tajikistan has evolved to the point where there is a general equality of treatment between women and men in the case of management and entrepreneurship.

A number of FGDs with MFI clients, including several groups where females were the majority, indicated the same conclusion. Below are some illustrative quotations:

Moderator: *Do you think women clients are treated equally by MFIs?* (responses below from several FGDs).

- Woman: *Yes, they treat people equally, everyone can apply for loans, and the MFI will analyse their incomes and expenses. Women are treated with respect, if their documentation is correct, the MFIs are ready to work with them. It depends on us, if we have appropriate documents they do not care if we are women or men.*
- Man 1: *MFIs treat women equally. Now women are capable, in business, women are better than men are.*
- Man 2: *Credit union treats men and women equally.*

Output 4: Cross-Border and Transport Corridor Activities

GREAT implemented this output through local partners. The main objective was to secure an improvement in the quality of services through support for entrepreneurs. As a result, 336 new permanent jobs have been created, of which 144 (43 per cent) are occupied by women⁷⁷. Out of a total of 4 CBSCs two are headed by females, while three of the Project Assistants of these centres are women. The share of women involved in the management of CBSCs is 50 per cent.

The main trans-border problems faced especially by women traders include:

- a) Lack of negotiation skills with tax authorities and other controlling agencies;
- b) Lack of knowledge in the modalities of conducting cross border trade;
- c) Limited access to market information;
- d) Finding trade partners within Tajikistan, and in Kyrgyzstan and Afghanistan.

GREAT addressed these through:

- a) The provision of direct consultancy services to women in the resource centres at each cross-border market;
- b) Production of a training module on how to do cross border trade; three days of training were provided with women participation;
- c) In the new regulation on *Cross Border Trade in Tajikistan*, an article was added on the prolongation of cross border trade in cross border markets for more than two days per week;
- d) CBCSCs sharing free-of-charge information about prices of the goods and organising exhibitions where women are actively involved;
- e) Participation of women in business to business meetings is mandatory when organising matchmaking events between Tajik, Kyrgyz and Afghan entrepreneurs.

Women were active in the cross-border initiative through their involvement in Business Groups, matchmaking events, training and information. Women are actively involved in trading with Kyrgyzstan and Afghanistan in a variety of goods and services. Against an overall picture of success, there have been a few cases where cross-border trading and contacts has encountered differences of attitude and practice in the involvement of women in business (especially when trading with Afghanistan). The determination of women participants, along with the Programme to resolve difficulties has been a positive feature of this experience, indicating a commitment to sustain and

⁷⁷ CBER information. GIZ

expand the initiative started under GREAT. Overall the active participation of women in the cross-border trade initiative demonstrates their greater involvement in business, there have been a few cases where cross-border trading and contacts has encountered differences of attitude and practice in the involvement of women in business (especially when trading with Afghanistan). The determination of women participants, along with the Programme to resolve difficulties has been a positive feature of this experience, indicating a commitment to sustain and expand the initiative started under GREAT. Overall the active participation of women in the cross-border trade initiative demonstrates their greater involvement in business.

Cross -Cutting Gender Issues EQ9: Conclusion

There are positive and negative trends in gender equity in Tajikistan. Little of the positive trend at national level with respect to the Gender Inequality Index can be attributed to GREAT, as most indicators (maternal mortality rate, adolescent birth rate, share of parliamentary seats held by women, share of population with at least some secondary education and labour market participation rate) are outside of the Programme's remit. In the case of the last indicators, the Programme has had some effect, but on a micro scale and not sufficient to impinge directly on the national-level figure.

The other improving trends in gender equity that were noted, namely the rising number of women engaged in business, the heightened share of individual women entrepreneurs and certificate holders and the growing proportion of women involved in small enterprises, is within the Programme's remit and GREAT has been active in promoting the creation of institutions aimed at furthering these trends. However, as many other organisations have also been involved, the familiar attribution problem arises. Nevertheless, it can reasonably be inferred that the Programme has played a role as part of a wider coalition for change.

GREAT contributed to improvements in the activities and status of rural women that implies changes in the status and behaviour of men, which is the main objective of gender equality in the community, even if this was not an objective of GREAT.

Cross-Cutting EQ9 (Effectiveness): To what extent was the cross-cutting issue of climate change effectively and appropriately integrated across the programme?

Cross-Cutting Climate Change EQ9: Evidence Agriculture and Climate Change

The primary focus of GREAT is on promoting agricultural growth, and climate change is not mentioned in the logframe. Nevertheless, sustainability of efforts to promote rural growth will to an important extent be dependent on the extent to which climate change resilience is factored into these endeavours. In such a heavily agriculture-dependent rural economy, climate change resilience efforts in agriculture will be key to what happens in the rural economy. The global interaction between agriculture and climate change is briefly discussed in Annex 17 of this report.

Tajikistan ranks around 109th in the world for all greenhouse gas (GHG) emissions and 129th in terms of per capita emissions – less than 1 MT of carbon dioxide (CO₂) per capita, compared to nearly 20 MT in North America. Tajikistan is therefore a very minor contributor to global warming, yet it is a global hot spot of climate change vulnerability. More frequent droughts and increasingly extreme weather conditions are affecting poor communities, eroding their climate resilience. Glaciers are rapidly melting, bringing the danger of floods in the shorter term and growing water shortages and even regional water disputes in the longer term⁷⁸.

Table 36 shows source of GHGs in Tajik agriculture and the latest available estimates of emissions by GHG.

⁷⁸Oxfam International 2010. *Reaching Tipping Point? Climate Change and Poverty in Tajikistan* (<https://www.oxfam.org/en/research/reaching-tipping-point-climate-change-and-poverty-tajikistan>)

Table 36. Tajikistan: GHG Emissions by Source, 2012				
Source	Thousand MT of CO ₂ -eq	Percent	of which (per cent)	
			CH ₄	N ₂ O
Enteric fermentation	3,014	56.6	100.0	0.0
Manure management	514	9.7	45.1	55.0
Rice Cultivation	61	1.1	100.0	0.0
Synthetic Fertilizers	326	6.1	100.0	0.0
Manure applied to soils	350	6.6	0.0	100.0
Manure left on pastures	837	15.7	0.0	100.0
Crop residues	93	1.7	0.0	100.0
Burning crop residues	11	0.2	72.3	27.7
Energy use	115	2.2	90.1	7.1
Agriculture total	5,322	100.0	63.7	36.3
Source: calculated from FAOStat3				
Notes 1: ^a 2011 figures				
2: CO ₂ -eq = carbon dioxide equivalent				
3: CH ₄ = methane				
4: N ₂ O = nitrous oxide				

It is clear from this table that the main contributor to GHG emissions in Tajikistan is the livestock sector, with enteric fermentation and manure contributing a combined total of 88.6 per cent of total emissions. This is not surprising in a country where less than seven per cent of the land is cultivated, with other areas too mountainous and undulating for cultivation, and suitable only for livestock production. This implies that the greatest scope for climate change mitigation measures are to be found in this sector, but prospects for this are hampered by a policy environment in which livestock are privately owned but pastures state-owned. In such circumstances a *tragedy of the commons situation* is likely to persist, in which there is little incentive for the individual livestock owner to prevent over-grazing through improved pasture management and/or limitations on flock and herd sizes.

Climate Change Resilience and GREAT

A report on climate change undertaken by GIZ in late 2013 concluded that:

The project is already actively promoting activities and products which increase climate change resilience, lower Greenhouse Gas emissions and have environmental benefits. From an environmental and climate change perspective, it is therefore not necessary to make major changes to the project concept and structure. There is room, however, to further strengthen and expand activities with climate change adaptation and mitigation benefits and to more strongly communicate existing and future climate change related benefits of the programmes.⁷⁹

GREAT supported efforts to introduce techniques and technologies that have at least the potential to increase climate change resilience have intensified since the above report. These are described below under the three key elements of climate change resilience: mitigation, adaptation and risk reduction.

Mitigation

To mitigate the effects of climate change GREAT has assisted its implementing partners to:

- a) Promote organic farming: field experiments in various countries have shown that this contributes to carbon sequestration. A literature review of studies comparing carbon sequestration in soil under organic and conventional management across a range of countries identified 11 relevant papers, all of which showed a higher soil carbon content in organic plots, as compared to those under conventional management practices;⁸⁰

⁷⁹ Würtenberger, Laura and Michael Hoppe, 2013. *Environment & Climate Assessment of the FFPSD/ GREAT programme.*

⁸⁰ Müller-Lindenlauf, Maria 2009. *Organic Agriculture and Carbon Sequestration: Possibilities and Constraints for the Consideration of Organic Agriculture within Carbon Accounting Systems.*

- b) Promote minimum tillage: this reduces GHG emissions and increased carbon sequestration (see below);
- c) Facilitate the formation of pasture management groups under MCs, although these efforts have been compromised by the problems of an unfavourable policy environment discussed earlier;
- d) Promote the adoption of IPM and crop diversification, both of which reduce the need for GHG-emitting chemical pesticides.

Adaptation

With respect to increasing the efficiency of water management: as a semi-arid area, Tajikistan is especially at risk to drought, and the present situation of seriously degraded irrigation systems are causing losses of water sometimes as high as 50 percent. In response GREAT has up until recently worked with MCs to facilitate the formation of water users associations which undertake activities such as canal rehabilitation to reduce water loss and increase the rate of water flow, activities which have now been handed over to the MCs. GREAT has also introduced drought tolerant varieties, particularly in wheat and barley.

Risk Reduction

To reduce risks associated with climate change GREAT has:

- a) Introduced late-flowering varieties of apricots to reduce the risk of frost (which becomes increasingly problematic in a situation of shifting seasonal weather patterns);
- b) Promoted crop rotation in areas formerly of cotton monoculture to reduce risk from pests and pathogens, which are likely to be heightened in a context of climate change;
- c) Promoted conservation agriculture: The traditional dry season is June to November, but this is likely to lengthen with climate change, while glacier melt threatens long term loss of irrigation potential; conservation agriculture counters this threat by techniques which, inter alia, conserve soil moisture;
- d) Reduced the risk of landslides and soil erosion: Tajikistan has relatively young mountain ranges, so that landslides are a natural characteristic of the landscape: the risk of these is heightened by increasingly erratic rainfall under conditions of climate change; under the Land Use Planning component, practices such as afforestation, and the substitution of perennial crops for annual crops on slopes of more than 12° mitigate this risk.

In none of the above cases are figures available to quantify either the area under the new technique or technology, nor, in the case of climate change mitigation, has the degree of GHG reduction been calculated. The latter is hardly surprising as efforts to estimate the relevant variables in farmers' fields are still at the experimental stage globally and are presently being conducted, not by development projects such as GREAT, but by dedicated research bodies such as universities and institutes under the Consultative Group on International Agricultural Research (CGIAR).

Incentivising Climate-Smart Agriculture

One of the main challenges when attempting to induce farmers to adopt climate-resilient technologies is the fact that, while many of the benefits take the shape of public goods, the costs are privately borne. Smallholder farmers are extremely unlikely to make choices based on mitigation alone; mitigation will occur only as a co-benefit of practices that directly benefit their farms and families. However, many instances have emerged showing that profitable agricultural innovation and climate change mitigation can go hand in hand, in the shape of higher factor productivity combined with lowered GHG emissions per unit of production. Some climate-smart interventions can even be cost-negative. The prime example in the case of GREAT is conservation agriculture.

Promoting technologies that adhere to conservation agriculture principles Sarob has shown such symbiotic effects in the case of conservation agriculture. Advisors have collected data that permit comparison of the costs and benefits of conventional tillage and direct seeding via paired demonstration plots on the fields of their client farmers. The results of these small-scale trials are shown in Table 37.

It is increasingly coming to be recognised that conservation agriculture can contribute importantly to climate change mitigation, adaptation and risk reduction. In the case of minimum soil disturbance and maintenance of soil cover, the following are particularly important: maintaining soil cover, to conserve water; achieving more accurate placement of fertilizers to the root zone of the crop; increasing the organic matter content of soils, thereby promoting carbon sequestration, and reducing turnaround time between crops through the elimination of ploughing, harrowing and other land preparation operations.

Clearly the above contains elements of both short-term economic advantage for the farmer and medium- to longer-term climate resilience elements. Table 37 shows the economic co-benefits that have the potential to incentivise farmers to embrace this climate-smart technology, including those with important mitigation effects. Not only are yields increased, but costs are reduced. The latter is additionally important because it reduces investment costs in a heavily capital-scarce rural economy.

This is obviously a very small sample from a set of experimental plots, but the differences it shows between conventional tillage and direct seeding are large enough to suggest that this technology may have the potential to make an important contribution to all three aspects of climate resilience.

Energy Efficient Products

Regarding energy efficient products, the focus on the greater use of insulated products, has a relevance to climate adaptation. Results in terms of domestic and commercial premises acquiring an improved ability to use energy will have an impact upon energy use – achieving greater comfort at the same cost of fuel purchases. However, the overall scale of the effect (e.g. 4,900 windows and 3,200 doors sold and 4,900 other products) will be greatly limited in its impact upon climate change and its consequences for Tajikistan.

Cross-Cutting Climate Change EQ9: Conclusion

GREAT is concentrating its scarce resources on climate change adaptation and risk reduction, rather than on climate change mitigation, which has two advantages. First, since the country is a very minor contributor to global climate change, efforts to mitigate climate change in Tajikistan could have little global impact. On the other hand, since Tajikistan is a hot spot of climate change, efforts to adapt to, and reduce the risk of, climate change could have a high payoff. The second is that the greatest contributor to agricultural GHG emissions in the country is the livestock sector, and it would require a major policy shift to address the problem of mismatch between publicly owned pastures and privately owned livestock.

Table 37: Economic Comparison of Conventional Tillage and Conservation Agriculture of Maize in Six Farms in Gissar District, Sughd Region										
Farmer	Plot Size (ha)	Yield			Total Production Expenses			Gross Profit		
		MT/hectare		Difference (per cent)	TJS		Difference (per cent)	TJS/hectare		Difference (per cent)
		Conventional Tillage	Conservation Agriculture		Conventional Tillage	Conservation Agriculture		Conventional Tillage	Conservation Agriculture	
1	2.5	7	12	71.4	11,242	7,783	-30.8	2,503	8,567	242.2
2	1.5	20	27	35.0	3,795	3,564	-6.1	17,470	24,624	41.0
3	0.9	13	14	7.7	5,640	5,544	-1.7	6,733	9,240	37.2
4	3.0	25	25	0.0	6,923	6,402	-7.5	22,692	22,867	0.8
5	0.1	11	12	9.1	518	443	-14.3	6,925	9,967	43.9
6	0.2	12	13	8.3	577	587	1.8	9,115	10,063	10.4
Mean	1.4	14.7	17.2	17.0	4,783	4,054	-15.2	11,106	14,221	28.0

Source: Calculated from Sarob data base

With respect to whether GREAT’s effort has been sufficient, it is always possible to do more, but an important caveat to be kept in mind is that many of the technologies that are promoted as being climate change resilient have not been fully tested globally, and certainly not in Tajikistan. The approach that Sarob has adopted of testing technologies such as conservation agriculture in-country before considering rolling them out is therefore well advised.

Cross-Cutting EQ8 (Efficiency): How could value for money be improved in the programme and costs be contained without affecting delivery?

Cross Cutting EQ8: Evidence

GREAT Management Costs to March 2015

The total management costs of the combined programme are based on the Financial Report dated 31 March 2015. A more recent audited Financial Report was not available. Total budgeted management costs to 31 March 2015 are set out in Table 37 below.

The GREAT Business Case states that value for money through procurement will be achieved by the recruitment of GIZ as the implementing agency. The key consideration for this determination is the statement in the Business Case that:

GIZ charges DFID same rate as they charge other donors and as they are charging under the on-going SEDP and RGP programmes: 13.2 per cent for activities they implement directly and 4.5 per cent for activities they sub-contract third parties.⁸¹

Table 38. FFPSD/ GREAT Budgeted Management Costs		
Management element	Management Cost (€)	Total Programme Cost (€)
MME	3,958,934	3,958,934
Business enabling environment	340,369	2,796,796
GIZ Overhead costs		
RED GIZ Overhead costs	909,434	11,056,570
MFI GIZ Overhead costs	242,187	2,008,417
CBER GIZ Overhead costs	254,287	2,714,157
EBPM GIZ Overhead cost	137,728	980,678
TOTAL	5,842,939	23,515,552
Per cent of Programme Cost	14%	100 per cent

The evaluation notes that the budget for GREAT includes management costs of 17.8 per cent (including GIZ overhead costs), which is higher than proposed in the Business Case. However, German Federal Ministry for Economic Cooperation and Development (BMZ) management costs (including GIZ Overhead costs) are 39 per cent, which appears disproportionately high compared to those assigned to GREAT. The evaluation notes that total management cost of the combined FFPSG/ GREAT programme is 25 per cent, which is the average of the GREAT and the BMZ management costs percentages.

The evaluation notes that one risk faced by cost-shared programmes is that costs can be assigned in accordance with funding partner criteria and cost constraints, rather than in direct proportion to the respective funding contributions. This may have been the case with GREAT’s allocation of management costs, which appears disproportionately low.

From the financial and economic perspective of VFM, the evaluation found that GIZ management costs of GREAT were higher than stated in the GREAT Business Case. However, the evaluation’s analysis of the potential increase in absolute income for lowland and upland farming families under Output 2 shows a Benefit Cost Analyses (BCR) of around 30, which the evaluation considers as good value for money.

Management Personnel as a Proportion of Total FFPSD/ GREAT Staff

The personnel commitment to management of FFPSD/ GREAT activities is a combination of management staff in GIZ, AFC as the prime sub-contractor and partner organisations. The definition

⁸¹ GREAT 2012. *Business Case and Intervention Summary*

of management staff used by the evaluation includes individuals with functions related to GREAT programme management, such as communication, M&E, finance & administration, as indicated in the FFPSD Internal Organisation Chart by Tasks of 31 July 2015.

The evaluation notes that partner management costs are effectively held to 10-13 per cent through GIZ subcontracting conditions; and are not included in this analysis.

Table 39 FFPSD Management and Programme Personnel		
Programme Element	Management Personnel	Programme Personnel
GIZ programme oversight of FFPSD/ GREAT (<i>excluding cleaners and drivers</i>)	13	0
GIZ for Output 4	0	5
GIZ for Output 5	0	2
AFC as GIZ's prime subcontractor for Outputs 1, 2 and 3	4	19
Total Personnel	17	26
Per cent of Total Personnel	17%	83%

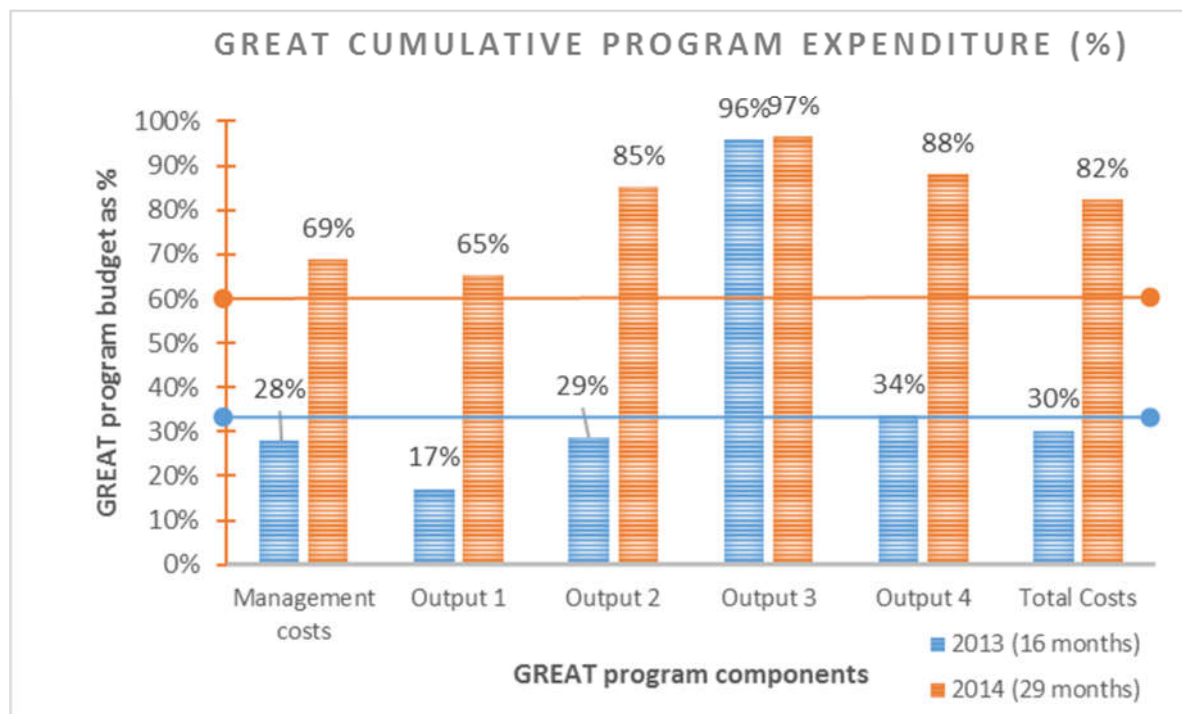
The personnel commitment to management of the combined FFPSD/ GREAT programme is 40 per cent. Many of these management personnel are in the higher cost category of international staff. This percentage of management personnel appears high when compared to the value and number of outputs funded under the combined FFPSD/ GREAT programme; and may be one reason GREAT management costs are higher than was proposed in the GREAT Business Case. However, it should also be noted that several of these management functions also have a technical support role in programme implementation.

Management Efficiency

With regards to containing costs and maintaining programme delivery, the chart below tracks the percentage of annual GREAT expenditures by output against the percentage of the programme time-line that has elapsed. There was no audited financial data available for the period March 2015 to March 2016 because GIZ will produce a last audited financial report in mid-2016.

As noted in the Inception Report, this is a simple measure of management efficiency and reflects the rate at which GIZ is matching the use of GREAT funding to the programme period. It is useful in that it can identify any significant mismatches between GREAT resources used and the GREAT programme period that has elapsed. Any such mismatches may signal that GIZ has accelerated investments and efforts in some activities; and this may reflect an under-emphasis on other activities.

A smooth implementation of programme activities was anticipated in the funding allocations that DFID forecast for GREAT in the Business Case; and disruptions to this could signal possible funding shortages in some outputs/ quarters towards end-of-project. The evaluation team was not advised of any funding constraints by partner organisations during the in-country assignment in March 2016, near to end of programme in mid-2016, so this risk has not eventuated in GREAT. In addition, neither DFID nor GIZ has reported any funding constraints or shortages that have affected delivery of outputs to date, other than some partner organisations noting that funds released to them were delayed and so affecting their implementation of programme activities.

Figure 2. GREAT Cumulative Expenditure at 16 months (2013) and 29 months (2014)

In the 16 months of programme management to 26 February 2014 (2013 in the key in Figure 2) the level of GREAT expenditures on an accruals basis is broadly consistent with elapsed programme time at 33 per cent (16/48 months) of the overall programme period. The notable exception is Output 3, where External Personnel costs (at 143 per cent of this total Output 3 budget item) and GIZ overhead costs (at 106 per cent of this total Output 3 budget item) and the evaluation concludes that these budget item costs were not effectively contained.

Output 3 appears have accrued almost total output costs in the first 16 months of operations. This could imply a cost allocations error, or significant cost overruns by GIZ. Since these figures are audited, it is more likely that this represents cost overruns.

In the 29 months of programme management to 31 March 2015 (2014 in the key in Figure 2), each output's costs and total programme costs (82 per cent) have exceeded the elapsed programme time of 60 per cent (29/48 months) of the overall programme period. This represents GREAT programme costs running ahead of budget and time by 37 per cent. This is a significant level of spending ahead of programme schedule. The evaluation concludes that GREAT costs were not contained as well in the 13 months from February 2014 to March 2015, as they were in the first 16 months of operations.

Efficiency of Programme Activities/ Initiatives

Measures of efficiency using VFM evaluations of Official Development Assistance (ODA) funded programmes with social objectives, such as GREAT, depend on both quantitative and qualitative assessments to determine their value for the money. In the case of DFID funding for GREAT, quantitative measures such as economic and financial criteria (50 per cent) and qualitative measures such as inclusiveness and sustainability (50 per cent) are given equal weighting⁸² in determining value for money. This weighting is typical for ODA funded programmes in the social sectors, because economic theory definitions of economy (minimising costs) and efficiency (getting more results for the same cost) are not applicable⁸³.

In appraising the quantitative measures of VFM, in particular Benefit Cost Analyses (BCA), there is a strong global move towards the use of activity-based accounting systems for “linking outcome

⁸² GREAT 2012. *Business Case and Intervention Summary*

⁸³ OECD 2012 *Value for Money and International Development: Deconstructing myths to promote a more constructive discussion*.

indicators to input resource costs, so as to facilitate a better understanding (of) VFM”⁸⁴. The move towards activity-based accounting in ODA funded programmes in social sectors is to address donor concerns regarding the VFM of specific activities within a programme, rather than for a programme as a whole. Whole-of-Programme VFM analyses are most appropriate for infrastructure programmes where the cost of the whole project can be compared to the economic benefits to be derived from the asset (e.g. road network, bridge, airport, etc.).

Details of the evaluation of VFM of GREAT activities with monetised benefits was conducted earlier in Section 4 *Increased economic activity in rural areas: Agriculture*, Further details are also in Annex 10, which concludes that GREAT VFM objectives were diluted during implementation because no effective links were maintained between accounting for the cost of initiatives and their monetised outputs.

Cross Cutting EQ8: Conclusions

With funding from two sources, DFID and BMZ, it has been possible for GREAT funds to be utilised earlier in the programme period and for BMZ funding to support these activities over the balance of the programme period, resulting in full delivery of the activities.

The evaluation finds that GREAT programme costs have not been evenly managed over the programme period, but this has not impacted on programme delivery.

With respect to cost containment, data on costing of programme activities/ initiatives is not available and has not been analysed by the evaluation.

There is no analysis on how or where costs could be reduced while retaining the impact of the activities, other than for the evaluation to note that GIZ has managed costs effectively amongst the partner organisations responsible for delivering GREAT activities.

Cross-Cutting EQ10 (Effectiveness): How effective is the programme’s governance, reporting and planning processes?

Cross-Cutting Programme Processes EQ10: Evidence

Programme Management

Overall, the way in which the GREAT programme was designed resulted in a set of (more or less) parallel activities corresponding to the programme outputs. While the different elements of the programme certainly shared a broad concept of “rural development” as their common reference point, and there were clear synergies between them, they were afforded little functional inter-connection in their application and implementation. The structure of programme management, with different teams responsible for different outputs, was therefore not conducive to a holistic approach to growth in the rural economy.

The most compelling piece of evidence for this conclusion derived from the Evaluation Team's first meeting with all of GREAT's senior management. In answer to the question "*If you were starting out again, what would you do differently?*" a senior GREAT team member stated (and none of the others disagreed) that the organisational structure had not been conducive to integration of the four outputs, because each output had its own output leader. The respondent then went on to state that they had learned from this, and as a result the successor programme had been designed to avoid this problem.

The absence of effective coordination within the implementation of GREAT was further corroborated by the Evaluation Team’s own observations during the course of the evaluation. To begin with the team were unable to talk to the GREAT Steering Committee, as it proved impossible to bring all the members of the committee together for a meeting. The Evaluation Team were also unable to find substantive evidence of effective synergy between the Outputs and as a result, came across missed opportunities to add value and increase impact. For example; the evaluation team's work on the CC/PG model (Output 1) clearly identified the potential to leverage valuable export opportunities, but

⁸⁴SIDA 2013 Study: *How to Define and Measure Value for Money in the Humanitarian Sector*, WASH 2015. *Improving VFM and sustainability in WASH programmes* (VFM-WASH)

these had not been communicated to, or factored into, the component dealing with cross-border trade (Output 4).

Even within outputs there has been a degree of lack of coherence. For example, Sarob advisors have been active in providing technical advice to Producer Groups (Output 2). As a purely national institution and a relatively new one, Sarob will require more mentoring and other institution building efforts than the other two partners. Oxfam and ADKN possess a considerable body of knowledge and experience of working with value chains, but this had not been sufficiently utilised. As a result, opportunities to improve Sarob's work in this area had been missed. Also, promoting financial literacy and Responsible Financial Principles (Output 3) were treated as separate exercises and were not coordinated with other Output actions, or with other actors undertaking similar missions. At a more strategic level, by managing the several elements of Output 3 separately, GREAT did not take a sector approach to implementation that would have helped it identify key directions for improving access of rural clients to "innovative" microfinance, based on (for example) lower interest rates, longer repayment periods, grace periods and the promotion of new credit sources such as credit unions.

Governance

Programme governance is primarily exercised through a Steering Committee system, which is designed to ensure the transparency and accountability of the programme to all partners. However, one of the disappointments for the evaluation team was that it was not possible during their time in-country to meet members of the Steering Committee and interview them to gain independent insights into the effectiveness of this committee's contribution to the Programme's work.

Reporting and Planning

The most significant problem in terms of the logframe design was its failure to set targets in terms of the variables identified in the baseline, which limits reporting on results and analysis of impact and VFM. The most significant in terms of reflecting Programme evolution was the failure to include the community inclusiveness approach in any of the updates. See Section 4, outputs 1 and 2.

The M&E Section of GREAT has faithfully monitored the programme against the original indicators and targets, but since these were inadequate and should have been improved, the monitoring process may be said to have followed the rules, but that it did so uncritically. This was the biggest failure in the entire monitoring process – not least because it resulted in important achievements (such as the number of families brought into Programme under the CC/PG model) going unreported. Apart from this, the monitoring effort has supported some useful initiatives, the most important of which was to build capacity of implementing partners to conduct their own monitoring, construct databases and analyse this data in a way that delivers useful results – such as the finding that areas and clients under Sarob advisory services were being over-reported up to 2013.

The GREAT communication strategy begins with a list of objectives that are each accompanied by a measurable indicator—this is an extremely useful approach that clearly demonstrates where the GREAT communication team has chosen to focus efforts for the project. What is arguably missing is a focus less on specific objectives but rather more on an overall vision or set of communication-related goals that can help stakeholders understand how the communication team will define absolute success. We should point out at this stage that due to the scope of the evaluation being necessarily constrained, only the communication strategy has been reviewed, and not the implementation of the communication strategy.

For reference, the three objectives listed in the communication strategy are written below:

- a) The communication lines between the programme, the Government of Tajikistan as represented by steering committee members, and DFID ensure the effective and efficient implementation of the programme through transparent and stable information flow;
- b) The communication lines between the programme and its implementation partners ensure the effective and efficient implementation of the programme through transparent and stable information flow;

- c) The programme, its donors and the programme's objectives are well presented and information about them is accessible to the public of Tajikistan, Great Britain and Germany, represented by the tax payers.

This list, and indeed, the rest of the communication strategy, would benefit from inclusion of mention of how learning experiences from GREAT will aim to influence positive change in future programming for donors, Tajikistan government, and the global evidence base more generally.

The stakeholder map in section 2 of the Strategy acknowledges a wide set of project stakeholders, though the content that follows focuses almost solely on communication with immediate stakeholders—FFPSD staff, steering committee, and donors—and not others such as programme and downstream partners. In fact, the communication strategy would benefit by referencing the surely integral role that implementing partners themselves should play in communicating the learning experiences from the programme and learning from one another's project experiences. The role of the implementing partners in the communication strategy is likely already being taken into consideration in some form, though explicit mention of this role in the strategy would be ideal.

The strategy also mentions plans for presentations and roundtables with civil society, private sector, and donor community—this is an important recognition and a good way to ensure that learning opportunities from this programme do not sit solely with the development community. However, the timescales at the end of the document reflect that no presentations have been organised, yet.

Overall, project communication appears to focus primarily inwards on interaction between immediate stakeholders, though it would be ideal to see a strategy mention how the learning opportunities from a current project will inform future programming for government, donors, and the international development community.

Cross-Cutting Programme Processes EQ10: Conclusion

The key planning and reporting document is the logframe, in which there were many weaknesses, both in terms of its original design and in terms of failure to update it to incorporate the evolution of the programme approach over time,

Programme governance is primarily exercised through a Steering Committee system, which is designed to ensure the transparency and accountability of the programme to all partners. The Steering Committee membership, structure and remit are adequate to ensure that it can provide the necessary strategic oversight and guidance.

6. LESSONS LEARNED

For ease of reference the lessons learned in this section are set out using the same sub-section headings as above for outputs (Section 4) and cross-cutting issues (Section 5). For each lesson the appropriate EQ is set out.

Key Learning

EQ1 Relevance: Are the activities supported through GREAT the right ones given the TOC and the context of Tajikistan?

Overall relevance depends on linking a strong regional focus with national and international policies and actions

- The scope to achieve overall relevance with respect to improving the business enabling environment and cross-border trade, depends on the capacity of a programme such as GREAT to link the results of a strong regional focus to the actions and policies of national and international agencies that might be able to replicate results and/ or introduce supportive policies e.g. reducing burden of specific regulation on business. GREAT demonstrated this through the establishment of PPD.

Output 1: Business Enabling Environment

EQ2 Effectiveness: How effective were the interventions in delivering their intended objectives relative to the proxy or other counterfactuals (increasing outreach, increasing incomes and jobs)?

The need for a clear agenda for change to improve rural economic performance

- An absence of a clear agenda for change prevented the Programme from developing an evolving and dynamic understanding of processes and problems that needed resolution to obtain better rural economic performance e.g. the inspections regime, import-export regulations, which currently suffer from delays and associated costs.

Output 2: Agriculture

EQ2 Effectiveness: How effective were the interventions in delivering their intended objectives relative to the proxy or other counterfactuals (increasing outreach, increasing incomes and jobs)?

Assumptions must be specified regarding weather conditions and price stability.

- Particularly for a short programme such as GREAT this is an important issue – year-on-year variation in production levels due to weather can be very large, particularly for tree crops, and bald results without accompanying assumptions can be misleading.

EQ2 Effectiveness: How effective were the interventions in delivering their intended objectives relative to the proxy or other counterfactuals (increasing outreach, increasing incomes and jobs)?

Subsidies should not distort programme aims

- Subsidies have been a contentious issue since the days of Structural Adjustment. It is important to learn that where subsidies are paid they should not distort programme aims, as they did here. A basic problem was the basis on which subsidy was paid to TAG advisors. It should be recognised at the design stage that a system that rewards participants in proportion to the degree of outreach they report would be open to over-reporting.

EQ2 Effectiveness: How effective were the interventions in delivering their intended objectives relative to the proxy or other counterfactuals (increasing outreach, increasing incomes and jobs)?

Poverty reduction was not an objective of the main vehicle for agricultural extension and development.

- This contributed to the fact that resultant skewing towards commercial farmers could develop before corrective measures were taken. During Programme design the potential for conflict

between growth and poverty reduction in the agricultural components should have been recognised earlier. This should not be allowed to deflect from the fact that the interests of medium to large farmers should not be subjugated to those of the poorest farmers. Medium to large farmers are the surplus producers and contribute disproportionately to export earnings and national level food availability, particularly among the urban population. Both approaches are therefore needed.

EQ2 Effectiveness: How effective were the interventions in delivering their intended objectives relative to the proxy or other counterfactuals (increasing outreach, increasing incomes and jobs)?

Programme monitoring should learn to pick up contradictions between policy and practice, and bring them to the attention of the relevant authorities

- While national policy on agriculture emphasises *freedom to farm*, the Soviet-era target-based approach still exists.

EQ2 Effectiveness: How effective were the interventions in delivering their intended objectives relative to the proxy or other counterfactuals (increasing outreach, increasing incomes and jobs)?

Sarob shows real promise as an alternative to the typical public sector extension service.

- The typical public sector extension service is so under-resourced and so lacking in incentives that it is virtually pre-programmed for minimal success. Sarob's work has shown that its model has scored some major achievements in terms of introducing new technologies and techniques through an innovative approach to funding agricultural extension.

EQ2 Effectiveness: How effective were the interventions in delivering their intended objectives relative to the proxy or other counterfactuals (increasing outreach, increasing incomes and jobs)?

It could be counter-productive not to meet the "revolution of rising expectations" created by the successful CC/PG model

- This model has generated a great deal of enthusiasm and a high degree of expectation among participants. It is too early to say whether these hopes will be realised in full, but there is a clear danger that, if they are not, results could be compromised. It also illustrates the importance of good design, research, group formation and training.

EQ10 Effectiveness: How effective is the programme's governance, reporting and planning processes?

Implementing teams must be linked across outputs with mechanisms for systematic communication about inter-dependency, progress and effectiveness

- The structure of Programme management, with different teams responsible for each output is not conducive to a holistic approach to growth in the rural economy. For example, the work of the CC/PG model has identified potential export opportunities, but these are not factored into the component dealing with cross-border trade.
- Even within outputs there has been a degree of lack of coherence and sharing of knowledge and experience. There is a need for a structure to ensure systematic communication between partner agencies that enables the experience of each to inform a programme.

Output 2: Non-Agriculture

EQ2 Effectiveness: How effective were the interventions in delivering their intended objectives relative to the proxy or other counterfactuals (increasing outreach, increasing incomes and jobs)?

The realisation of Tajikistan's potential for agri-processing will need a broad approach

- The F&V output was directly helpful to existing processors, but it missed an opportunity to address some of the main constraints on agri-processing development identified by others, and to suggest how they might best be tackled. GREAT and other efforts have demonstrated that a partnership approach is essential (e.g. with the EU's ECTAP Programme).

EQ2 Effectiveness: How effective were the interventions in delivering their intended objectives relative to the proxy or other counterfactuals (increasing outreach, increasing incomes and jobs)?

EQ6 Sustainability: Will the changes achieved by the programme be sustained? Why/ why not?

Engaging market forces effectively (when that is possible) allows donor interventions to achieve greater VFM and sustainability.

- With respect to more efficient energy products, a problem – poor value-for-money for households and businesses in obtaining essential fuel/power for heating and cooking – was addressed with a commercial solution.

Output 3: Financial Products

EQ2 Effectiveness: How effective were the interventions in delivering their intended objectives relative to the proxy or other counterfactuals (increasing outreach, increasing incomes and jobs)?

The micro-finance industry needs greater coherence and technical capability in addressing the reform of laws and regulations affecting the operational environment for small enterprises

- The MFI industry has enough internal capability now to manage operational matters without significant external assistance. Any future efforts to affect the MFI sector will be more likely to be effective at a policy level rather than having a concern with operational matters, such as the design of innovative loan products.

Output 4: Cross-Border Trade

EQ2 Effectiveness: How effective were the interventions in delivering their intended objectives relative to the proxy or other counterfactuals (increasing outreach, increasing incomes and jobs)?

The practical realisation of cross-border business opportunities will not emerge spontaneously

- These require a positive (externally generated) initiative, consisting of practical actions and organisation to turn business and trading potential into a business reality.

Cross-Cutting Issues

EQ9 Effectiveness: To what extent were the cross-cutting issues of Gender and Climate Change effectively and appropriately integrated across the programme?

Procedures were not adopted to ensure that the results of gender analysis were reflected in all activities

- Although the Programme has addressed gender in various ways, opportunities were lost to mainstream gender.

EQ2 Effectiveness: How effective were the interventions in delivering their intended objectives relative to the proxy or other counterfactuals (increasing outreach, increasing incomes and jobs)?

Climate Change technology was attractive to poor farmers because it resulted in higher yields and lower input costs.

- Sarob successfully demonstrated that climate-smart agricultural technologies stand the greatest chance of adoption when they produce important co-benefits, for example, direct seeding which has benefits in terms of climate change mitigation and adaptation.

EQ8 Efficiency: How could value for money be improved in the programme and costs contained without affecting delivery?

If VFM data reporting and accounting requirements are not formally established in the M&E Framework and mandatory reporting formats, then the VFM monitoring process is compromised

- VFM data needs to be in place at the start of a programme and monitored regularly throughout programme life to ensure DFID VFM indicators are consistently measured and reported; and reviewed, as necessary.

Governance, Reporting and Planning

EQ2 Effectiveness: How effective were the interventions in delivering their intended objectives relative to the proxy or other counterfactuals (increasing outreach, increasing incomes and jobs)?

When a programme's coverage is not intended to be nation-wide, geographical areas not included within this intended coverage should not be used when assessing its accomplishments

- Targets were set in terms of national level statistics, when the Programme was operational only in specific districts; this implies that impact in these districts would have to be unusually large to achieve a measurable average improvement at the national level.

EQ10 Effectiveness: How effective is the programme's governance, reporting and planning processes?

If the logframe is not updated to take account of programme evolution, information contained in progress reports will steadily diverge from the situation on the ground.

- It is of crucial importance to update the logframe whenever important changes are made to the programme's modus operandi. The most surprising example of this emerged from Output 2.1, where the Joint Progress Review of 2013, recognised that support to Sarob was tending to bypass the upland farmers, who tend to be the poorest. Consequently, the CI model was introduced, but the logframe was not modified to reflect this.

7. OVERALL CONCLUSIONS

In this section overall conclusions regarding the findings from the evaluation are described, using the DAC criteria of relevance, efficiency, effectiveness, impact and sustainability.

Relevance

With its emphasis on improving the enabling environment for private sector led rural development, increasing economic activity in rural areas, improving access to financial products and enhancing cross-border economic transactions, the activities supported by GREAT are fully in line with the economic realities of the country, its current policy regime and GREAT's TOC.

Efficiency

Overall the evaluation concludes that activities could have been implemented more efficiently. The evaluation did not find evidence that the Programme sought actively and routinely to identify opportunities for improved efficiency in the use of resources. An example is the above-mentioned case of lack of co-ordination between output managers, resulting in potentially missed opportunities to create synergy between outputs. In addition, there was no evidence of analysis of how or where costs could have been reduced while retaining the impact of specific activities, potentially resulting in greater VFM.

Effectiveness

Results on effectiveness are mixed and concluded by output.

The Business Enabling Environment output started with unrealistic expectations of what a limited regional initiative could achieve in reform of the national business environment. The Programme had no effect on national indicators such as starting a business, but was successful in helping to initiate and provide a model for regional PPD.

Although the logframe indicates that the agricultural output has in most cases under-performed, this is more apparent than real, because inappropriateness of some components of logframe design has led to the setting of unrealistic targets, and, more importantly, because failure to update this document has resulted in key achievements going unreported. In fact, the agricultural programme had been broadly very effective. However, the two-pronged approach of working with commercial farmers through a cooperative of advisors and with resource poor farmers in PGs have the potential to achieve effectiveness in increasing farm incomes at all levels, as well as promoting inclusive rural economic growth.

Technical assistance to agri-processing was effective in supporting start-up and operational enterprises with positive results. The output also identified key conditions needed for industry success e.g. quality considerations. Energy efficiency results were effective in reducing energy consumption (or more likely) improving VFM for many rural households and inspired the expansion or formation of self-sustainable small enterprises, on a commercial basis. Additionally, the client base evolved into urban areas, while the product range became more diversified to include more general insulating solutions. The alignment with selected MFIs who offered loans for agri-processing and energy efficient products was a useful initiative that accelerated the focus of MFIs on these new business opportunities within GREAT, but it was of limited impact more widely

“Innovative” loans made it easier for those in agriculture, business or purchasing insulated products to obtain access to finance. GREAT has been effective in increasing the availability of credit resources. However, Programme assertions over-state its influence: the number of loans provided are a minor share of national loans. Support of AMFOT was significant for the development of that organisation, and for the cohesion and overall promotion of the microfinance industry. The promotion of financial literacy and responsible lending was a useful initiative that added to a wider effort being undertaken by several other donors / actors.

Cross-border trade and businesses revenues increased significantly in cross-border areas affected by GREAT. The engagement by enterprises was stimulated directly by the measures put in place by the Intervention. Trade expansion delivered benefits for people and communities in cross-border areas, including in high value items associated with better quality.

Impact

This evaluation was a mid-term review that morphed into a final evaluation, using the original TOR. Hence the evidence it has produced in terms of impact on poverty and gender is limited, especially with respect to women, poorer farmers and altitude band (upland/lowland). The first is because, despite efforts at affirmative action by Sarob, few women are de jure heads of household in Tajikistan, and the latter are the farmers who tend to become Sarob clients. Resource poor farmers and upland farmers (which share many features in common), are not well suited to become Sarob clients, largely because of the absence of potential for scale economies. In recognition of this, the community inclusiveness model of PGs deliberately targets the disadvantaged, and seeks to address the problem of scale economies through the commodity cluster approach. This model is at too early a stage of development to permit assessment of impact, but there are encouraging early signs that it is having a degree of positive impact, at least on farmers who have been producing the commodity in question for some time.

Sarob shows real promise as an alternative to the typical public sector extension service. The typical public sector extension service is so under-resourced and so lacking in incentives that it is virtually pre-programmed for minimal success. Sarob's work has shown that its model has scored some major achievements in terms of introducing new technologies and techniques through an innovative approach to funding agricultural extension.

With respect to the business environment and cross-border trade the focus has been on rural entrepreneurs and the establishment of an enabling environment, and not targeted impact on the poor or women. But the PPD structure links a national structure, CCIC, with business in rural (poorer) areas. It was not within the resources of the evaluation to undertake an analysis on the socio-economic profile of energy efficient product purchasers, but an important contribution has been made to expanding their use in rural areas.

Sustainability

The PPD approach has been incorporated into a national PPD programme and therefore has been scaled up with good prospects for its sustainability as a structure and mechanism for public-private dialogue.

In agriculture, the two main vehicles the Programme uses, Sarob and the CC/PG model are still heavily dependent on subsidies, and they are entering a critical phase which will determine whether they will become sustainable free-standing approaches. However, delays in approval of a successor programme to GREAT means that both models may soon enter a phase where support is withdrawn, at least temporarily. Even a temporary withdrawal could seriously compromise sustainability prospects for Sarob and the CC/PG approach, for example staff may be let go and not be available for re-hire and momentum lost, and vital processes such as a timely extension response to the seasons in agriculture.

The sustainability of the agri-processing enterprises will depend on their improved business performance. Insights gained by the Programme into constraints facing agri-processing will be helpful to any follow-up assistance to the industry, especially concerning product quality for the growth of the sector. The energy efficiency initiative is already commercially self-sufficient – and might draw new suppliers into an evolving market. Sustainability is assisted also by a widening of the market from its initial rural household focus into urban areas and an extension of the product range into insulation solutions.

The intervention helped to link partner MFIs with new clients and to improve corporate strategy (e.g. though client groups having a focused loan product design). This may have some sustainability. Support of AMFOT could be a major sustainable outcome although the organisation remains work in

progress, but it should have the potential to operate as an independently sustainable organisation providing benefits to the MFI sector as a whole.

There are good prospects for the sustainability of the structures and effects of cross-border due to local ownership of the structures and processes. Local owners are Bilateral Trade Commissions and owners /managers of physical markets. Importantly individual traders and enterprises who have established a new business have an incentive to support sustainability of the facilities and processes.

8. RECOMMENDATIONS

Key recommendations – general design issues – are accorded a high priority for DFID and successor programme partners. Specific technical issues are accorded a medium priority and have an audience that might include more widely (at DFID’s discretion) others such as GOT, and selected donors.

Key Recommendations

1. Addressing Rural Economic Growth and Inequality

A successor programme should continue to address both rural economic growth and rural inequality issues (particularly poverty and gender). These twin aims should be built in from the outset, possible contradictions identified, and measures put in place to address them.

Poverty

Priority Rating - High

DFID, Successor Programme Donors and Implementing Partners

- a) The fact that the poverty part of the balance was not fully considered from the outset of GREAT, meant that initially the agricultural component was firmly based on the Sarob model, which is more appropriate to better off farmers in more advantaged areas, and hence focused rather more on growth. Sarob has also shown promising potential for improving the agricultural productivity of small farmers through its introduction of the CC/PG model. But for this it has relied on heavy subsidies from GREAT, which is not sustainable.
- b) Design for any successor programme must include an action plan for Sarob’s transition into a fully autonomous, self-funding organisation within the life of any new programme, an action plan that clearly identifies and puts in place the resources required for this implementation. This will allow the continuation of the CI approach and the inclusion of small farmers in Sarob’s extension programme.
- c) An action plan for sustainability of the CC/PG model must also be developed, although (compared to Sarob) a combination of differences of approach and the foreshortened time scale for the development of this CI model will need to be more flexible and consider that it is at a lower point on the learning trajectory than Sarob.
- d) It could be counter-productive not to meet the “revolution of rising expectations” created by the successful community cluster/producer group model. It is too early to say whether these hopes will be realised in full, but it is recommended that this is considered in the future in order to avoid possibly compromising programme results.

Gender

Priority Rating - High

DFID and Successor Programme Donors

A gender strategy, together with the relevant methodological instruments and mechanisms, including timely reporting should be developed and implemented for subsequent programmes. This should include:

- a) Periodic gender analysis of programme activities and impact, for example at mid-term review and final evaluation stages.
- b) A sectoral gender mainstreaming methodological tool/guide, with a focus on programme objectives to ensure that these are used by the full range of staff.
- c) Gender awareness training relevant to the needs of the sector in question, and short refresher training for programme staff and the staff of partners.
- d) Continuous gender sensitisation training on raising gender awareness not only for women but also for men participating in the PPD at all levels. Besides, to promote

better business environment for men and women in Tajikistan, women – even more than men – need training in leadership skills, political dialogue skills and an ability to translate practical knowledge into policy advocacy tools.

2. Linking Local and National Action to Improve the Business Environment

Priority Rating - High

GOT, DFID, Successor Programme Donors and Other Donors

Rural development requires a holistic view of the business enabling environment both in terms of local and national business problems. A distinction needs to be made in rural development programmes between what can be tackled locally (e.g. through oblast administration) and items that require national level action.

Planning needs to be based on:

- a) A strategy and plan for tackling defined issues of the relatively poor business enabling environment. That might involve selecting a small number of specific problems and giving focus to efforts to get resolution.
- b) An organisational vehicle to lead from the national side, with regional roots, representing business, and capable of sustainability from a fee-paying membership (but capable also of accepting external support) to undertake specific tasks on a “contract-like” basis. A further development of Business Associations is one option for consideration.

Implementation will need:

- a) A new partnership for action that combines national and regional organisations (especially CCIC, key central Departments such as Tax Committee and Economy, but also oblasts, Chamber of Commerce). International partners such as IFC / World Bank, EBRD and DFID should also take part. This Business Environment Action Partnership should have an ability to assemble resources for implementing agreed actions. A further requirement for success will be political support to ensure tangible results are possible. The CCIC Secretariat can play a facilitating and monitoring role in articulating an agreed action programme and managing the implementation process.
- b) The transformation of Business Associations into membership bodies with parallels with Chambers of Commerce. A vital start-up task will be to assist Business Associations to turn their experience of business issues into analysed proposals for reform that can have a chance of implementation. That type of initiative will need appropriate support, along with a management capability to act in partnership with the proposed Business Environment Action Partnership or others in regional and national administrations. Business Associations should discuss with the national Tajikistan Chamber of Commerce opportunities for fruitful collaboration.
- c) GREAT’s successor to become a facilitator of capacity-building in the business environment process, and for connecting with partners locally, regionally and nationally. A partnership with AMFOT could widen the base of knowledge for defining possible reforms given the practical experience of business environment issues that is available through MFIs.

3. Including Inclusiveness in the Logframe

Priority Rating – High

DFID and Successor Programme Donors

The inclusiveness objective of GREAT was inadequately incorporated into Programme design and hence the logframe, as growth appears to have been conflated with poverty alleviation. The twin aims should have separate baselines, targets and indicators.

4. Integrated Programme Management

Priority Rating – High

DFID and Successor Programme Donors

The structure of GREAT Programme management, with different teams responsible for each output, is not conducive to a holistic approach to Programme implementation. A more integrated approach is needed for any successor programme.

5. Value for Money – Agreeing and Monitoring VFM Indicators

Priority Rating – High

DFID

It is vital that all technical VFM indicators, reporting formats and timing of reports be agreed in advance during programme design and inception phases. Retrospective assessment of intended VFM indicators can be fraught with difficulty where the required data sets are not identified and consistently/completely compiled by the DFID Programme Manager from programme commencement.

- a) Programmes should identify and rigorously maintain a focus on and monitor a set of agreed VFM indicators that reflect clear links between the cost of inputs of an activity and its related monetised outputs. Activity-level VFM indicators need to be clearly identified in the text and annexes of programme documentation to support better visibility and accountability for VFM.
- b) Key programme documents that need to guide more detailed VFM analysis and reporting are the:
 - Business Case - which identifies key VFM indicators, their baselines and the M&E framework and activity-based accounting data sets needed to regularly and reliably report VFM details;
 - MOU signed with the DFID Programme Manager - which needs to include a clause stipulating that any change to agreed VFM indicators and/ or mandatory reporting and accounting formats needs to be formally agreed with and ratified by DFID before being actioned by the Programme Manager; and
 - Inception Report - in which the Programme Manger needs to document in detail how M&E and activity-based accounting data collated by them under the terms of the MOU will enable complete and consistent VFM indicator reporting in the required formats. Lack of clarity and/or lack of completeness over VFM indicator reporting in an inception report can become a DFID stop/ go point in the MOU, allowing all funding and programme activity to be suspended until the VFM characteristics are fully established to DFID's satisfaction.
- c) Activity-based accounting data need not apply to all programme activities, but where identifiable monetised output benefits are anticipated it is essential to be able to evaluate the related input costs. This is particularly so for an economic development and income generation programme.

6. Addressing Unexpected Outcomes of GREAT

Priority Rating – High

DFID and Successor Programme Donors

In the successor programme, outcomes which at the time GREAT was designed were unexpected, but which during implementation and evaluation have emerged as actual, should be considered. Two issues should have priority in terms of programme monitoring.

- a) The first is the emergence of spin-offs, as in the case of the emergence of a beehive manufacturing industry in areas where GREAT and its partners have promoted honey as a commodity for the CC/PG model.
- b) The second is the issue of policy conflict, as in the case of local authorities acting in contravention of national policies such as *freedom to farm* to the detriment of farmers trying to take advantage of market opportunities. The implication is that monitoring in any successor programme should extend beyond Programme activities, identify such second-generation issues, and promote actions to promote positive spin-offs and counter negative spin-offs.

Other Recommendations: Technical Issues

1. Identifying Opportunities for Import Substitution

Priority Rating - Medium

GOT, DFID, Successor Programme Donors and Other Donors

Any successor programme should explicitly take cognisance of the fact that that an important component of boosting demand for Tajik products is import substitution. When identifying demand for crops that can be recommended for adoption by farmers, opportunities for import substitution should be identified and promoted, but only where they result from efficiency gains that give domestic produce a competitive edge on the domestic market and/or from raising public awareness of the advantages of the local product.

2. Agri-Processing – Addressing Industry Wide Constraints

Priority Rating - Medium

GOT, Donors and Successor Programme Donors,

Any additional effort to help realise the potential of F&V agri-processing should engage explicitly with industry-wide constraints in the sector (lack of storage, poor quality certification, lack of knowledge and expertise in export marketing) linked to the agricultural value chain. It should take into consideration the activities of other related programmes (especially the EU's Enhanced Competitiveness of Tajik Agribusiness Project (ECTAP), and F&V projects in neighbouring countries) to facilitate remedial actions, with a special focus on exporting opportunities for Tajik products and / or import substitution. This would also highlight opportunities that extend business activity from primary production into processing.

3. Energy Efficiency –Identifying Further Development Opportunities

Priority Rating - Medium

DFID and Successor Programme Donors

Given the success of the efficient energy product components (commercial self-sufficiency led to an expansion of beneficiaries, product development and diversification) a consequent recommendation is to redeploy any remaining energy efficient development resources from GREAT to successor programmes. Maintaining a light monitoring of the component (e.g. seek data returns from a sample of crafts enterprises) for a limited period will help ensure that any further development opportunities in this sector are identified.

4. Support for the Micro-Finance Industry

Priority Rating - Medium

AMFOT, DFID, Successor Programme Donors and Other Donors

Closer working with AMFOT is recommended to help take the organisation to the next level of capability as a major player in national and regional policy debates on government, donor and commercial actions that will affect the microfinance industry. This strengthening will be essential for the sustainability of the organisation (the loss of IMON as a member should be taken as a signal of vulnerability and a need for improvement). AMFOT should:

- a) Become even more strongly representative of the microfinance industry, by seeking as many MFIs as possible to join;
- b) Gain more executive expertise in policy analysis and presentation, and become the leading source of information and intelligence on the industry;
- c) Involve senior figures in the microfinance industry in governance and in public presentation;
- d) Be represented in important official bodies, including the CCIC.

5. Improving Financial Products

Priority Rating - Medium

MFIs, DFID, Successor Programme Donors and Other Donors

Currently, MFI clients are being offered (with few exceptions) short-term and high interest bearing loans.

- a) This situation could be alleviated by assisting MFIs provide more extensive grace periods for loans.
- b) Consideration might also be given, for example, to the establishment of pilot schemes to provide equity stakes in suitable small enterprises. Potential initiatives, especially on a pilot or temporary basis initially, should be discussed informally with EBRD and EU. They might also be put to the DCCT to seek their inputs to the design of action proposals, and to assemble support and resources. Ideally a multi-organisational approach to the above issues and problems would be initiated.

6. Diversification of Financial Products

Priority Rating - Medium

AMFOT, MFIs, DFID, Successor Programme and Other Donors

Establish a programme to help the extension of rural credit unions by linking them to sources of start-up capital. These institutions inherently encourage savings and enhance financial literacy.

7. Cross Border Revenue – Establishing a Multi-Organisational Effort

Priority Rating - Medium

GOT, DFID, Successor Programme and Other Donors

The cross-border trade infrastructure created by GREAT has been instrumental in expanding trade. The sustainability of results requires a multi-organisational effort to help establish a light

administrative/management role for the IWG with funding (from governments on a sustainable basis) to:

- a) Ensure the sustainability and further development of the cross-border trade infrastructure of administrative arrangements and physical facilities, allowing also for the possibility of the future opening of additional cross-border trade points e.g. with China and – in principle – with Uzbekistan. The realisation of that objective will require governments (Ministries of Trade) in affected countries to maintain the Inter-Government Working Group. In turn that arrangement should support Cross-Border Bilateral Commissions, which in turn will need to manage the maintenance of operational structures including Cross-Border Support Centres, Business Groups to help ensure the continuation of matchmaking, physical market maintenance and development.
- b) Provide better documentation, especially on legal rights and obligations for those involved in trade. This might be allied to further training on contracting and legally managing the process of trading across borders.
- c) Commission an assessment into the situation of the free trade zones to clarify their physical extent, the types of activity that can be undertaken within them, whether there is a need or capacity for physically enclosing the Zones to protect their integrity as locations where a special legal and regulatory regime applies. In that last context, to clarify the scope and options for the variation in (for example) taxation, regulatory control, access rules for potential users / processors.
- d) Consequently, consider a pilot project to develop one of the existing but undeveloped free trade zones on the border of Tajikistan and (probably) Kyrgyzstan. Trade patterns and volumes indicate that there could be advantages in turning some trading into new enterprises as markets have developed e.g. for clothing making-up/sewing, and aspects of agri-processing. The free trade zone could be of more general business and economic development interest where the regulatory environment is not absent but operates in a less intrusive and costly fashion.

ANNEXES

ANNEX 1

Terms of Reference

Terms of Reference

Mid-term evaluation of the Growth in the Rural Economy and Agriculture: Tajikistan (GREAT)

1. Introduction

1.1 The British Government represented through UKaid and the German Government represented through the Federal Ministry for Economic Cooperation and Development (BMZ) decided to co-finance the on-going Framework and Finance for Private Sector Development Programme in Tajikistan (FFPSD). The implementing partner is GIZ. The Growth in the Rural Economy and Agriculture Tajikistan Project (GREAT) is an integral part of the FFPSD. UKaid and GIZ decided to pursue another co-financing arrangement as the previous co-financing for the Rural Growth Programme (RGP) and the Sustainable Economic Development (SED) produced substantial impact and provided useful insights in how effective development support can be provided in Tajikistan. Between September 2012 and March 2015, DFID will contribute £13,200,000 (£13m project and up to £200,000 for evaluation) out of a total GREAT budget of about £20,000,000. BMZ will provide the remaining £7,000,000.

1.2 The overall objective of the Growth in the Rural Economy and Agriculture Tajikistan (GREAT) programme is to reduce poverty through increased economic growth in rural areas and to do so in an inclusive manner. Inclusive rural economic growth will be achieved by providing direct support to farmers and rural entrepreneurs at a time of agrarian reform, by improving the business enabling environment, by widening access to micro-finance, and from increased revenues from cross-border trade. The outcome indicators used are the value of private investments in rural areas; the value of agricultural and non-agricultural value chains and changes in household assets. GREAT plans to achieve this outcome:

- through improvements in the business enabling environment;
- by supporting private sector-led approach to providing farmers with access to agricultural inputs, technologies, advice and markets. GREAT will adopt a value chain approach to linking the producer to primary markets, to processors and to the consumer;
- by improving access to financial products; and
- by enhancing revenues from cross-border and transport corridor economic activities

1.3 The benefits of GREAT cannot be measured solely in financial terms over the life of the project. The challenge is to ensure that agrarian reform delivers long-term benefits by providing the opportunity to improve the lives of hundreds of thousands of farming families in a sustainable way. GREAT will address these longer-term issues by supporting the formulation and implementation of policies to improve the enabling environment for business and financial services, by the expansion of cross-border trade, by the strengthening of civil society; and through improvements in the management of common property pasture resources. The social, environmental and other non-quantifiable benefits of GREAT are highest in upland areas, underpinning the case for a geographically and socially inclusive approach.

1.4 GREAT supports the strategic priorities of growth in DFID's by contributing to job creation and improving the population's access to finance. It directly contributes to DFID's three pillars of support for Central Asia; private sector and growth, promoting democracy and good governance; and regional trade, growth and cooperation. GREAT directly seeks to promote private sector-led economic growth and regional trade. By supporting better implementation of Government policies and empowering the private sector, it will also indirectly improve governance and accountability.

1.5 GREAT has been operating since late 2012 and has been managed since that time by GIZ contracted to DFID and BMZ. **These Terms of Reference (ToR) lay out the requirement for an independent evaluation of the GREAT for the period January 2013 March 2015.** DFID, in consultation with an evaluation steering committee, will, through these terms of reference, appoint an Evaluation Provider¹ who will work with the GIZ team to design and implement an independent evaluation framework that will assess the effectiveness and efficiency of the programme and its achievement of wider impact.

2. Purpose and Objectives

Objectives

2.1 DFID wishes to invite suitably qualified organisations to implement a robust independent evaluation of the Growth in the Rural Economy and Agriculture: Tajikistan programme (GREAT). The purpose of the independent evaluation is to assess the effectiveness (outputs to outcomes) of the programme, and its achievement of impact and the efficiency (inputs to outputs) of the implementing partner's management structure in delivering the programme. The evaluation will cover the first phase of the programme. The programme is likely to be extended for up to five years. The purpose of this mid-term evaluation is to *assess the performance of the GREAT programme over the period 2013-2015 to make recommendations for its next phase and allow for preparation of the final evaluation.* GREAT's relevance, effectiveness, efficiency and expected impacts and sustainability (through the review of the monitoring system and the preparation for the final evaluation) will be assessed as part of this evaluation.

2.2 The evaluation will cover all activities carried out by GIZ under the GREAT/FFPSD programme for the period January 2013 March 2015 and the extent to which the project contributed to inclusive economic growth in targeted areas. It will assess the efficiency with which outputs have been/ are being achieved, and their relevance to the overall aim of promoting local and rural development. Particular emphasis will also be placed on evaluating the extent to which links were achieved with national development strategies, as well as synergies with the development priorities identified and pursued by the Tajikistan Development Coordination Council (DCC).

2.3 The evaluation is being conducted at the request of the BMZ and DFID in order to collect and analyse evidence on the impact of the GREAT project on inclusive economic growth in targeted rural areas. More specifically, the evaluation will focus on the relevance, implementation efficiency, impact and sustainability of activities undertaken. The evaluation will highlight possibilities for replication and scaling-up. The lessons learned will also be used to inform the next phase of the programme as well as the work of line ministries and other donors carrying out related projects. The results of this evaluation will be shared with the Programme partners but also circulated more broadly among BMZ, DFID and the donor community in Tajikistan. *Gender issues:* The evaluation should explore the differential impact of GREAT on women compared to men including whether they are affected differently, access to benefits and barriers to this. To examine the effectiveness of this approach, systemic disaggregation of data, including by gender, age, geographical location and income status will be required.

¹ The term "Supplier" or "Evaluation Provider" is used throughout this ToR to represent the company, NGO, or group of companies/ NGOs/individuals who might want to bid for this contract. Bids can be made by single organisations or partnerships. Partnerships that include Tajik organisations in key roles are actively encouraged to compete.

2.4 *Climate Change*: FFPSD/GREAT is already actively promoting activities and products which increase climate change resilience, lower GHG emissions and have environmental benefits. The evaluation will include the relevance of the programme with regards to climate change adaptation related risks and opportunities

3. Target audiences

3.1 The Evaluation will be used by the DFID, GIZ/BMZ (the co-donor) to ensure that the next phase of the programme is providing the best possible impact on the growth of the rural economy and responding to the needs of rural women and men. Evidence from the evaluation will also be used by government and donors to inform the development and implementation of future programming and government policy on growth in the rural economy as well as agro-businesses. The target audiences for the products provided by the Evaluation Provider will include but not be limited to:

- GREAT Steering Committee, including MoEDT, MoA and regional representatives of the government;
- DFID livelihood and Private Sector Development teams members;
- GIZ/BMZ teams (co-donor and implementing partner);
- The Donor group for Agriculture and Private Sector Development.

4. Recipient

4.1 The main recipients of the services are the Government of Tajikistan mainly: Ministry of economic development and trade and Ministry of agriculture as well as DFID Central Asia and BMZ. Reports will also be made available to key donors and the main downstream partners as agreed with DFID Central Asia.

5. Scope

5.1 Evaluation design and methods should be proposed in bids and detailed in the Evaluation Inception Report. Wherever possible, the Final Evaluation should draw upon methods which allow a defensible attribution of outcomes and impacts to the programme's activities. The Final Evaluation will also seek to clarify why the outcomes achieved were delivered and the process of change that took place.

5.2 The evaluation methodology will explicitly include programme participants (local communities, farmers, etc.), ensuring feedback and inputs from data collection to dissemination throughout the process.

Data sources

In line with Paris Declaration principles, it is expected that the Evaluation Provider should take account of national M&E systems, and ensure new data collection is complementary to existing systems and data is made available to national stakeholders as far as possible.

The Evaluation Provider will have access to programme documents including annual reviews, ad hoc studies and M&E data.

Responsibility for data collection, analysis and reporting

5.3 Most of the data for monitoring the logical framework, particularly on outputs and outcomes, will be the responsibility of the implementing partner (GIZ). However, the Evaluation should review the monitoring data that has been gathered by the GIZ to ensure that it is robust, accurate and suitable for final evaluation purposes. Where required the Evaluation Provider should make recommendations to

improve the quality of the data collected and propose complementary data collection measures where appropriate.

The Evaluation Provider will be specifically responsible for planning and managing data collection for the initial process evaluation. The follow-up data collection for the final evaluation and report will be contracted through a separate contract. The Evaluation Provider will be able to apply to this separate bid.

5.4 The independent evaluation will involve an inception document followed by an Implementation Phase that will consist of a field evaluation and recommendations for a final evaluation. Indicative details of these evaluation activities are shown below.

Evaluation workplan and outline:

5.5 The Evaluation Provider will develop a detailed plan for this mid-term evaluation of the programme, tied to and consistent with the work-plan for the implementation of GREAT. The workplan and outline will be presented in the Evaluation Steering committee before launching additional data collection and interviews. The outline should include the following aspects:

- Revisit and refine the theory of change as necessary
- Propose an evaluation design for the programme including recommended evaluation methods to be used, propose counterfactuals where appropriate, selection of the activities to be evaluated and data collection methods.
- Provide a communication and dissemination plan for the evaluation, including the intended process for engaging with and communicating findings to stakeholders at all levels.
- Define the resource requirements to implement the recommended evaluation design and methods, including plans for contracting data as appropriate and timeframes for its completion.

5.6 The Evaluation Provider will also provide recommendations on the M&E framework, to ensure data collection by GIZ for programme monitoring purposes will also be fit to inform the final evaluation. Recommendations should include, but are not limited to:

- Revision and validation of the Theory of Change;
- Identification of programme monitoring data required from
 - to meet evaluation needs and timings for this;
- Revision of logframe indicators, sources and timings;
- Discussion of the relative responsibilities for additional data collection and their coherence in the overall programme M&E framework;
- Recommendations regarding the overall data collection system;

5.7 During the inception phase the Evaluation Provider will begin to implement the activities required for a rigorous evaluation. This will include, where possible, identification of counterfactual groups for targeted evaluation of components, and planning for additional data collection to be undertaken following this evaluation

Mid-term Evaluation

5.8 It is anticipated that the Mid Term Evaluation will, amongst other things:

- Evaluate the effectiveness of each of the output and outcome areas;
- Make recommendations to improve the delivery of interventions;
- Ensure appropriate data gathering mechanisms and studies are in place for the Final Evaluation;

5.9 The Mid Term Evaluation should contribute to the Final Evaluation by including a review of the monitoring information available, the work on counterfactuals, the key themes and detailed evaluation questions, and making any necessary recommendations for refinement of programme implementation. The intended audience of the Initial Evaluation will be DFID, the Steering Committee and implementing stakeholders.

5.10 The Evaluation Provider will submit a report to DFID to summarise the evaluation process, to provide an assessment of the validity of the monitoring data, and to provide any further recommendations regarding lessons learnt, project performance or value for money to inform the annual review process.

5.11 Suggested evaluation questions for the initial evaluation are listed below in paragraph 4.21, although we recognise further feedback on these questions have recently been received (Jan 2016).

5.12 The initial evaluation will directly feed into the programme annual review, as well as delivering a second open report for stakeholders in government and the donor community summarising the key outcomes of GREAT and making recommendations for the next phase of the programme, both in terms of policy and approaches to supporting growth in the rural economy in Tajikistan.

Evaluation questions

5.13 Given the purpose of the evaluation – to measure the impact of the programme, understand why change has occurred and to learn from its implementation – the evaluation includes both impact and process questions. These questions are open to refinement and responses to this Terms of Reference should suggest alterations where appropriate and a plan for how the final evaluation questions will be agreed in consultation with stakeholders. The evaluation questions have been influenced by the OECD DAC evaluation principles.

5.14 The following are proposed questions that would be answered in the mid-term evaluation:

•*Relevance*: are the activities supported through GREAT the right ones given the theory of change? Which are more or less relevant? What are the key elements/enabling factors of GREAT components that have contributed to, or detracted from achieving successful outcomes?

Impact: What were the outcomes and (where possible) the impacts of the different interventions as regards different participants – male/female farmers? Was there a differential impact of GREAT on women compared to men including whether they are affected differently, access to benefits and barriers to this? Were there any unintended outcomes and impacts? What has been the wider effect of the value chains?

What has been the wider effect on the rural economy? What is the impact outside of the intervention villages? Is there evidence of spill over effects and demonstration effects that point to wider rural transformation of value chains and modes of production?

Coherence: how do the different activities come together and complement each other? Where are there gaps and overlaps in support by others?

Coverage: has the targeting been appropriate? Who is and is not successfully being reached by the programme, including whether there is a difference in reach for men and women?

Effectiveness: how effective is the programme's governance, reporting and planning processes? Where are there blockages or confusion? Has anybody been harmed? Have there been any unintended outcomes? Is the grant mechanism and grant levels being set effectively to maximise leverage of private sector investment? How effective have the selected activities been at achieving short-term outcomes? How effective were the interventions in delivering their intended outputs and outcomes for the intended objectives relative to the counterfactual (increasing agricultural growth, increasing incomes and jobs)?

Efficiency: to what extent were programme activities completed on time and on budget? What are the barriers to the implementation of interventions? How did external/internal factors influence delivery of interventions? To what extent do the programme and its interventions deliver value for money? How could value for money be improved in the programme and costs contained without affecting delivery?

Coordination: how coordinated is GREAT, particularly with regard to similar development activities? What are the barriers to a coordinated approach?

Sustainability: Will the changes achieved by the programme be sustained? What factors are expected to influence the continuation of programme benefits after the end of this funding phase? Can a scaled up programme deliver wider rural economic transformation, and what are the key considerations for programme expansion?

6. Requirements

- 6.3 The evaluation must be carried out by researchers with a recognised reputation and practical experience of rigorous impact evaluation. The evaluation must reflect the local context. It must be independent, robust and credible.
- 6.4 All findings, datasets and methods for the evaluation must be published within a reasonable time period and made available to allow researchers to replicate findings. Publication in peer reviewed journals should be an objective.
- 6.5 DFID will have unlimited access to all material produced under the contract. The Evaluation Provider will need to field a gender balanced team of experts that combine expertise in:
- Evaluation of complex, multi-component development programmes using quantitative and qualitative methods;
 - Evaluating multi-disciplinary rural development programmes; experience of evaluations in the specific programme intervention areas (private sector development, micro-finance) is essential;
 - Evaluations in Central Asia or CIS countries and a demonstrated understanding of political economy issues in the region;
 - Generating data to demonstrate programme effects for different segments of the population (i.e. women vs men, farmers and other off-farm and non-farm actors along the value chains such as local suppliers and contractors, etc.), and multiplier effects (i.e. indirect impacts of agricultural growth on other sectors of the rural economy and along agricultural supply chains);
 - Extensive experience of DFID log frames and theories of change would be desirable.
 - Opportunities for engaging and building up Tajik research capacity should be maximised.

7. Outputs

7.1: The Evaluation should produce:

- An evaluation **work-plan** for the three month evaluation exercise to be submitted to DFID and signed off by the Steering Committee three weeks from the beginning of the evaluation phase in country.
- A five-page **Evaluation Inception briefing** that sets out the monitoring and evaluation framework and the plan for the evaluation of the programme, including a communication and dissemination plan. The inception report will be due three weeks after the start of the evaluation.
- A **final evaluation report**, presenting summative findings answering the evaluation questions posed, and containing an executive summary and recommendations. All findings will be disaggregated where possible to allow analysis of findings for different groups, including different beneficiary groups, gender etc. Disaggregated datasets should be made available either online or in an annex to the report but to be agreed with DFID. The timing of the final wave of data collection and the evaluation report will be agreed in the evaluation plan. This may be at the end or after the end of the programme.
- An accessible **communication tool**, to inform policy makers (this may include a presentation workshop for government partners, civil society and other donors).
- A **summary** of the Final Evaluation and **dissemination plan** to ensure the findings reach the intended audiences. The summary will be translated in Russian
- An updated Annual Review format (AR) based on the evaluation findings. A preliminary, desk-based Annual review will have been carried out in November 2014 and will be complimented during the mid-term evaluation.

Final Evaluation

The follow-up evaluation will be contracted out separately and the outputs required will be detailed in a separate Terms of Reference.

7. Constraints and Dependencies

7.1 As mentioned earlier, the Evaluation will need to work closely with DFID Central Asia, BMZ and GIZ. In undertaking their work the Evaluation Provider will also be expected to engage closely with the following stakeholders:

- DFID Central Asia Livelihoods and PSD teams;
- GIZ team and downstream partners
- Key donors in the field of rural growth: EU, EBRD, WB, IFC, KfW;
- GREAT Steering Committee;
- Technical Working Groups as appropriate;
- Ministry of Economic Development and Trade; Ministry of Agriculture;
- Provincial Stakeholders including local authorities, civil society organisations, micro-finance institutions, women's groups and producer organisations;
- Other donors and programme providers in the rural growth sector.

- o Potential evaluation risks include:

Risk	Probability	Impact	Mitigation
Data collection not possible due to security risks or natural hazards.	Low	High	Evaluation provider to develop strategy to manage data collection and security risks and natural hazards (including weather related hazards). Consideration to be given to using local data collectors.
Insufficient reliable data from programme M&E and data from relevant ministries and government agencies. Reliable data is not available either because it does not exist or because it is not made available for use.	Medium	High	Evaluation provider to review data quality and availability of data for the design of the evaluation methodology Clearly identify gaps and additional data collection in inception workplan and outline.
Findings not aligned with political interests	Low	Medium	Regular communication with key stakeholders will ensure they are engaged with the evaluation and its findings. DFID will ensure that positive or negative results are understood and accepted as a relevant contribution to the evidence-base.

8. Timeframe

8.1 The independent evaluation will be designed for a three-month period, to allow for assessment of sustainability of GREAT’s impacts. The intended starting date for the evaluation exercise would be April 2015

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8.2 Detailed timescales for the required deliverables are in the outputs section (paragraphs 6.1-6.3).

9. DFID Co-ordination

9.1 The DFID Central Asia Rural Growth Advisor and the Programme Manager will be the direct point of contact in DFID for the independent evaluation, and will arrange Steering Group meetings.

10. Background

Politically and economically, Tajikistan still carries the legacy of the Soviet era and the Civil War of the 1990s. Political institutions are weak. The economy is based on a few export commodities – aluminium and cotton - and the inflow of remittances from migrant labour.

Agriculture contributes about one quarter of GDP and employs about half of the country’s labour force, almost two-thirds of whom are women. Two thirds of the 47% of the population who live

below the poverty line are in rural areas. The incidence of poverty is greatest in upland and other less developed regions. Women are socially and economically disadvantaged with poverty disproportionately prevalent in female-headed households, including women abandoned by husbands who have migrated.

With strong donor encouragement, the Government is making progress on agrarian and agriculture sector reform. Land redistribution and the transfer of assets as part of the agrarian reform process provide a one-off opportunity for hundreds of thousands of poor rural households to benefit from market-based economic growth. If this opportunity is not grasped, there is a danger that the benefits will be captured by powerful groups.

The overall picture with agriculture sector reform is one of progress at a policy level not always being carried through to implementation by weak institutions. Similarly, although the enabling environment for the private sector in Tajikistan is improving, it remains poor. All too often there is reluctance by local government officials to implement policies and regulations.

Taking advantage of the economic and social opportunities offered by agrarian and agriculture sector reform will require more diversified agricultural production, increased agricultural productivity with value chain development and expansion of economic growth beyond the agriculture sector. Such broad-based and inclusive growth can only come from the private sector. It will require an enabling environment supportive of small and medium-sized enterprises, including Government commitment to implementing the policies and strategies developed over the past few years. Constraints that must be addressed include the statist, top-down approach of many local Government officials; an onerous business regulatory framework; uncertain security of ownership or tenure of land; limited access to investment finance; poor quality advice; limited access to technologies and markets and obstacles to cross-border trade.

DFID, through the Rural Growth (RGP) and Sustainable Economic Development (SED) projects, has promoted agrarian and agriculture sector reform as well as improvements in the business enabling environment. DFID's engagement both with central policy formulation and with the implementation of those policies by local government gives it an almost unique insight on progress. DFID will ensure that the evidence from RGP and SED are incorporated in future programmes. Most importantly, DFID support will ensure that wealth creation through rural economic growth is inclusive; providing opportunities for poorer upland communities and female-headed households as well as for the beneficiaries of agrarian reform in the high potential lowlands.

Environmental and Climate Change Context. With more than half of its territory situated above 3,000 meters, and located within a zone at high risk of earthquakes, Tajikistan is particularly vulnerable to natural disasters. In 2010, the ratings agency Maplecroft placed Tajikistan 10th in the global list of countries ranked most at risk from experiencing economic losses resulting from natural disasters². Tajikistan is expected to experience a wide range of climatic changes which will vary depending upon the geographical region and season. The programme will address some of the poor land management practices leading to land degradation and greater sensitivity to climate change.

²Maplecroft, 2010. Natural Disasters Economic Losses Index.
http://maplecroft.com/about/news/economic_losses.html

Many of Tajikistan's environment problems stem from the agricultural policies of the Soviet era which converted vast tracts of arid and semi- arid land to cotton cultivation, in a region which receives very little rainfall and experiences high temperatures in the cotton growing season. Chemical use in agriculture was widespread in soviet agriculture, and continued after independence, Although there is a limit to what GREAT can do in terms of improving the extensive network of dilapidated irrigation and drainage infrastructure in Tajikistan, the Technical Advisory Group (TAG) system is working with farmers to advise on improved on-field water management. GREAT will work with farmers on irrigated land to try and improve water efficiency where possible and, with rain-fed farmers in particular, on water conservation technologies. GREAT will also seek new opportunities to increase resilience to climate change.

11. Performance Requirements

11.1 The evaluation approach should be in line with DFID's evaluation policy and the OECD DAC evaluation principles. DFID also has its own evaluation research ethics principles and guidelines that are attached. OECD DAC guidelines on evaluating conflict prevention and peacebuilding activities suggests a range of tools for achieving conflict sensitivity in evaluation design and delivery. The Evaluation Provider will be expected to use these guidelines and to explain in all its evaluation reports, including in the evaluation framework, what measures will be taken and which measures were or were not taken to ensure the conflict sensitivity of the evaluation. A DFID practice paper on monitoring and evaluating conflict sensitivity is also attached for information purposes.

11.2 DFID Evaluation Advisor for Central Asia will quality assure reports and at a minimum the Inception Report and Final Evaluation Report need to be signed off by DFID's Specialist Evaluation Quality Assurance Service (SEQAS).

11.3 Key Performance Indicators

The performance of the Evaluation will be managed through a schedule of Key Performance Indicators (KPIs). The KPIs will be agreed during the inception period and the schedule will form part of the Inception Report. Indicative general KPIs can be found in Appendix 7. The final schedule of KPIs agreed in the inception report will be far more specific to this evaluation.

12. Budget

12.1 The budget for this work is in the region of £150,000- £180,000.

13. Security and Duty of Care (DoC)

13.1 Under these terms of reference the contractor will be totally responsible for their staff's (and any third parties involved) duty of care, including for security, transport and accommodation during the assignment in Tajikistan. Arrangements for these should be provided with the bid documents. The supplier will need to be able to travel to and work in various locations. Further information for the expected DoC requirements are provided below and see the attached Annex A and B.

13.2 The Service Provider is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this contract and ensuring that their Personnel register and receive briefing as outlined above. Where the Service Provider provides personnel in-country who are based abroad, travel advice is also available on the UK Foreign and Commonwealth Office (FCO) website and the Service Provider must ensure they (and their Personnel) are up to date with the latest position.

13.3 The Service Provider must develop their proposal on the basis of being fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix developed by DFID (see Annex A). They must confirm in their Tender that:

- They fully accept responsibility for Security and Duty of Care.
- They understand the potential risks and have the knowledge and experience to develop an effective risk plan.
- They have the capability to manage their Duty of Care responsibilities throughout the life of the contract.

13.4 Acceptance of responsibility must be supported with evidence of capability and DFID reserves the right to clarify any aspect of this evidence. In providing evidence Tenderers should consider the following questions:

- i. Have you completed an initial assessment of potential risks that demonstrates your knowledge and understanding, and are you satisfied that you understand the risk management implications (not solely relying on information provided by DFID)?
- ii. Have you prepared an outline plan that you consider appropriate to manage these risks at this stage (or will you do so if you are awarded the contract) and are you confident/comfortable that you can implement this effectively?
- iii. Have you ensured or will you ensure that your staff are appropriately trained (including specialist training where required) before they are deployed and will you ensure that on-going training is provided where necessary?
- iv. Have you an appropriate mechanism in place to monitor risk on a live / on-going basis (or will you put one in place if you are awarded the contract)?
- v. Have you ensured or will you ensure that your staff are provided with and have access to suitable equipment and will you ensure that this is reviewed and provided on an on-going basis?
- vi. Have you appropriate systems in place to manage an emergency / incident if one arises?

13.5 DFID Overall Project/Intervention

Summary Risk Assessment Matrix

Project/Intervention title: Growth in rural economy and agriculture in Tajikistan (GREAT)

Location: Tajikistan

Date of Assessment: November, 2014

Assessing official: Richard Wood, DHM, British Embassy Dushanbe

Theme	DFID Risk Score
OVERALL RATING³	Average score is 1.7 (low risk)
FCO travel advice	2 Tajikistan 4 GBAO
Host nation travel advice	1 Tajikistan 4 GBAO
Transportation	3
Security	2
Civil Unrest	2
Violence/crime	1
Terrorism	1

³ The Overall Risk rating is calculated using the MODE function which determines the most frequently occurring value.

War	1
Hurricane	1
Earthquake	3
Flood	2 All year except 3 April May
Medical Services	3 Dushanbe 4 Rural areas
Nature of Project/Intervention	3

1 Very Low risk	2 Low risk	3 Med risk	4 High risk	5 Very High risk
Low		Medium	High Risk	

14. Appendix

14.1 The following appendix are provided:

1. DFID's Ethics Principles for Evaluation.
2. GREAT Theory of Change
3. GREAT Logframe
4. Inception Report, FFPSD/GREAT, January 2013
5. Joint Annual Review GREAT, GIZ/DFID, January 2014
6. DFID Standard Key Performance Indicators

ANNEX 2

GREAT Theory of Change

GREAT Theory of Change

The impact statement is “reduced poverty in rural Tajikistan”. The outcome is “economic growth in rural areas increases and is more inclusive”. GREAT will achieve this outcome;

- through improvements in the business enabling environment;
- by supporting private sector-led approach to providing farmers with access to agricultural inputs, technologies, advice and markets. GREAT will adopt a value chain approach to linking the producer to primary markets, to processors and to the consumer;
- by improving access to financial products; and
- by enhancing revenues from cross-border trade.

The GREAT hypothesis is that by improving the environment for the private sector and promoting market-based approaches, reform of the agrarian and agriculture sectors will be able to contribute effectively to inclusive rural economic growth. In order to achieve its outcome, GREAT must deliver four outputs which if taken together and if certain realistic assumptions hold true, will lead to increased and more inclusive economic growth in rural areas. Differences in how these four outputs are addressed will help to determine the scale of economic growth and who benefits. The two strategic options differ in the emphasis they give to each of the outputs and explore the trade offs between levels of economic growth and social and geographical inclusiveness.

Outputs

Output 1. *Measurable changes in the business enabling environment for facilitating rural economic development.* A supportive business enabling environment underpins private sector-led economic growth. The business enabling environment in Tajikistan is poor but, with donor support, shows some signs of improving. Both options will seek to improve the enabling environment but Option 1 gives this higher priority than Option 2.

Assumptions: The assumptions made in appraising interventions to improve the business enabling environment are that the current high level of support and interest from the State Investment Committee, and strong political will from the President’s office, for strengthening local Government capacity to create a favourable business enabling environment continue and that local Government officials support, rather than obstruct, implementation of the relevant regulations.

Output 2. *Increased economic activity in rural areas.* In the Soviet era, a public sector-led approach to the economy and absence of a vibrant private sector undermined the concepts of choice and markets for agricultural and other producers. With land reform, “Freedom to Farm” and other reforms to the agriculture sector, the timing is opportune to build on the concept of private-sector led economic development. Conceptually, GREAT will adopt a value chain approach, linking the producer (with secure access to land and free to grow what he or she wants) to primary markets, to processors and to the consumer.

GREAT will scale-up successful private sector approaches to delivering agricultural extension services, ensuring that the “new” farmers with family holdings benefiting from the reform have access to inputs, technologies, advice and markets. It will support diversification in lowland agriculture and work along the fruit and vegetable value chain, including with support for processing and packaging. It will appraise the case for expanding into upland areas where rain-fed agriculture and communal pasture management predominate.

Assumptions. Important but realistic assumptions are that agrarian and agriculture sector reforms are completed and implemented equitably; that tax reform continues and is conducive to growth in the agricultural sector; and that economic development policy supports diversification of the economy. A further assumption is that land reform legislation for upland areas does not support individual ownership of small parcels of pasture.

Output 3. *Improved access to new and existing financial products in rural areas.* Access to financial services remains a major obstacle to growth in the rural economy. The priority is to develop new - or adapt existing - financial products to the needs of the rural business community. GREAT will diagnose 'access' gaps and develop strategies to eliminate these gaps, increasing access to finance and with a positive impact on clients incomes.

Assumptions. It is assumed that the national legal framework will be conducive to the introduction of new financial products and that actions to strengthen the stability of the financial sector are successful.

Output 4. *Enhanced revenues from cross-border and transport corridor economic activity* GREAT will address practical problems affecting people and communities living in cross-border areas. Cross-border trade, in conjunction with improved quality control along the value chain, opens up new markets for high value products, such as apricots. GREAT will focus on the enabling environment for cross-border trade. Under Option 1 it would also develop cross-border markets that are safe and secure for traders, particularly women traders, and on equipping traders with the necessary skills and information to operate in the markets.

Assumptions. It is assumed that donor investment in infrastructure on transport corridors will continue and that market access to trading partners does not deteriorate.

Outcome

If the four outputs are achieved and if the assumptions hold good, then the Theory of Change suggests that GREAT will deliver the outcome of "economic growth in rural areas increases and is more inclusive". The outcome indicators used are the value of private investments in rural areas; the value of agricultural and non-agricultural value chains and changes in household assets. Measuring changes in household income and expenditure is a much contested area and the outcome indicator of increased household assets is a widely accepted proxy for this

Impact

The impact statement has two indicators; the first a measure of income poverty based on the Millennium Development Goal and the second on food security.

Consideration was given to using a malnutrition, rather than food security, indicator at impact level but this was rejected on the basis of the evidence from other programmes. The DFID-funded Chars Livelihoods Programme in Bangladesh provides large-scale evidence of the relationship between increased incomes, household food security and malnutrition in extremely poor households in a socially conservative rural area in South Asia. From 2006, productive assets, mainly cattle, were transferred to 55,000 women in extremely poor households. Each participating household received a stipend for 18 months and was guaranteed 50 days employment. The increase in income, therefore, was direct and immediate and the majority of households were lifted out of extreme income poverty and remained so in 2010. By 2009, vulnerability to food insecurity and hunger had been reduced

from an average of 35% to 9% of households. Progress, with changes to nutritional status, were less pronounced. Households recruited into the programme in 2006 and 2007 showed only small, albeit significant, reductions in chronic under-nutrition. Hence, over the medium term, increased household income was more strongly correlated with improvements in household food security than with nutritional status.

ANNEX 3

Evaluation Framework

Evaluation questions	Evaluation & Judgement Criteria	Evaluation Tools/Methods	Risks and Assumptions	DAC Criteria
Development Strategy				
<p>1. Are the activities supported through GREAT the right ones given the Theory of Change and the context of Tajikistan?</p>	<ul style="list-style-type: none"> • Extent & Quality of GREAT contextual analysis • Consistency of programme documents including the logframe & ToC • Evidence of programme adjustments in response to changing contexts • Evidence of logical and realistic linkages between Outputs and Outcomes 	<ul style="list-style-type: none"> • Interviews with project staff to explore programme adjustments over time • Expert opinion from other programmes & donors in Tajikistan • Desk study – Review of LF, ToC, Business case developed for GREAT, contextual analyses • Review of findings from programme-generated M&E data and their contribution to LF Outcomes 	<p><i>Dependent on staff recall and documentation of programme adjustments</i></p> <p><i>Dependent on objective expert opinion and identification of related programmes.</i></p> <p><i>Assumes contextual analyses from GREAT and other sources.</i></p> <p><i>Assumes existence of programme M&E data & logical linkages.</i></p>	<p><i>Relevance</i></p>

Development Results				
<p>2. How effective were the interventions in delivering their intended objectives relative to the proxy or other counterfactuals (increasing outreach, increasing incomes and jobs)?</p>	<ul style="list-style-type: none"> Findings / evidence from secondary data provided by the programme by Outcome and Output Findings from primary data collection by Evaluation : <ul style="list-style-type: none"> Stakeholder perceptions (from clients & partners) of outreach, income and jobs as a result of GREAT interventions. Analysis of primary quantitative data by intervention, location, gender, proxy of wealth and age. Analysis of primary qualitative data by intervention, location, gender. 	<ul style="list-style-type: none"> Review of GREAT M&E data and conclusions, Annual Progress Reports & other M&E documentation including of disaggregation & counterfactuals (2ndry data) Reality Check / Triangulation of data collected/documentated against Outputs: <p>Primary <u>quantitative</u> data collection from sample projects by M-Vector and stakeholders to triangulate LF Outcomes & Outputs is planned as follows:</p> <p><u>Output 1:</u> 32 SIs with Business Association members <u>Output 2:</u> 160 SIs with CBO members & TAG clients <u>Output 3:</u> 100 SIs with MFI clients <u>Output 4:</u> 24 SIs with business group members, 24 SIs with matchmaking participants, 6 SI with Cross Border Market traders, 6 SI with service providers supported by GREAT.</p> <p>Primary <u>qualitative</u> data collection (Focus Group Discussions and Key Informant Interviews) to investigate reasons behind success or otherwise of services:</p> <p><u>Output 1:</u> 15 KIIs with Business Association members / PPD members. <u>Output 2:</u> 9 KIIs with TAG/TAM advisers, 9 KIIs with TAG/TAM clients, 10 KIIs with Energy Efficiency partners & beneficiaries, 2 KIIs with Food processors. 20 FGDs with CBOs members / TAG clients <u>Output 3:</u> 15 KIIs with MFIs and 10 FGDs with MFI clients <u>Output 4:</u> 10 KIIs with Cross-Border Support Centres, 3 FGDs with business group members and 3 FGDs with matchmaking participants.</p>	<p><i>Assumes that Annual Progress Reports and other M&E have been accepted as a true record of programme implementation and development results .</i></p> <p><i>Dependent on at least some short to medium term results related to GREAT interventions being evident after one to three years. Evidence of longer term results can only be assessed in terms of trajectories towards likely results.</i></p> <p><i>Dependent on stakeholders providing information on their experiences openly.</i></p> <p><i>Depends on provision (from GREAT or source indicated by GREAT) of accurate and up to date client & partner names, details and locations being available to allow sampling framework to be actualised and interviewees to be located.</i></p>	<p><i>Impact</i></p>
<p>3. Was there differential impact of GREAT on women compared to men (poor/ less poor; upland/ lowland) in terms of quality of life, relative incomes, jobs, access to services and</p>	<ul style="list-style-type: none"> Findings / evidence from secondary data provided by the programme by Outcome and Output Findings from primary data collection by Evaluation: <ul style="list-style-type: none"> Stakeholder perceptions of outcomes & impact (quality of life, relative incomes, jobs, access to services, 	<p>Primary <u>quantitative</u> data collection from sample projects by M-Vector and stakeholders to triangulate LF Outcomes & Outputs is planned as follows:</p> <p><u>Output 1:</u> 32 SIs with Business Association members <u>Output 2:</u> 160 SIs with CBO members & TAG clients <u>Output 3:</u> 100 SIs with MFI clients <u>Output 4:</u> 24 SIs with business group members, 24 SIs with matchmaking participants, 6 SI with Cross Border Market traders, 6 SI with service providers supported by GREAT.</p> <p>Primary <u>qualitative</u> data collection (Focus Group Discussions and Key Informant Interviews) to investigate reasons behind success or otherwise of services:</p> <p><u>Output 1:</u> 15 KIIs with Business Association members / PPD members. <u>Output 2:</u> 9 KIIs with TAG/TAM advisers, 9 KIIs with TAG/TAM clients, 10 KIIs with Energy Efficiency partners & beneficiaries, 2 KIIs with Food processors. 20 FGDs with CBOs members / TAG clients <u>Output 3:</u> 15 KIIs with MFIs and 10 FGDs with MFI clients <u>Output 4:</u> 10 KIIs with Cross-Border Support Centres, 3 FGDs with business group members and 3 FGDs with matchmaking participants.</p>	<p><i>Dependent on at least some short to medium term results related to GREAT interventions being evident after one to three years. Evidence of longer term results can only be assessed in terms of trajectories towards likely results.</i></p> <p><i>Dependent on stakeholders providing information on their experiences openly.</i></p> <p><i>Depends on provision (from GREAT or source indicated by GREAT) of accurate and up to date client & partner names, details and locations being available to allow sampling framework to be actualised and interviewees to be located.</i></p>	<p><i>Impact</i></p>

<p>barriers experienced?</p>	<ul style="list-style-type: none"> - barriers) - Analysis of stakeholder perceptions of outcomes & impacts by location, gender, age & proxies of wealth (as appropriate) - Analysis of stakeholder perceptions of reasons behind differential impact. 			
<p>4. Were there any unintended outcomes and impacts?</p>	<ul style="list-style-type: none"> • Evidence of GREAT Results and analyses of unintended outcomes • Analyses of qualitative primary data collection conducted by Evaluation 		<p><i>There is the risk that the time period under evaluation will be too short to fully assess unintended impacts. Impacts relating to some agricultural interventions, to environmental impacts & to attitudinal/behavioural change may have a longer time scale than the three year period of GREAT. In this case, beneficiary perception of likely Outcomes and Evaluation assessment based on the evidence available will be documented.</i></p>	<p><i>Impact</i></p>

<p>5. How relevant was the support from the programme to partners?</p>	<ul style="list-style-type: none"> Quality & extent of support from GREAT to partners to achieve objectives specific to each partnership as summarised in LF (note that support will be of different types according to partner type: GoT, civil society partners who have received capacity building support from GREAT, and implementing partners who are responsible for delivering programme components) 	<p><i>Primary Data Collection by M-Vector Teams – institutions/partners</i></p> <p><u>Output 1:</u> Business Associations (Broad objective: Changes in business enabling environment for facilitating rural economic growth)</p> <p><u>Output 2:</u> Food processors, CBOs representatives (Broad objective: Supply of advisory services in rural areas is used by producers frequently & contributes to the increase of economic activities)</p> <p><u>Output 3:</u> Microfinance Institutions (Broad objective: Improved access to new and existing financial products)</p> <p><u>Output 4:</u> Cross Border Support Centre (Broad objective: Enhanced revenues from cross-border & transport corridor activity)</p> <p><i>Primary data collection by Core team:</i></p> <p>Approximately 15 meetings are planned in Dushanbe, and a similar number in each of the 2 regions visited. Interviews undertaken with higher level institutional partners (primary data collection) by core team to include the following:</p> <p><u>Sughd Region:</u> Governor/ Deputy Governor / Regional Authorities, Ministry of Agriculture, Ministry of Economic Development & Trade, Consultative Council Chair & Secretariat, Sarob, AKDN/MSDP, Helevetas, German Agro Action. Matin, Arvand, RVZ, Ravnaq</p> <p><u>Khatlon Region:</u> Governor/ Deputy Governor / Regional Authorities, Ministry of Agriculture, Ministry of Economic Development & Trade, Consultative Council Chair & Secretariat, Sarob, ACTED, Oxfam, Humo, Oxus, 44 Chashma, Mehnatobod, and the Regional Bilateral Commission in Khatlon (between Khatlon region in Tajikistan and Kunduz and Takhar provinces in Afghanistan)</p>	<p><i>Depends on the assumption that partners can differentiate support from GREAT from other sources.</i></p> <p><i>It is assumed that partners (of different types) have a sufficiently good working relationship with GREAT or its intermediaries to answer questions openly & honestly.</i></p> <p><i>In some cases institutional support may take time to result in changed behaviour. This may be compounded by changes in personnel or other factors. In these instances, evidence of longer term results may only be assessed in terms of trajectories towards likely results.</i></p>	<p><i>Relevance / Effectiveness</i></p>
<p>6. Will the</p>	<ul style="list-style-type: none"> Quality of 	<ul style="list-style-type: none"> Review of programme analysis 		<p><i>Sustainability</i></p>

<p>changes achieved by the programme be sustained? Why / why not?</p>	<p>GREAT analysis of sustainability factors (institutional, economic, social, environmental)</p> <ul style="list-style-type: none"> Quality of intervention, project and programme design 	<p>design & exit strategies (secondary data)</p> <ul style="list-style-type: none"> Review of Government of Tajikistan's strategy & policy documents (2ndry data collection) Interviews with GREAT staff, implementation and technical partners, donors, GoT to assess inclusion of sustainability issues (undertaken by core team supported by primary data collected by M-Vector) <p><i>For further details of methodology, see Section Error! Reference source not found..</i></p>	<p><i>Within a 3 year evaluation period, areas where sustainability is questionable can be highlighted. Recommendations to improve the likelihood of sustainability can be made but conclusions on development results being sustained into the longer term will require future assessments.</i></p>	
<p>Development Processes</p>				
<p>7. How coordinated is GREAT, particularly with regard to similar development activities?</p>	<ul style="list-style-type: none"> Alignment with national strategies and DCC Linkages with other programmes Duplication with other programmes 	<ul style="list-style-type: none"> Interviews with GoT and other donor agencies Document review (2ndry data) 	<p><i>Partially dependent on objective expert opinion and identification of related programmes.</i></p>	<p><i>Coordination</i></p>
<p>8. How could value for money be improved in the programme and costs contained without affecting delivery?</p>	<ul style="list-style-type: none"> Achievements compared to costs by Output and intervention partner Cost benefit analyses for selected interventions or Activities 	<ul style="list-style-type: none"> VfM analysis of validated GREAT percentages of achievement against proportion of expenditures incurred, on an annual basis Cost benefit analyses for selected Outputs and/or Interventions and partners <p><i>For further details of approach and methodology see Section 4.</i></p>	<p><i>VfM assessment depends on 2ndry data of sufficient quality and scope, supplemented with some primary data, being available for VfM assessment. Assumes that beneficiaries are able & willing to provide data on changes in profit to data collection teams. Recommendations for future data collection for VfM assessments can be made.</i></p>	<p><i>Efficiency</i></p>

<p>9. To what extent were the cross-cutting issues of Gender and Climate Change effectively and appropriately integrated across the programme?</p>	<ul style="list-style-type: none"> Evidence of effective integration of gender and climate change issues across the programme 	<ul style="list-style-type: none"> Review of gender & climate change through desk study Review of gender & climate change through staff and partner interviews (undertaken by core team supplemented by interviews undertaken by M-Vector – primary data collection) Analysis of differential outcomes and impacts (see Question 3 above) - primary data collection 	<p><i>Integration can be assessed for the period under study.</i></p> <p><i>Evidence of differential outcomes is expected within the time scale of GREAT.</i></p> <p><i>However some longer term development results relating to environmental impacts & attitudinal/ behavioural change may have a longer time scale than the three year period of GREAT. Here the evaluation will need to rely on an assessment of trajectories toward impact.</i></p>	<p><i>Effectiveness</i></p>
<p>Programme Governance & Management</p>				
<p>10. How effective is the programme's governance, reporting and planning processes?</p>	<ul style="list-style-type: none"> Quality of GREAT M&E and data collection, collation & analyses* Quality & extent of GREAT quantitative results disaggregated by gender* Quality of GREAT analyses of gender, service access and barriers* Quality & extent of GREAT qualitative data disaggregated by gender* Evidence & quality of GREAT targeting strategy* Evidence of 	<ul style="list-style-type: none"> Review of GREAT M&E strategy & implementation Review of documented procedures (2ndry data) Review of project & programme results (2ndry data) Interviews with selected GREAT staff and implementing partners (primary data collection by core team) 	<p><i>Depends in part, on quality of GREAT's strategy and documentation of processes. Depends on GREAT staff (senior and junior) discussing strengths & weaknesses in governance and procedures openly and honestly.</i></p>	<p><i>Effectiveness</i></p>

	<p>responsive management within GREAT and with implementing partners</p> <ul style="list-style-type: none"> Evidence of good communication within and beyond GREAT 			
<p>11. Can a scaled up programme deliver wider rural economic transformation, and what are the key considerations for programme expansion?</p>	<ul style="list-style-type: none"> Quality of analysis of sustainability (economic, social, institutional, environmental) factors Evidence of current successes Evidence of sustainability factors (economic, institutional, social, environmental) in current design & implementation 	<ul style="list-style-type: none"> Document review (2ndry data) Interviews with GREAT staff, implementation and technical partners, donors, GoT, primary stakeholders (primary data collection) 	<p><i>Depends of GREAT M&E systems, supplemented with some primary data collection, robustly demonstrating success and related drivers of success. Dependent on evaluation being able to demonstrate learning and adaptation by the GREAT programme in response to issues of environmental & other contextual factors. The evaluation expects to be able to highlight promising practices & interventions with the potential for scaling up based on available evidence and make recommendations for future testing of promising areas.</i></p>	<p><i>Sustainability, all DAC Criteria</i></p>

Questions in bold: GIZ have indicated that these are their priority areas.

ANNEX 4

Data Collection Issues

The data collection team did come across several difficulties when carrying out the various surveys. At the beginning of the process, it was difficult to make contact with the respondents. We received the full contact list of stakeholders from GIZ far in advance of requirement, unfortunately however, some of the details were either incorrect or out of date, and in some cases included details of partners and individuals who had either limited contact with the programme, or whose contact with the programme was years ago. Updated contact details if known were sent very promptly as soon as we flagged this issue to GIZ.

All stakeholders were made aware by GIZ that an evaluation was to be carried out and to expect contact from us. After this notification, all stakeholders were emailed by the evaluation team, and asked to provide further contact details, for example the Business Associations, Cross Border Centre Support Centres and MFIs were all asked to provide contact details of stakeholders, both their staff and beneficiaries. These emails were then all followed up by phone calls, however numerous times the phone calls were not answered, and the emails not replied to.

Part of the reason for the lack of response was due to the Navruz festival where many people were planning their celebrations the week before Navruz, and were also not contactable during the week long Navruz festivities. The evaluation team were aware of this festival beforehand, but had planned to complete the data collection phase before this festival. This was not possible because of the delayed finalisation of the data collection instruments, lack of responses to emails and phone calls, and the need to explore new data collection regulations. These regulations concerned gaining the appropriate permission to carry out data collection, however since the regulations were so new it was only known about at a late stage, and it was not entirely clear what the new regulations required. It took a couple of days to determine that official approval from the MFA to carry out data collection was not required, and instead they just needed to be notified that data collection was to be carried out.

One group of respondents was particularly sensitive. We had indicated our intention to survey the recipients of micro finance loans, but this meant asking the MFIs for details of their clients which could be construed as confidential information. Most of the MFIs we contacted refused to share these details, and it also appeared that many of these MFI partners had not engaged with the programme for a long time, years in some cases and so were not inclined to participate. We adapted our sampling to use only the three MFIs that did provide details, and fortunately they had just about enough clients to reach the 100 respondent target.

Once the team finally managed to contact all the relevant stakeholders, and receive all the relevant information (which also took a couple of attempts in some cases as only partial information was shared) we discovered that in some cases there weren't enough stakeholders available to respond to the surveys. This had the effect of reducing the numbers of respondents in some cases.

Interviews were conducted in Tajik, with questionnaires and checklists translated by M-Vector. The evaluation team and senior M Vector staff met on day 1 of the data collection phase to ensure that the methods used to collect data were fully understood and that an appropriate approach to carrying out FGDs, KIIs and SIs was to be used. At the same time training and familiarisation of the data instruments was also provided. These senior M Vector staff then went on to train the data collection teams directly.

The table below provides a summary timeline of data collection events:

November	Feedback from GIZ received on Output 1 DIs
December	IMC & M Vector and went through the Inception report and M Vector requirements

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January	
18th Jan	Received output 4 comments from GIZ
19th Jan	Received output 3 comments from GIZ
20th Jan	Feedback on Output 2 DIs
February	
4	Received more feedback on Output 2 DIs.
11	GIZ sent email saying that they would like to have open ended questions, a more qualitative approach and the opportunity to talk to GREAT programme staff and after this revise the data collection instruments further. A more qualitative approach was also suggested by DFID during VFM discussions on a different date.
16	Draft itinerary for the core evaluation sent to M Vector. Output 2 data instruments sent to M Vector for translation.
18	Received first translated DI from M Vector so we could check the quality.
21	Started to set up meetings across the board for all key stakeholders.
22	All Output 2 DIs were translated at this point. Asked Sarob for contact details of their members so M Vector could do their data collection.
25	Sent the remaining DIs for translation - Outputs 1, 3, 4 and 2b
28	Training of data collection teams changed to weekend of 5th / 6th March instead due to the format of the questionnaires changing. Chased SAROB for members contact details for data collection. Asked Oxfam for members contact details for data collection.
29	Revisions to Output 2 DIs (suggested by M Vector) sent to M Vector.
March 1st	DI's for non-Agricultural outputs sent to M Vector, ready to be checked and translated. Received some Producer Group info from Oxfam
2	Added a couple of questions from the Gender Consultant to Output 2 DIs. Email from M Vector said they were still adapting the DIs and hoped to have them finished by tomorrow at the latest. Sent email again to Oxfam asking for contact details for their members for data collection. Asked for help from GIZ regarding who to contact for Output 4
3	Decided on AKDN sampling, sent this to them and asked them to help set up these interviews.
4	Wrote to other stakeholders to ask for contact details, on behalf of M Vector who were to follow up with these requests.
5	M Vector prompted to follow up by email on all the emails previously sent out which were asking for contact details. IMC chased data instrument progress with M Vector.
9	Sent M Vector the final DIs with all revisions from all parties incorporated
12	IMC are advised by M Vector that we need a letter of permission to carry out data collection from the MFA.
13	M Vector started to contact stakeholders, but Navruz made this difficult.
14	Draft Note Verbal to MFA received from DFID.
18	Informed that we didn't need MFA approval to carry out data collection, we just need to inform them that data collection is taking place. Asked for an updated work plan from M Vector.
21	IMC followed up again on data collection, assumed that this would commence straight after Navruz on 28th March.
29	IMC chased data collection progress
30	Update from M Vector - find out that they couldn't contact all stakeholders. Advised them to follow up on emails.
31	IMC contacted GIZ to find / check phone number details.
April 1st	Asked for update on stakeholder contact details, find out that some of the key partners (e.g. Sarob) hadn't sent all their details.
5	IMC chased sampling framework
12	IMC asked for an update on data collection activities / progress.
20	IMC reminded M Vector to send updated work plan, but not received.
22	Email from M Vector advising of problems finding people who know about Matchmaking and cross border trade activities.
26	Email from GIZ requesting further changes to the DIs
30	First deadline for all database and FGD transcripts - not met

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1st May	
4	IMC chased M Vector on database progress
6	IMC chased M Vector on database progress
8	First set of databases received.
11	Transcripts received - Producer groups
12	Database received - cross border traders, matchmaking and staff of cross border centres.
13	Database received - Energy Efficiency and Business group members
16	Database received - Producer group FGD.
17	Database received - Business association members and Microfinance Clients
20	Databases received - MFI employees, business group members and food processors.
23	Deadline for all databases and FGD transcripts to be completed - not met. Databases received - clients of SAROB and TAMS advisors
24	Databases received - KI Business association and Sarob Advisors. Revised Microfinance Clients database received with some errors corrected.
25	Revised TAMS database received with some errors corrected.
30	Transcripts received - MFI clients FGDs
31	Transcripts received - Business Group FGD's

ANNEX 5

Documents and Websites Consulted

Documents and Websites Consulted

1. GREAT Project Documentation

- Adapting fee-based agricultural advisory services to mountainous regions (Feb 2015)
- Adapting fee-based agricultural advisory services to mountainous regions in Tajikistan, 2015
- Analytical report on impact of Business Groups 2014
- Analytical report on impact of Match Makings 2014
- Analytical Report on impact of trainings 2014
- Business Association Information
- Business Case and Intervention summary, Growth in the Rural Economy and Agriculture: Tajikistan
- Business Confidence Barometer 2012 and 2013 (2 reports)
- CBA implementing partner 2013 (Community inclusiveness)
- CBO targeted villages under GREAT
- Chart of Accounts
- Communication Concept FFPSD 2013
- Credit Impact Assessment; 2012, 2013 ,2014, 2015
- Cross border income estimation 2014
- Cross cutting issue – Gender (presentation)
- Development Plan for the TAG System for 2012
- Donor Mapping
- Due diligence report with action plan and justification of grantees/ risk assessment
- Engel, Erik, Judith Emmerling, Tim Niepel, Anna Peter, Cristina Simonetti-Techert 2015. *How much would you pay? Adapting Fee-Based Agricultural Advisory Services to Mountainous Regions in Tajikistan*; Berlin, February 2015
- FFPSD Evaluation Strategy
- FFPSD Factsheets
- FFPSD Monitoring and Evaluation plan
- FFPSD Plan of operations (inception phase, implementing phase)
- FFPSD Progress reports
- Final report ACTED 2013-2015
- Final report CESVI 2013-2015
- Final report GERES 2013-2015
- Final report German Agro Action 2013-2015

- Framework and Finance for Private Sector Development in Tajikistan: *Plan of Operations for Growth in the Rural Economy and Agriculture: Tajikistan (GREAT)*; Planning period: January 2013 – March 2015; Prepared December 2012
- Gender Analysis for the Program TRIGGER. Tajikistan. GIZ
- Gender Analysis. Tajikistan. 2014. GIZ
- Ghausi, Salim M. (n.d.) *Conceptual Basis of Community Mobilization for GREAT Project Implementing Partners*;
- GIZ Accounting Policies: <http://www.giz.de/en/workingwithgiz/4184.html>
- GREAT Business Case 2011
- GREAT Inception Report
- GREAT/TRIGGER/ Gender Workplan
- Impact assessment and opportunity analysis of Cross Border Economic Relations between Tajikistan and Afghanistan, 2014
- Implementation Agreement BMZ and Government of Tajikistan 2013
- List of projects implemented by CBOs
- List of stakeholders from the programme
- List on lowland and upland areas
- Logical Framework Matrix of the FFPSD programme
- Map of activities
- Map of programme activities: Google earth data package
- Maps from implementing areas by implementing partners (5 maps)
- Market study of Fruit and Vegetable sector in Tajikistan, 2013

- Menter, H., S. Kaaria, N. Johnson and J. Ashby 2005: *Scaling Up*; Chapter 1 of D. Pachico and S. Fujisaka (eds.): *Scaling Up and Scaling Out: Achieving Widespread Impact through Agricultural Research*; Economics and Impact Series No. 3, International Center for Tropical Agriculture (CIAT), Cali, Colombia)
- MFI partner statistics 2015
- Monitoring and Evaluation Strategy for the Programme “Framework and Finance for Private Sector Development in Tajikistan (FFPSD)” including the project “Growth in the Rural Economy and Agriculture – Tajikistan (GREAT)”
- Monitoring of TAG system and Sarob, 2014
- MoU DFID-GIZ 2012
- Nuclei groups – overview where located
- Organisational chart FFPSD/GREAT
- Overview GRANTS-GREAT

- Pamir-Energy: Pre-Feasibility Study: Peak Energy Demand Management Using Night-Storage Heater Technology, 2013
- PPD results Matrix
- Presentation from Cross Border Cooperation Support Center in Khatlon, inception week
- Presentation from Output 1, inception week 12.08.
- Presentation from Output 2, agricultural VC, inception week 11.08.
- Presentation from Output 2, Community Inclusiveness, inception week 11.08.
- Presentation from Output 2, non-agricultural VC, inception week 11.08.
- Presentation from Output 2, non-agricultural VC, inception week 11.08.
- Presentation from Output 3, financial instruments, inception week
- Presentation of the programme (overview)
- Private Sector Analysis 2014 part I and II
- Progress Report from Caritas up to March 2015
- Progress Report from MSDSP up to March 2015
- Progress Report from Oxfam up to March 2015
- Progress report Sarob Cooperative 2013
- Progress report Sarob Cooperative 2014
- Progress report Sarob Cooperative 2015 (draft)
- Report from the Joint Progress Review 2013
- Report from the Programme Review Mission in May 2012
- Report on climate advice for the programme 2013
- Risk assessment April 2015
- Sarob Development Concept 2013 and 2014
- Short report TAG system 2012
- Start up credit demand survey in new target regions, 2012
- Suggestions for field trips
- *Survey of Fruit and Vegetable Processors in Tajikistan*, MIS Khujand, 2013
- Survey on role of private and public sectors in attracting investments, 2015
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ANNEX 6

Consultees

Consultees

Government of Tajikistan

- First Deputy Minister, Ministry of Economic Development and Trade
- Deputy Minister, Ministry of Agriculture, Dushanbe
- Deputy Chairman, Sughd Region Oblast
- Director, Regional Cross Border Economic Relations Center, Khatlon, Qurghonteppa
- Head of programme on Information Resource Development in Agriculture Sector, Ministry of Agriculture, Republic of Tajikistan
- Deputy Chairman, State Committee on Investments and State Property Management
- Head, Secretariat of Consultative Council on Improvement of the Investment Climate
- Deputy Governor of Khatlon Region, Qurghonteppa
- Director, Regional Cross Border Economic Relations Center, Sughd Region, Dushanbe

British Embassy/DFID

- H.E. the British Ambassador
- Head of DFID in Central Asia
- Deputy Head of Mission
- Head, DFID, Tajikistan
- Other DFID staff

Other Donor Agencies

- National Consultant, UN Food and Agriculture Organization. FAO Representative Office in Tajikistan, Dushanbe
- Programme Manager, European Union Delegation to Republic of Tajikistan
- Team Leader, EU Project ECTAP
- Team Leader, EU Project NIRAS
- Programme Manager, European Union Delegation to Republic of Tajikistan
- Food Security Officer, USAID Country Office, Dushanbe

GREAT Programme Staff

- Programme Director
- Deputy Programme Director
- Team Leader, Output 2
- Microfinance & Financial Instruments Team Leader
- Deputy Team Leader (Agriculture)
- Head, Monitoring and Evaluation
- Team member (Community Based Organisations)
- Team member (BCI, Rainfed & Conservation agriculture)
- Team member (Agricultural extension)
- Team members, Monitoring and Evaluation Section

Implementing Partners

- Country Director, Helvetas, Dushanbe
- Country Director, Oxfam-Tajikistan, Dushanbe
- Deputy Head, Economic Justice Programme Manager, Oxfam-Tajikistan, Dushanbe
- Deputy Programme Manager, Economic Justice Programme, Oxfam-Tajikistan, Kulyab, Khatlon Regional State
- Senior Project Manager, AKDN/MSDSP
- Producer Group Facilitators (Two), Economic Justice Programme, Oxfam-Tajikistan, Kulyab, Khatlon Regional State

- Programme Officer (Sustainable Natural Resources Management), Economic Justice Programme, Oxfam - Tajikistan, Kulyab, Khatlon Regional State
- Programme Officer (Institutional Capacity Building), Economic Justice Programme, Oxfam-Tajikistan, Kulyab, Khatlon Regional State
- Programme Officer (Advisory Services), Economic Justice Programme, Oxfam-Tajikistan, Kulyab, Khatlon
- Women/Producer Group Coordinator, Economic Justice Programme, Oxfam-Tajikistan, Kulyab, Khatlon Regional State
- Monitoring, Evaluation, Accountability and Learning Coordinator, Economic Justice Programme, Oxfam-Tajikistan, Kulyab, Khatlon
- Regional State Agronomist, Economic Justice Programme, Oxfam-Tajikistan, Kulyab, Khatlon Regional State
- Senior Programming Officer, Rural Development Programme, Aga Khan Foundation, Tajikistan,
- Senior Programme Manager (GREAT), Mountain Services Development Support Programme (MSDSP), Dushanbe
- Chairman of Management Board and Director, Sarob Cooperative, Dushanbe
- Deputy Chief of Board / BCI Programme Coordinator, Sarob, Khujand, Tajikistan
- Commercial Director, Sarob, Dushanbe, Tajikistan
- Sales Manager, Sarob Co-operative, Dushanbe
- Headquarters Technical Staff, Sarob Cooperative, Dushanbe
- Sarob Regional Advisor, Kurgan-Tyube, Khatlon Region
- Finance/Monitoring and Evaluation Specialist, Sarob Cooperative, Dushanbe

Private Sector

- Executive Director, Subi Vatan Processing Company
- Executive Director, Micro Lending Organization 44 Chasma, Shahrituz
- Director, Navbahor 2013 (Food Processing Company), Rumi (Former Kolkhozobod)
- President, Tajikistan Association of Small and Medium Business
- General Director, HUMO (MFI)
- Director of planning, MATIN (MDO)
- Chairman, Centre for Support entrepreneurs in Khatlon, Qurghontepa
- Director, Association of Agribusiness of Tajikistan, Sughd region, Dushanbe
- General Director, Pishekombinat (Food processing company), Qurghontepa
- General Director, MDO Arvand (Microfinance)
- Assistant General Director, Oila (Food processing company), Muminobod

NGOs

- Country Director, NGO German Agro Action, Dushanbe
- Project Advisor, NGO German Agro Action, Dushanbe
- Project Coordinator, German Agro-Action
- Country Director, CESVI
- Chief Executive, AMFOT
- Director of Training and Development, AMFOT
- Navzamin (Training and capacity building, association of farmer supporting organizations), Qurghontepa
- Director, UBASO (Trade Union)
- Project Manager, NGO GERES, Dushanbe
- Chairman Supervisory Board, NGO Mehnatobod (Training and capacity building), Bokhtar
- Country Director, ACTED Tajikistan
- General Director, MATIN
- Executive Director, NGO Mehnatobod (Training and capacity building), Bokhtar

Group Interviews

- Mahalla Committee/Community Based Organization, Kurazon Village, Jomi District, Khatlon Regional State
- Sarikhosor Onion Producer Group, Rudaki-2 Village, Vakhsh District, Khatlon Regional State
- Sarob Advisors, Oktober Village, Vakhsh District, Khatlon Regional State
- Sarob Advisors, Otzu Village, Kumsangir District, Khatlon Regional State
- Sarob Advisors' Client Farmers, Oktober Village, Vakhsh District, Khatlon Regional State
- Sarob Advisors' Client Farmers, Otzu Village, Kumsangir District, Khatlon Regional State
- Tomato Cluster Members, Jomi District, Khatlon Regional State

ANNEX 7a

Data Instruments: Output 1

There are 2 DIs for Output 1:

SI Members of Business Associations

KII Members of Business Associations

**GREAT Evaluation: KII Questionnaire for Members
of Business Associations**

A. To be completed by Enumerator and Supervisor

1

1. Name of Respondent _____ Respondent I.D. _____		
2. Sex of the respondent [circle one] 01 Male 02 Female		
3. Interviewed by [<i>enter name</i>] _____ Interviewer I.D. _____		
4. Supervisor [<i>enter name</i>] _____ Supervisor I.D. _____		
5. Date of Interview [<i>DD MM YY</i>]	<input type="text"/>	<input type="text"/>
6. Time of interview Start time	<input type="text"/>	<input type="text"/>
End time	<input type="text"/>	<input type="text"/>
7. Spot Checked? 01 Yes 02 No If YES, spot-checked by whom? _____		
8. Back-checked? 01 Yes 02 No		

If YES, back-checked by whom? _____

9. Scrutinized By: _____

10. Regional state *[circle one below]*

01 Sughd; 02 RSS; 03 Khation 04 GBAO

11. District *[enter name]* _____ **District Code** _____

12. Enumerator classification of respondent *(assess the respondent's wealth category on observed physical assets – access to car, clothes, etc)*

01 Poor

02 Non-poor

B. To be completed by the Enumerator

Please introduce yourself using the following script. You must learn this introduction so that you can say it exactly as it is written below.

Hello! My name is _____. I am from M-Vector consultants, an independent research organization. I do not represent the government or any political party. We are studying the views of Farmer Beneficiaries of the programme called “Growth in the Rural Economy and Agriculture: Tajikistan”. Your name will not be used when we report on our findings. Instead we will add everyone’s answers together for our research, which will be used to help improve services.

would you be willing to be interviewed for this purpose [circle one]?

01 Yes 02 No

[If YES, go to Section C below; if NO, complete the table below]

Interviewer: if you are not successful at undertaking the interview record why below

01 No call
02 Reason for unsuccessful call/contact
03 Did not fit gender quota
04 Refused to be interviewed
05 Person selected was never available after at least two visits
06 Did not speak a survey language
07 Not able to listen and talk
08 Not conducive time for the interviewee
09 Not conducive working day for the interviewee/other commitments
10 Others (specify)
99 Not applicable (i.e. interview took place)

C. Information to be Obtained from the Respondent

1. Respondent's position in firm which he / she represents (please circle one)
01 Head of firm / company
02 Other (please specify e.g. Financial manager, production head)

2. Respondent's age

QUESTIONS TO BE ASKED

Region / District _____

Major type of activity _____

1. Organizational form (please choose one)

State owned company	
Partnership	
Closed JSC	
Open JSC	
Collective enterprise	
Cooperative	
Joint venture	
Foreign owned company	
Other _____	

2

I. How many people does your company employ full-time / part time

Size	1-5	6-20	21-50	51-100	Over 100
------	-----	------	-------	--------	----------

Total					
Full-time					
FT Female					
Part-time					
PT Female					

I would like to find out about the business you represent in the Association	
01	Manufacturing (specify the product area)
02	Services (specify)
03	Retailing / wholesaling
04	Agriculture
05	Other (specify)

Where are the main markets for your products or services (percentage):	
1.	The local area / district ----- %
2.	Own Region (Sughd / Khatlon) ----- %
3.	Other regions of Tajikistan ----- %
4.	Outside Tajikistan ----- %

Is the business based wholly in this district, or is it part of a bigger company with branches in other regions?	
01	Based fully in this District
02	This is a branch operation of a bigger company with Headquarters in [specify location]
03	This is the head office, but we have branches elsewhere [specify]

I would now like to find out about your experience in dealing with official agencies that administer laws and regulations that affect the way in which you set up and manage the business.	
What sort of problems (if any) do you face when dealing with business situations such as registration of a new enterprise, dealing with taxation, licensing For example unclear rules or procedures; bigger costs than expected;	

new rules that make it difficult to complete registration or other processes process quickly and without using a lot of time of company personnel

– If you have problem with registration, is there help available from the One Stop Shop, or the Tax Committee more generally?

YES NO

– If you are accused of not complying with regulations, how easy is it to appeal and clarify the situation?

- If there are fines imposed, are the costs reasonable in relation to the offense?

1. **Taxes and charges:** at a national and also at a regional / local level.

If we look at taxes and charges, it will be valuable to obtain your experience and opinion on these:

Taxes / Charges

Which taxes do you have to pay, and how frequently? E.g.

Type of Tax	National? Y or N	Frequency of payment			
		Annual	Quarter	Monthly	other
Tax on Profit					
Payroll Tax					
Tax on Turnover					
VAT					

Do you need to hire additional staff and / or an external tax expert to deal with these matters:

Internal extra staffing: Y N

Hire an external expert to help deal with Tax issues: Y N

I now want to ask you about inspections of your business by official agencies, to ensure compliance with laws and regulations.

How many times during last year your business was inspected? On average, how many days did each inspection last?

Inspection Agency (examples)	No. of Visits	Days Involved
Tax Committee or its agents		
Fire prevention		
Environmental health		
Customs		
Police		
Licensing agencies		
?		
?		

Did you have fines or additional charges imposed on the business following inspections?

Yes No

If YES, please specify the amounts involved

Did you think that the fines were justified Yes No

If NO, why is this?

.....
.....

I would now like to ask about your membership and activities with the Business Association.

i) Have you been involved in assisting the Association to analyse the problems you raised from an economic impact perspective?

YES NO

ii) Which issues or problems were discussed and agreed as needing action to make business conditions better? (please specify)

.....4

iii) Were some problems brought to the attention of government through a Public-Private Dialogue forum to seek a resolution? If YES, which were these? (please specify up to 3:

1. 2. 3.

iv) Are you aware of any results (so far) emerging from the Public – Private dialogue?

YES NO

Finally, I would like to have your assessment of whether the overall conditions for doing business where you are now located are favourable or not favourable. In particular, thinking about the possible future development of your business, if you were going to expand, would you do so in the current location or prefer to move elsewhere?

Overall business conditions (on a scale where 1 is excellent and 5 is very poor) Score

.....

The three most positive points about current business environment:

1.
2.
3.

The three most negative features of the business environment

1.
2.
3.

Would you expand your business in the current location?

YES (main reason)

.....

NO (main reason)

.....

Is there any other information you would like to add to the above?

THANK YOU FOR THIS INFORMATION.

Do you have any questions you would like to ask me?

**Member of Business
Association**

**GREAT Evaluation Questionnaire for Members
of Business Associations**

A. To be completed by Enumerator and Supervisor

1. Name of Respondent _____ Respondent I.D. _____		
2. Sex of the respondent [circle one] 01 Male 02 Female		
3. Interviewed by [<i>enter name</i>] _____ Interviewer I.D. _____		
4. Supervisor [<i>enter name</i>] _____ Supervisor I.D. _____		
5. Date of Interview [<i>DD MM YY</i>] <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
6. Time of interview Start time <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> End time <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
7. Spot Checked? 01 Yes 02 No If YES, spot-checked by whom? _____		
8. Back-checked? 01 Yes 02 No If YES, back-checked by whom? _____		
9. Scrutinized By: _____		
10. Regional state [<i>circle one below</i>] 01 Sughd; 02 RSS; 03 Khation 04 GBAO		

11. District *[enter name]* _____ **District Code** _____

B. To be completed by the Enumerator

Please introduce yourself using the following script. You must learn this introduction so that you can say it exactly as it is written below.

Hello! My name is _____. I am from M-Vector consultants, an independent research organization. I do not represent the government or any political party. We are studying the views of Farmer Beneficiaries of the programme called “Growth in the Rural Economy and Agriculture: Tajikistan”. Your name will not be used when we report on our findings. Instead we will add everyone’s answers together for our research, which will be used to help improve services.

would you be willing to be interviewed for this purpose [circle one]?

01 Yes 02 No

[If YES, go to Section C below; if NO, complete the table below]

Interviewer: if you are not successful at undertaking the interview record why below

01 No call
02 Reason for unsuccessful call/contact
03 Did not fit gender quota
04 Refused to be interviewed
05 Person selected was never available after at least two visits
06 Did not speak a survey language
07 Not able to listen and talk
08 Not conducive time for the interviewee
09 Not conducive working day for the interviewee/other commitments
10 Others (specify)
99 Not applicable (i.e. interview took place)

C. Information to be Obtained from the Respondent

1. Respondent's position in firm which he / she represents (please circle one)
01 Head of firm / company
02 Other (please specify e.g. Financial manager, production head)

2. Respondent's age

QUESTIONS TO BE ASKED

Region / District _____

Major type of activity _____

2. Organizational form (please choose one)

State owned company	
Partnership	
Closed JSC	
Open JSC	
Collective enterprise	
Cooperative	
Joint venture	
Foreign owned company	
Other _____	

4

2. How many people does your company employ full-time / part time

Size	1-5	6-20	21-50	51-100	Over 100
Total					

Full-time					
FT Female					
Part-time					
PT Female					

3 Business Features

I would like to find out about the business you represent in the Association	
03	Manufacturing (specify the product area)
04	Services (specify)
03	Retailing / wholesaling
04	Agriculture
05	Other (specify)

4. Where are the main markets for your products or services (percentage):	
5.	The local area / district ----- %
6.	Own Region (Sughd / Khatlon) ----- %
7.	Other regions of Tajikistan ----- %
8.	Outside Tajikistan ----- %

5. Do you think that you have a competitive product / service in your market?

- a) very similar to other suppliers ---
- b) slightly better than competitors ---
- c) I have a real competitive advantage ---

If you answered (b) or (c):

What is the basis of your competitive advantage?

- Lower prices / costs ---
- Higher quality product / service ---
- Innovation – of product or service approach ---
- Other

6. Do you have a recognised quality standard (such as ISO 9000) in your current operation?

Yes ----

No ----

If NO, do you have specific plans to achieve such standards and get certification in the next year ?

Yes ---

No ---

Is the business based wholly in this district, or is it part of a bigger company with branches in other regions?
01 Based fully in this District
02 This is a branch operation of a bigger company with Headquarters in [specify location]
03 This is the head office, but we have branches elsewhere [specify]

I would now like to find out about your experience in dealing with official agencies that administer laws and regulations that affect the way in which you set up and manage the business.

Do you currently face problems in dealing with Business registration and related actions like changing the company name, changing address, the appointment of new Directors or closing a business.

NO Current situation is satisfactory
YES (please specify any difficulties)

How does the current situation compare with 2 or 3 years ago?

WORSE now: (specify)

BETTER Specify

How does the One Stop Shop system work when dealing with these sort of situations?

OSS is helpful and has made the position better in the last 2 years in the following ways
specify)

OSS has made little difference in last 2 – 3 years

(Specify situations)

- What sort of problems (if any) do you face when dealing with these types of business situation? (e.g. unclear rules or procedures; bigger costs than expected; new rules that make it difficult to complete the registration process quickly and without using a lot of time of company personnel);

- If you have problem with registration, is there help available from the One Stop Shop, or the Tax Committee more generally?
- If you are accused of not complying with regulations, how easy is it to appeal and clarify the situation?
- If there are fines imposed, are the costs reasonable in relation to the offense?

Licensing for a specific commercial or industrial activity can be needed. Do you have experience of dealing with the official arrangements involved in getting (and maintaining) a business license?

If NO: go to next question

If YES: which agencies did you deal with to get a license?

What was the experience? For example:

- Was it a simple or complex administrative process to deal with?
- Were the costs involved “reasonable” or did you think they were too high?
- Do licenses have to be renewed regularly? If YES, what does this mean for your business e.g. threats to continuity of production, more administration time, fees.

Looking more closely at what you have to do when dealing with Licensing, do you face any of the following situations?

Possible actions to deal with Licensing	YES	NO
Notary fees		
Additional official payments and fees		
Hire a lawyer or technical specialist		
Additional “voluntary” payments		

2. **Taxes and charges:** at a national and also at a regional / local level.

If we look at taxes and charges, it will be valuable to obtain your experience and opinion on these:

Taxes / Charges

Which taxes do you have to pay, and how frequently? E.g.

Type of Tax	Y or N	Frequency of payment			
		Annual	Quarter	Monthly	other
Tax on Profit					
Payroll Tax					
Tax on Turnover					
VAT					
Other:					

Do you need to hire additional staff and / or an external tax expert to deal with these matters?

Internal extra staffing: Y N

Hire an external expert to help deal with Tax issues: Y N

Do you have administrative problems in meeting your tax obligations when dealing with the taxation authorities?

- NO It is easy to deal with tax matters
- YES I experience some difficulties (Specify)
.....

I now want to ask you about inspections of your business by official agencies, to ensure compliance with laws and regulations.

How many times during last year your business was inspected? On average, how many days did each inspection last?

Inspection Agency (examples)	No. of Visits	Days Involved
Tax Committee or its agents		
Fire prevention		
Environmental health/ sanitary		
Customs		
Police		
Licensing agencies		
Ministry of Labour		
Anti Corruption		

Did you have fines or additional charges imposed on the business following inspections?

Yes No

If YES, please specify the amounts involved

Did you think that the fines were justified Yes No

If NO, why is this?

.....
.....

Has the business inspections regime changed in the last 2 or 3 years?

Have there been improvements? Y or N

PLEASE SPECIFY

.....

Have things become worse? Y or N

PLEASE SPECIFY

.....

As you are a member of a Business Association I would like to learn of your opinions on following:

Finally, I would like to have your assessment of whether the overall conditions for doing business where you are now located have become more favourable or not as favourable over the last 2 or 3 years.

Changes have become more favourable (outline in which ways):

.....

Changes have become less favourable (outline in which ways):

.....

In particular, thinking about the possible future development of your business, if you were going to expand, would you do so in the current location or prefer to move elsewhere?

Overall business conditions (on a scale where 1 is excellent and 5 is very poor) Score

.....

The three most positive points about current business environment:

4.
5.
6.

The three most negative features of the business environment

4.
5.
6.

Would you expand your business in the current location?

YES (main reason)

.....

NO (main reason)

.....

Is there any other information you would like to add to the above?

THANK YOU FOR THIS INFORMATION.

Do you have any questions you would like to ask me?

ANNEX 7b

Data Instruments: Output 2.1 (Agriculture)

There are four DIs for Output 2.1:

SI Clients of Sarob advisors

KII Sarob advisors

KII Members of TAMS

FGD Members of CBO Producer Groups

GREAT Evaluation: Output 2 (Agriculture)

FOCUS GROUP DISCUSSION TOPICS FOR CBO PRODUCER GROUPS

TO BE COMPLETED BY FACILITATOR

Name of Facilitator

Regional State

Jamoat

Village

Name of this Producer Group

Commodity on which this Producer Group is based

Number of men and women in the Producer Group: Men _____ Women _____

Gender of focal group [circle one] Male Female

Date of the Discussion

Time the Discussion Started

Time the Discussion Ended

The facilitator should begin by thanking the participants for attending the meeting and assuring them that their names will not be recorded or reported to anyone. The facilitator should also explain that the programme is supported by the British government and that the purpose of the meeting is to assess the views of the intended beneficiaries, so as to help improve future work in rural development in Tajikistan.

TOPICS TO BE DISCUSSED

1. Why did you decide to join the Producer Group?
2. If there are there are farmers in the village who are not members, do you know why?
3. If you have previously produced this commodity, what production problems did you face?
4. How do you expect the Producer Group to help you overcome these problems?
5. If you previously marketed this commodity, where did you market it, and what marketing problems did you face?
6. How do you expect the Producer Group to help you overcome these problems?
7. Do you think there will be any disadvantages to the Producer Group approach to production and marketing?
8. What training and other facilities have been provided to you as a member of the group, and how did they help you?
9. Has your group received any assistance through the Commodity Cluster, and if so how has this helped you?
10. Do men and women members have an equal say in how the group is run? [Moderator: Probe for underlying reasons]
11. Do men and women share equally in the work of producing the crop? [Moderator: explore how and why]
12. Do men and women share equally in the work of marketing the crop? [Moderator: explore how and why]
13. Do you expect men and women share equally in the benefits? [Moderator: explore how and why]
14. How do you think you will use any extra income you earn from the commodity?
15. What is the gender of each of the office bearers in this Producer Group?

Position	[tick one]	
	Male	Female
Head		
Economist		
Agronomist		
Secretary		
Marketing Specialist		

KII SAROB Advisors

**GREAT Interview Schedule for
Key Informant Interview for SAROB Advisors**

A. To be completed by Enumerator and Supervisor

Hello! My name is _____. I am from M-Vector consultants, an independent research organization. I do not represent the government or any political party. Our team has been selected by the GREAT project to help conduct an evaluation of the Programme's relevance effectiveness, efficiency, sustainability and impact, and your name has been chosen at random from a list provided by GIZ. This interview is strictly confidential. Your name will not be disclosed when we report on our findings. We will interview several different advisors, add everyone's answers together to produce a report, which will be used to help improve services.

Would you be willing to be interviewed for this purpose [circle one]?

1. Yes

2. No ----- **GO TO SECTION B AND FINISH THE INTERVIEW**

INTERVIEWER: FILL THE FOLLOWING TABLE WITHOUT ASKING THE RESPONDENTS ANY QUESTIONS

5

1. Name of Respondent _____ Respondent I.D. _____
2. Sex of the respondent [circle one] 01 Male 02 Female
2.1 Respondents age _____

3. Interviewed by <i>[enter name]</i> _____ Interviewer I.D. _____
4. Supervisor <i>[enter name]</i> _____ Supervisor I.D. _____
5. Date of Interview <i>[DD MM YY]</i> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/>
6. Time of interview Start time <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> End time <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/>
7. Spot Checked? 01 Yes 02 No If YES, spot-checked by whom? _____
8. Back-checked? 01 Yes 02 No If YES, back-checked by whom? _____
9. Scrutinized By: _____

10. Regional state <i>[circle one below]</i>
01 Sughd; 02 Khatlon

11. District <i>[enter name]</i> _____ District Code _____
--

12. Village *[enter village name]* _____

INTERVIEWER, GO TO SECTION C

B. Interviewer: if you are not successful at undertaking the interview record why below

1 No call
2 Reason for unsuccessful call/contact
3 Refused to be interviewed
4 Person selected was not available after at least two visits
5 Did not speak a survey language
6 Not able to listen and talk
7 Not conducive season for the interviewee
8 Not conducive working day for the interviewee/other commitments
9 Others (specify)
99 Not applicable (i.e. interview took place)

C. Information to be obtained from the Respondent

Q1. When did you begin working with SAROB? YEAR_____; MONTH _____

**Q2. If you worked as an agricultural adviser before joining SAROB, when did you begin?
YEAR_____; MONTH _____**

Q3. Do the farmers you advise pay for your services (including any payments in kind)?

1. Yes
2. No

Q3.1. In what way usually your clients pay you for your services per 1 hectare?

Methods of payment	2012	2013	2014	2015
3.1.1. In cash (somon)				
3.1.2. In kind (show in kilogram)				
3.1.3. In kind and in cash				

Q4. How many farmers do you advice and what was their farm size?

	2013		2014		2015		2016	
	Male	Female	Male	Female	Male	Female	Male	Female
Q4.1. Number of Farmers								
Q4.2. Average size of Farm (hectares)								

1 Fertilizer	1 Yes 2 No
2 Crop spraying	1 Yes 2 No
3 Integrated pest management	1 Yes 2 No
4 Improved crop rotation	1 Yes 2 No
5 Improved irrigation techniques	1 Yes 2 No
6 Pruning	1 Yes 2 No
7 Improved harvesting techniques	1 Yes 2 No
8 Other [PLEASE SPECIFY]	1 Yes 2 No

Q11. Where do you obtain technical information to pass on to your clients?

Q12. Where do you obtain marketing information to ensure that there a market for the products and varieties it recommends to your clients?

1 SAROB

2 Traders

3 Internet

90 Other (**PLEASE SPECIFY**) _____

99 Does not give farmers market information

Q13. What are the three most important problems you have faced in providing agricultural advice to farmers? [LIST IN ORDER OF IMPORTANCE**]**

1. _____

2. _____

3. _____

Q14. What benefits for your client farmers have resulted from the services you have provided?

[CIRCLE AS MANY AS APPLY]

- 1 Higher cash income
- 2 Higher subsistence production
- 3 More sustainable farming practices
- 4 More productive/efficient farming practices
- 5 Reduction in risks
- 6 Access to new ideas and knowledge
- 7 Better access to farm machinery
- 8 Access to useful advice
- 9 Access to markets for farm produce
- 10 Better quality of produce
- 11 Better access to inputs
- 12 Reduction in workload
- 13 Better standard of nutrition for the family
- 14 Other
- 99 None (**SPECIFY** _____

_____)

Q15. Has the introduction of new technologies resulted in any unexpected problems in farming?

- 1. Yes
- 2. No ----- **GO TO QUESTION 16**

Q15.1. If YES, please specify the three most important?

- 1. _____
- 2. _____
- 3. _____

Q16. What was your own profitability situation in each year?

	(TICK ONE BOX FOR EACH YEAR)			
	2012	2013	2014	2015
Significant Loss				
Small Loss				
Broke even				
Small profit				
Significant Profit				
Don't know				

Q17. What were the reasons for any changes shown in the previous question?

Q18. What do you think are your future prospects as an Agricultural Adviser? (circle one)

1 Very unlikely to continue
 2 Unlikely to continue
 3 Could go either way
 4 Likely to continue
 5 Very likely to continue
 99 Don't know

Q19. What are the reasons for your answer to the previous?

Q20. What assistance have you received from SAROB:

1. Support to become established as an Agricultural Adviser
2. Promotion of field tests
3. Help to disseminate promising innovations
4. Developing crop monitoring system
5. Supporting the development of TAMS
6. Training
7. Other (**PLEASE SPECIFY BELOW** _____

_____)

Q21. What are the main benefits do you think SAROB has provided to you?

Q22. Overall, how satisfied are you with the assistance you received from SAROB? [please circle one]

- 1 Very dissatisfied
- 2 Dissatisfied
- 3 Neither satisfied nor dissatisfied
- 4 Satisfied
- 5 Very satisfied

Q23. What are the three main reasons for your answer to the previous question?

- 1.
- 2.
- 3.

Q24. Do the farmers, with whom you have contracts, generally have access to adequate credit?

- 1 Yes -----[GO TO QUESTION 27](#)
- 2 No

Q25. What are the main constraints farmers face in accessing credit?

- 1 They cannot meet conditions set by lending bodies,
- 2 Interest rates are too high to make it worthwhile,
- 3 Lenders regard lending to farmers as too risky
- 4 Other ([PLEASE SPECIFY](#) _____)

Q26. How does lack of access to credit have upon the ability of farmers (others in rural economy) to reach their full business potential?

1. Unable to invest in machinery
2. Unable to invest in inputs
3. Unable to hire sufficient labor
4. Cash flow problems
5. Other [*please specify below*]

[INTERVIEWER GO TO QUESTION 28](#)

Q27. Where do the farmers obtain credit?

1. Banks
 2. Microfinance organizations
 3. Community Programmes
 4. International NGOs
 5. Informal sources (Please specify)
- _____

Q28. Is there any other information you would like to add to the above?

THANK YOU FOR THIS INFORMATION.

Do you have any questions you would like to ask me?

If you have any further questions my contact number at M-Vector is _____

GREAT Evaluation: Output 2

KEY INFORMANT INTERVIEW FOR TAMS

A. To be completed by Enumerator and Supervisor

Hello! My name is _____. I am from M-Vector consultants, an independent research organization. I do not represent the government or any political party. We are studying the views of Farmer Beneficiaries of the programme called “Growth in the Rural Economy and Agriculture: Tajikistan”. Your name will not be used when we report on our findings. Instead we will add everyone’s answers together for our research, which will be used to help improve services.

Would you be willing to be interviewed for this purpose [circle one]?

1. Yes
2. No ----- **GO TO SECTION B AND FINISH THE INTERVIEW**

1. Name of Respondent _____ Respondent I.D. _____
2. Sex of the respondent [circle one] 1 Male 2 Female
2.1. Respondent’s age _____
3. Interviewed by [enter name] _____ Interviewer I.D. _____
4. Supervisor [enter name] _____ Supervisor I.D. _____
5. Date of Interview [DD MM YY] <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
6. Time of interview Start time <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> End time <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
7. Spot Checked? 1 Yes 2 No If YES, spot-checked by whom? _____
8. Back-checked? 1 Yes 2 No If YES, back-checked by whom? _____
9. Scrutinized By: _____
10. Regional state [circle one below]

1 Sughd 2 Khatlon

11. District *[enter name]* _____ **District Code** _____

INTERVIEWER, GO TO SECTION C

B. Interviewer: if you are not successful at undertaking the interview record why below

1 No call
2 Reason for unsuccessful call/contact
3 Did not fit gender quota
4 Refused to be interviewed
5 Person selected was never available after at least two visits
6 Did not speak a survey language
7 Not able to listen and talk
8 Not conducive time for the interviewee
9 Not conducive working day for the interviewee/other commitments
10 Others (specify)
99 Not applicable (i.e. interview took place)

C. Information to be obtained from the Respondent

Q1. How long has this TAMS been in operation? YEARS _____; MONTH _____

Q2. What are the criteria for membership?

Q3. How many of the shareholders are a) male, and b) female?

Q4. What proportion of the clients are a) male, and b) female?

Q5. Which organization(s) supported the establishment of this TAMS?

Q6. What were the most useful forms of support provided? Please only give the three most important forms of support.

Q7. What assistance, if any, do you receive from SAROB?

Q8. Are there any essential forms of support not provided, and if so do you know why not?

Q9. Overall, how satisfied are you with the assistance you received?

1. Not satisfied
2. A Little satisfied
3. Averagely satisfied
4. Very Satisfied

Q10. How many farmers use your services?

Q11. What types of machinery do you hire out to farmers?

Q12. What are the advantages of a group-based approach to agricultural machinery services?

Q13. What are the disadvantages?

Q14. Who are your competitors?

Q15. What advantages does your organization have over its competitors?

Q16. What are the main problems that have been faced by the TAMS since it was formed?

Q17. Has mechanization resulted in any problems for the farmers?

Q18. How would you describe your income category (including any remittances from abroad)?

- 1 Up to 500 Somuni per month
- 2 500 to 1,000 Somuni per month
- 3 1,000 to 2,000 Somuni per month
- 4 2,000 to 3,000 Somuni per month
- 5 more than 3,000 Somuni per month more

Future directions

Q19. Do you think the business is sound enough to survive in the future, and if not why not?

Q20. If it is sound enough to survive, would you like to expand it?

Q21. If so, what are the main constraints?

THANK YOU FOR THIS INFORMATION!

Do you have any questions you would like to ask me?

If you have any further questions my contact number at M-Vector is _____

**GREAT Interview Schedule for
Farmer Clients of SAROB Advisors (i.e non-CBO)**

Try to interview the head of the farm. If unavailable, interview the deputy head or other most senior person.

A. To be completed by Enumerator and Supervisor

6 **Fill in name of this farmer's SAROB Advisor:** _____

Hello! My name is _____. I am from M-Vector consultants, an independent research organization. I do not represent the government or any political party. We are studying the views of Farmer Beneficiaries of the programme called "Growth in the Rural Economy and Agriculture: Tajikistan". Your name will not be used when we report on our findings. Instead we will add everyone's answers together for our research, which will be used to help improve services.

Would you be willing to be interviewed for this purpose [circle one]?

1 Yes

2 No ----- **GO TO SECTION B AND FINISH THE INTERVIEW**

1. Name of Respondent _____ Respondent I.D. _____
2. Sex of the respondent [circle one] 1 Male 2 Female
3. Respondents age _____

4. Interviewed by <i>[enter name]</i> _____ Interviewer I.D. _____
5. Supervisor <i>[enter name]</i> _____ Supervisor I.D. _____
6. Date of Interview <i>[DD MM YY]</i> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/>
7. Time of interview Start time <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> End time <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/>
8. Spot Checked? 1 Yes 2 No If YES, spot-checked by whom? _____
9. Back-checked? 1 Yes 2 No If YES, back-checked by whom? _____
10. Scrutinized By: _____

11. Regional state <i>[circle one below]</i> 1 Sughd 2 Khatlon

12. District <i>[enter name]</i> _____ District Code _____
--

13. Village <i>[enter village name]</i> _____
--

INTERVIEWER, GO TO SECTION C

B. Interviewer: if you are not successful at undertaking the interview record why below

1 No call
2 Reason for unsuccessful call/contact
3 Did not fit gender quota
4 Refused to be interviewed
5 Person selected was never at home after at least two visits
6 Did not speak a survey language
7 Not able to listen and talk
8 Not conducive season for the interviewee
9 Not conducive working day for the interviewee/other commitments
10 Others (specify)
99 Not applicable (i.e. interview took place)

C. Information to be Obtained from the Respondent

Q1. Respondent's position on the farm (PLEASE CIRCLE ONE)
1 Head of farm
2 Other (please specify)

Q2. If the Respondent is <u>not</u> the head of the farm, please state the gender <u>of the head of the farm</u>
1 Male 2 Female

Q3. Type of farm (please circle one)
1 Individual <i>dehkan</i> farm
2 Family <i>dehkan</i> farm
3 Collective <i>dehkan</i> farm
4 Other (please specify type of farm)

Q4. If farm is Family <i>dehkan</i> farm or Collective <i>dehkan</i> farm
Number of owners: _____

Q5. Size of the farm
Total farm size _____ hectares
Arable land _____ hectares
Pasture _____ hectares
Tree crops _____ hectares
Other _____ hectares

Q6. How would you describe your income category (including any remittances from abroad)?

- 1 Up to 500 Somuni per month
- 2 500 to 1,000 Somuni per month
- 3 1,000 to 2,000 Somuni per month
- 4 2,000 to 3,000 Somuni per month
- 5 more than 3,000 Somuni per month more

Q7. What are the most important agricultural problems faced by this farm which could be addressed by better advice? (LIST IN ORDER OF IMPORTANCE)

--

Q8. When did your farm become a client of this advisor?

Month _____ year _____

Q9. Do you pay for the services of SAROB advisors?

1. Yes
2. No ----- GO TO QUESTION 10

Q9.1. In what way do you usually pay for advisory services per hectare?

Methods of payment	2012	2013	2014	2015
Q9.1.1 In cash (somoni)				
Q9.1.2 In kind (type of crop and kilograms)				

Q10. For which crops (new crops or improved varieties of existing crops) do you have a contract with the above advisor and what was the area planted in the most recent season? [list below]

New Crops	Area planted (hectares)	Improved Varieties (of Crops previously grown)	Area planted (hectares)

Q12. What has been the effect on yield and cost of introducing NEW VARIETIES OF EXISTING CROPS?

Crop	Yield (quintals per hectare)		Extra cost of growing new variety* (somon per hectare)
	Traditional variety	New variety	

* i.e. extra cost of fertilizer, pesticide, labor, etc. compared with traditional variety

Q13. What has been the effect on yield and cost of introducing ENTIRELY NEW CROPS?

New Crops	Yield (quintals/ hectare)	Crop previously Grown on the same land	Yield (quintals/ hectare)	Extra cost of growing the new crop* (somon per hectare)

* i.e. extra cost of fertilizer, pesticide, labour, etc. compared with the crop previously grown

Q14. What have been the other effects of introducing the new crops and varieties?

Positive Effects	Negative Effects (if any)

Q15. Have you introduced new production techniques as a result of the Advisor' advice?

- 1 Yes
- 2 No ----- GO TO QUESTION 17

--	--

Q19. Has the farm introduced new irrigation methods as a result of advice from the advisor? (circle one):

1 Yes
 2 No ----- GO TO QUESTION 21

Q19.1. If YES, please give the following information:

Area under irrigation before (hectares)	Area under irrigation after (hectares)

Q20. What has been the effect of introducing or increasing irrigated agriculture?

Positive Effects	Negative Effects (if any)

Q21. Has the farm introduced or increased use of fertilizer as a result of the above services? (circle one):

1 Yes
 2 No ----- GO TO QUESTION 23

Q21.1. If YES, please give the following information:

Average fertilizer use before (kg/hectare)	Average fertilizer use after (kg/hectare)

Q22. What has been the effect of introducing or increasing the use of fertilizer?

Positive Effects	Negative Effects (if any)

Q23. Has the farm introduced or increased use of pesticides as a result of the above services? (circle one):

1 Yes
 2 No ----- GO TO QUESTION 26

Q23.1. If YES, please give the following information:

Average pesticide use before (kg/hectare)	Average pesticide use after (kg/hectare)

--	--

Q24. What has been the effect of introducing or increasing the use of pesticides?	
Positive Effects	Negative Effects (if any)

Q25. Has the farm's income increased as a result of adopting the recommendations of the advisor?
<p>1 Yes</p> <p>2 No</p>
<p>Q25.1. If YES, by what percentage? _____%</p>
<p>Q25.2. If No, why do you continue to use these services?</p> <hr/> <hr/> <hr/> <hr/>

Q27. Comparing the services you are currently receiving from the advisor with those you received previously, would you say you are: (circle one)
<p>1 Very satisfied</p> <p>2 Quite satisfied</p> <p>3 Neither satisfied nor dissatisfied</p> <p>4 Quite dissatisfied</p> <p>5 Strongly dissatisfied</p>

Q28. Please give reasons for your answer to the above question (INCLUDING IF THEY DO NOT KNOW)

Q29. What benefits do you think the services of the advisor has brought to your own farm?

[CIRCLE AS MANY AS APPLY]

- 1 Higher cash income
- 2 Higher subsistence production
- 3 More sustainable farming practices
- 4 More productive/efficient farming practices
- 5 Reduction in risks
- 6 Access to new ideas and knowledge
- 7 Better access to farm machinery
- 8 Access to useful advice
- 9 Access to markets for farm produce
- 10 Better quality of produce
- 11 Better access to inputs
- 12 Reduction in workload
- 13 Better standard of nutrition for the family
- 99 None
- 90 Other (*specify*)

Q30. Has becoming a client of the advisor resulted in any unexpected problems in farming?

- 1 Yes
- 2 No ----- GO TO QUESTION 31

Q30.1. If YES, please specify what they are.

31. Has your farm begun to employ more paid workers as a result of the above changes?

- 1 = Yes
- 2 = No ----- GO TO QUESTION 32

Q31.1. If yes, please give number of employees:

Before _____ After _____

Q32. Do you ever use credit to cover farming costs?

- 1 Yes
- 2 No ----- GO TO QUESTION 33

Q32.1 Name of bank or microfinance institution: _____

Q32.2 Amount borrowed last time _____

Q32.3 Period of the loan _____

Q32.4 Rate of interest charged _____% per (period of time) _____

Q33. Did you pay back on time?

- 1 Yes ----- GO TO QUESTION 36
- 2 No

Q33.1. If No, what were the penalties? _____

Q34. If you did not use credit, please state why not.

- 1 Not needed, as I have enough resources
- 2 The terms (rate of interest, etc) were too high
- 3 I am not aware of where to get credit or how to go about the task of enquiry
- 4 Credit was refused ----- **GO TO QUESTION 35**
- 5 Other (please specify)

Q35. Why credit was refused for you?

Q36. How do you market the new crops you have produced with advice from Sarob?

- 1. Do not market them, as they are consumed by my household
- 2. Sell them by the side of the road
- 3. Sell them at a local market
- 4. Have arrangement with trader to come to the farm to buy them
- 5. Trader comes to the farm to buy them without a special arrangement
- 6. Take them to a trader or processor to sell them
- 7. Other [please specify] -----

GO TO QUESTION 37

Q37. Is there any other information you would like to add to the above?

THANK YOU FOR THIS INFORMATION.

Do you have any questions you would like to ask me?

If you have any further questions my contact number at M-Vector is _____

ANNEX 7c

Data Instruments: Output 2.2 (Non-Agriculture)

There were 2 DIs, both KII:

1. Environmentally Efficient products
2. Food processing companies

KII: Energy Efficiency Partners and Beneficiaries

[Assume use of Standard M-Vector Introduction]

QUESTIONS TO BE ASKED

Region / District _____

1. Major type of activity. Do you produce and sell products that are designed to provide better insulation for customers, for example, doors, windows with double glazing?

NO (terminate the interview) **YES** (continue with the interview)

2. What is your final product / products, sold to customers?

(select all that apply)

- i) Wooden window frames with double glazing
- ii) Wooden doors (with double glazing if a window included)
- iii) Other insulation products (please give details)

3. What is the organizational form of your enterprise? (please choose one)

Self-owned company	
Partnership	
Collective enterprise	
Cooperative	
Joint venture	
Other (please describe) _____	

4. For how long has your enterprise been in operation?

Years

For how long have you been making insulation products?

Years

5. Did the GREAT Programme assist your business to become involved in the production of insulation products?

YES

NO

If **YES**, in which ways did GREAT help? For example:

- i) Showed that there were new customers and income with new insulated products
- ii) I received technical advice and training to show how to make new items
- iii) I obtained information on how to get wood (and other materials) and how to judge their quality
- iv) Business advice e.g. on how to identify customers, keeping financial records
- v) Other (please specify)

6. How many people does your company employ full-time / part time

Size	1-3	4-10	11-50	Over 50
Total				
Full-time				
FT Female				
Part-time				
PT Female				

7. Materials

Which materials do you use in your production processes?	
Name / description of products	Amount of product used in last year (volume or weight)
Product 1: wood (Type)	
Product 2: glass (type)	
Others specified:	

8. Origin of Supplies

From where do you obtain your raw material supplies?		
Name / description of agricultural products	Main source (%)	Other source(s) %
Product 1:	e.g. Local region in Tj	e.g. Different area of Tj
Product 2:	Imported Kyrgyzstan	etc
Others specified:		

9. Linkages to suppliers / growers:

What is the basis of your relationship with the sources of your raw materials? For example:

- i) Do you have a supply contract that guarantees supply for a following period (1 year or more)?
 YES (specify nature)
 NO (does this mean you have to compete for supplies (e.g. of suitable wood) at the time of need?
 (Explain)
- ii) Do you face problems in the supply chain e.g. reliability of quantities; timing; quality?
 (Elaborate)

10. Do you have a recognised quality standard (such as ISO 9000) in your current operation?

Yes ----

No ----

If NO, do you have specific plans to achieve such standards and get certification in the next year ?

Yes ---

No ---

11. Ownership

Is the production based wholly in this district, or is it part of a bigger company with branches in other regions?	
01	Based fully in this District
02	This is a branch operation of a bigger company with Headquarters in [specify location]
03	This is the head office, but we have branches elsewhere [specify]

12. Market Areas

Where are the main geographical markets for your final products (percentage):	
9.	The local area / district ----- %
10.	Own Region (Sughd / Khatlon) ----- %
11.	Other regions of Tajikistan ----- %
12.	Outside Tajikistan ----- %

13. Features of customers

Who are your customers for insulated products with wood frames (refer to the last year)?			
Description	Number of clients	Value of sales in last year (Som)	% Sales
Households			
Commercial / industrial clients			
Government bodies			
Other (please specify):			

14. Have there been changes in the type of customer and in your pattern of sales over the last two years?

Changes in customer patterns in last two years		
Description	Change in number of clients (+ or -) %	Changes in value of sales of last 2 years (Som)
Households		
Commercial / industrial clients		
Government bodies		
Other (please specify):		

15. Does the pattern of your sales to customers show an uneven (seasonal) pattern during a typical year?

YES NO

If YES, how does your business deal with this situation. For example:

- i) Delay orders of materials until necessary, to avoid building stocks not needed:
- ii) Manufacture for stock and produce products that will be needed when orders rise, to allow quick sales when orders emerge in periods of low demand.
- iii) Other:

Provide details:

.....

16. Do you think that this form of insulation product has a good future and is worth investing in premises and machinery / equipment?

YES NO

Please elaborate

.....

FINALISE THE INTERVIEW

GREAT Evaluation: KII Questionnaire for Food Processing Company

[Assume use of Standard M-Vector Introduction]

QUESTIONS TO BE ASKED

Region / District _____

Major type of activity. Which type(s) of agricultural produce do you process?

.....

What is your final product / products, sold to customers?

.....

3. Organizational form (please choose one)

State owned company	
Partnership	
Closed JSC	
Open JSC	
Collective enterprise	
Cooperative	
Joint venture	
Foreign owned company	
Other _____	

4. How many people does your company employ full-time / part time

Size	1-5	6-20	21-50	51-100	Over 100
Total					
Full-time					
FT Female					
Part-time					
PT Female					

5. Did your company receive any external help in the form of technical or business advice over the last two years, to help your business to be more successful?

YES

NO

If YES:

Who provided this assistance? e.g. GREAT Programme; other (specify)

6. Raw materials

Which agricultural products do you use in your production processes:	
Name / description of agricultural products	Amount of product used in last year (volume or weight)
Product 1:	
Product 2:	
Others specified:	

7. Origin of Supplies

From where do you obtain your raw material supplies?		
Name / description of agricultural products	Main source (%)	Other source(s) %
Product 1:	e.g. Local region in Tj	Different area of Tj
Product 2:	Imported Kyrgyzstan	etc
Others specified:		

8. Market Areas

Where are the main geographical markets for your final products (percentage):	
13. The local area / district	----- %
14. Own Region (Sughd / Khatlon)	----- %

15. Other regions of Tajikistan	----- %
16. Outside Tajikistan	----- %

9. Do you have a recognised quality standard (such as ISO 9000) in your current operation?

Yes ----

No ----

If NO, do you have specific plans to achieve such standards and get certification in the next year ?

Yes ---

No ---

10. Ownership

Is the production based wholly in this district, or is it part of a bigger company with branches in other regions?
01 Based fully in this District
02 This is a branch operation of a bigger company with Headquarters in [specify location]
03 This is the head office, but we have branches elsewhere [specify]

11. Linkages to suppliers / growers:

What is the basis of your relationship with the sources of your raw materials?
Issues in supply chain e.g. reliability of quantities; timing; quality?

a) Do you have a supply contract with farmers, based on buying the crops that will be grown in a specific area of land?

YES NO

b) If YES please give details:

- The area involved (hectares
- The crop that is grown
- Do you give the farmer advance payments before the crop is harvested? Y or N

- What are the advantages / disadvantages of your current method of purchase?
. advantages
- . disadvantages

c) If NO can you provide additional information:

- How do you obtain essential materials (specific fruits or vegetables) for processing?
e.g. compete in the market with other buyers

- What are the advantages / disadvantages of your current method of purchase?
 - . advantages
 - . disadvantages

12. Production issues

- a) Does your processing facility operate all year-round, or is it a seasonal operation that follows the pattern of harvesting of crops?
 - i) Operates full-time / most of the year
 - ii) This is a part-time and seasonal operation

- b) If FULL-TIME please indicate how you are able to achieve this situation e.g.
 - We have storage facilities,
 - process a variety of crops, each with its own seasonal timings
 - Other (explain)

- c) If PART-TIME why is this? e.g.
 - Difficult to obtain enough crops outside the growing season
 - Do not have access to storage facilities
 - Only have capacity to process one type of product
 - Other (please explain)

13. Linkages to customers

- a) Who are your main types of customer:
 - Directly to retailers for purchase by final consumers
 - Wholesalers
 - Other industries that use the output as part of their supply chain
 - Other (elaborate)

- b) How do you maintain customer relations and your market position?
 - Annual bid for acting as a supplier, along with competitors;
 - An advance contract (e.g. with retailers) agreed before the growing and processing season
 - OTHER (please elaborate)
 -

14. I would now like to ask about your competitive position in your markets

Do you think that you have a competitive product / service in your market?

- a) NO: very similar to other suppliers
- b) YES: slightly better than competitors
- c) YES: I have a real competitive advantage
- d) NO: we have problems in competing with other suppliers

If you answered (b) or (c) or (d):

What is the basis of your competitive assessment? For example:

Basis of advantage / disadvantage	Have advantage	Disadvantage
Lower prices		
Higher quality of product		
Effective promotion, branding, advertising		
Links to retailers established		
Support to customers / speed of response etc (other reasons?)		
Other (specify)		

15. Overall position of the business and future directions

- a) Do you think there are good opportunities in food processing in this region and Tajikistan as a whole that gives a basis for sustaining and even expanding your business?

YES

NO

Why do you have that opinion (please state main reasons)?

.....

- b) What are the main challenges and problems that you face in maintaining and expanding your business? For example:

- i) The market is too small
 - ii) Competition is too tough from well-established suppliers from other countries
 - iii) It's difficult to get reliable good quality supplies of materials for processing
 - iv) There is a serious lack of storage capacity to allow processing investments to be used efficiently and during all of the year (or at least 9 months) by having a stock of fruit and vegetables
 - v) Imports of materials is too expensive;
 - vi) OTHER (please specify)
-

16. Looking at your company and its capacities, how well placed are you to sustain or increase your production in the next three years?

- a) We will find difficulty to survive and expand (please elaborate)
-

- b) We could expand (please explain)
-

17. If we look at the food processing industry as a whole, what needs to be done in order to help Tajikistan food processors to realise their full potential?

Please elaborate (Examples / prompt opportunities)

- i) A better legal protection for processors seeking contracts with farmers
 - ii) More and better storage facilities for raw materials
 - iii) Sources of affordable investment funds
 - iv) Risk-sharing investors / partners
 - v) Technical expertise on managing better the tasks of high quality processing
 - vi) Better marketing and sales expertise, both in the domestic and export markets
 - vii) OTHER (please explain)
-

Is there any other information you would like to add to the above?

THANK YOU FOR THIS INFORMATION.

Do you have any questions you would like to ask me?

ANNEX 7d

Data Instruments: Output 3

Output 3 had 3 DIs

1. SI for MFI clients
2. KII MFI employees
3. Focus group Discussions (9 groups) for MFI clients

**GREAT Evaluation Questionnaire for Clients
of Microfinance Institutions**

A. To be completed by Enumerator and Supervisor

8

1. Name of Respondent _____ Respondent I.D. _____
2. Sex of the respondent [circle one] 01 Male 02 Female
3. Interviewed by [<i>enter name</i>] _____ Interviewer I.D. _____
4. Supervisor [<i>enter name</i>] _____ Supervisor I.D. _____
5. Date of Interview [DD MM YY] <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
6. Time of interview Start time <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> End time <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
7. Spot Checked? 01 Yes 02 No If YES, spot-checked by whom? _____
8. Back-checked? 01 Yes 02 No

If YES, back-checked by whom? _____
9. Scrutinized By: _____

10. Regional state <i>[circle one below]</i>
01 Sughd; 02 RSS; 03 Khation 04 GBAO

11. District <i>[enter name]</i> _____ District Code _____
--

12. Enumerator classification of respondent <i>(assess the respondent's wealth category on observed physical assets – access to car, clothes, etc)</i>
01 Poor
02 Non-poor

B. To be completed by the Enumerator

Please introduce yourself using the following script. You must learn this introduction so that you can say it exactly as it is written below.

<p>Hello! My name is _____. I am from M-Vector consultants, an independent research organization. I do not represent the government or any political party. We are studying the views of Farmer Beneficiaries of the programme called “Growth in the Rural Economy and Agriculture: Tajikistan”. Your name will not be used when we report on our findings. Instead we will add everyone’s answers together for our research, which will be used to help improve services.</p> <p>would you be willing to be interviewed for this purpose [circle one]?</p>

01 Yes 02 No

[If YES, go to Section C below; if NO, complete the table below]

Interviewer: if you are not successful at undertaking the interview record why below

01 No call
02 Reason for unsuccessful call/contact
03 Did not fit gender quota
04 Refused to be interviewed
05 Person selected was never available after at least two visits
06 Did not speak a survey language
07 Not able to listen and talk
08 Not conducive time for the interviewee
09 Not conducive working day for the interviewee/other commitments
10 Others (specify)
99 Not applicable (i.e. interview took place)

C. Information to be Obtained from the Respondent

1. Respondent's position in firm / business which he / she represents (please circle one)
01 Head of firm / company
02 Other (please specify e.g. Financial manager)

2. Respondent's age

QUESTIONS TO BE ASKED

Region / District of operation _____

Can you tell me for how long the business has been in operation?

01. number of years

02. This is a start-up business, under 1 year

Are you a current OR former client of a MFI?

01. Former client [used to have a loan, but this is repaid and I do not now have a micro loan]
Which MFI provided the loan? (name the MFI)

02. Current client [the business has a current outstanding loan from a MFI]

03. Which MFI provided the loan? (name the MFI)

Organizational / legal form of the business (please choose one)

18. Organizational form (please choose one)

State owned company	
Partnership	
Closed JSC	
Open JSC	
Collective enterprise	
Cooperative	

Joint venture	
Foreign owned company	
Other _____	

9

19. How many people does your company employ full-time / part time

10

Size	1-5	6-20	21-50	51-100	Over 100
Total					
Full-time					
FT Female					
Part-time					
PT Female					

20. I would like to find out about the type of business you undertake:	
05	Manufacturing (specify the product area)
06	Services (specify)
03	Retailing / wholesaling
04	Other (specify or describe the business)

21. Can you indicate where your customers come from / market area	% of sales (approximately)
01 In the local area / town, within 10 km	
02 Within the district	
03 Within the region / province (Sughd, Khatlon)	
04 other parts of Tajikistan	
05 Outside Tajikistan – across the border to Uzbekistan; Kyrgistan, Afghanistan, Russia, Other (specify)	

22. Can you tell me the value of sales (turnover) of the business during the last year? (Respondent chooses: Somoni / \$US / Euros / Roubles) Amount
Did the business make a profit last year (after business expenses) YES it was profitable NO

23. How did you find out about the microfinance organisations operating in your district / region?
01. I used this MFI before
02. The MFI is the only one in my neighbourhood
03. General publicity in the media TV, Newspapers etc
04. Targeted information (e.g. leaflets) sent to the business
05. Direct approach by a loan officer
06. Colleagues / other business contacts recommendation
07. Your normal bank's recommendation
08. Other (specify)

24. Thinking about the loan you now have (or previous loans in case of former MFI clients) What was the main reason(s) for getting a micro loan from a MFI?
Reasons for loan: e.g. To purchase machinery / equipment to allow the business to start effectively, or to expand; maintain financial viability while waiting for sales to arrive from an investment. (Reasons specified)

13.	Had you ever borrowed money for your business before you received the loan?	Yes ---- No---- (If Yes, when and from what source?)
-----	---	---

25. When you applied for a microfinance loan / credit, did the MFI make clear the terms of the loan? e.g. amount borrowed, interest rate and cash flow implications, including the plan for repayment showing the amounts of cash involved each month, and what would happen if you failed to keep up repayments?
01 YES Everything was clear and predictable
02 NO Important terms for repayment only became clear later, when I started repayments (specify)

26. Did you have to prepare a “business case” / business plan for the MFI to justify the credit and to show that you had the capacity to repay the loan?
01. YES There was a business case prepared and written down 02. NO There was only a verbal case made before agreement to a loan

27. What were the features of the micro credit that you obtained?	
	Credit conditions obtained
What proportion of the cost of the relevant business action (for which the credit was needed) was covered by the loan?	% costs covered by the credit (%)
Period for repayment	(years / months)
Rate of interest applied	%
Other conditions ?	

28. How did you use (or plan to use) the loan? (indicate all that apply)
01. Buy or rent new machinery
02. Repair existing machinery
09. Expand workspace / building
10. Purchase new stocks of materials
11. Pay workers while waiting for new sales to be made
12. Pay off / reduce another debt
13. Pay for services to improve my business
14. Other (specify)

29. Experience of using micro credit and opinion on its value to your business	
Business situation	Experience and Opinion on the credit
Did the loan help you to achieve business objectives?	YES NO
Was the cost of the credit (interest rate) good “value for money”?	YES NO
Was the process of applying for a loan from the MFI (e.g. preparing a business plan) helpful or a problem?	YES NO (why this answer? Please elaborate)
Was the MFI a good and helpful “partner”?	Yes / No: Please give more information for this opinion.
Would you be likely to use a MFI again for credit needs?	YES NO

What other sources of commercial credit are available to you? For example: •	
---	--

30. Do you have any other general comments on the use of micro credits and the way in which MFIs operate that could help them to improve their services to small businesses like yours?

Is there any other information you would like to add to the above?

THANK YOU FOR THIS INFORMATION.

Do you have any questions you would like to ask me?

Evaluation: KII Questionnaire for Key Informants
Microfinance Institutions

A. To be completed by Enumerator and Supervisor

12

1. Name of Respondent _____ Respondent I.D. _____
2. Sex of the respondent [circle one] 01 Male 02 Female
3. Interviewed by [<i>enter name</i>] _____ Interviewer I.D. _____
4. Supervisor [<i>enter name</i>] _____ Supervisor I.D. _____
5. Date of Interview [<i>DD MM YY</i>] <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
6. Time of interview Start time <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> End time <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
7. Spot Checked? 01 Yes 02 No If YES, spot-checked by whom? _____
8. Back-checked? 01 Yes 02 No

If YES, back-checked by whom? _____
9. Scrutinized By: _____

10. Regional state <i>[circle one below]</i>
01 Sughd; 02 RSS; 03 Khation 04 GBAO

11. District <i>[enter name]</i> _____ District Code _____
--

12. Enumerator classification of respondent <i>(assess the respondent's wealth category on observed physical assets – access to car, clothes, etc)</i>
01 Poor
02 Non-poor

B. To be completed by the Enumerator

Please introduce yourself using the following script. You must learn this introduction so that you can say it exactly as it is written below.

<p>Hello! My name is _____. I am from M-Vector consultants, an independent research organization. I do not represent the government or any political party. We are studying the views of Farmer Beneficiaries of the programme called “Growth in the Rural Economy and Agriculture: Tajikistan”. Your name will not be used when we report on our findings. Instead we will add everyone’s answers together for our research, which will be used to help improve services.</p> <p>would you be willing to be interviewed for this purpose [circle one]?</p>

01 Yes 02 No

[If YES, go to Section C below; if NO, complete the table below]

Interviewer: if you are not successful at undertaking the interview record why below

01 No call
02 Reason for unsuccessful call/contact
03 Did not fit gender quota
04 Refused to be interviewed
05 Person selected was never available after at least two visits
06 Did not speak a survey language
07 Not able to listen and talk
08 Not conducive time for the interviewee
09 Not conducive working day for the interviewee/other commitments
10 Others (specify)
99 Not applicable (i.e. interview took place)

C. Information to be Obtained from the Respondent

1. Respondent's position in firm / Microfinance Institution which he / she represents (please circle one)
01 Head of firm / organisation
02 Other (please specify e.g. Financial manager)

2. Respondent's age

QUESTIONS TO BE ASKED

Region / District _____

Major type of activity _____

31. Organizational form (please choose one)

State owned company	
Partnership	
Closed JSC	
Open JSC	
Collective enterprise	
Cooperative	
Joint venture	
Foreign owned company	
Other _____	

32. Is the MFI in this region an independent operation / company, or are you part of a national or international institution?

- i) Local only ii) Part of a Tajikistan-wide operation iii) Part of an international organisation

Name parent organisation

.....

33. Have you cooperated with the GREAT Programme?

YES NO

If YES, what form did the cooperation take?

- i) Training and development
- ii) Help in new product development
- iii) Other (please specify)

34. What is the size of the organization?

Number employed Value of loan capital

Local operation \$ (already loaned + available, not yet loaned)

Institution as a whole
(if not just local to region) \$

35. What is the source of the capital for lending to MF clients?

- i) Bank finance ii) Private shareholder capital iii) International programs iv) Other (specify)
- % % % %

36. What are the range of sizes of business operations you are supporting through your current loans portfolio (approximate % of clients)?

- i) employ 1-5 persons %
- ii) employ 6-25 persons %
- iii) employ 26 -50 %
- iv) Employ over 50 %

37. In which sectors of the economy are the loan funds invested? (% of number of loans made and % of money value of these loans)? How significant are women clients?

Main Sectors	% of total money value of loans made	% of number of loans made	% of clients who are women owners / managers
Agriculture - farmers			
Manufacturing			
Retailing / shops / traders			
Commercial services			
Other (please indicate typical activities)			

38. What have been the **trends in lending** to microfinance customers in this region over the last two years?

- i) Numbers of clients:
 - a. NO significant change.

- b. More clients: indicate by how much (% growth) %
- c. Fewer clients (how much % decline approximately) %

ii) Sizes of loans:

- a. Average loan size has not shifted significantly, after taking account of price inflation;
- b. Average loan size has increased (from about Somoni in 2014 to Somoni now)
- c. Average loan size has decreased (from about Somoni in 2014 to Somoni now)

iii) Why has any change in average loan size taken place? For example:

- a. Company to focus on bigger (or smaller) loans to reduce average loan servicing costs
- b. There are changes to the types of customers seeking micro loans

Please explain the reasons for changes

39. What are your current terms of business with MF clients, including:

- i) Value of loans extended: Minimum(Somoni) Maximum (Somoni)
- ii) Period of loans: Minimum(years / months) Maximum (years)
- iii) Interest rates range from ...% to%

40. What are the typical types of security / loan guarantee accepted from clients to secure a credit? For example:

- i) Cars / personal vehicles
- ii) Apartments
- iii) Other (please provide examples that indicate typical situations)

.....

41. Thinking especially about the agriculture industry and rural non-agricultural enterprises, do you think that your MFI will be able to operate with success in rural regions of Tajikistan over the next 3 years?

- i) YES: I think we will be successful in maintaining and increasing our business in rural regions
- ii) NO: I think we will NOT be able to sustain our current level of business success in rural region

42. What are the main risks and opportunities that your business faces in this region, which underlie your assessment of future prospects?

Risks

Opportunities

THANK YOU – Do you have any questions you would like to ask me?

If you have any further comments my contact number at M-Vector is _____

GREAT Evaluation: Output 3

FOCUS GROUPS DISCUSSION ON MICROFINANCE

Participants: MFI Clients

TO BE COMPLETED BY FACILITATOR

Name of Facilitator
Total Number of Participants
Number of Men _____
Number of Women _____
Date of Discussion DD MM YY
Start of Discussion:
End of Discussion:

LOCATION

Name of Regional State	RS Code <i>[Circle one]</i>
Sughd	1
Khatlon	2

District	District Name <i>[enter below]</i>	District Code <i>[enter below]</i>

Village	Village Name <i>[enter below]</i>

The facilitator should begin by thanking the participants for attending the meeting and assuring them that their names will not be recorded or reported to anyone. The facilitator should also explain that the programme is supported by the British government and that the purpose of the meeting is to assess the views of the intended beneficiaries, so as to help improve future work in rural development in Tajikistan.

TOPICS TO BE DISCUSSED

Today we will be discussing the provision of loans to small enterprises, from Microfinance Institutions. The main questions we have concern the availability of finance – especially for rural enterprises, and also the terms on which business finance is offered to enterprises.

I WOULD LIKE YOU, FROM YOUR EXPERIENCES, TO TELL ME YOUR OPINIONS ABOUT SEVERAL IMPORTANT FEATURES ABOUT THE WAY IN WHICH “MFIS” RELATE TO THE NEEDS OF SMALL BUSINESS.

1. I would like to start by finding out who are **the main providers of external finance for small enterprises** in this area / región whether they are MFIs or other sources of loans (especially). (Note spontaneous responses):

2. Do the main big banks have a role in offering finance to small rural businesses? If they don't, can you explain why not?

3. Are MFIs important in helping to make sure that small enterprises get the finance they need?

4. Can you identify the MFIs who operate in this región?

4.1. _____
4.2. _____
4.3. _____
4.4. _____

FORMS OF FINANCE AND TERMS OF BUSINESS

5. From your experience of the microfinance industry, what forms of finance are made available to local small enterprises? (**NOTE RESPONSES WITHOUT PROMPTING**). Ensure that respondents cover: Loans: what length of time for repayment: Interest rates: Collateral requirements

6. How did you find out about what financial offers could be available from MFIs? For example:

I visited MFIs to talk to them
Promotional literatura
Speaking with other business people
OTHER (please specify)

7. How do you think MFIs look at rural enterprises? (What is their general perception? Why do they have that opinión?)

8. Today, do you feel confident in approaching MFIs for loans, and do you understand what options are available to you? Has your confidence in approaching MFIs and understanding the options increased, decreased or stayed the same over the last few years? If it has changed, can you explain why?

9. If you have taken out a loan, do you feel that you fully understand how the loan works? Were there any surprises about the loan requirements that you weren't originally aware of?

10. If you have already taken out a loan, are you going to think about taking out another loan? If so why do you want to take out another loan?

11. Do you have any savings accounts? If so can you explain why you decided to open a savings account and why you think a savings account is useful? Also, have you always thought a savings account was useful, or is this a fairly recent change of opinion?

12. Have you attended any financial literacy training? If so what training did you attend and did you think it was useful? (Please discuss what they learnt, what was good about the training, what was bad about the training – perhaps too confusing / not relevant etc)

13. Do you think women clients are treated equally by MFIs? Explain your reasonings.

14. To what extent is rural enterprise seen by the finance industry as offering new opportunities worth cultivating OR as a source of high risk?

15. Are there examples of programmes that try to use new ways of providing finance to rural businesses? For example do you know about any loan guarantee schemes; risk-reducing / risk sharing solutions using grants? If so how useful do you think they are, and have you experience of using these types of schemes?

16. If there were to be new external support to address financing problems that restrict the development of productive rural enterprises in Tajikistan, what should be the priority features of such support – assuming that it will seek to work in harmony with the existing financial sector, both mainstream banks and MFIs?

17. What do you think, were there any issues that you wanted to discuss but we did not mentioned?

Thank you for you answers. Good luck

ANNEX 7e

Data Instruments: Output 4

There were 7 DIs overall consisting of:

SI surveys (4):

- Business Group Members
- Matchmaking participants
- Cross-border traders
- Cross-border support centres staff

KII:

- Business Group Members

FGDs (2):

- Business Group Members
- Matchmaking Participants

Schedule No:

SI – Business Group Members

STRUCTURED INTERVIEW: GREAT Evaluation Questionnaire for Business Groups members

<table border="1"> <tr> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> <tr> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> </table>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<p>Start Time</p> <p>End Time</p>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>						
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>						

13

Preliminary question: If the respondent appears to be around 18 years of age, ask if he or she is younger than 18. If the answer is yes, ask to speak to someone else in the household who is 18 or older.

A. Questions 1 – 7 to be completed by enumerator/supervisor

14

1.	Interviewed by			
2.	Supervisor			
3.	Date of Interview DD MM YY	<input type="text"/>	<input type="text"/>	<input type="text"/>
4.	Spot Checked	Yes	1	
	By:	No	2	
5.	Back Checked	Yes	1	

	By:	No	2	
6.	Scrutinized By:			

7.	Regional state (select)		District (enter name)	
	Sughd	1		
	RSS	2	District code	
	Khatlon	3	Respondent ID	
	GBAO	4		

B. SELECTION PROCEDURE

(This section to be introduced by interviewer)

Please introduce yourself using the following script. You must learn this introduction so that you can say it exactly as it is written below.

Hello! My name is _____. I am from M-Vector consultants, an independent research organization. I do not represent the government or any political party. We are studying the views of citizens in Tajikistan on Business Groups. Your responses and suggestions will be treated anonymously. We add everyone's answers together for our research to help improve services.

Would it be possible to interview you? Introduce the interview.

Interviewer: if you are not successful at undertaking the interview record why below

No call	1
Reason for unsuccessful call/contact	2
Did not fit gender quota	3
No adult manager or owner of the business	4
Refused to be interviewed	5
Person selected was never at home/office after at least two visits	6
Did not speak a survey language	7
Not able to listen and talk	8
Not conducive season for the interviewee	9
Not conducive working day for the interviewee/other commitments	10
Others (specify)	11

Not applicable	12
----------------	----

I. Basic Information about the Business

1.1. IDENTIFICATION

1.	Sex of respondent [no need to ask]	Male	1	Female	2
----	---	------	---	--------	---

2.	Enumerator classification of respondent (<i>assess the respondent's wealth category on observed physical assets – housing type and quality, electricity connection, clothes, etc.</i>)	code
	Very poor	1
	Poor	2
	Non-poor	3

I would like to start by asking you a few questions about yourself:

3.	How old are you?	
4.	What is the name and activity of this Business?	

5.	How many people are currently employed in this business?	
----	---	--

6.	Are you a member of a Business Group	Yes	No
		1	0
	<i>[If YES continue. If NO terminate the interview]</i>		

II. Types of services provided – MEMBERS of Business Groups

14.1.1.1.1 SERVICES PROVIDED

1.	What is the name of your Business Group(s) to which you belong?	Name 1
		Name 2
		Name 3

2.	To which sector your Business Group belong to?	<p>Agriculture10</p> <p>Animal husbandry.....11</p> <p>Construction (cement, timber, armature, bricks).....12</p> <p>Chemicals.....13</p> <p>Energy (electrical appliances and equipment).....14</p> <p>Food processing15</p> <p>Horticulture (fruits and fruit tree seedlings).....16</p> <p>Handicraft.....17</p> <p>Services18</p> <p>Other.....90</p> <p>(specify below)</p>
----	--	--

--	--	--

3.	What business-related services including advice do you receive by being part of Business Group <i>[Circle as many as apply]</i>	CREDIT10 TRAINING.....11 INFORMATION ON TAX & REGULATIONS12 ACCESS TO INPUTS.....13 COMMUNICATION WITH PUBLIC AUTHORITIES.14 OPPORTUNITIES TO CONTACT NEW SUPPLIERS.....15 OPPORTUNITIES TO CONTACT NEW CUSTOMERS.....16 COLLECTIVE PROMOTION OF THE SECTOR.....17 REPRESENTATION IN THE MEDIA.....18 NONE.....95 OTHER 90 (SPECIFY below)
----	--	--

4.	Which services including advice from your Business Group is most valuable to you? <i>[Insert number from list above]</i>	
----	---	--

5.	Does your Business Group receive any support from outside bodies (these might be Government, NGOs, donors, GREAT or some other source)?	Yes 1 <i>[Go to next question]</i>	No 0 <i>[go to question 8]</i>	Don't Know 99 <i>[go to question 8]</i>
----	---	--	--------------------------------------	---

6.	Name the source of the support		Name A. B.
----	--------------------------------	--	----------------------

			C.
			D.

			Source of support (enter letter from above)	
7.	What kind of support (circle as many as apply If other please describe below):	Funding		1
		Training		2
		Auditing		3
		Buildings / office support		4
		Advice		5
		Other [specify below]		95
		None [Do not read out]		99
	Other types of support – specify & describe.....			96

14.1.1.1.2 BENEFITS

8.	Has being a member of Business Group brought any benefits to your business?	Yes	No
		1	0

9.	Did you have cross border business activities before joining the Business Group?	Yes <i>[go to]</i>	No
		1	0

10.	What are the main reasons for not having cross border business relations before?	
	Absence of the contacts with Tajik, Kyrgyz or Afghan traders	3
	Lack of business information	2
	Unavailability of the platform/structure for meeting with the traders and entrepreneurs from other side of the border	1
	Other – specify	99

11.	What are the main reasons for having now cross border business relations?
-----	---

	Increase of contacts with Tajik, Kyrgyz or Afghan traders through Business Groups	2
	Business information provided by the Business Group	1
	Other – specify	99

12.	<p>What benefits to your own business do you think Business Group membership has brought?</p> <p><i>[Circle as many as apply]</i></p>	<p>HIGHER PROFITS.....16</p> <p>MORE TRADE.....17</p> <p>ABLE TO EMPLOY MORE STAFF.....18</p> <p>MORE CUSTOMERS.....19</p> <p>ABLE TO EXPAND THE BUSINESS.....20</p> <p>NONE.....95</p> <p>OTHER 90</p> <p><i>(SPECIFY)</i></p>
-----	--	---

13.	How much has being a member of a business group changed the profit margins of your business?	A lot	A little	No – it has stayed the same	No – I have lost money	Don't know <i>(Don't read this option)</i>
		3	2	1	0	99
14.	Please explain why you say this (difference in profit):					

15.	Were you satisfied with the inputs of the Business Group?	
	I am very satisfied	
	I am quite satisfied	4
	I am quite dissatisfied	3
	I am strongly dissatisfied	2
	Provide details of why this reponse was obtained ...	1
	<i>Do not read out - If they cannot answer put 99</i>	
		99

16.	Were you satisfied with the inputs of the Cross-Border Center?	
	I am very satisfied	

	I am quite satisfied	4
	I am quite dissatisfied	3
	I am strongly dissatisfied	2
		1
	Please give more detail of why this response	
	<i>Do not read out - If they cannot answer put 99</i>	99

17.	Did you diversify your activities by joining the Business Group?	Yes	No
	If yes, into which sector?	1	0

18.	How many jobs have been created in your business since you joined the Business Group?	
	New full-time jobs	
	New part-time jobs	

19.	What is the annual fee that you paid to be a member of the Business Group this year?	<i>Write year</i>	<i>Amount</i>
	What is the annual fee that you paid to be a member of the Business Group last year?		

20.	Why has this amount changed /not changed (<i>read whichever applies</i>)	
-----	--	--

--	--	--

21.	Does anyone in your household own a mobile phone?	01 = Yes; 02 = No
	Does anyone in your household own a car?	01 = Yes; 02 = No
	Does the household have a TV set?	01 = Yes; 02 = No

22. Do you personally have any savings?	01 = Yes	02 = No
If Yes, Where do you invest your savings?	Deposit account in trust bank10 Current account.....11 In property.....12 In agriculture.....13 Other – please specify	

23.	Do you have anything else to add?	<i>[Write down anything that is said and use additional sheets as required]</i>
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THANK YOU – Do you have any questions you would like to ask me?

If you have any further comments my contact number at M-Vector is _____

**STRUCTURED INTERVIEW: GREAT Evaluation Questionnaire for Matchmaking Participants -
DRAFT**

				Start Time
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
				End Time

Preliminary question: If the respondent appears to be around 18 years of age, ask if he or she is younger than 18. If the answer is yes, ask to speak to someone else in the household who is 18 or older.

A. Questions 1 – 7 to be completed by enumerator/supervisor

15

8.	Interviewed by			
9.	Supervisor			
10.	Date of Interview DD MM YY	<input type="text"/>	<input type="text"/>	<input type="text"/>
11.	Spot Checked	Yes	1	
	By:	No	2	
12.	Back Checked	Yes	1	
	By:	No	2	

13.	Scrutinized By:
-----	-----------------

14.	Regional state (select)		District (enter name)	
	Sughd	1		
	RSS	2	District code	
	Khatlon	3	Respondent ID	
	GBAO	4		

B. SELECTION PROCEDURE

(This section to be introduced by interviewer)

Please introduce yourself using the following script. You must learn this introduction so that you can say it exactly as it is written below.

Hello! My name is _____. I am from M-Vector consultants, an independent research organization. I do not represent the government or any political party. We are studying the views of citizens in Tajikistan on Matchmaking events. Your responses and suggestions will be treated anonymously. We add everyone’s answers together for our research to help improve services.

Would it be possible to interview you? Introduce the interview.

Interviewer: if you are not successful at undertaking the interview record why below

No call	1
Reason for unsuccessful call/contact	2
Did not fit gender quota	3
No adult manager or owner of the business	4
Refused to be interviewed	5
Person selected was never at home/office after at least two visits	6
Did not speak a survey language	7
Not able to listen and talk	8
Not conducive season for the interviewee	9
Not conducive working day for the interviewee/other commitments	10

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Others (specify)	11
Not applicable	12

Section I. Basic Information about the Business

1.1. IDENTIFICATION

7.	Sex of respondent <i>[no need to ask]</i>	Male	1	Female	2
----	--	------	---	--------	---

8.	Enumerator classification of respondent (<i>assess the respondent's wealth category on observed physical assets – housing type and quality, electricity connection, clothes, etc.</i>)	code
	Very poor	1
	Poor	2
	Non-poor	3

I would like to start by asking you a few questions about yourself:

9.	How old are you?	
----	-------------------------	--

4.	What is your main sector of activity?	Agriculture (vegetables, cereals).....10 Animal husbandry.....11 Beekeeping.....12 Construction (cement, timber, armature, bricks).....13 Chemicals.....14 Energy (electrical appliances and equipment).....15 Food (confectionary, sugar, milk and meat products, oil, soft drinks, canned
----	---------------------------------------	---

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	products).....16
	Fuel and oil materials.....17
	Horticulture (fruits and fruit tree seedlings).....18
	Handicraft.....19
	Industry (industrial products, household items, furniture, equipment, clothes and footwear).....20
	Jewelry.....21
	Medicine.....22
	Services (training and consulting services, travel and tourism services).23
	Other.....90
	(specify below)

5.	What is the name and activity of this Business?	
----	---	--

6.	How many people are currently employed in this business?	
----	--	--

7.	Have you participated to a Matchmaking Event?	Yes	No
		1	0
	<i>[If YES continue. If NO terminate the interview]</i>		

II. Types of services provided – Matchmaking Participants

15.1.1.1.1 SERVICES PROVIDED

1.	To which Matchmaking event did you take part to?	Between Tajik, Kyrgyz and Afghan traders and handicraft people from outside the country.....10
		Between traders and entrepreneurs from other regions of Tajikistan11
		Both.....12

2.	To how many matchmaking events did you participate to in total?	
----	---	--

Add questions:

How did you get information about the events?

- Announcement/ direct information of CBCSC
- From friends/ neighbours/others
- Mass media
- Others (please specify)
-

Why did you participate?

- Couldn't find business partner by my own
- Had no access to training/ advice
- I'm always open to new approaches to increase my business
- I was asked to join as it is for my benefit and I trusted this person
- Others

Did you participate in preparation events as trainings? Y/N

Did you pay fees for participation? Y/N; if yes, do you think the fees are for the benefit you get are too high/ perfect/ too low; if perfect or too low as answer, are you ready to pay more? Y/N

3.	Did you sign a partnership during this/these events(s)	Yes	No
		1	0

4.	How many meetings with potential business partner did you have during an event?	
----	---	--

5.	After how many events did you find/sign a partnership?	
----	--	--

6.	What type of partnership/cooperation did you sign?	
	Buyer/seller (client/supplier) agreement	3
	Joint venture	2
	Other – specify	99

7.	Could you please give us more details about your contract?	
	Value	
	Duration	

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8.	How have you been informed about the Matchmaking event?	
	Local radio	3
	Newspapers	2
	Word of mouth	1
	Other – specify	99

9.	What type of services did you receive from the Cross-Border Support Centre?	
	Assistance and guidance regarding the signature of the cooperation contract	3
	Consulting services and support on legal and regulatory aspects of doing cross border business	2
	Logistics support to attend the event and be in relation with potential partners	1
	Other – specify	99

10.	Comparing the current situation of your business to its situation before the partnership
-----	--

	contract was signed, would you say:	
	It is better than before	3
	There is no difference	2
	It is worse than before	1
	Other – specify	99

15.1.1.1.2 BENEFITS

11.	Did you have cross border business activities before the event?	Yes	No
		1	0

12.	If no, what are the main reasons for not having cross border business relations before?	
	Absence of the contacts with Tajik, Kyrgyz or Afghan traders	3
	Lack of business information	2
	Unavailability of the platform for meeting with the traders and entrepreneurs from other side of the border	1
	Other – specify	99

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--	--	--

13.	Has being a matchmaking participant brought any benefits to your business?	Yes	No – if no skip to Q19
		1	0

14.	What were the benefits of Matchmaking events?	
	Learn about new markets	3
	Meet potential business partners/clients from other regions of Tajikistan or neighbouring countries	2
	Increase your business by setting up professional cooperation with business partner	1
	Other – specify	99

15.	What were the benefits of the matchmaking cooperation?	
	Improve/start Cross-Border trade	3
	Extend activities in different sectors	2
	Other – specify	99

16.	What benefits to your business do you think the partnership has brought? [<i>Circle as many as apply</i>]	HIGHER PROFITS.....16 MORE TRADE.....17 ABLE TO EMPLOY MORE STAFF.....18 MORE CUSTOMERS.....19 ABLE TO EXPAND THE BUSINESS.....20 ACCESS TO INPUTS NONE.....95 OTHER 90 (<i>SPECIFY</i>)					
17.	How much has signing the partnership contract changed the profit margins of your business?	A lot	A little	No – it has stayed the same	No – I have lost money	Don't know <i>(Don't read this option)</i>	No partnership contract signed
		3	2	1	0		99

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18.		Please explain why you say this (difference in profit):
-----	--	---

19.	Did you diversify your activities? If yes, to which sector?	Yes	No
		1	0

20.	Were you satisfied with the Matchmaking Event including advice you receive?	
	I am very satisfied	4
	I am quite satisfied	3
	I am quite dissatisfied	2
	I am strongly dissatisfied	1
	<i>Do not read out - If they cannot answer put 99</i>	99

21.	How many jobs have been created resulting from the signature of the cooperation contract?
-----	---

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	New full-time jobs	
	New part-time jobs	
	No Partnership contract signed	

22.	How much did you pay to attend the Matchmaking Event?	
23.	What were the other costs to put in place your partnership agreement and how much were they?	Other costs
		Amount in somoni of costs
24.	Do you consider these costs as value for money?	Yes.....1 No.....2

25.	Does anyone in your household own a mobile phone?	01 = Yes; 02 = No
	Does anyone in your household own a car?	01 = Yes; 02 = No
	Does the household have a TV set?	01 = Yes; 02 = No

26. Do you personally have any savings?	01 = Yes	02 = No
If Yes, Where do you invest your savings?	Deposit account in trust bank10 Current	

	account.....11 In property.....12 In agriculture.....13 Other – please specify
--	---

27.	Is there any other information you would like to add to the above?
-----	--

THANK YOU – Do you have any questions you would like to ask me?

If you have any further comments my contact number at M-Vector is _____

Cross-border Service Providers

A. To be completed by Enumerator and Supervisor

1. Name of Respondent _____ Respondent I.D. _____	
2. Sex of the respondent [circle one] 01 Male 02 Female	
3. Interviewed by [enter name] _____ Interviewer I.D. _____	
4. Supervisor [enter name] _____ Supervisor I.D. _____	
5. Date of Interview [DD MM YY]	<input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/>
6. Time of interview	
Start time	<input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/>
End time	<input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/> <input style="width: 30px; height: 20px; border: 1px solid black;" type="text"/>
7. Spot Checked? 01 Yes 02 No If YES, spot-checked by whom? _____	
8. Back-checked? 01 Yes 02 No If YES, back-checked by whom? _____	
9. Scrutinized By: _____	
10. Regional state [circle one below]	
01 Sughd; 02 RSS; 03 Khation 04 GBAO	
11. District [enter name] _____ District Code _____	

B. To be completed by the Enumerator

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Please introduce yourself using the following script. You must learn this introduction so that you can say it exactly as it is written below.

<p>Hello! My name is _____. I am from M-Vector consultants, an independent research organization. I do not represent the government or any political party. We are studying the views of Service Providers involved in encouraging cross-border trade and supported by the programme called “Growth in the Rural Economy and Agriculture: Tajikistan”. Your name will not be used when we report on our findings. Instead we will add everyone’s answers together for our research, which will be used to help improve services. Would you be willing to be interviewed for this purpose [circle one]?</p> <p>01 Yes 02 No</p> <p>[If YES, go to Section C below; if NO, complete the table below]</p>

Interviewer: if you are not successful at undertaking the interview record why below

01 No call
02 Reason for unsuccessful call/contact
03 Did not fit gender quota
04 Refused to be interviewed
05 Person selected was never available after at least two visits
06 Did not speak a survey language
07 Not able to listen and talk
08 Not conducive time for the interviewee
09 Not conducive working day for the interviewee/other commitments
10 Others (specify)
99 Not applicable (i.e. interview took place)

C. Information to be Obtained from the Respondent

<p>1. Respondent’s position in organization / business which he / she represents (please circle one)</p> <p>01 Head of organisation / company (the CBCSC)</p> <p>02 Other (please specify e.g. Financial manager)</p>

<p>2. Respondent’s age / gender</p> <p>Estimated age <u>Gender</u> Male Female</p>

QUESTIONS TO BE ASKED

1. Region / District of operation _____

2. For how long has the Support Centre been in operation (number of years)

Can you tell me what have been the main priorities and activities of the CBER, during the last year?
In pursuing the CBCSC objective of assisting cross-border trade, what are <u>now</u> your main practical areas of activity?
Current actions that you undertake and which define your role: <ul style="list-style-type: none"> a. Training courses for cross-market traders b. Matchmaking c. Exhibitions d. Helping business groups (e.g. on handicrafts) e. Helping cross-border markets to be created and successful f. Other (please specify)

3. Details of Activities

For each of these supported activities, can you tell me how many events were undertaken and the number of participants during the last year? Can you also say how much income was received?			
Activity Type	Number of events last year	Number of participants in total for year	Income obtained (Somoni)
1. <i>matchmaking events</i>			
2. <i>cross-border markets / traders assisted</i>			
3. <i>business groups</i>			
4. <i>exhibitions</i>			
5. <i>training courses</i>			

4. Which of the neighbouring countries to Tajikistan provides you with sources of activity and of revenue arising from direct cross-border commercial-like activities through partner / client organisations?

Country	% of your Revenue
Afghanistan	
Kyrgystan	
Uzbekistan	
Other	

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5. How has your volume of activity and income changed in the last two years?

Activity Type	Increased in last 2 years	Decreased in last 2 years	No change	Income % change since last year
1. <i>matchmaking events</i>				
2. <i>cross-border markets</i>				
3. <i>business groups</i>				
4. <i>exhibitions</i>				
5. <i>training courses</i>				
6. <i>other (specify)</i>				

7. How do you expect the level of cross-border activity to change in the next 2 years?

- a) I think there will be further growth
(Why do you have this opinion? Please specify)
.....
- b) I think there will be no or little change (give reasons):
.....
- c) I expect a decrease in the level of cross-border activity (give reasons):
.....
- d) Which activities will change most in the next two years?

Name activities

Why do you have this opinion?

8. What has been the most important types of external support you have obtained from the GREAT Project, which helped you to develop the role of the CBSC?

Please specify?
.....
.....

9. Is your CBSC now a fully viable independent organisation that can survive and develop further without additional external support?

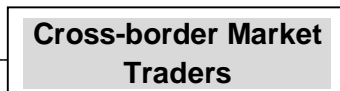
YES NO

10. If NO, what further support do you think would be most valuable to help you to continue to develop cross-border trading?

Examples: (a) direct financial help in the form of general grants
(b) training in further, specific skills development (specify)
(c) other (please specify)

THANK YOU – Do you have any questions you would like to ask me?

If you have any further comments my contact number at M-Vector is _____



**Evaluation Questionnaire for Cross-Border TRADERS supported by GREAT
Cross Border Economic Relations Centres (CBER)**

A. To be completed by Enumerator and Supervisor

1. Name of Respondent _____ Respondent I.D. _____	
2. Sex of the respondent [circle one] 01 Male 02 Female	
3. Interviewed by [enter name] _____ Interviewer I.D. _____	
4. Supervisor [enter name] _____ Supervisor I.D. _____	
5. Date of Interview [DD MM YY]	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
6. Time of interview Start time <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> End time <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
7. Spot Checked? 01 Yes 02 No If YES, spot-checked by whom? _____	
8. Back-checked? 01 Yes 02 No If YES, back-checked by whom? _____	
9. Scrutinized By: _____	
10. Regional state [circle one below] 01 Sughd; 02 RSS; 03 Khatlon 04 GBAO	
11. District [enter name] _____ District Code _____	

B. To be completed by the Enumerator

Please introduce yourself using the following script. You must learn this introduction so that you can say it exactly as it is written below.

Hello! My name is _____. I am from M-Vector consultants, an independent research organization. I do not represent the government or any political party. We are studying the views of Service Providers involved in encouraging cross-border trade and supported by the programme called “Growth in the Rural Economy and Agriculture: Tajikistan”. Your name will not be used when we report on our findings. Instead we will add everyone’s answers together for our research, which will be used to help improve services.
Would you be willing to be interviewed for this purpose [circle one]?

01 Yes 02 No

[If YES, go to Section C below; if NO, complete the table below]

Interviewer: if you are not successful at undertaking the interview record why below

01 No call
02 Reason for unsuccessful call/contact
03 Did not fit gender quota
04 Refused to be interviewed
05 Person selected was never available after at least two visits
06 Did not speak a survey language
07 Not able to listen and talk
08 Not conducive time for the interviewee
09 Not conducive working day for the interviewee/other commitments
10 Others (specify)
99 Not applicable (i.e. interview took place)

C. Information to be Obtained from the Respondent

1. Respondent’s position in organization / business which he / she represents
(please circle one)

01 Head / Owner of organisation / company

02 Other (please specify e.g. Financial manager)

2. Respondent’s age / gender

Estimated age Gender Male Female

QUESTIONS TO BE ASKED

Region / District of operation _____

Can you tell me for how long you have been involved in trading across the border? (years)

What sort of items / goods do you sell in your trade to customers living across the border only?
Over the last year, which items of cross-border sales have sold more, and which have declined?
GROWTH in these items (noted as a listing):
DECLINES in these items (note as a listing):

What has been the overall money value of cross-border sales during the last year?
Total sales / turnover: value of (Somoni <u>or</u> \$)
What was the value of cross-border sales in the previous year (not adjusted for inflation) VALUE

To what extent does cross-border sales contribute to your business?
What proportion of your total sales / turnover comes from cross-border business? NOTE% of Sales

Can you tell me the total value of the costs you incurred in achieving cross-border sales? This includes all of your business costs (salaries, purchase of goods, transport etc. but not Taxes on profits)
Total Costs: Last Year (Somoni <u>or</u> \$) and resulting “gross profit” (before tax taken)
Total Costs: Previous Year..... (Somoni <u>or</u> \$) and resulting “gross profit” (before tax taken)

Do you purchase any items of stock from suppliers living across the border, which you then sell to your customers in Tajikistan?
If NO : Go to next question If YES : Please give details: i) The types of items / goods purchased for re-sale in Tajikistan last year: ii) The value of these items to the business: Cost of cross-border purchases What level of “mark-up” generally applies (% of the purchase price that is added to give retail price) %

Do you obtain any of your stock for cross-border sales directly (or through a wholesaler) from
--

Tajikistan producers?
NO
Not aware of origin of suppliers
YES Please give more details on the product and the supplier:
Are you satisfied with the benefits you obtain from cross-border sales activity?
(Circle response) NO YES Please give more details on why you have this response:

Thinking about your direct experience of engaging in cross-border trading,
<ol style="list-style-type: none"> how effective are the support structures and services involved in assisting cross-border trading to take place? Can you suggest ways in which services and facilities might be improved that would make cross-border trading more attractive to you?
<ol style="list-style-type: none"> <u>Effectiveness of cross border assistance</u> (e.g. physical facilities; dealing with customs / other official services, local facility management; <div style="display: flex; justify-content: space-around;"> <u>Excellent</u> <u>Good</u> <u>Fair / moderate</u> <u>Poor</u> </div> Do you think there are opportunities for further improvement of cross-border services / facilities? <div style="text-align: center;">NO / YES</div> <p>If YES, Please give more details:</p>

Is there any other information you would like to add to the above?
--

THANK YOU FOR YOUR CO-OPERATION

Do you have any questions you would like to ask me?

If you have any further questions my contact number at M-Vector is _____

BG	KII		
----	-----	--	--

KEY INFORMANT INTERVIEW: GREAT Evaluation KII for Business Group members - DRAFT

<table> <tr> <td><input type="text"/></td><td><input type="text"/></td> <td><input type="text"/></td><td><input type="text"/></td> <td>Start Time</td> </tr> <tr> <td><input type="text"/></td><td><input type="text"/></td> <td><input type="text"/></td><td><input type="text"/></td> <td>End Time</td> </tr> </table>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Start Time	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	End Time
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Start Time						
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	End Time						

16

Preliminary question: If the respondent appears to be around 18 years of age, ask if he or she is younger than 18. If the answer is yes, ask to speak to someone else in the household who is 18 or older.

A. Questions 1 – 7 to be completed by enumerator/supervisor

17

15.	Interviewed by			
16.	Supervisor			
17.	Date of Interview DD MM YY	<input type="text"/>	<input type="text"/>	<input type="text"/>
18.	Spot Checked	Yes	1	
	By:	No	2	
19.	Back Checked	Yes	1	
	By:	No	2	

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20.	Scrutinized By:
-----	-----------------

21.	Regional state (select)		District (enter name)	
	Sughd	1		
	RSS	2	District code	
	Khatlon	3	Respondent ID	
	GBAO	4		

B. SELECTION PROCEDURE

(This section to be introduced by interviewer)

Please introduce yourself using the following script. You must learn this introduction so that you can say it exactly as it is written below.

Hello! My name is _____. I am from M-Vector consultants, an independent research organization. I do not represent the government or any political party. We are studying the views of citizens in Tajikistan on Business Groups. Your responses and suggestions will be treated anonymously. We add everyone’s answers together for our research to help improve services.

X% of our respondents will be men, X% women. Would it be possible to interview you? Introduce the interview.

Interviewer: if you are not successful at undertaking the interview record why below

No call	1
Reason for unsuccessful call/contact	2
Did not fit gender quota	3
No adult manager or owner of the business	4
Refused to be interviewed	5
Person selected was never at home/office after at least two visits	6
Did not speak a survey language	7
Not able to listen and talk	8
Not conducive season for the interviewee	9
Not conducive working day for the interviewee/other commitments	10

Others (specify)	11
Not applicable	12

Section I. Basic Information about the Business

1.1. IDENTIFICATION

10.	Sex of respondent <i>[no need to ask]</i>	Male	1	Female	2
-----	--	------	---	--------	---

I would like to start by asking you a few questions about yourself:

11.	How old are you?	
	<i>Interviewer: Enter two digit numbers for completed years. Don't Know = 99</i>	
	<i>If respondent is aged less than 18, stop interview and ask another respondent in the</i>	

12.	What is the name and activity of this Business?	
-----	---	--

13.	How many people currently employed in this business?	
-----	--	--

14.	Are you a member of a Business Group	Yes	No
	What is the name of your Business Group?	1	0
	<i>[If YES continue. If NO terminate the interview]</i>		

II. Types of services provided – Business Group members

17.1.1.1.1 SERVICES PROVIDED

1.	What is the name of your Business Group(s) to which you belong & date of joining?	Name of Business Group	Date became a member
		Name 1	
		Name 2	
		Name 3	

2.	To which sector your Business Group belong to?	Agriculture10 Animal husbandry.....11 Construction (cement, timber, armature, bricks).....12 Chemicals.....13 Energy (electrical appliances and equipment).....14 Food processing15 Horticulture (fruits and fruit tree seedlings).....16 Handicraft.....17 Services18 Bee keeping 19 Poultry
----	--	---

		fish breeding Potato production Other.....90 (specify below)
--	--	--

3.	What business-related services including advice do you receive by being part of Business Group <i>[Circle as many as apply]</i>	CREDIT10 TRAINING.....11 COACHING 12 INFORMATION ON CUSTOMS AND LEGAL ISSUES 13 INFORMATION ON TAX & REGULATIONS14 ACCESS TO INPUTS (e.g. equipment)..... 15 COMMUNICATION WITH PUBLIC AUTHORITIES COLLECTIVE PROMOTION OF THE SECTOR. 16 OPPORTUNITIES TO CONTACT NEW SUPPLIERS.....17 OPPORTUNITIES TO CONTACT NEW CUSTOMERS.....18 COLLECTIVE PROMOTION OF THE SECTOR.....19 REPRESENTATION IN THE MEDIA.....20 SUPPORT TO PARTICIPATE IN MATCHMAKING EVENTS 21 SUPPORT TO PARTICIPATE IN FAIRS / EXHIBITIONS 22 NONE.....23 OTHER 24 (SPECIFY below)
----	--	--

<p>4</p>	<p>Please could you explain which of these services including advice provided by your own Business Group is most valuable to you and why?.</p> <p>I) .</p> <p>II)</p> <p>III)</p>		
<p>5</p>	<p>Did you have to pay an extra fee to the Business Group for some services?</p> <p>If YES, which were these?</p> <p>i) .</p> <p>ii) .</p> <p>iii) Other (please specify)</p> <p>Why did the BG choose the services with an extra fee? (if known)</p> <p>-----</p> <p>-----</p>		
	<p>Have you used services from the Business Group and had to pay a fee?</p> <p>YES NO</p> <p>If YES, which were these?</p> <p>.....</p>		
	<p>Are there some services that you would like the Business Group to provide which are not available currently?</p> <p>If YES, please specify:</p> <p>.....</p> <p>.....</p>		
	<p>Are there some services that you currently receive from other organisations, which the Business Group might be able to provide?</p> <p>If YES, please specify:</p> <table border="0"> <tr> <td data-bbox="272 1702 1005 1930"> <p>Services obtained:</p> <p>.....</p> <p>.....</p> <p>.....</p> </td> <td data-bbox="1005 1702 1418 1930"> <p>Providers</p> <p>.....</p> </td> </tr> </table>	<p>Services obtained:</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>Providers</p> <p>.....</p>
<p>Services obtained:</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>Providers</p> <p>.....</p>		

5.	Could you please describe any difficulties or challenges your Business Group and/or yourself as member of the Business Group are facing (including relations between members and relations with the Cross-Border Center)?

9.	What is the annual fee that you paid to be a member of the Business Group this year?	<i>Write year</i>	<i>Amount</i>
10.	What is the annual fee that you paid to be a member of the Business Group last year?		

11.	Why has this amount changed /not changed (<i>read whichever applies</i>)	
-----	--	--

13.	Could you please describe the challenges to develop cross-border trade activities before being part of a Business Group?

14.	Could you please explain how these challenges to develop cross-border trade activities
-----	--

	have been overcome/not overcome by joining a Business Group?

15.	Please can you describe how (or not) Business Group membership has brought benefits more generally to your own business (formalize the business, exchange of new ideas, cost sharing, etc.)?					
16.	Has being a member of a Business Group increased your profit in the last year?	A lot	A little	No – it has stayed the same	No – I have lost money	Don't know <i>(Don't read this option)</i>
		3	2	1	0	99
17.	Please can you estimate by what percentage your profit has increased due to your membership?					

18.	Were you satisfied with the inputs of the Business Group?	
	I am very satisfied	
	I am quite satisfied	4
	I am quite dissatisfied	3
	I am strongly dissatisfied	2
		1

	<i>Do not read out - If they cannot answer put 99</i>	99
--	---	----

19.	Please give reasons for your answer (including if they do not know)
-----	--

20.	Were you satisfied with the inputs of the Cross-Border Support Center?	
	I am very satisfied	
	I am quite satisfied	4
	I am quite dissatisfied	3
	I am strongly dissatisfied	2
		1
	<i>Do not read out - If they cannot answer put 99</i>	
		99

21.	Please give reasons for your answer (including if they do not know)
-----	--

22.	According to you, how much have Business Groups in general (not only yours) contributed	A lot	Little	Do not make any difference	Don't know <i>[Do not read out]</i>
-----	---	-------	--------	----------------------------	--

	to the development of cross-border trade for Tajikistan?				
23.	Please give reasons for your answer				

24.	Do you have anything to recommend to improve the way Business Groups operate, for example the extent to which members influence the way in which the Group is managed and operates?	<i>[Write down anything that is said and use additional sheets as required]</i>

THANK YOU – Do you have any questions you would like to ask me?

If you have any further comments my contact number at M-Vector is _____

GREAT Evaluation: Output 4

FOCUS GROUPS DISCUSSION ON CROSS-BORDER TRADE

Participants: Business Group Members

TO BE COMPLETED BY FACILITATOR

Name of Facilitator
Total Number of Participants
Number of Men _____
Number of Women _____
Date of Discussion DD MM YY
Start of Discussion:
End of Discussion:

LOCATION

Name of Regional State	RS Code <i>[Circle one]</i>
Sughd	01
RSS	02
Khatlon	03
GBAO	04

District	District Name <i>[enter below]</i>	District Code <i>[enter below]</i>

Village	Village Name <i>[enter below]</i>

The facilitator should begin by thanking the participants for attending the meeting and assuring them that their names will not be recorded or reported to anyone. The facilitator should also explain that the programme is supported by the British government and that the purpose of the meeting is to assess the views of the intended beneficiaries, so as to help improve future work in rural development in Tajikistan.

TOPICS TO BE DISCUSSED

Today we will discuss cross-border trade between businesses in Tajikistan with partner businesses in neighbouring countries, especially Afghanistan, Uzbekistan and Kyrgyzstan. We want to discover whether this form of business development has proven to be of benefit to all the parties involved, and if there is current and future business potential from this form of trading and business partnership.

It will be important also to examine how cross-border trading contacts can best be initiated and organized. Should businesses on each side of the borders deal with this type of inter-business contact themselves or does it need a specific and focused organization to realise its full potential.

Key Questions About Cross-Border Trade.

Using your practical understanding of cross-border trading individually – and also through the activities of the Business Group - can we first clarify the types of business contact and activity that typically represents cross-border trading?

1. what type of partnership or business relationship can be involved, and what are the strong and weak points of each e.g. a simple client-supplier relationship; a joint venture with a legal identity?
2. is there a sufficient and clear type of legal framework that gives security to all parties and which can be used effectively to resolve any disputes that might arise?
 - Can “partnership” contracts be set -up that are effective across a frontier?
 - Are there differences in legal and regulatory situations that can prove an obstacle to trading ?
 - Has the past few years seen any noticeable changes in this legal and regulatory situation? What are these changes? Do they provide more confidence for traders and in that way help cross-border trade to continue and expand?

Should there be a strengthening of the legal framework for cross-border trade? What changes are needed (if any)?

3. What type of products or services can be traded across borders successfully? Are some sectors especially good for this form of trade (e.g. handicrafts, jewelry, agricultural items, building materials)?
4. How significant for a business can this form of trading be? Is it best seen as a useful “add-on” to business, or can it have significant effects on turnover and profitability?
5. How do businesses learn about cross-border business opportunities? e.g.
 - General media; personal contacts and networks;
 - focused information campaigns that encourage businesses to look at the opportunities for cross-border trading;
6. Is there scope for better information to encourage this type of business? What information is lacking, or needs strengthening?
7. What is the experience and perception of existing efforts to encourage cross-border trading e.g.
 - Matchmaking events
 - Partnership agreements
 - Cross-Border Support Centre activities

Are these efforts effective? Does more need to be done? Do we need different and new initiatives?

8. Do you think that awareness of cross-border trading has increased over the last 1 or 2 years? If YES, what have been the most important influences in raising awareness?
9. Will this form of trading show further expansion, or has it already reached most of its potential?
10. **What additional needs to be done** – and by whom (business representative bodies, government etc) – to make sure that the business and economic potential for cross-border trading is fully realized?
11. Do current policies and organisations form a satisfactory support structure on which further initiatives (on “Matchmaking” for example) can be built? Does business itself need to become more involved in developing the potential of cross-border trade? How can this best be done?

Thank Respondents for attending the meeting and offering their knowledge and ideas.

GREAT Evaluation: Output 4

FOCUS GROUPS DISCUSSION ON CROSS-BORDER TRADE

Participants: Matchmaking Participants

TO BE COMPLETED BY FACILITATOR

Name of Facilitator

Total Number of Participants
Number of Men _____
Number of Women _____
Date of Discussion DD MM YY
Start of Discussion:
End of Discussion:

LOCATION

Name of Regional State	RS Code <i>[Circle one]</i>
Sughd	01
RSS	02
Khatlon	03
GBAO	04

District	District Name <i>[enter below]</i>	District Code <i>[enter below]</i>

Village	Village Name <i>[enter below]</i>

The facilitator should begin by thanking the participants for attending the meeting and assuring them that their names will not be recorded or reported to anyone. The facilitator should also explain that the programme is supported by the British government and that the purpose of the meeting is to assess the views of the intended beneficiaries, so as to help improve future work in rural development in Tajikistan.

TOPICS TO BE DISCUSSED

Today we will discuss cross-border “Matchmaking” between businesses in Tajikistan with partner businesses in neighbouring countries, especially Afghanistan, Uzbekistan and Kyrgyzstan. We want to discover whether this form of business development has proven to be of benefit to all the parties involved, and if there is current and future business potential from this form of trading and business partnership.

It will be important also to examine how cross-border trading contacts can best be initiated and organized.

Should businesses on each side of the borders deal with this type of inter-business contact themselves or does it need a specific and focused organization to realise its full potential?

Using your practical involvement in cross-border trading as evidence, can we first clarify the types of business contact and activity that typically represents cross-border trading?

12. what type of partnership or business relationship can be involved, and what are the strong and weak points of each e.g. a simple client-supplier linkage; a joint venture with a legal identity;
13. is there a sufficient and clear type of legal framework that gives security to all parties and which can be used effectively to resolve any disputes that might arise?
 - Can “matchmaking partnership” contracts be set -up that are effective across a frontier?
 - Are there differences in legal and regulatory situations that can prove an obstacle to trading ? For example, in setting up enforceable legal contracts, dealing with taxation of sales made across the border, facing import or export duties?
 - Has the past few years seen any noticeable changes in this legal and regulatory situation? What are these changes? Do they provide more confidence for traders trying to achieve matchmaking, and in that way help cross-border trade to continue and expand?
14. What type of products or services can be traded across borders successfully? Are some sectors especially good for this form of trade (e.g. handicrafts, jewelry, agricultural items, building materials)?
15. How significant for a business can this form of trading be? Is it best seen as a useful “add-on” to business, or can it have significant effects on turnover and profitability and be a main oart of a business enterprise?
16. How do businesses learn about cross-border business opportunities? e.g.
 - General media; personal contacts and networks; focused information campaigns that encourage businesses to look at the opportunities for cross-border trading;
17. Is there scope for better information to encourage this type of business? What information is lacking, or needs strengthening?
18. What is the experience and perception of existing efforts to encourage cross-border trading e.g.
 - Matchmaking events
 - Partnership agreements
 - Cross-Border Support Centre activities
19. Do you think that awareness of cross-border trading has increased over the last 1 or 2 years? If YES, what have been the most important influences in raising awareness?
20. Should this form of trading show further expansion, or has it already achieved most of its potential?
21. What additional needs to be done – and by whom (business representative bodies, government etc) – to make sure that the business and economic potential for cross-border trading is sustained and fully realized?
22. Do current policies and organisations form a satisfactory support structure on which further initiatives on **Matchmaking** can be built? Does business itself need to become more involved in developing the potential of cross-border trade? How can this best be done?

Thank Respondents for attending the meeting and offering their knowledge and ideas.

ANNEX 8

Location of Data Collection Districts by Intended Beneficiary Groups, by District and by Output

Location of data collection Districts by intended beneficiary groups by District and Output

Region	District	Upland/lowland	Cluster no.	Output 1 - stakeholders	Output 2 - stakeholders	Output 3 – stakeholders	Output 4 - stakeholders
Sughd	Kanibadam	Lowland	1		TAG & TAG clients, CBOs, TAMs, Energy Efficiency	Start-up lines, Agro credit lines	
	Isfara	Lowland	1	PPD, Business Association	CBOs, Food processors	Agro credit lines	Matchmaking, Business Group, Transport Corridor
	Penjikent	Upland	2		TAG & TAG clients, CBOs, Energy Efficiency	Start-up lines, Warm Comfort lines	
	Anyi	Upland	2		CBO, Energy Efficiency	Warm comfort lines	
Khatlon	Vaksh	Lowland	3		TAG & TAG clients, CBOs	Start up lines, Warm comfort lines	
	Bokhtar	Lowland	3		TAGs, CBOs	Start-up lines,	
	Muminobod	Upland	4		TAG & TAG clients, CBOs, Food processors		

	Khovaling	Upland	4		Energy Efficiency	Start-up lines, Warm comfort lines	
	Kulyab	Lowland	5		TAG & TAG clients, CBOs, Energy Efficiency	Agro credit lines	
	Vose	Lowland	5		TAG & TAG clients, Energy Efficiency	Agro credit lines	
	Farkhor	Lowland	5	Business Association	Energy Efficiency	Start-up lines, Warm comfort lines, Agro credit lines	
	Kurgan Tube	PPD	5				Matchmaking, Business Group
Sughd	Rasht or Isfara		Border				Matchmaking, Business Group, transport corridor, cross border market

ANNEX 9

Analysis of the Economic and Policy Context of the GREAT Programme

Analysis of the Economic and Policy Context of GREAT Programme

This Annex consists of an outline of key features of Tajikistan's economic and policy environment, forming a background understanding of the situation within which the GREAT Programme was designed and implemented. This understanding will help to identify the logic that guided the choice of actions and the design of specific interventions / outputs that together make up the GREAT Programme.

The analysis will help also in consideration of the effectiveness of GREAT, for example, in clarifying the context for the Programme's activities, linkage with other programmes, harmony with national strategies, as well as providing part of the basis for assessing sustainability and the value and opportunity for "scaling up"

We have examined the following main issues in the analysis of the economic and policy context of GREAT:

- i) The broad economic context of Tajikistan, especially in Central Asia
- ii) Demographic and economic trends
- iii) Trade and Exports
- iv) The significance of rural economy and agriculture
- v) Business Environment and Investment Climate

1. The economic context of Tajikistan, especially in Central Asia

Within Central Asia, Tajikistan is one of the smallest countries, although it has continued to display a modest growth of population and of the economy measured by Gross Domestic Product (GDP):

Country	Population 2016 millions (estimate)	2015 GDP (current prices) \$US billion	Per capita GDP (\$US)	% Change in GDP from 2014
Russian Federation	143.8	1,325	9,214	-3.7
<i>Tajikistan</i>	<i>8.6</i>	<i>7.8</i>	<i>907</i>	<i>3.0</i>
Kyrgyzstan	5.9	6.7	1,136	3.5
Uzbekistan	30.9	65.7	2,126	8.0
Kazakhstan	17.1	173.2	10,129	1.2
Afghanistan	33.3	19.2	577	1.5

Source: IMF World Economic Outlook Apr 2016⁴

The significance of Russia within the region is clear (of the above group of countries Russia represents 60% of the population and 83% of the GDP) and from an economic perspective, Kazakhstan (from an economic perspective) and (to a lesser extent) Uzbekistan. A negative feature for the region is a contraction of the Russian economy (by around \$50 billion in 2015) with onward impacts on the market for migrant labour, and the volume of flow of remittances to Tajikistan. There were effects also on the size of the Russian market for all items

Of course, the rural economy consists of more than agriculture and includes manufacturing, including agri-processing and other enterprises, Major employers, such as in public services and wholesale and retail trades, also contribute jobs to the rural areas. Any attempt to expand the rural economy will seek both economic diversification and higher levels of productivity, to help ensure competitiveness, including the ability of local producers to compete with imports (see further analysis later in this outline).

2. Demographic and economic trends

That continuing growth of Tajikistan's population imposes a continuing need for job creation. A sustained growth of the economy is a necessary condition for achievement of that purpose. It is notable that the main trends over the last 15 years have broadly been positive. Especially, the county has achieved a growth of GDP

⁴ To give further perspective on these data it is noted that the GDP of the USA in 2015 was \$17,947 billion; China \$10,988bn; Germany \$3,358bn; UK \$2,849bn

and employment alongside an expanding population. A significant shift in the structure of employment towards the private sector has been an important part of the “re-balancing” of the economy:

Population and Employment Trends 2000 to 2014

Year	Population (millions)	Economically Active		Employed ('000)	Private Sector	
		Number ('000)	As % population		No. Employed ('000)	% of Total Employed
2000	6.265	1,794	28.6	1,745	752	43.1
2005	6.842	2,154	31.4	2,112	1,082	51.2
2010	7,621	2,280	29.9	2,233	1,407	63.0
2014	8.352	2,382	28.5	2,325	1,487	63.9

The economically active population of Tajikistan while rising in number, along with total population, has been associated also with a decrease in the proportion of the population of non-working age, for example from 56% in 1985, to 43% in 2005 and 40% by 2014. A consistently high birth rate has increased the number of young people in the workforce – actual as well as potential. While that trend can help to stimulate economic growth, it also imposes a need for increasing the number of jobs available. At the same time a slight decrease in the proportion who are economically active indicates a rise in the level of dependency – the numbers dependent for an income on those economically active.

3. Trade and Exports

A critical feature of the Tajikistan economy is the existence of a large and persistent, “negative trade gap” which is a significant excess of the value of imports over the value of exports. That situation is shown in the following table:

Tajikistan Trade 2014

Country / region	IMPORTS		EXPORTS		Difference / Trade Gap (\$US '000) (all figures negative)	% Total
	Value of Trade (\$US '000)	% Total	Value of Trade (\$US '000)	% Total		
CIS (of which:)	2159.7	50.3	246.0	25.2	1913.7	57.6
Russian Federation	1186.1	27.6	50.9	3.3	1135.2	34.2
Uzbekistan	9.5	0.2	3.3	0.3	6.2	0.2
Other	964.1	22.5	191.8	19.6	772.3	23.2
Non-CIS	2137.7	49.7	731.3	74.8	1406.4	42.4
Europe	630.0	14.7	292.1	3.9	337.9	10.2
Asia	1345.7	31.3	437.9	44.8	907.8	27.4
Other	162.0	3.7	1.3	0.1	160.7	4.8
TOTAL	4297.4	100.0	977.3	100.0	3320.1	100.0

Source: Government of Tajikistan: Statistics Agency

The pattern shown in the above Table for 2014 is indicative of a persistent feature of the Tajikistan economy. In earlier years the “trade gap” in macroeconomic terms had largely been financed by remittances from Tajik citizens working abroad (acting as a form of export earnings). That situation is now much less buoyant, creating a major problem for the economy. For illustration, the following ratios show that the trade gap represents over 40% the value of GDP and its financing implies an average of almost \$400 (\$397) for each citizen:

The importance of Tajikistan’s “Trade Gap”

	<u>As % of GDP</u>	<u>Amount per person (\$)</u>
Imports	55.1%	514
Exports	12.5%	117
Trade Gap	42.6%	397

The Heritage Foundation in 2016 refers to a large informal economy in Tajikistan and extensive trade in illegal items, but especially drug trafficking to Russia from Afghanistan as one way in which the trade gap is financed (effectively).

The World Bank (late 2015) in its “Economic Update on Tajikistan” noted the following:

“The sharp decline in remittances is limiting the growth of household consumption and could threaten the sustainability of recent gains in poverty reduction and shared prosperity. According to the National Bank of Tajikistan (NBT), remittances dropped by 32 percent (y/y), in US dollar terms during the first six months of 2015.

Although the decline was less dramatic (about 18 percent) in Tajikistan somoni terms, income losses were much larger than implied by GDP statistics. Falling remittances, limited employment creation outside the public sector, and rising prices are slowing the rate of poverty reduction. Moreover, the lack of well-targeted social programs leaves households vulnerable to economic shocks.

Economic and Structural Policies

The government is shifting its policy stance to reflect the worsening external environment. The government is maintaining its commitment to fiscal discipline by setting clear spending priorities and postponing less urgent expenditures while protecting social outlays.

However, the delayed revision of the budget until November has both heightened the risk of arrears and created perverse incentives for *tax authorities to exert excessive pressure on businesses in order to meet their revenue targets.*

Monetary policy has been accommodative during the first six months of 2015, and rising inflation rates have prompted the NBT to defend the somoni through a combination of interventions and administrative controls, including ceilings on the exchange rates offered by foreign-exchange offices.

This policy has depleted the country’s already low stock of foreign reserves, which stood at just one month of imports in early July. The NBT has recently ceased its interventions and is gradually allowing the unification of the official exchange rate with both the cash and market rates. The NBT is also intensifying efforts to rebuild its reserves and improve their management.

Outlook

The recession in Russia—combined with slowing growth among Tajikistan’s other major trading partners, including China, Kazakhstan and Turkey—is negatively impacting its short-term outlook.

After slowing to an estimated 4.2 percent for 2015 as a whole, GDP growth is projected to recover gradually over the medium term, though it is expected to remain below its recent historical average.

The current-account deficit is expected to improve moderately, narrowing from about 8 percent of GDP in 2014 to 6.3 percent in 2015 and remaining at around 6 percent thereafter.

The fiscal accounts (excluding externally financed public investments) are expected to remain broadly balanced over the near term. However, external-account volatility, dwindling foreign-exchange reserves, contingent liabilities generated by state-owned enterprises and systemic vulnerabilities in the banking sector all pose significant downside risks to Tajikistan’s macroeconomic outlook.

As external and domestic pressures continue to mount, addressing fiscal risks and implementing reforms to boost productivity, enhance competitiveness and strengthen social safety nets will be critical to sustain growth and support further progress in poverty reduction.”

World Bank reporting also emphasised that the decline in remittances noted over the last two years especially is not likely to be short-term. Restrictions are being applied to migrants, many of whom are illegal, while there is a requirement for countries like Tajikistan to become members of the “Eurasia Economic Union” or face restrictions on the access of migrants to the Russian labour market.

The broad implications for Tajikistan economic policy is clearly one that places greater emphasis on developing export-led business, including for import substitution. In turn, such a requirement leads policy and action consideration back to much of the GREAT agenda, but on a wider scale.

Recent trends in exporting have not been favourable, and the country's export performance relies excessively upon a small number of items, which has an inherent vulnerability:

Summary of Key Export Trends / Products

Items Exported	Amounts in millions of Dollars (US) - fob						
	2009	2010	2011	2012	2013	2014	% change 2013-14
Total	1010	1195	1257.3	1359.7	1161.8	977.3	-16
Cotton Fibre	100	201	197.3	223.9	189.2	132.5	-30
Electricity	63	4	4.3	21.3	33.3	48.1	44
Other	847	990	1055.7	1114.5	939.3	796.7	-15

4. The significance of rural economy and agriculture

Tajikistan is a highly rural society. Of the country's estimated 8.352 million population in 2014 almost three-quarters (73.5%) were classified as living in rural areas, accounting for 6.1 million people. Almost two thirds of those in employment in Tajikistan worked in agriculture (65.5%). Within rural areas specifically the proportion of jobs in agriculture (also forestry and fishing) is almost 90% (1.710 million jobs estimated).

The GREAT Programme displays its relevance from its focus on the largest part of the Tajikistan social and economic structure. Moreover, the agriculture-based rural economy is one of low productivity. Agriculture accounts for only 23.5% of GDP while manufacturing, with just 2.8% of employment accounts for 12%. There is an obvious scope to seek a better outcome for rural regions.

5. Business Environment and Investment Climate

A key condition for facilitating economic growth and investment, and an important part of the GREAT Programme, improving the "Business Enabling Environment" (BEE) is recognised as a vital part of policy and action. Within GREAT Output 1 is a recognition of this significance, i.e. to achieve "*Measurable changes in business enabling environment for facilitating rural economic development*"

The state of the BEE within Tajikistan has been the subject of much comment and action both by international organisations (especially World bank / IFC, EBRD, UNDP) and by donors (such as EU, USAID, DFID) implementing assistance projects to help improve aspects of the business environment and investment climate (e.g. reform of business registration with EU and USAID assistance).

At a national / macro level there is monitoring and regular commentary by World Bank (annual "Doing Business" reports) and EBRD as well as specific projects by donors (e.g. current attempts to establish a "single window" for export / import transactions).

The "Doing Business" report by World Bank is a key document used by governments and investors to compare a country's position ("ranking") on World Bank (WB) scores for specific features of the "ease of doing business". The 2016 Report for Tajikistan indicated overall a relatively unfavourable position. The following is a selection of (illustrative but important) indicators, showing Tajikistan's world ranking (out of 189 countries covered) and compared with some neighbouring countries:

"Doing Business" Indicator	Country / Ranking out of 189 (low score / ranking shows better positioning) for 2016					
	Tajikistan	Belarus	Kyrgyzstan	Ukraine	Kazakhstan	Russia
Starting a business	57	12	35	30	21	41
Get construction permits	152	34	20	140	92	119
Get electricity	177	89	160	137	71	29
Register property	102	7	6	61	19	8
Paying Taxes	172	63	138	107	18	47
Protect minority interests	29	57	36	88	25	66

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Getting credit	109	40	70	75	55	65
Tax rates as % Profit	81.8	51.8	29.0	52.2	29.2	47.0
Time to export (hours on border compliance)	75	5	27	26	33	96
Trading across borders	132	25	83	109	122	170
Enforcing Contracts	54	29	137	98	9	67
Overall Ranking	132	44	67	83	41	51

NOTE: The above overall ranking is based on a calculation of “Distance to Frontier” scores, referring to the relationship of a country’s position on an indicator, or overall, to the best performing practices encountered in the WB survey.

Since 2009 the overall ranking of Tajikistan in the World Bank’s “Doing Business” analysis has improved from 159 to the current 132. There have been a number of significant improvements, but also cases where the ranking became less favourable; for example:

World Bank Indicator	2009 Rank	2016 Rank
Overall ranking – all indicators	159	132
Starting a Business	168	57
Getting credit	172	109
Paying Taxes	159	172
Enforcing contracts	23	54

While the comparative positioning of a country on the basis of the above rankings is of interest and value, the WB uses a method of calculation of country scores on specific indicators that it refers to as “distance to frontier” scores. This consists of a measure of how close or far from “regulatory best practice” a country’s performance is assessed. The “frontier” in this situation is the top performer on a specific indicator. The advantage of this measure is that it provides an indication of how close to best practice a country’s performance is, both overall and in reference to specific indicators. The scores in this case are – essentially – percentages. A score of 40. For illustration, would suggest that the country has achieved 40% of the best practice, clearly with work to do in order to catch up.

The following data displays a selection of scores for Tajikistan on the “distance to frontier” basis, along with several inter-country comparisons:

Tajikistan: Distance to Frontier Scores 2016

Indicator	Simple ranking	“Distance to Frontier”
Starting a Business	57	90
Trade across borders	132	63
Getting credit	109	40
Enforcing contracts	54	63
Protecting minority interests	25	65

In this table it is clear, for example, that “starting a business” scores well on the procedures used in comparison with best practice (the reform introduced in 2009 / 10 had in any case sought to achieve this purpose). The comparative ranking of 57 is an indication that many other countries are also keen to approach best practice on this business process. Getting credit, logically, combines a poor ranking and a low Distance to Frontier score.

On an inter-country basis, the following “Distance to Frontier” Scores add more depth to the ranking comparisons seen above:

Overall Distance to Frontier (DTF) Scores: Selected Countries 2016

Country	DTF Score
Tajikistan	54
Kyrgyzstan	66
Belarus	72

Kazakhstan	72
Ukraine	63
Russia	71

It will be noted that the DTF scores do not alter the country rankings.

The World Bank itself acknowledges the limitations of the Doing Business indicators, despite the usefulness of the WB reports. For example, it cannot easily deliver meaningful assessments of important business regulatory processes such as official inspections of business to check on compliance with regulations. Often these necessary inspections are an opportunity for imposing additional costs on business from “fines”. Additionally, and as mentioned in the WB’s report on Tajikistan’s economy (Fall of 2015) such situations as aggressive tax collection to meet short-term government budget targets might impose costs on businesses that lead some to contract or close (we also have interview-based evidence of this problem).

The EBRD in its “Transition Report” of 2014 (although now slightly dated) pointed out:

The business environment remains weak, despite some progress in recent years. Progress in regulatory reforms has been slow.

- *The country’s improved ranking is largely due to streamlined procedures for starting a business, the implementation of new software at the one-stop shop for registering a business,*
- *a reduction in the cost of dealing with construction permits,*
- *the introduction of an electronic system for filing and paying taxes.*
- *In 2013 the first credit information bureau was established to improve credit risk management by offering timely and credible information on borrowers to creditors. However, the credit information bureau has only been used by a few smaller banks, as large banks do not request creditor information before making loans, thereby undermining the effectiveness of the bureau.*
- *There are still significant administrative barriers to establishing new enterprises, and the dominance of enterprises owned by politically exposed persons is hindering new entrants and the growth of small and medium-sized enterprises in the private sector.*

17.1.2 Key priorities for 2015

- ***The business environment needs to be further improved to attract new investments.*** *Despite a number of positive reforms, major challenges remain, including: poor implementation of legislation, unpredictable application of the tax code and inefficient tax administration, limited access to finance and electricity, weak protection of property rights and a lack of skilled labour.*
- ***Banking sector weaknesses need to be addressed.*** *The Tajik banking sector remains weak with a continuing deterioration in asset quality and increasing levels of NPLs. The regulatory and supervisory framework needs to be strengthened, and state interference in the operations of banks should be reduced.*
- ***Access to energy remains a serious obstacle to business and economic growth.*** *Despite positive steps in the corporate restructuring of energy company Barki Tojik, tariff increases and new thermal capacity to balance insufficient winter hydro capacity are needed. Significant payment arrears from state-owned entities, in particular TALCO, and serious operational and financial inefficiencies need to be addressed as a prerequisite to the success of new generation or electricity export projects.*

Within Tajikistan there was established in 2007 the “Consultative Council on the Improvement of the Investment Climate” under the President, with donor support, especially UNDP. The Consultative Council now has a comprehensive regional structure under the responsibility of regional Governors. The Consultative Council is a form and forum for Public-Private Dialogue (PPD).

The Consultative Council has extended its geographical reach to include regional and local forums for PPD, with a programme that embraces consideration both of strategic issues (e.g. taxation reform as a response to representations from international and local partners; a review of the potential for Free Zones) and specific items for improvement of business regulatory problems e.g. reductions of inspections of small enterprises by state agencies. The Consultative Council has also initiated international dialogue on the country’s business and economic potential. For example:

[The International Entrepreneurship Forum Dushanbe-2015: “Entrepreneurship and Investment for Sustainable Development”](#) Dushanbe, October 14, 2015

Outcomes include examination of specific problems / opportunities that might lead to future action e.g. Reforms in light and food industries and benefiting from the value-chain in agribusiness

- Technical barriers and conditions for export of agricultural goods
- How to meet energy needs of businesses
- Foreign investment into energy generation

There have been also specific agreements involving the SCISPM (State Committee on Investment and State Property Management), which partners with the Consultative Committee; e.g.

- agreement between the SCISPM and Bavarian chemical industry cluster in Germany to cooperate on the study and establishment of industrial and agriculture clusters in Tajikistan and the promotion of small and medium businesses in these sectors.
- SCISPM and China’s NORINCO International Cooperation Ltd. have agreed on a power substation and a high voltage power line to Dangara, construction of a water pumping and treatment station in Dushanbe, construction of a 2x 350 MW thermal power plant in Rasht, as well as on coal gasification and railway projects.
- Also, SCISPM signed a Memorandum with the Investment Fund Hui-Jin of the People's Republic of China on the establishment of a joint insurance investment enterprise in Tajikistan and with the Zhong Min Tou Corporation on the establishment of a joint leasing enterprise.
- State Unitary Enterprise Jambas agreed with German CESA Investment to open a stone processing enterprise,
- Faroz LLC and Ginex of Great Britain agreed on the establishment of the International Stock Exchange.
- Tajik - Russia Center with Kubanskiy Modulniy Dom to set up a construction of modular houses in Tajikistan.,

The clear advantage of the Consultative Council is its national coverage and access to the country’s leadership and top officials. However, the continuing problem of a difficult BEE indicates a gap between the consistent evidence of a need to improve the business environment (see results of the WB surveys, and the comments of EBRD and others on a need for reform) and practical results. There may be many reasons for this lack of progress. Yet, this reality raises questions about the effectiveness of the Consultative Council in persuading government to implement reform, as well as the latter’s commitment to match rhetoric with action, especially at national level.

ANNEX 10

Benefit-Cost Ratios for GREAT Output

2.1

Benefit Cost Ratios (BCR) for GREAT Output 2.1

The Evaluation has used data in the GREAT log frame and from other sources to make an estimate of the Benefit Cost Ratio (BCR) for each of the main crops supported by GREAT initiatives.

Given the uncertainties of accurately forecasting future crop yields, crop prices and exchange rates, the Evaluation has used a simple formula in which the number of served hectares and supported farming families are declining (cotton) or growing (all other main crops) at 2% per annum; and all other variables remain constant. The 2% per annum rate of growth in area and families supported is considered sustainable by the Evaluation.

The Evaluation initiatives have been compared with the results obtained when the same calculations are performed using data taken from an unpublished GREAT BCR estimate commissioned by GIZ.

The results provide a range of BCRs that can be anticipated for GREAT, noting that these results are considered by the Evaluation to represent good value for money to DFID.

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		VfM analysis of GREAT CBR - comparison of available main crops data - GREAT Logframe Achievements 2014, 2015 and GIZ CBA 2015																				
		Prepared by Peter Heijkoop - GREAT Evaluation, VfM Specialist																				
UPLAND FARMING FAMILIES																						
CROP	No.	STATISTIC	DATA SOURCE	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Potato (GIZ CBA)	1	TAG served hectares (Ha) +2% p.a.	GIZ CBA	780	796	812	828	844	861	878	896	914	932	951	970	989	1,009	1,029	1,050	1,071	1,092	
	2	TAG served crop yield differential (t/Ha)	GREAT Logframe	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	
	3	Price (USD/t)	GIZ CBA	651.2	651.2	651.2	651.2	651.2	651.2	651.2	651.2	651.2	651.2	651.2	651.2	651.2	651.2	651.2	651.2	651.2	651.2	651.2
	4	Exchange rate (USD:EUR)	www.oanda.com at 31/12/2015	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009
	5	Increased income TA served farmers (€)	=1*2*3*4	2,147,945	2,190,903	2,234,721	2,279,416	2,325,004	2,371,504	2,418,934	2,467,313	2,516,659	2,566,993	2,618,332	2,670,699	2,724,113	2,778,595	2,834,167	2,890,851	2,948,668	3,007,641	45,992,459
	6	Number of farming families served +2% p.a.	GREAT Logframe	8,000	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561	9,752	9,947	10,146	10,349	10,556	10,767	10,982	11,202	11,426
	7	Increased income per farming family (€)	=5/6	268.49	268.49	268.49	268.49	268.49	268.49	268.49	268.49	268.49	268.49	268.49	268.49	268.49	268.49	268.49	268.49	268.49	268.49	4,025
Potato (Logframe)	1	TAG served hectares (Ha) +2% p.a.	GREAT Logframe	1,440	1,469	1,498	1,528	1,559	1,590	1,622	1,654	1,687	1,721	1,755	1,790	1,826	1,863	1,900	1,938	1,977	2,016	
	2	TAG served crop yield differential (t/Ha)	GREAT Logframe	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	
	3	Price (USD/t)	GREAT Logframe	135.6	135.6	135.6	135.6	135.6	135.6	135.6	135.6	135.6	135.6	135.6	135.6	135.6	135.6	135.6	135.6	135.6	135.6	
	4	Exchange rate (USD:EUR)	www.oanda.com at 31/12/2015	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	
	5	Increased income TA served farmers (€)	=1*2*3*4	825,727	842,241	859,086	876,268	893,793	911,669	929,902	948,500	967,470	986,820	1,006,556	1,026,687	1,047,221	1,068,165	1,089,529	1,111,319	1,133,546	1,156,217	17,680,715
	6	Number of farming families served +2% p.a.	GREAT Logframe	3,497	3,567	3,638	3,711	3,785	3,861	3,938	4,017	4,097	4,179	4,263	4,348	4,435	4,524	4,614	4,707	4,801	4,897	4,995
	7	Increased income per farming family (€)	=5/6	236.12	236.12	236.12	236.12	236.12	236.12	236.12	236.12	236.12	236.12	236.12	236.12	236.12	236.12	236.12	236.12	236.12	236.12	3,540
Apple (GIZ CBA)	1	TAG served hectares (Ha) + 2% p.a.	GIZ CBA	425	434	442	451	460	469	479	488	498	508	518	528	539	550	561	572	583	595	
	2	TAG served crop yield differential (t/Ha)	GREAT Logframe	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	
	3	Price (USD/t)	GIZ CBA	1,735.50	1,735.50	1,735.50	1,735.50	1,735.50	1,735.50	1,735.50	1,735.50	1,735.50	1,735.50	1,735.50	1,735.50	1,735.50	1,735.50	1,735.50	1,735.50	1,735.50	1,735.50	
	4	Exchange rate (USD:EUR)	www.oanda.com at 31/12/2015	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	
	5	Increased income TA served farmers (€)	=1*2*3*4	730,942	745,561	760,472	775,681	791,195	807,019	823,159	839,622	856,415	873,543	891,014	908,834	927,011	945,551	964,462	983,751	1,003,427	1,023,495	15,651,155
	6	Number of farming families served +2% p.a.	GREAT Logframe	8,000	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561	9,752	9,947	10,146	10,349	10,556	10,767	10,982	11,202	11,426
	7	Increased income per farming family (€)	=5/6	91.37	91.37	91.37	91.37	91.37	91.37	91.37	91.37	91.37	91.37	91.37	91.37	91.37	91.37	91.37	91.37	91.37	91.37	1,370
Apple (Logframe)	1	TAG served hectares (Ha) + 2% p.a.	GREAT Logframe	1,787	1,823	1,859	1,896	1,934	1,973	2,012	2,053	2,094	2,136	2,178	2,222	2,266	2,312	2,358	2,405	2,453	2,502	
	2	TAG served crop yield differential (t/Ha)	GREAT Logframe	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	
	3	Price (USD/t) - http://www.stat.tj/price/eng04.07.2016.xlsx	TaiStat 2015 seasonal prices	758.87	758.87	758.87	758.87	758.87	758.87	758.87	758.87	758.87	758.87	758.87	758.87	758.87	758.87	758.87	758.87	758.87	758.87	
	4	Exchange rate (USD:EUR)	www.oanda.com at 31/12/2015	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	
	5	Increased income TA served farmers (€)	=1*2*3*4	1,343,882	1,370,759	1,398,174	1,426,138	1,454,661	1,483,754	1,513,429	1,543,698	1,574,572	1,606,063	1,638,184	1,670,948	1,704,367	1,738,454	1,773,223	1,808,888	1,844,861	1,881,759	28,775,613
	6	Number of farming families served +2% p.a.	GREAT Logframe	3,497	3,567	3,638	3,711	3,785	3,861	3,938	4,017	4,097	4,179	4,263	4,348	4,435	4,524	4,614	4,707	4,801	4,897	4,995
	7	Increased income per farming family (€)	=5/6	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	384.30	5,761
Onion (GIZ CBA)	1	TAG served hectares (Ha) +2% p.a.	GIZ CBA	272	277	283	289	294	300	306	312	319	325	332	338	345	352	359	366	373	381	
	2	TAG served crop yield differential (t/Ha)	GREAT Logframe	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	
	3	Price (USD/t)	GIZ CBA	562.00	562.00	562.00	562.00	562.00	562.00	562.00	562.00	562.00	562.00	562.00	562.00	562.00	562.00	562.00	562.00	562.00	562.00	
	4	Exchange rate (USD:EUR)	www.oanda.com at 31/12/2015	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	
	5	Increased income TA served farmers (€)	=1*2*3*4	2,027,908	2,068,467	2,109,836	2,152,033	2,195,073	2,238,975	2,283,754	2,329,429	2,376,018	2,423,538	2,472,009	2,521,449	2,571,878	2,623,316	2,675,782	2,729,298	2,783,884	2,839,561	43,422,209
	6	Number of farming families served +2% p.a.	GREAT Logframe	8,000	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561	9,752	9,947	10,146	10,349	10,556	10,767	10,982	11,202	11,426
	7	Increased income per farming family (€)	=5/6	253.49	253.49	253.49	253.49	253.49	253.49	253.49	253.49	253.49	253.49	253.49	253.49	253.49	253.49	253.49	253.49	253.49	253.49	3,800
Onion (Logframe)	1	TAG served hectares (Ha) +2% p.a.	GREAT Logframe	1,440	1,469	1,498	1,528	1,559	1,590	1,622	1,654	1,687	1,721	1,755	1,790	1,826	1,863	1,900	1,938	1,977	2,016	
	2	TAG served crop yield differential (t/Ha)	GREAT Logframe	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	14.73	
	3	Price (USD/t)	GREAT Logframe	143.70	143.70	143.70	143.70	143.70	143.70	143.70	143.70	143.70	143.70	143.70	143.70	143.70	143.70	143.70	143.70	143.70	143.70	
	4	Exchange rate (USD:EUR)	www.oanda.com at 31/12/2015	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	
	5	Increased income TA served farmers (€)	=1*2*3*4	2,745,127	2,800,029	2,856,030	2,913,150	2,971,413	3,030,842	3,091,458	3,153,288	3,216,353	3,280,680	3,346,294	3,413,220	3,481,484	3,551,114	3,622,136	3,694,579	3,768,471	3,843,840	58,779,508
	6	Number of farming families served +2% p.a.	GREAT Logframe	3,497	3,567	3,638	3,711	3,785	3,861	3,938	4,017	4,097	4,179	4,263	4,348	4,435	4,524	4,614	4,707	4,801	4,897	4,995
	7	Increased income per farming family (€)	=5/6	784.99	784.99	784.99	784.99	784.99	784.99	784.99	784.99	784.99	784.99	784.99	784.99	784.99	784.99	784.99	784.99	784.99	784.99	11,769
UPLANDS (GIZ CBA)	Total cost of TA inputs £1,800,000*			€2,389,930																		
	Cost TA per Upland farming family			€ 299																		
	Extra income per Upland farming family			€ 9,195																		
	CBR based on GIZ CBA			31																		
(Logframe)	Total cost of TA inputs £1,800,000			€2,389,930																		
	Cost TA per Upland farming family			€ 683																		
	Extra income per Upland farming family			€ 21,070																		
	CBR based on GREAT Logframe Achievements			31																		
* - See GREAT Business Case costs																						

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VfM analysis of GREAT CBR - comparison of available main crops data - GREAT Logframe Achievements 2014, 2015 and GIZ CBA 2015																							
Prepared by Peter Heikkoop - GREAT Evaluation, VfM Specialist																							
LOWLAND FARMING FAMILIES			2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032			
CROP	No.	STATISTIC	DATA SOURCE																				
Cotton (GIZ CBA)	1	TAG served hectares (Ha) @ -2% p.a.	GIZ CBA	17,582	17,230	16,886	16,548	16,217	15,893	15,575	15,263	14,958	14,659	14,366	14,078	13,797	13,521	13,251	12,986	12,726	12,471		
	2	TAG served crop yield differential (t/Ha)	GREAT Logframe	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	
	3	Price (USD/t)	GIZ CBA	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696
	4	Exchange rate (USD:EUR)	www.oanda.com at 31/12/2015	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009
	5	Increased income TA served farmers (€)	=1*2*3*4	5,721,141	5,606,718	5,494,583	5,384,692	5,276,998	5,171,458	5,068,029	4,966,668	4,867,335	4,769,988	4,674,588	4,581,097	4,489,475	4,399,685	4,311,691	4,225,458	4,140,949	4,058,130	87,208,681	20,854
	6	Number of farming families served -2% p.a.	GREAT Logframe	30,000	29,400	28,812	28,236	27,671	27,118	26,575	26,044	25,523	25,012	24,512	24,022	23,542	23,071	22,609	22,157	21,714	21,280	20,854	
	7	Increased income per farming family (€)	=5/6	190.70	190.70	190.70	190.70	190.70	190.70	190.70	190.70	190.70	190.70	190.70	190.70	190.70	190.70	190.70	190.70	190.70	190.70	190.70	4181.86
Cotton (Logframe)	1	TAG served hectares (Ha) @ -2% p.a.	GREAT Logframe	23,720	23,246	22,781	22,325	21,879	21,441	21,012	20,592	20,180	19,776	19,381	18,993	18,613	18,241	17,876	17,519	17,168	16,825		
	2	TAG served crop yield differential (t/Ha)	GREAT Logframe	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	
	3	Price (USD/t)	GREAT Logframe	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1
	4	Exchange rate (USD:EUR)	www.oanda.com at 31/12/2015	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009
	5	Increased income TA served farmers (€)	=1*2*3*4	1,697,833	1,663,876	1,630,599	1,597,987	1,566,027	1,534,707	1,504,012	1,473,932	1,444,454	1,415,564	1,387,253	1,359,508	1,332,318	1,305,672	1,279,558	1,253,967	1,228,888	1,204,310	25,880,465	
	6	Number of farming families served -2% p.a.	GREAT Logframe	20,636	20,223	19,819	19,422	19,034	18,653	18,280	17,915	17,556	17,205	16,861	16,524	16,193	15,870	15,552	15,241	14,936	14,638	14,345	
	7	Increased income per farming family (€)	=5/6	82.28	82.28	82.28	82.28	82.28	82.28	82.28	82.28	82.28	82.28	82.28	82.28	82.28	82.28	82.28	82.28	82.28	82.28	82.28	1804.17
Apricot (GIZ CBA)	1	TAG served hectares (Ha) @ +2% p.a.	GIZ CBA	6,515	6,645	6,778	6,914	7,052	7,193	7,337	7,484	7,633	7,786	7,942	8,101	8,263	8,428	8,596	8,768	8,944	9,123		
	2	TAG served crop yield differential (t/Ha)	GREAT Logframe	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	
	3	Price (USD/t)	GIZ CBA	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	
	4	Exchange rate (USD:EUR)	www.oanda.com at 31/12/2015	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	
	5	Increased income TA served farmers (€)	=1*2*3*4	567,112	578,455	590,024	601,824	613,861	626,138	638,661	651,434	664,463	677,752	691,307	705,133	719,236	733,620	748,293	763,259	778,524	794,094	12,143,187	
	6	Number of farming families served +2% p.a.	GREAT Logframe	30,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853	36,570	37,301	38,047	38,808	39,584	40,376	41,184	42,007	42,847	
	7	Increased income per farming family (€)	=5/6	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	283.41
Apricot (Logframe)	1	TAG served hectares (Ha) @ +2% p.a.	GREAT Logframe	7,914	8,072	8,233	8,398	8,566	8,737	8,912	9,090	9,272	9,457	9,647	9,839	10,036	10,237	10,442	10,651	10,864	11,081		
	2	TAG served crop yield differential (t/Ha)	GREAT Logframe	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	
	3	Price (USD/t)	GIZ CBA	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	294.14	
	4	Exchange rate (USD:EUR)	www.oanda.com at 31/12/2015	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	0.9009	
	5	Increased income TA served farmers (€)	=1*2*3*4	688,848	702,625	716,677	731,011	745,631	760,544	775,755	791,270	807,095	823,237	839,702	856,496	873,626	891,098	908,920	927,098	945,640	964,553	14,749,825	
	6	Number of farming families served +2% p.a.	GREAT Logframe	20,636	21,049	21,470	21,899	22,337	22,784	23,239	23,704	24,178	24,662	25,155	25,658	26,171	26,695	27,229	27,773	28,329	28,895	29,473	
	7	Increased income per farming family (€)	=5/6	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	500.45
LOWLANDS		Total cost of TA inputs £1,850,000*	€ 2,456,317																				
(GIZ CBA)		Cost TA per Lowland farming family	€ 82																				
		Extra income per Lowland family	€ 4,465																				
		CBR based on GIZ CBA	55																				
(Logframe)		Total cost of TA inputs £1,850,000*	€ 2,456,317																				
		Cost TA per Lowland farming family	€ 119																				
		Extra income per Lowland family	€ 2,305																				
		CBR based on GREAT Logframe Achievements	19																				
		* - See GREAT Business Case costs																					

ANNEX 11

The Community Inclusiveness Approach, GREAT Output 2

The Community Inclusiveness Approach, Output 2

Criteria Developed for Identification of Members, PGs and Clusters

Box 1. Selection Criteria for Producer Group Members

- Aged over 18 years
- Willing actively to attend meetings and represent the group in all events
- Land ownership of less than 0.05 ha for tomato-based group, and less than 0.10 ha for other commodities
- Commitment to joint marketing of production with other group members to obtain good prices
- Commitment to collective access to services and inputs to reduce cost
- Willingness to learn new technologies to improve quality and quantity of production
- Agree to develop a five-year business plan
- Willingness to engage and benefit from advisory services collectively with the group members
- Commitment to joint action to control pests and diseases
- Agreement to follow safe practices on agro chemical usage
- Commitment to follow land use technologies that avoid land degradation
- Actively engage in the group decision making process and respect and follow group decisions for joint marketing of produce and access to services
- Production must be market orientation to increase income
- Follow group members' role and responsibilities agreed during group formation
- Avoid use of child labor for farming activities
- Commitment to maintain good relations with all other group members

Box 1 underscores the criterion of inclusiveness by setting maximum holding sizes, so as to attract the smallest farmers, while the commitments that must be made to collective action to assist in the aim of achieving scale economies.

Box 2. Selection Criteria for Producer Group establishment

- Cluster should aggregate to a minimum of 5 ha in the case of tomato and orchard crops; 20 ha for other crops
- At least 30 per cent of members are women
- Willingness to cooperate with partner organizations
- Producer groups to be established at community / village or Jamoat / former Savkhoz / Kholkhoz geographical levels depending on access to resources, services, markets and cluster locations
- At the outset, producer groups will be represented by respective CBOs, Jamoats and VAM / TAG agronomists, but will later evolve into a more structuralized entity with legal status
- Medium and large Dehkan Farms will be represented by Chairperson or other designated representative

In Box 2 the logic behind selection of most of these criteria will be obvious, but in a few cases some comment may be of use. First the requirement of a minimum size for the area covered by the group is intended to ensure that the members can overcome the diseconomies of small scale that has acted as a deterrent to involvement of Sarob advisors with small farmers. Indeed, in interviews with Sarob advisors the evaluation team was told that some advisors have begun to take on PGs as clients, as the cost of advising such a group is similar to that of advising a single large farmer. In the course of the FGDs conducted under the Evaluation, number of PG members also reported that they received advice from Sarob advisors. The requirement of at least 30 per cent women membership obviously promotes the objective of inclusiveness.

Box 3. Criteria for value chain cluster identification

- Opportunity to increase productivity
- Opportunity to improve the quality of commodity

- Opportunity to increase the yield and area
- Opportunities for processing
- Overall trend of the market for the commodity (growth trend)
- Marketability / market demand
- Prioritising (based on producers' interest and production possibilities)
- Involvement of poor and marginalised, included scattered producers
- Involvement of women farmers / producers
- Competitiveness of the commodity
- Potential to create new employment opportunities
- Availability of or opportunity to create market linkages
- Potential to increase household income
- Supportive business environment
- Impact on environment (negative and positive)
- Potential for storage, early or late cropping and marketing
- Implementation Capacity

Box 3 shifts the focus from PG to the commodity and the criteria for selecting it. This shows that the CC/PG model is firmly rooted in the value chain approach, with the cluster acting as a conduit for funneling produce into the system. These criteria represent a good balance of production possibilities, seasonally-sensitive market opportunity, inclusiveness and environmental concerns.

Identification of the commodity for specialization for each list was a joint effort by GREAT, its implementing partners and the farmers. A number of techniques were used for this purpose: household surveys, focus group discussions and existing statistical databases. These investigated, for a given geographical area, the potential and capacity for growing and marketing of a range of possible crops. The findings covered themes such as:

- a) Production factors (amount of land presently under the crop in question, plot size, varieties grown, current yields, reasons for poor yields).
- b) Gender (gender division of labour, access to markets) .
- c) Existing agricultural advice (source of advice, level of satisfaction with advice, cost of production advice).
- d) Marketing strategy (markets used, marketing approach, monthly price fluctuation).

Tomato Marketing and Implications for the CC/ PG Approach

In 2014 there was a huge level of seasonal fluctuation, from 1.50 KJS/kg in August to 20 TJS/kg in January-February, with a particularly steep rise from November (3 TJS/kg) to January. This indicates the potential returns to off-season production or processing to reduce crop perishability. For example, it was reported by one of the INGO staff members assigned to the CC/PG approach that in Dushanbe there is a high level of demand for sun-dried tomato, which is presently met by imports from Iran. If this is the case, import substitution is a distinct possibility, but it was not possible to verify this report independently. The same source reported that Turkish merchants have expressed interest in purchasing sun-dried tomato for export, but only if supplied in economic quantities (minimum one truckload). Such scale economies are a key justification for the CC/PG approach. The economics of this type of processing are attractive: 17 kg of fresh tomato produces 1 kg of sundried tomato, but at peak season the price of the latter is 54 times that of the fresh product.⁵

⁵ Source: FGD with implementing partner staff working on the CC/PG component

As a result of the above exercise, crops have been identified for specific PGs based on comparative advantage in production and marketing. Table 30 shows the list of groups that have been established to date.

Table : Producer Groups Established under the CC/PG approach	
Implementing partner and area	Commodity (no. of groups in parentheses)
AKF/MSDSP, Sughd	Apricot (11), milk (3), ware potato (6), seed potato (8), rice (6), tomato (4), sunflower (5), wheat (5)
AKF/MSDSP, Rasht	Apple (2), honey (5), milk (3), ware potato (3), seed potato (11), tomato (5), wheat (2)
Oxfam, Khatlon	Beans (11), carrot (9), onion (11), rice (12), tomato (36),
Sources: AKF/MSDSP and Oxfam databases	

Good progress has clearly made in terms of group formation, with 158 in existence by March 2015 and a combined membership of 2,716. These groups meet regularly, have elected their officers and have been provided with inputs, agronomic advice and training programmes on aspects of commodity production, processing and marketing. The clusters (whose membership comprises the heads of the PGs in a given region for a given commodity) have also begun to have meetings, and have been provided with training in areas like collaborative marketing and the need for collective action in areas like pest control, where efficiency and effectiveness call for coordinated action. In an FGD held with one Commodity Cluster, all of those present reported that this training as being ‘useful’ or ‘very useful’. Diaries for monitoring purposes and other booklets have been printed and distributed and resource centres set up where this information can be accessed by group members.

Clearly marketing problems increase with the degree of perishability of the crop, and in this respect the commodities in Table 30 can be placed in three categories:

- a) Perishable (unless processed, last only for a few days): milk, tomato
- b) Semi-perishable (with proper storage conditions will last until the next season): apricot, beans, carrot, onion, potato
- c) Non-perishable (can last for a year or more): honey rice, sunflower, wheat

In terms of the commodities identified for promotion, it is, perhaps surprising that so many of the groups are based around a perishable commodity like tomato, where marketing issues are most urgent. A safer alternative might have been to focus first on a semi-perishable commodity, and then on the basis of lessons learned from this exercise, move on to the more difficult marketing challenges presented by perishables. However, prices, even during the peak season, are attractive and there are several processing options provided appropriate market linkages can be established and contracts can be established to which both sides are willing to adhere.

The earlier discussion around sun-dried tomato illustrates an important point, because it shows that the implementing partners are well aware of the pitfalls of marketing a highly perishable commodity, and have sought to find ways of meeting the challenge.

Reasons for Joining the Group

Beyond obvious answers such as “to improve our living standards”, the most common responses here tended to stress three points: (a) the fact that it is easier and more productive to work as a group than individually. Other advantages were the opportunities for mutual learning, easier access to training and inputs, especially seeds of improved varieties (c) benefits from collective action (e.g.

synchronized marketing and pest control), (d) the fact that in some cases group members benefitted from being allocated land (usually poor quality land) by the MC, and (e) the availability of expert advice. In the case of milk, there was also the attraction that the programme provided equipment for processing the milk, which they did not have before, so that spoilage rates were greatly reduced.

An institutional reason in some cases was the issues caused by break up of *dehkan* farms and the issues of smaller scale and greater degree of crop diversification; it was reported that the group approach came in good time to address the resulting problems.

Reasons why some Villagers do not join the Group

Reported reasons can usefully be grouped into finally six categories.

The first is the obvious one that some farmers do not grow the crop in question, specializing in other crops instead – in some cases because their land is unsuited to the PG commodity (e.g they do not have adequate access to irrigation for water-intensive crops).

The second reason is that the PG is a new model and that some farmers have adopted a “wait and see” approach. This is a familiar argument, and is in line with the classic “early and late adopters” characterisation found in traditional agricultural extension theory. In a number of cases this approach has already succeeded, and new groups are being formed based on the experiences of the pioneer group.

Third, larger farmers and members of family *dehkan* farms were reported as being uninterested in the group approach, as their production levels were large enough that they could achieve scale economies without such collaboration. This makes sense, because collaboration with others imposes time costs that larger farmers may see as unproductive. On the other hand the fact that the PG model is attractive to smaller farmers provides evidence that it is attracting farmers whom poverty has tended in the past to exclude from mainstream development.

Fourth, it was reported that some villagers are non-members because they are pensioners, women with young children and the infirm. It could, in theory, be argued that this implies that the approach is not really a “community inclusiveness” model. However the (more persuasive) counter argument is that agricultural development programmes are not an appropriate vehicle to assist non-farmers. This is an area for alternative approaches such as social safety nets, which are beyond the scope of GREAT.

Fifth, in one group it was reported that by both men and women FGDs that some members turned out to be lazy and unwilling to share equally in the work. According to the men, if these people refused to reform, it was the women members who expelled them.

Finally, in two groups it was reported that many farmers wanted to join the group from the outset, but that the agronomist had selected only the best farmers. In time, the members thought, they might allow others to join, or help set up another group, but for the moment membership is restricted.

If commodity previously produced, production problems faced

Summarizing across the ten groups, the explanations given can be categorized as follows:

- a) Symptoms: poor yields or crop failure, seedlings drying out, poor quality produce leading to low prices and even inability to sell; in the case of producers of seed potato, they reported that yields decline steadily after the first generation

- b) Causes: pests and diseases, poor germination, lack of technical knowledge about use of agrochemicals, poor production techniques, drought, poor quality seeds and agrochemicals, waterlogged land, lack of irrigation water (often problem of top- and tail-enders); the basic underlying problems are lack of technical knowledge, problems with the land, lack of access to quality inputs, lack of access to agricultural machinery and lack of capital.
- c) In the case of the most perishable commodity, milk, the main problem had been high rate of spoilage.
- d) In the case of seed potato, the farmers did not know what caused the problem ⁶
- e) One group, in a mountainous part of Sughd Region, reported that they had had no production problems in the past, and were nationally recognized as producers of high quality potato seed, but that they joined the group wanted to become even better, produce more seed potato and earn higher incomes, because demand is very high

How PG approach helps overcome the above

- a) Training to improve technical knowledge on agrochemical application rates and timings, timing of irrigation, crop rotation, need of particular crops for specific micronutrients, IPM etc
- b) Access to better varieties with advantages such as higher yields, better quality (and therefore higher prices), and longer shelf life
- c) Provision of quality certified seed, (when the market is full of low quality seed).
- d) Provision of irrigation infrastructure through canal rehabilitation using communal labour plus member cash contributions plus mobilization of cash grants from outside; in one case a greenhouse was provided to some groups with 50-50 funding from both sides
- e) Provision of credit for input purchase (50 per cent down payment, balance after harvest)
- f) In one case it was reported that the fact that the PG has a legal basis (presumably as a sub-committee of the MC) means that it can access funding from formal financial institutions.

If commodity previously marketed, marketing problems faced

- a) In quite a few cases the crop was previously for subsistence or barter around the village only, but most did sell at least some of their crop in the local market
- b) The problems that emerged as most important derived from individual marketing, leading to: high unit transport costs, lack of bargaining power, lack of an assigned selling spot in the market and arbitrary behavior of market officials and traders; in many cases the farmers could not sell the crop, wasting time and incurring cost of taking it home, in some cases to feed to their livestock
- c) One strategy was to avoid the market altogether and sell the produce by the roadside to passing drivers, but this leads great uncertainty and low prices, as buyers could adopt a “take it or leave it” stance
- d) High rate of spoilage because of poor post-harvest handling and low quality packaging
- e) Low prices or even total lack of demand because of poor quality of local varieties and disease- and pest-damaged produce.
- f) Transport that is unreliable; the driver can turn up so late that they arrive at the market after the buyers have left
- g) The above problems were most marked with perishable commodities: tomato, but most especially milk
- h) Nevertheless a few farmers said they had no problems selling their crop because it was of good quality and sales were assured

⁶ The most likely cause was that they had bought hybrid seeds, which have to be replaced regularly because they quickly degenerate, but this could not be independently verified.

- i) The seed potato growers reported no marketing problems, as they have been traditionally recognized as an area of excellence, with traders coming to the village to buy as much crop as they could produce. The attraction they saw in the group approach is access to technology to increase yields, because demand is apparently limitless.

How the PG Approach is helps Overcome the Above

By far the most important marketing contribution to date has been to facilitate organization of joint marketing through each group's marketing officer. These officers are also looking for new markets. The GREAT partners provided a list of contact details for wholesalers of the commodity in question. A number of marketing officers (particularly the female ones) had been very active in contacting these wholesalers and in a few cases it proved possible to arrange for either: (a) the trader to come to the village on a specified date, with the PG members agreeing to have the crop assembled for collection; this has so far happened in relatively few cases but where it has happened the members were happy with it, because, although the price might be slightly lower, the reduction in marketing costs, time expenditure and uncertainties more than compensated for this. Alternative (b) is for one group member (usually the marketing officer) to take the entire group's produce to the market at an agreed time, with the trader agreeing to purchase the whole consignment at an agreed price. In this case costs were higher than with alternative (a), but the price was also higher and it saves the time of the other group members.

Another reported advantage of the group approach is time saving through joint conduct of operations, such as harvesting and bagging of the crop (potato). One group reported having become well positioned to take advantage of new market linkages, because they have a businessman connected to their group, who keeps them informed about prices regional markets and even Dushanbe. When the price rises, the crop is harvested and sent directly to the most lucrative market, where net profits are maximized.⁷

In the case of milk, the GREAT implementing partner has helped set up a processing enterprise which buys the milk for cash and processes it for selling on; the owners of this enterprise are also members of the PG.

Several groups reported cost savings through bulk purchases of inputs. One PG reported that they have signed a pre-contract with a processing factory to deliver 100 tons of tomatoes, and the price is 33% higher than before; they stated that processors are very keen to work with groups under contract, as it guarantees their supply; they have also offered to sign a contract on provide seed and fertilizers for an agreed sum. This is a classic advantage of the value chain approach, because it can greatly reduce transaction costs for all parties.

For the seed potato producers mentioned above the help they most want is new potato varieties introduced through demonstration plots. They also want help with seed certification.

Training Facilities Provided to the PG and how this Helped

The training provided to date has matched quite closely to the problems identified earlier. All were provided with basic training on the rationale and modalities of group formation, followed with the type of technical training the members wanted: use of agrochemicals, optimum fertilizer and pesticide use, land preparation for seedbeds, IPM, production and use of organic fertilizers, crop rotation, crop

⁷ The crop in question with the group is potato, which lends itself to this approach, because it can be left in the ground for some time without loss of quality, and marketed when the price rises. This strategy type of could not, of course, be followed with commodities like fresh tomato or milk.

processing and improved marketing approaches. In some cases the training was given in the village to all members, in others to specialists (such as the agronomist or PG head), at training of trainers sessions to be passed on to members. Training sessions were backed up with pamphlets and other materials for reference use.⁸ In some areas the implementing partner has set up demonstration plots so that the members can see for themselves the impact of improved technology. Group members expressed high levels of satisfaction with the training aspect of the model.

In one tomato PG it was reported that Sarob had been involved in training at all stages from planting of seedlings to harvesting. Their advisors had also helped set up demonstration plots and taught improved agronomic practices. Sarob advisors have also been active with other crops, providing cuttings of fruit trees and teaching techniques such as pruning (including the provision of pruning equipment). This is a really good example of cross-fertilization between different Programme components (although they are under the umbrella of the same output).

Two groups reported not having received any training because they are expert farmers and did not need training! They also reported that the training provided was not geared to the commodity in which their PG specializes.

One issue regarding gender differentiation did arise in this particular case. With some groups, male FGDs reported in some detail about the content of the training they had received, but in some female groups this was less so, and in one instance women reported in the FGD that they had attended a training course, but could not state the subject it covered. In the moderator's report on this particular FGD she stated: *Everybody told that they participated, but nobody knows what was the training about. When they were asked question: "Were you told about seeds, fertilizers and chemicals?"*, *everybody said «Yes»*. This, it must be added, stands in sharp contrast to a virtually all-female group the evaluation team visited the previous month, when the women showed the notes they had taken at their training sessions. The team's interpreter translated these and they were quite comprehensive.

There are several possible explanations for this difference, but at the moment they can be no more than the subject of speculation. It is clear, however, that it is an issue that should be addressed as soon as possible.

Perceived Disadvantages of the PG Approach

The most common response to this question was that the group had been in operation for such a short time that they had not yet completed one full cycle of operations, but that so far no significant problems had arisen. Some participants took advantage of the opportunity to ask for additional facilities – sometimes fairly fanciful ones such as processing plants and refrigeration units in the village! Some were more practical, for example those who wanted help to export to Kazakhstan and Kyrgyzstan.

Assistance from the Cluster

This is an area in which least information was forthcoming. Only the head of the PG is a member of the cluster committee, and PG members sometimes confuse the information received through the cluster with that provided by the implementing partner. Some of those interviewed did not seem even to be aware of the cluster as an integral part of the model or of the function of the cluster element of the model. These were exceptions, however, as most groups seemed familiar with this approach. They knew a good deal about it and reported that the cluster had been arranging experience sharing visits with other clusters. Some clusters had also helped with the provision of infrastructure. In theory the cluster approach has a key role to play in terms of generating scale economies with consequent

⁸ It should be noted that literacy rates, especially among older people, in Tajikistan are very high.

reductions in the cost of inputs and services and increases in the net benefits farmers receive from crop sales. However, at this early stage in the development of the CC/PG approach it is too early to assess whether these theoretical advantages will be realized.

ANNEX 12

Tables with Additional Findings from the Survey of Farmer Clients of Sarob Advisors, GREAT Output 2

Tables with Additional Findings from the Survey of Farmer Clients of Sarob Advisors, Output 2

Table 12.1: Positive Effects of New Crops and Varieties		
Benefit	Number Reporting	Percentage Reporting
Increase in yield	108	67.5
Increased income	26	16.3
Improved crop quality	9	5.6
Lower production costs (primarily labour)	7	4.4
Reduction in pest infestation	5	3.1
Faster maturity	3	1.9
Other	10	6.3
TOTAL	168	---
Source: Calculated from the survey of Sarob farmers		
Note: Numbers total to more than 160 and percentages to more than 100 because many farmers reported multiple benefits		

Table 12.2 Positive Effects of Crop Rotation		
Benefit	Number Reporting	Percentage Reporting
Increase in yield	64	40.0
“Allows the land to rest”	46	28.8
Increased income	14	8.8
Decrease in pest population	11	6.0
Better quality of harvest	5	3.1
Reduced expenditure	5	3.1
Increased number of crops	1	0.6
TOTAL	146	---
Source: Calculated from the Evaluation’s survey of Sarob farmers		
Note: Numbers total to more than number of farmers reporting because many farmers reported multiple benefits		

Table 12.3: Positive Effects of Irrigation		
Benefit	Number Reporting	Percentage Reporting
Increased yield and reduces water requirements	29	18.1
Reduced erosion	7	4.4
Reduced water requirements reduces cost	4	2.5
Reduced salinity	2	1.3
Reduction in weed infestation	2	1.3
Equal distribution of water across the fields	1	0.6
TOTAL	45	---
Source: Calculated from the survey of Sarob farmers		

Table 12.4: Positive Effects of Fertilizer		
Benefit	Number Reporting	Percentage Reporting
Quality of crop improved	13	8.1
Prevents diseases	13	8.1
Faster maturity	3	1.9
Other	4	2.5
TOTAL	33	---

Source: Calculated from the Evaluation's survey of Sarob farmers

Table 12.5. Other New Production Techniques and their Advantages		
Technique	Reported Advantages	Number of farmers
Fruit tree pruning	Increased yield	11
	Labour savings	10
	Improved fruit quality	5
	Vigorous growth	4
	Other	2
Improved tillage/better cultivation equipment	Increased yield	7
	Labour savings	5
	Increased income	2
	Other	4
New seeding techniques	Increased yield	6
	Labour savings	5
	Water savings	1
New techniques for cotton production	Increased yield	6
	Reduced seeding requirements	5

Source: Calculated from the Evaluation's survey of Sarob farmers

Table 12.6. Type of Advice on Increasing Crop Productivity		
Technique/Technology	Number Reporting	Percentage Reporting
Fertilizer application	9	100.0
Crop spraying	9	100.0
Integrated pest management	9	100.0
Improved crop rotation	8	88.9
Improved irrigation techniques	8	88.9
Fruit tree pruning	8	88.9
Improved harvesting techniques	8	88.9
Biological pest control	2	22.2
Use of agricultural machinery	2	22.2
Soil analysis	1	11.1
Introduction of certified seeds	1	11.1

Source: Calculated from the Evaluation's KIIs with Sarob advisors

Tables Supporting the Findings from the Key Informant Interviews with Sarob Advisors

Table 12.7 Most Important Problem Reported by Sarob Advisors and Number Reporting			
Reported Problem	No.	Reported Problem	No.
Failure to implement the advisor's recommendations	3	Lack of access to farm machinery and equipment	1
"Inactivity" on the part of farmers	2	Wrong use of seeds	1
Lack of funds/lack of access to credit	2	Lack of knowledge regarding pesticides: where and when to spray	1

Lack of knowledge on the part of heads of farms	2	Lack of practical experience on the part of heads of farms	1
Problems with irrigation	2		
Source: Calculated from the Evaluation's KIIs with Sarob advisors			

Table 12.8 Benefits Sarob Brought to the Advisors and Number Reporting			
Reported Benefit	No.	Reported Benefit	No.
Knowledge of farming	4	Training in marketing	1
Training on crop cultivation	3	Support to holding open days	1
Training on high yielding seeds	2	Increased income for farmers	1
Increased income for the advisor	2		
Source: Calculated from the Evaluation's KIIs with Sarob advisors			

Table 12.9. Reasons for Satisfaction with Sarob sSport			
Reported Support	No.	Reported Support	No.
Learned modern agricultural techniques	9	Introduction of new seeds	1
General increase in agricultural knowledge	1	Farmers are satisfied with Sarob and with advisor's services	1
Access to agricultural innovations	1	Own income increased	1
Good seminars	1	Certificate for cotton (presumably from BCI)	1
Source: Calculated from the Evaluation's KIIs with Sarob advisors			

ANNEX 13

Results of Correlation and Regression Analyses

1. Crop yields of traditional and improved varieties

Crop	Mean Yield (quintal/hectare)		r	significance
	Traditional Var.	Improved Var.		
Potato	57.6	112.0	0.9941	99.9%
Cotton	25.1	38.4	0.5948	99.9%
Wheat	16.6	29.8	0.8029	99.9%

2. Income on Crop yield

Crop: Potato		
Variable	r ²	significance
Income on yield of traditional variety	0.3899	not significant
Income on yield of improved variety	0.3935	not significant
Income on absolute yield increase	0.3882	not significant
Income on percentage yield increase	0.0080	not significant
Crop: Wheat		
Variable	r ²	significance
Income on yield of traditional variety	0.0132	not significant
Income on yield of improved variety	0.0015	not significant
Income on absolute yield increase	0.0021	not significant
Income on percentage yield increase	0.0121	not significant
Crop: Cotton		
Variable	r ²	significance
Income on yield of traditional variety	0.0003	not significant
Income on yield of improved variety	0.0080	not significant
Income on absolute yield increase	0.0145	not significant
Income on percentage yield increase	0.0086	not significant

3. Gender on crop yield

Crop: Potato		
Variable	r ²	significance
Gender on yield of traditional variety	0.1098	not significant
Gender on yield of improved variety	0.1356	not significant
Gender on absolute yield increase	0.1598	not significant
Gender on percentage yield increase	0.1415	not significant
Crop: Wheat		
Variable	r ²	significance
Gender on yield of traditional variety	0.0204	not significant
Gender on yield of improved variety	0.0009	not significant
Gender on absolute yield increase	0.0077	not significant
Gender on percentage yield increase	0.0275	not significant
Crop: Cotton		
Variable	r ²	significance
Gender on yield of traditional variety	0.0575	95.0%
Gender on yield of improved variety	0.0526	95.0%
Gender on absolute yield increase	0.0211	not significant
Gender on percentage yield increase	0.0084	not significant

ANNEX 14

Tables With Additional Findings From The Survey Of MFI Sector, GREAT Output 3

Tables With Additional Findings From The Survey Of MFI Sector, GREAT Output 3

The following is a summary of main results of questionnaires to 100 clients and as well as FGDs,

Table 13.1. Summarised MFI Staff Responses To Questions Relevant To GREAT	
GREAT Microfinance Issues	Key points arising from MFI interviews
1. Partnership / relationship with GREAT on product development etc.	<ul style="list-style-type: none"> • Appreciation and use of GIZ-designed microfinance products (HUMO) • However, not seen as a formal partnership agreement. More in the nature of appreciation for helping to design a loans product that the MFI would have done themselves (perhaps not as well), to tackle a market opportunity already identified as part of their core business purpose e.g. start-up loans.
2. Sources of capital / other influences on MFI policy and direction	<ul style="list-style-type: none"> • External donor finance is an important element in core funding. Examples Canada funding (HUMO), including interest-bearing term loans (e.g. from KFW for 7 years at 10 per cent) while Arvand obtained capital from USAID, ACIDI/VOCA as well as through EBRD, KFW. • Bank financing with loan capital a further source.
3. Business environment for microfinance business in Tj	<ul style="list-style-type: none"> • <u>Main banks are too rigid</u> and not geared to the needs of small enterprises. Also are limited in their geographical reach. MFIs more flexible and target many more enterprises as clients, with sub-offices in rural areas. • <u>Agriculture, including processing</u> the key to developing Tajik business and economy. Therefore, a major strategy is to relate business to the rural economy. • <u>A cash-based economy</u> limits business activity; places a ceiling on value of transactions and increases risks. • <u>Length of loans</u> are usually 3 month to 36 month; Interest rates 18 per cent-36 per cent TJS, from 300 to 20.000 USD a typical range of loans value. • <u>Collateral / guarantee requirements</u>: Up to 5000 somoni (policy allows up to 50 000) no collateral but more than this requires collateral (gold, property, household, animals distributed by per cent in order to reduce risks). Up to 130 per cent coverage is required for the collateral. General need to be flexible in accepting items • <u>Financial literacy</u> training a good help to develop abilities of clients. Aware of IFC-backed actions, but little of GIZ. Financial advocacy important e.g. to encourage the idea of savings, even for poor households • <u>Over indebtedness</u> can be a problem as MFI clients get loans from 2 or more different banks, with high interest rates, leading to defaults (44 Chasma reports efforts to share client data on commitments) • <u>Legal rights</u>: important that MFI clients are better at knowing their rights e.g. can affect their ability to secure tenure of working spaces. More than just financial literacy, although this is also important. • <u>Greater pressure from tax authority</u> to raise income from small enterprises is eroding the client base for MFIs. Enterprises restrained in expansion and evidence of closures. A situation now apparent where a conflict exists between Government's desire for immediate income and business viability, with erosion of future potential for tax receipts. • <u>A fall in the volume of capital extended in loans</u> to small enterprises as a result • <u>It is easier to get payment from rural clients</u>, due to social pressures to remain legal and moral. Less social conformity in urban areas, also more difficult to check background of applicants from urban areas. However, this reliability of rural clients can be offset by bigger business risks – in general – associated with rural projects.
4. Other matters arising	<ul style="list-style-type: none"> • <u>Practical facilities</u> that affect MFI business and wider economy: <ul style="list-style-type: none"> - difficulty of electricity supply in rural areas a real constraint on business • <u>Gender issues</u>: Not seen as a problem, with claim that women treated equally by the MFIs. Example of Arvand, <i>as a policy, has 60 per cent of</i>

	<p><i>clients in rural areas. 42 per cent of customers are women</i></p> <ul style="list-style-type: none"> • <u>Fall in remittances</u> from migrant Tajik workers. More emphasis on consumption loans than investment, while prices of goods are lower due to less overall spending power. This has also been a factor damaging small enterprises and lessening demand for micro lending. • <u>Migrant workers returning to Tajikistan</u> have skills, but a problem in turning that knowledge into business ventures. Need access to training on how to start and run a business as well as suitable start-up loans. • <u>Closing a business legally</u> is a problem, attracting demands for official payments (supposed unpaid taxes etc). Encourages situations where it is better not to be visible to authorities and operate outside registration. Risks to the illegal business are balanced by escape from (at least) perception of predatory behaviour of official agencies. This also restricts market for MFIs.
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Features of the sample of MFI clients:

Two thirds (67 cases from 100) of those who responded to the survey and were interviewed were the head of the enterprise. The other 33 respondents held responsible positions with access to the company’s performance data and, especially, knowledge of its finances and future plans.

There was substantial female representation among respondents, and therefore among heads of businesses surveyed.

Table 13.2. MFI Clients, age of respondents	
Age of Respondents	Total / per cent
Under 35 yrs	19 (women 36 per cent)
35-49	48 (women 40 per cent)
50+	33 (women 61 per cent)
Gender balance among respondents:	
Male	54
Female	46

The tendency for MFI clients to be among older age groups is especially evident for women, whose ages range from 24 to 67 years among respondents. It is possible that women are more able to engage in business when more mature due to family and domestic circumstances.

The period of time the sample of enterprises have been in operation showed a spread from new start-up cases to long-established businesses:

Table 13.3 Years of Enterprise Operation	
Period of operation of enterprise	No. Enterprises
Start-up /under 1 year	2
1-3 years	19
4-9 years	33
10-14 years	17
15 + years	29
TOTAL	100

- Almost half of businesses (46 per cent) have been in operation for over 10 years. In these cases the main activity is agriculture, (18 cases) along with animal husbandry (14 cases including 9 overlaps where both sectors are mentioned by the same respondent), beekeeping, horticulture, and handicraft.

- With younger enterprises (0-9 years as an indicator), their sector focus continues to display a strong emphasis on agriculture and horticulture as the basis for 30 per cent of respondents. There was also diversification into the provision of services (5 cases) while in the open-ended other category, 21 cases of business involvement were recorded in diverse activities such as car repair, sewing shop, ropes for livestock, renting wedding clothes, butcher, retailing enterprises (e.g. in food, cosmetics).
- For longer established enterprises (10+ years) there were 18 cases of other activities that included selling vegetables, dried fruit, processing flour, auto servicing, shops and trading. The following Table indicates the significance of female employment in the MFI client enterprises that were interviewed (referring only to clients having employees):

Type of Employment	Size of enterprises /Employment				Total	per cent of Total	Sub-total 1-50	per cent 1-50 size only
	1-5 employed	6-20	21-50	51-100				
Full-time	76	151	52	-	279	50.0	279	68.6
Full time – Female	52	99	12	-	163	29.3	163	40.0
Part-time	48	55	25	150	278	50.0	128	31.4
Part-time Female	36	40	25	150	251	45.0	101	24.8
Total	124	206	77	150	557	100.0	407	100.0
All female as per cent total	71.0	67.4	33.8	100.0	74.3	74.3	264	64.8
per cent of Total Employment	22.3	37.0	13.8	26.9	100.0			
Number of Enterprises	35	16	2	2	55	100.0	53	96.4

NOTE; these data refer only to enterprises having employees. Self-employed entrepreneurs comprise 45 per cent of the total sample.

The indication from this information suggests that female employment is significant in MFI client enterprises, accounting for 74 per cent of all employees, but 90 per cent of part-time employees and 58 per cent of full-time employees.

Market areas

Origin of sales of enterprises by geographical market areas (summary results):

Indicator of origin of sales	Market Locations				TOTAL
	Local area (10km distance)	Within Region e.g. Khatlon	Rest of Tajikistan	Outside Tj e.g. Kyrghz	
per cent of Value of Sales	70.0	20.4	8.5	1.1	100.0
Number of companies involved in sales (1)	99	37	21	4	100
Value of Sales TJS	6,515,215	1,902,443	792,995	96,787	9,307,450
Value of Sales \$US (2)	827,855	241,734	100,762	12,300	1,182,265

(1) Companies can sell in more than one area

(2) Exchange rate 7.87 SM per US\$

Enterprises with significant sales beyond the immediate local area included, as examples, honey production, a flour mill, livestock, weaving ropes for livestock, dairy products, and less emphasis

(logically) on personal services. However, it will be noted that a small proportion of enterprises (4 per cent) were engaged in cross-border sales (effectively to Kyrgyzstan or Afghanistan) from a survey that is regional in scope.

96 per cent of enterprises indicated that they had made a profit in the previous year. The 4 per cent that reported a financial loss included two Dehkan farms, and a handicraft operation.

How MFI client enterprises found out about microfinance organisations in the area

The importance of business contacts and the knowledge of colleagues was the single most dominant source of information about microfinance availability. But other sources were also significant:

Table 13.6. Awareness of Microfinance Organisations	
How did you find out about the microfinance organisations operating in your district / region?	Number of responses (Note: some respondents offered 2 sources)
1. General publicity in the media TV, Newspapers etc	14
2. Targeted information (e.g. leaflets) sent to the business	9
3. Colleagues / other business contacts recommendation	46
4. Your normal bank's recommendation	7
5. Other (specify)	31 (1)

(1) Of the Other responses, above, the most significant were neighbours, local administration offices, relatives, attendance at training courses and seminars.

Table 13.7 Reasons for Getting a Micro Loan	
Thinking about the loan you now have (or previous loans in case of former MFI clients), what was the main reason(s) for getting a micro loan from a MFI?	Number of responses
1. Purchase of machinery or equipment	29
2. Finance to cover a gap between making and delivery of product and getting paid by the customer (bridging finance)	34
3. Other reasons (1)	37

(1) In the case of other reasons the great majority (29 of the 37 noted) was for the purchase of stock which could include seeds, livestock, fabrics, chemicals, fuel. Other reasons were general e.g, to expand the business, widen the trade; or specific such as to build a canteen.

Relationship with the MFIs

This survey result indicates a high level of due diligence by MFIs in preparing a case for lending. In the 22 per cent of instances where a verbal case was made, that statement itself implies that an interview took place with the relevant MFI, and does not rule out the applicant presenting evidence of a business need and capacity to repay. In principle the latter could include documentation from third parties as evidence. The MFI official, finally, will in any event need to make an internal case for a loan to be issued. There is evidence from the survey that Responsible Financial principles are being used.

The proportion of the cost of the business action covered by the loan

Loans advanced by MFIs, in relation to the cost of the business action they support, ranged from 2 per cent to 100 per cent. The average loan was 57 per cent of the cost of a business action. 13 per cent of the loans issued were at 100 per cent the cost of the action, but over half were between 30 per cent and 70 per cent:

Table 13.8. Loan size

Size of loans as per cent of cost of business action they support	per cent of all loans issued by MFIs
Up to 30 per cent	22
Over 30 and up to 50 per cent	27
55 – 70 per cent	25
75 – 100 per cent	26
TOTAL	100

Period for repayment of the loan.

There were limited (21 cases) viable responses to this question. The answers, with a limited sample, can be taken only as a broad indicator of typical periods for repayment. Of these responses, the most frequently occurring value was 6 months (11 cases) which was also the shortest time for repayment. 2 cases indicated credit up to 12 months, also the longest period recorded. The clear conclusion from this limited base of evidence is that MFIs strongly favour rather short-term loans between 6 months to one year in duration.

Interest rates

The quoted interest rates paid on loans by respondents (and defined in annual terms in some cases and in others on a monthly basis) have their most common values between 24 per cent and 26 per cent when quoted on an annual basis. The annual equivalent of monthly rates is higher. For example, a 3.5 per cent monthly rate can translate into an annual equivalent of 42 per cent (on a non-compounded basis) while 2.8 per cent is a 34 per cent annual rate.

A summary of 80 per cent of the cases covered in the survey indicates:

Rate of Interest (per cent annual equivalent)	No. of Cases (per cent)
23 – 26	49
28 - 35	18
44 - 52	12
TOTAL	79

It is apparent from the examples in the survey that quoted interest rates are consistent with other (external) evidence that MFIs are charging (broadly) between 25 per cent and 45 per cent annual equivalent rates. In each case the MFI will internally apply a risk rating to an application and vary the interest rate accordingly. However, generally high interest rates for short-term credits is a fundamental characteristic of the microfinance business. In that sense the survey results confirm a general industry feature.

Questions Related To The Value Of Microcredits And The Experience Of Dealing With MFIs:

Key issues in using microfinance and MFIs	Responses
1. Did the loan help you to achieve business objectives?	<ul style="list-style-type: none"> The response indicated a 99 per cent positive response to this question.
2. Was the cost of the credit (interest rate) good value ?	<ul style="list-style-type: none"> While a majority (81 per cent) indicated that good value was achieved in their case, 19 cases were unhappy.
3. Was the process of applying for a loan from the	<ul style="list-style-type: none"> A slight majority (54 per cent) reported

<p>MFI (e.g. preparing a business plan) helpful or a problem?</p>	<p>satisfaction with the process of loan application, the 46 per cent level of discontent remains an issue for consideration by MFIs.</p>
<p>4. Was the MFI a good and helpful partner ?</p>	<ul style="list-style-type: none"> • A 99 per cent approval rating for the MFIs as business partners is a signal that their business processes have a positive response from clients – even if there are other matters where there is evidence of some discontent.
<p>5. Would you be likely to use a MFI again for credit needs?</p>	<ul style="list-style-type: none"> • A 99 per cent positive response to the likely future use of a MFI for getting business loans may be related partly to a lack of other options for this sort of business finance. It does not necessarily indicate full approval of the client’s current loan provider.
<p>6. What other sources of commercial credit are available to you?</p>	<ul style="list-style-type: none"> • 52 per cent reported Don’t know responses • However, the remaining 48 per cent of respondents identified alternative MFIs and other potential sources of business credit. For example: <ul style="list-style-type: none"> - Agroinvest Bank (5 cases) - Imon International (14 cases) - A wide range of others such as Eskata, Arvand, Matin, Humo also received multiple mentions as potential alternative banks. • Yet, the alternatives identified by respondents were still MFIs, and with a high probability that they will seek similar conditions to current suppliers, as they operate within the same business and legal environment.
<p>7. Do you have any other general comments on the use of micro credits and the way, in which MFIs operate, that could help them to improve their services to small businesses like yours?</p>	<ul style="list-style-type: none"> • The responses to this question 26 respondents were unable to offer an opinion or suggestion for change. • Of the remaining 74 of clients, 59 sought a combination of greater availability of loan capital and lower interest rates. Other responses sought longer periods for repayment of loans, and the resolution of specific problems. The latter included only one instance where it was suggested that loans especially for women should be available, while having a better tax regime was another (in this case beyond the scope of MFIs to deliver).

The overall conclusion from the above analysis is that small business clients are generally happy to have access to microcredits, and that they appreciate the professional behavior of MFIs. They do, however, show significant levels of discontent about the availability of capital in sufficient amounts to meet their needs and wishes for bigger loan sizes (reflected in a call for MFIs to have greater levels of available funding). There is concern also that loan repayment times are too short (it seems from survey results that it is unusual to obtain a loan for more than one year). Most especially, clients seek lower interest rates.

Additional evidence of the relationship between MFIs and rural clients come from Focus Group Discussions. The following illustrative quotations come from FGDs with MFI clients.

Quotes From FGDs

MFI Baror with a support from GIZ offered seminars on business planning, loan application, use of loans and new forms of financing for local entrepreneurs.

Lady: Farmers are seen by MFIs as a source of income. Last year some farmers borrowed loans from MFIs and banks. Due to weather conditions, those farmers did not have good yields and had no money to repay loans, but MFIs and banks did not offer them restructuring and did not give them any grace period. In spite of that fact, farmers managed to repay their loans fully. This is why rural enterprises are seen by MFIs and banks as a source of income.

Man: Women used to complain about high interest rates, since those women were from poor families. Later a representative from GIZ suggested establishing a credit union and that idea was supported by the women council where all members of the council supported the idea of borrowing from the credit union. Credit union Bonuvon 2014 , established in 2014 on the basis of women support groups with no external financing.

The above practical remarks from small rural business people indicate a struggle with business financing in the form of loans especially interest rates and schedules for repayment.

There is appreciation of GIZ efforts, and a willingness to look at other types of financial institution, including Credit Unions.

MFIs and the Agriculture Industry

While the above data indicate that agriculture producers comprise an important part of the client base of MFIs, because of the importance of that industry to Tajikistan, we have undertaken a more detailed investigation into the role of MFIs in that regard. A survey of 160 clients of SAROB clients offered a more focused view of the role that MFIs play in support of farmers. The results are summarised as follows:

- Of the surveyed clients 57 (o 35.6 per cent) used loans to help finance their farming activities
- The value of loans ranged from 2,000 to 80,000 Somoni (TJS) with an average of 9,130 (\$1,160) showing the following distribution:

Table 13.11. Value of Loans			
Value of loans (TJS)	Number of loans	per cent	Average Value of Loans (TJS)
Up to 5,000	30	53	2,917
6,000- 10,000	18	31	7,555
11,000 – 20,000	4	7	15,750
Over 20,000	5	9	46,800
Total / Average	57	100	9.131

There were 10 MFIs involved in the provision of loans. However, three MFIs accounted for almost two thirds of loans advanced (65 per cent) being 37 credits with Agroinvest Bank (16), Eshkata (11)

and Imon (10) being dominant. Others such as Humo, Amonet bank, Arvand, Finca had a minor presence among this group of clients.

Apart from mainstream banks, the survey also revealed loans from the Development Bank of Zarafshan Valley and two cases of farmers being given short-term (3 month) loans from a cotton factory source. These are indicative of a variety of loan sources being available, while the Zarafshan Valley example alerts us to the possible emergence of other types of credit organisations having potential for growth (e.g. including Credit Unions – we comment further below).

This information suggests a relatively low penetration of the agriculture industry market by MFIs (just over one third of farming enterprises using loan capital), while appreciating that there could be a reluctance to use loan capital by small farmers. The dominance of the market by a small number of MFIs might, however, indicate a lack of competitive pressure. While the current crisis in Agroinvest Bank (IMF report of May 2016 Financial Stability Assessment of Tajikistan) suggests that the bank might be technically insolvent due to non-performing loans this should not pose a threat to the availability of finance to farmers due to the availability of other providers

ANNEX 15

Tables with Additional Findings from the Survey of Business Group Members, GREAT Output 4

Tables with Additional Findings from the Survey of Business Group Members, Output 4

Table 14.1: Average Profit Return

Average Profit Rate Type of Activity	MARKETS			Category average
	Darvaz	Ishkashim	Jirgatol	
Animals			24%	24%
Construction Materials	24%		16%	22%
Food and Beverage	22%	36%	34%	30%
Food Item		11%		11%
Non Food items	23%	24%	24%	24%
Others	27%		24%	26%
Pro Food Item	26%		16%	19%
UNPro Food Item	22%	34%	24%	26%
Category average	24%	26%	24%	24%

Note: it is probable that the calculation is gross profit in relation to turnover
The great majority of respondents were satisfied with their Business Group:

Table 14.2: Satisfaction of Business Group Inputs

Were you satisfied with the inputs of the Business Group?	
I am very satisfied	11
I am quite satisfied	5
I am quite dissatisfied	-
I am strongly dissatisfied	1

Table 14.3: Satisfaction of Cross Border Centre Inputs

Were you satisfied with the inputs of the Cross-Border Center?	
I am very satisfied	4
I am quite satisfied	3
I am quite dissatisfied	2
I am strongly dissatisfied	1
No response (<i>but we note that 5 of these respondents indicated that they had diversified crops as a result of association with the Centre</i>)	10

Table 14.4 Diversification of Activities

Did you diversify your activities by joining the Business Group? If yes, into which sector?	Yes	No
Most diversification concerned different methods of agricultural production, including crop rotations, irrigation, use of fertilizers. One respondent started linen fabric production.	11	7

Table 14.5: Job Creation

How many jobs have been created in your business since you joined the Business Group? (<i>noted that 14 of 18 respondents indicated that they had created new jobs</i>)	
New full-time jobs	+ 72 full-time jobs
New part-time jobs	+ 60 part-time jobs (12 of 18 cases involved)

Table 14.6: Annual Fees		
What is the annual fee that you paid to be a member of the Business Group this year?	<i>Write year 2014 - 15</i>	<i>Note that 10 respondents indicated that they did not pay a fee. Paid amounts varied 200 to 5,000 TJS</i>
What is the annual fee that you paid to be a member of the Business Group last year?	2013 / 14	As above, 11 did not pay and variation from 130 to 2,000 TJS

Annex 16

Analysis of Focus Group Discussions: Output 4

<p><i>FGD Business Group Members and Matchmaking Participants: Issues Discussed / Key Questions About Cross-Border Trade.</i></p>	<p><i>Summary of responses along with illustrative quotations from participants</i></p>
<p>23. Legal Framework Is there a sufficient and clear type of legal framework that gives security to all parties and which can be used effectively to resolve any disputes that might arise?</p> <ul style="list-style-type: none"> • Can Good “partnership” contracts be set -up across a frontier? • Are there differences in legal and regulatory situations that can prove an obstacle to trading? • Has the past few years seen any noticeable changes in this legal and regulatory situation? What are these changes? Do they provide more confidence for traders and in that way help cross-border trade to continue and expand? <p><i>Should there be a strengthening of the legal framework for cross-border trade? What changes are needed (if any)?</i></p>	<p><i>Contracts seen as the best way forward for trading relationships, especially as cases of fraud have been seen. Yet, there is uncertainty about the legal situation facing trading, despite meetings etc. There is a demand for easy-to- read documentation for clarification and guidance:</i></p> <p><i>I would like to thank the founders of the project. Our cross-border relations mainly was established from this project. When there was organized meeting between Kyrgyz and Tajik businessmen in sanatorium “Bahoriston”, we took their contact information there and began to contact with them. There were signed contracts. Our activity is the production of canning products.</i></p> <p><i>Lady from Kurgon-Teppa</i></p> <p><i>Man, Khujand</i> <i>We are not confident. The customs activity has no control. We ourselves do not know the laws very good. It would be good, if there would be <u>printed one manual about customs activity and laws regarding trade</u>. The information (on problems) which we have, is not accessible to the government and they are not aware of our difficulties.</i></p> <p><i>There is concern also that the behaviour of customs, and also other agents of government is “rent seeking” in character:</i></p> <p><i>Our main difficulty is that, regardless that we have contract for passing the cargo from the border, the customs taxes are very high and the price, which is put to our product after paying these customs taxes, do not suit to the contract price. The price increases and the matchmaking company, which is assigned for the sale of our products, is very inconsistent with it.</i></p> <p><i>There is also illegal activity taking place</i></p> <p><i>Our main trade is done mainly with Kyrgyz people. For organizing this trade, we mainly use illegal ways.I mean we do not deal with Customs employees. In summer and autumn, we export fruits and vegetables, seedlings and seedlings of vegetables to Kyrgyzstan and import fuel for vehicle, fertilizers and coal from there.</i></p> <p><i>We also use the illegal ways for export of dried fruits: it is easy to send through Kyrgyzstan to Russia,</i></p>

<p>The importance of contracts and documentation.</p>	<p><i>because Kyrgystan joined European-Asian Economic Community and the custom taxes increased, therefore each businessman tries to use illegal ways.</i></p> <p>The only problem and, in overall, the main obstacle for development of cross-border relations is the groundless pretension of Kyrgyz people to our lands. If this problem will be solved, the cross-border relations will progress. Another problem is the corruption in the border. The border guards take unofficial money for passing the border.</p> <p>Other problem is the trade with national currency. In Kyrgyz border, they do not trade with TJS and therefore, we have exchange the money. They exchange the money with low currency rate. It is inconvenient for businessman.</p> <p>We talk and discuss with Kyrgyz and Tajik people about cross-border trade issues and they solve the problems during the discussions, but we don't have any confirmed document.</p> <p>In meeting between Tajik and Kyrgyz businessmen, we signed contract. Based on this contract, we cooperate with them and solve any disputes and issues concerning the work.</p> <p>I also work according to the contract, which was signed by businessmen and Kyrgyz customers. Nearest days, we are going to sign contract with them about sewing clothes for all pupils of this school. I increased the number of my workers. I just have problems with access to additional sewing machines. If there would be help, it would be very comfortable.</p> <p>There is no any document for adjusting the relations between Tajik and Kyrgyz people. The system, which adjust the relations between two sides, is the experience and history of cooperation between Tajik and Kyrgyz people. We buy one part of fresh fruits from them and sell them raspberry, starwberry and tomatoes. Kyrgyz people buy products from us with high prices. Kyrgyz buyers are comfortable for us. They come and purchase by wholesale. I never saw any conflict or disputes in the market.</p> <p>There is cross-border commission, which works with cross-border issues. This commission solve the appeared problems and conflicts.</p> <p>My contract is my security. I mean I will not stay without trade.</p> <p>We have dehkan farm and cooperate with organization «Bonuvoni fardo». This organization has lawyer and he helps in solving disputes.</p> <p>My enterprise have lawyer. He provides security. After hiring lawyer, our work developed. There is a law, which we didn't read or don't know. Maybe we know only 10% and the lawyer know the other</p>
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<p>What type of products or services can be traded across borders successfully? Are some sectors especially good for this form of trade (e.g. handicrafts, jewelry, agricultural items, building materials)?</p> <p>Agricultural products often sold fresh</p> <p>But some evidence of small scale processing / cooking and canning</p> <p>Medical services in Tajikistan used by patients from Kyrgyzstan.</p>	<p>90%. I tell other businessmen that to have lawyer is very profitable.</p> <p>While there is much trade in agricultural commodities across the border, the actual range of items is much wider, from processed and cooked foods / bakery items, to cut-and-sew “making-up” of clothing and medical services. Imports from Kyrgyzstan and Afghanistan often emphasise bulk items such as fuel (especially coal), cement, fertilizers and small-scale craft items.</p> <p>The main buyers of our market are Kyrgyz buyers. They come and place an order to sew the clothes. After they order, we prepare it during one week and they come and take it. We sell all our sewing products, such as clothes, school clothes, to the border without any obstacle. We mainly sell the confectionery in internal market, but we have more income from selling the confectionery to the cross-border market.</p> <p>Kyrgyz people buy the raspberry of our production with high prices and this is the main trade according to received income. They even buy with containers (buckets). Our people buy only raspberry and bring the containers after 2-3 days.</p> <p>Starting from Autumn and up to now, Kyrgyz people bring apple to us and sell them. Their apple is cheaper than our apple. Each week I buy 20 kg of apple. Kyrgyz people mainly buy cotton products, confectionery, eggs and canning products.</p> <p>In Oksoi jamoat of Kyrgyzstan, people are not good in cookery and cooking in overall. They ordered to us to involve girls that we teach the cookery to them.</p> <p>Kyrgyz people also buy canning products and compote from us. The food products also is better sold.</p> <p>Kyrgyz people also buy agriculture products. They also like bread of Khujand and buy them very often.</p> <p>While being sick, Kyrgyz people often appeal to Tajik doctors’ services, because they have only one hospital.</p> <p>Before the conflict began, both sides used the medical services, because the villages of Kyrgyzstan do not have health centers. Kyrgyzstan provide this health center with electricity. Tajikistan provide with specialists. After the conflict began, the relations stopped and Tajik specialists go three times a week to the Kyrgyz village and treat them.</p> <p>Our main fuel is coal and we mainly get it from Kyrgyzstan. Kyrgyz people do not have difficulties to pass the fuel from the border, because the small amount of fuel can be passed without documents.</p>
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<p>How significant for a business can this form of trading be? Is it best seen as a useful “add-on” to business, or can it have significant effects on turnover and profitability?</p> <p>How do businesses learn about cross-border business opportunities?</p> <p>What is the experience and perception of existing efforts to encourage cross-border trading e.g.</p> <ul style="list-style-type: none"> - Matchmaking events - Partnership agreements - Cross-Border Support Centre activities <p>Are these efforts effective? Does more need to be done? Do we need different and new initiatives?</p> <p>Specific experiences with Afghanistan as a trade partner.</p>	<p>We presented the honey of Tajikistan in fair, which was conducted in Kyrgyzstan and the population of Kyrgyzstan liked our honey very much. The demand for our products is very high there. We have contract of cooperation with several points of sale.</p> <p>Participants indicate that cross-border trade is significantly more profitable than selling in the Tajikistan market only</p> <p>The cross-border trade brings more income than internal trade.</p> <p>If we sell one clothes for 120 TJS in internal trade, in cross border trade, we sell it for 250 TJS. According to the income, the cross-border trade is more profitable than internal trade. The competition in internal market is high. Kyrgyz market almost do not have these skills and therefore they don't have competition. We work only 2 years. The orders for sewing the clothes come from cross-border markets. Currently, our production potential is lower than the orders. We need to have sewing equipment in order to accomplish the contract.</p> <p>Mainly by media;</p> <p>I find about the cross-border opportunities from meetings and seminars</p> <p>I heard from the project “Trade relations between borders of Sughd region”.</p> <p>I also participated in matchmaking event. Particularly, the cross-border market was organized after this event. We talked there with Kyrgyz people and suggested our products. They organized place for opening the market. First, this market was small. Now this is big market.</p> <p>I also participated in matchmaking event. I signed contract with representatives of jamoat Karotog of Kyrgyzstan about getting sugar and cement. Now they provide us with sugar with low prices from Oksoi village. Besides it, they provide us with food products. I also participated in cultural cross-border events.</p> <p>I began the activity on cross-border trade based on participation in this matchmaking event.</p> <p>In matchmaking event, Kyrgyz people brought canned bottle of pickles and showed to the participants.</p> <p>Increased awareness. From meetings, exchange of experience, talks with Kyrgyz people, the awareness increased. Based on exchange of experience and learning skills,. We also participated in cross-border sport events. This all testify the increase of awareness.</p> <p>We participated in matchmaking events and learned many unknown things from them and we also explained them some things unknown to them. Based on this project, there were created groups. More than 20 women were provided with job and the sales increased.</p>
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<p>OVERALL CONCLUSIONS</p>	<p>them is lower. Their main difficulty is the documentation and the high payment of customs taxes and the market conditions are not so good. I mean they don't have exact place for sale. They sell under the snow in winter and under the sun in summer.</p> <p>Moderator: What additionally needs to be done to make sure that the business and economic potential for women in cross-border trading is fully realized?</p> <p>Creation of special corners and provision of good conditions for sale in cross-border markets, to improve the market infrastructure and organization of cooperation between businessmen and government officials.</p> <p>Preparation of documentation is difficult for women especially Afghanistan</p> <p>The attitude to woman is different. Up to now, people didn't get used that women can do business. We are no weaker than men are. The Afghan people are also surprised that we can do trade. For us, it is difficult to prove that we can do the business.</p> <p>For women, it is difficult to pass the products to that side of the border. We can't go there. The reason is the conflict situation in that country.</p> <p>We don't know the law very good. Men can talk with men, but women have problems during talk with men.</p>
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Annex 17

Agriculture and Climate Change

Agriculture and Climate Change

Agriculture is both a casualty of CC and a net contributor to the process.⁹ The former takes the shape of increased biotic and abiotic stresses, which include growing incidence and severity of floods, droughts and other adverse weather events and shifting seasonal weather patterns, soil salinization, and heightened incidence of pest attacks and disease outbreaks, together with the possible emergence of new predators and pathogens against which little or no resistance has evolved among crops and livestock in affected regions. Heat stress can be a major problem for both crops and livestock, and rising global temperatures contribute to this, as can an increasing level of temperature fluctuations. In mountainous areas like Tajikistan, global warming can increase summer snow melt, leading to the erosion of glaciers, which in turn produce flooding in the short- to medium term, and loss of irrigation potential in the longer term.

The sector's contribution to CC primarily takes the shape of augmented emissions of greenhouse gasses (GHGs), particularly carbon dioxide, nitrous oxide and methane. The key characteristics of these gases are shown in the table below.

Characteristics of GHGs Emitted by Agriculture				
Greenhouse Gas	Chemical Formula	Anthropogenic Sources from Agriculture	Atmospheric Lifetime (years)^a	GWP (100 year time horizon)^b
Carbon Dioxide	CO ₂	Fossil fuel combustion, land use conversion	100	1
Methane	CH ₄	Enteric fermentation, fossil fuel combustion, flooded paddy fields	12	25
Nitrous Oxide	N ₂ O	Enteric fermentation, fertilizers, crop residues, irrigation, tillage, fossil fuel combustion	114	298

Sources: Based on Blasing, T.J and K. Smith 2011, CCES 2016, CDIAC 2011 and IGPPC 2007

Notes: ^a Atmospheric Lifetime: indicates how long the gas remains in the atmosphere together with increased radiative forcing quantifies the contribution to additional heating over an area.
^b GWP = Global Warming Potential (warming effect of a gas)

According to estimates released by the Inter-governmental Panel on Climate Change (IGPCC), agriculture accounted globally for emissions totalling 5.1 to 6.1 Gigatons (Gt) of CO₂-equivalent (CO₂-eq) per year in 2005,¹⁰ which is around 10-12 per cent of the global total. CO₂ is emitted by primarily the burning of fossil fuels during tillage, transport and processing operations and by the burning of crop residues. However, although agriculture generates CO₂, it also sequesters this gas, and there is evidence that the two are roughly in balance: *Despite large annual exchanges of CO₂ between the atmosphere and agricultural lands, the net flux is estimated to be approximately balanced, with CO₂ emissions around*

⁹ Agriculture can also benefit from CC, because in the presence of water and sunlight carbon dioxide promotes photosynthesis, and this is especially true in the tropics, where sunlight is abundant. Increased photosynthesis boosts the yields of almost all tropical crops. For this to be of benefit to humans, however, these increased yields would have to be uncompromised by the negative effects of global warming.

¹⁰ IGPPC 007, Chapter 8.

0.04 Gt CO₂/yr only (IGPCC 2007 Ch 8). Published figures on emissions tend therefore to focus on CH₄ and N₂O.

Livestock production is the most important source of methane, which is generated during enteric fermentation. Rice production in flooded paddy fields is also a major contributor to CH₄ emissions. Other sources include manure management and storage methods, while the amount of exposure of manures to oxygen and moisture can affect how much of both CH₄ and N₂O are produced. A large number of agricultural practices contribute to N₂O emissions from agricultural lands, including application of synthetic fertilisers (particularly nitrogen), methods of irrigation and tillage. Soil management accounts for over half of all global GHG emissions from the sector.

The other two GHGs, particularly N₂O, are much more damaging than CO₂ in terms of their unit contribution to global warming. For purposes of standardisation emissions of other GHGs are multiplied by benchmark coefficients to convert them to equivalent quantities of CO₂ (CO₂-eq). The coefficients are 21 for CH₄ and 310 for N₂O.

Annex 18

The GREAT Value for Money Story

The GREAT VfM story

Background

GREAT commenced in October 2012 and has an overarching outcome statement of “*economic growth in rural areas increases and is more inclusive*”¹¹.

The key indicators to support attainment of this goal are details of household incomes in rural areas and for households headed by women. By implication, GREAT achievements data would need to be disaggregated along geographic and gender lines and this requirement is identified in the GREAT Business Case¹².

Consistent with DFID guidance on achieving Value for Money (VfM), GREAT is intended to have sound VfM characteristics and assessable indicators. This approach is confirmed in principle by the DFID GREAT Business Case¹³; and in the GIZ GREAT Value for Money Strategy¹⁴.

The first opportunity to assess GREAT VfM indicators was the 2013 Annual Review, conducted from 1 - 15 December 2013. This Review did not appraise VfM indicators because the first rural production data sets to be collected had not yet been processed. The Review recommended that the rates of return in the GREAT Business Case be checked after this data became available in February 2014; and GIZ had VfM reports on its partners¹⁵. Further, the Review concluded that GREAT’s positive effect on rural lives would be better supported by household economic surveys to gauge GREAT’s impact on economic well-being and development opportunities open to its target population of women and rural poor¹⁶.

The next opportunity for GREAT VfM analysis was the 2014 Annual Review, which was conducted in November 2014. This Review concluded there was a mismatch between some targets set in the Business Case and the lower targets set out in the GREAT log frame. DFID agreed that the log frame targets were correct, but did not recalculate the original Benefit-Cost or Internal Rate of Return targets that would apply to GREAT. The Review concluded that the program continued to represent value for money¹⁷ because:

- DFID resources continue to be leveraged through GREAT;
- Revised log frame Output Indicator targets are met and exceeded;
- Cost control is strong because TAG subsidies ceased in 2014; and a partner was replaced by GIZ on VfM grounds.

¹¹ Page 19, Business Case and Intervention Summary, GREAT. DFID, 11 September 2012.

¹² “*where possible disaggregated by gender, farming activity and geography*”, ‘B. Impact and Outcome that we expect to achieve’, GREAT Business Case and Intervention Summary. DFID, 11 September 2012.

¹³ “*Key value for money indicators will be assessed throughout the programme...*”, Page 40, ‘G. What measures can be used to assess Value for Money for the intervention?’, Business Case and Intervention Summary. DFID, 11 September 2012.

¹⁴ “Value for Money (VfM) has formed the central principle in drafting the Economic Appraisal for GREAT”, Page 7, Value for Money Strategy GREAT. GIZ, April 2013.

¹⁵ Page 29, “5. Value for Money”, GREAT Annual Review. DFID, December 2013.

¹⁶ Page 33, “5. Value for Money”, GREAT Annual Review. DFID, December 2013.

¹⁷ Page XVI, ‘D. Value for money & Financial performance’, GREAT Annual Review Summary Sheet. DFID, November 2015.

However, this Annual Review did not assess any specific VfM indicators, noting that this task is deferred to the more detailed External Evaluation to be conducted in 2015¹⁸. This Review is part of the body of evidence that supported DFID's decision to co-finance the second phase of GREAT, being TRIGGER, at a cost of GBP21m from April 2016 to March 2020 (5 years).

Against this backdrop, it needs to be noted that the Independent Evaluation ('Evaluation') is undertaking the first empirical assessment of GREAT VfM indicators, some three years after program commencement. During the Inception Phase of the Evaluation, some limitations to undertaking a comprehensive VfM assessment of GREAT were identified during four rounds of working-level consultations between the Evaluation and GIZ and DFID. These data limitations have emerged because empirical VfM indicator analyses is now being attempted.

The DFID Tajikistan Economist enriched this consultation process from the outset by providing detailed CPI and Foreign Exchange data; and later commenting on viable VfM indicators and confirming that the Benefit-Cost ratios in the GREAT Business Case were no longer reliable for the purpose of VfM analyses.

The process for these consultations consisted of the Evaluation proposing VfM indicators in writing, which were then abandoned as limitations to available GREAT performance and accounting data became progressively evident. This discovery process took a total of 8 weeks to disclose the full extent of GREAT data limitations. These limitations indicate that the design intent for GREAT to have sound VfM characteristics and indicators has been partly negated by program implementation practices.

Limitations and constraints to the GREAT VfM assessment

Limitations to effective VfM analysis of GREAT are:

1. In late 2012, DFID approved a GIZ Plan of Operations for GREAT that does not establish clear links between individual activities¹⁹ funded by GREAT and the agreed GREAT Log frame Output Indicators that measure program achievements. The Evaluation notes that the GIZ Plan of Operations does include a column to identify the Output Indicator that each activity contributes to, but that this information was not included in the final Plan²⁰.
2. Also in late 2012, DFID agreed a GIZ financial reporting format for GREAT that details expenditure at Output level, but not by individual Activity under each Output. The Evaluation notes Clause 4 of the MOU between DFID and GIZ concerning GREAT does not stipulate a specific financial reporting format, nor does the GREAT Business Case require development of a financial reporting format linked to Output and Activities in the Inception Phase²¹. A review of the GIZ Cashbook²² indicates that costs are accumulated by expenditure type (Audit fees, Travel, Wages, etc.) and not by GREAT programme detail (e.g.

¹⁸ Page XIX, "H. Monitoring & Evaluation", GREAT Annual Review Summary Sheet. DFID, November 2015.

¹⁹ Activities are referred to as "Initiatives" by GIZ, the GREAT program manager.

²⁰ Column AF 'Contributes to Indicator,, Plan of Operations, Framework and Finance for Private Sector Development in Tajikistan – FPPSD and Growth in the Rural Economy and Agriculture: Tajikistan (GREAT) (Co-financed by UKaid). GIZ, 18 December 2012.

²¹ Page 50, 'Inception Phase', GREAT Business Case and Intervention Summary. DFID, 11 September 2012

²² GIZ, Chart of accounts WINPACCS. GIZ, January 2015.

Output, Output Indicator and Activity). GIZ advised the Evaluation that Output level costs are identified in their cashbook by attaching a four-digit suffix e.g. '0001' to '0004' to each Payment Voucher number and then grouping expenditure by Voucher Number suffix within main expenditure types. GIZ has offered to support the External Evaluation by disaggregating its available financial data to identify costs of individual Activities, but notes that this is time-consuming and will need to be limited in scope for practical reasons.

3. GREAT achievements are not uniformly disaggregated by geographic areas e.g. Region, or gender. This is inconsistent with the level of detail indicated in the GREAT Business Case to support analysis of poverty and gender equity impacts of GREAT.
4. The Household Economic Surveys recommended by the first GREAT Annual Review in late 2013 do not appear to have been conducted by November 2015. Accordingly, data on the impact of GREAT on income levels amongst rural poor and female-headed households is not available to the Evaluation and its VfM analyses.
5. In November 2015, DFID advised the Evaluation that the Benefit-Cost ratios in the GREAT Business Case were considered unreliable for VfM analysis purposes²³. This determination removes the possibility of assessing total program VfM by comparing the value of total value of monetised GREAT achievements against the cost of total GREAT program inputs.

The combined effect of these limitations and constraints is to restrict the GREAT VfM assessment that the Evaluation can perform to comparing a small number of disaggregated input costs, as identified and supplied by GIZ (unaudited), to the monetised Output Indicators achieved under Outputs 2 and 4. Further, whether the resulting benefit to cost ratio represents value for money will need to be determined by the Evaluation, because DFID has advised that the GREAT Business Case ratios no longer apply.

As Outputs 1 and 3 do not have monetised Output Indicators, there will be only general program management effectiveness VfM indicators provided for these two Outputs.

Conclusions

Experience indicates that comprehensive VfM assessments need to be supported by linking monetised program output indicators to their related input costs; and disaggregating the program performance indicators by geographic area of interest and gender in the case of GREAT.

The Evaluation Inception Report finds that while all parties signal a theoretical understanding of the importance of building measurable VfM indicators into the GREAT monitoring and evaluation framework; the practical inclusion of VfM indicators in the GREAT log frame and monitoring and accounting processes has been limited.

Given that the Evaluation is conducting the first empirical assessment of GREAT VfM indicators since September 2012, it is extremely difficult to abstract VfM data requirements from a monitoring and evaluation framework that was not designed to capture data of this type from program commencement.

²³ DFID Tajikistan email to IMC Worldwide, 4 November 2015.

Accordingly, it is not possible for the Evaluation to conduct detailed VfM analyse of the costs of Activities against the value of all GREAT Output Indicator achievements, because neither the cost of each Activity nor the value of its individual contribution to an Output Indicator can be quantified by the GREAT accounting and monitoring framework.

The Evaluation concludes that GREAT VfM assessment could have been better supported where:

1. The DFID-GIZ MOU stipulated a programmatic format to financial reporting to enable analysis of GREAT expenditure by Output - Output Indicator - Activity;
2. The GREAT Plan of Operations linked Activities to the Output Indicators which are analysed by geographic and gender needs; and
3. The Benefit-Cost and Internal Rate of Return ratios in the GREAT Business Case were regarded by DFID as reliable for VfM indicator purposes.

Lessons learned for TRIGER

There is a lesson learned in appraising the potential for VfM assessment in GREAT, which is that clear lines of sight need to be maintained between the cost of individual program Activities and the respective contribution each makes to program Output Indicators. This clarity enables more detailed cost-benefit and VfM analyses to be made, which supports better monitoring of program implementation and allows program design lessons to be extrapolated for the benefit of future DFID investments.

The TRIGER Monitoring Review identifies the importance of accurately analysing costs for VfM purposes, but does not specify how to achieve the required level of detail in program financial reporting²⁴ and monitoring frameworks.

In order that TRIGER avoid similar limitations to VfM analyses, it will be helpful to incorporate the above criteria 1. to 3. into the TRIGER Business Case and Intervention Summary and the DFID-GIZ MOU regarding TRIGER.

This may have implications for GIZ as a managing contractor, in that GIZ would need to adapt its accounting tool to incorporate a program-based chart of accounts structure in addition to the current expenditure type chart of accounts format.

²⁴ Page 1, "*tracking costs (useful for VFM)*", TRIGER Monitoring Review Stage 1. DFID, 21 May 2015.

