

AFC

Consultants International



NEWS 2015

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HIGHLIGHTS AND CHALLENGES OF THE PAST YEAR

In 2014, AFC's turnover increased from € 14.5 million to € 16.5 million. These figures demonstrate the positive development of the company and illustrate that the services of AFC in agriculture and agribusiness as well as in financial sector development correspond to the priorities of the agenda of the donor community, reflecting the needs of worldwide target groups. The enhancement of agricultural value chains has gained im-

An important example of this initiative is the establishment of "Green Innovation Centres" in 13 countries. These centres intend to raise the income of farmers and to foster employment by promoting processing and value addition in producer countries, thereby contributing to food security.

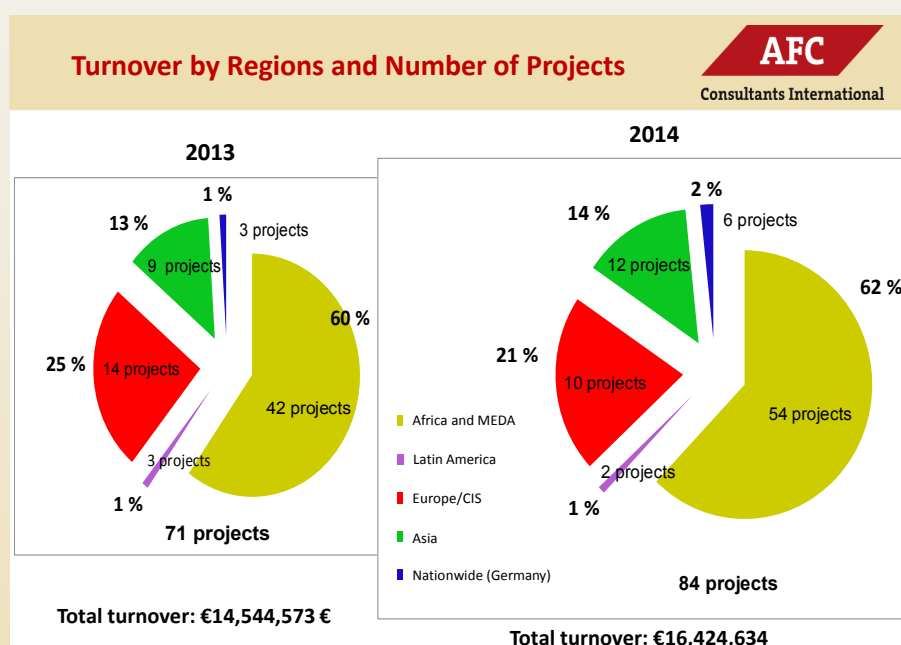
For AFC this initiative is quite important, as it relates to our key competences. Reflecting AFC's

by the German Federal Ministry of Food and Agriculture (BMEL). We refer to our ongoing projects in Zambia, Morocco, PR China and Mongolia, which have been described in our previous newsletters.

Synergies between our department for agriculture & agribusiness and our department for financial sector development are crucial: agricultural finance is an important tool in order to multiply innovations. In cooperation with our strategic partner ADG (Academy of German Cooperatives, Montabaur), we implement projects in agricultural finance, rural finance and SME finance, which to a significant extent benefit entrepreneurs in the agricultural value chain. In this Newsletter we present experiences from the EIB-financed project targeting SME-loans in East Africa and the KfW-financed project supporting rural finance via MFIs and agricultural banks in Tajikistan.

Agricultural insurance systems are of particular interest to public authorities, farmers and agricultural processors, especially in Africa. International insurance companies demonstrate a strong interest in developing products, but they need more detailed information about agricultural production systems in order to estimate the related risks. AFC has been working on behalf of GIZ, KfW and ADB to establish strategies for adjusted insurance services in Africa and Asia. However, significant product development and improvements in distribution channels are required, and we are ready to provide further support. Moreover, AFC/ADG will continue to provide services in the fields of green finance, risk management, banking supervision and the improvement of bank training centres.

AFC's Regional Presence



portance for the donor community, and the availability of sustainable financing is a critical issue.

For our department for agriculture & agribusiness, the "Special Initiative One World – No Hunger (SEWOH)" initiated by the German Federal Ministry for Economic Cooperation and Development (BMZ) is of high priority. Key areas relevant for potential services of the GOPA Group are:

- ◆ Innovation in the agricultural and food sectors
- ◆ Food and nutrition security, and
- ◆ Natural resource protection and soil rehabilitation.

track record in this important sector, GIZ has sub-contracted AFC to support the implementation of Green Innovation Centres in India, Mali and Nigeria. We present a brief description of our contribution to this initiative in Mali in this edition.

Private companies from the agricultural machinery and input supply sectors cooperate with the Green Innovation Centres. Together with our partner DLG International, we have established a productive relationship with a number of private companies, for example regarding the establishment of "Demonstration Farms" financed



First picture in our additional, newly rented office

In Africa, we have expanded our activities in Eastern and Southern Africa (Zambia) and remain strong in francophone countries where we further develop our subsidiary AFCi Maroc.

Central Asia remains an important region for our activities, where we implement projects jointly with our regional partner company Central Asia International Consulting (CAICO).

In terms of regional expansion, we wish to highlight the setting-up of a representative office in Myanmar, where we and other companies of the GOPA Group already have been contracted by GIZ, KfW, EU and UNOPS to implement projects in agriculture, financial sector development, good governance and education.

The main challenges for our work on site were security and health issues. As other international companies, AFC was confronted with Ebola in our project regions, especially in Sierra Leone. This required special crisis management in close cooperation with our contracting authorities.

In terms of the ongoing qualitative and quantitative improvement process of AFC HQ, we wish to highlight selected activities:

- ◆ AFC rented additional office space close to our HQ in Bonn

to ensure an adequate working environment for our new staff members.

- ◆ The certification according to ISO 9001 was reviewed by the external auditor with very good results.
- ◆ AFC/ADG organised the 7th Financial Expert Day at Montabaur Castle, discussing various topics related to bank training centres with our associated experts.
- ◆ AFC further developed the approach and content of our services in value chain finance, irrigated agriculture and livestock production.
- ◆ The internal IT systems of the entire GOPA Group are subject to further improvement and harmonisation, and our ongoing project "Move 2016" aims to enhance the effectiveness and efficiency of our group of companies.

In order to contribute to climate protection and to neutralise all flights by AFC staff, we have purchased, for the third year in a row,

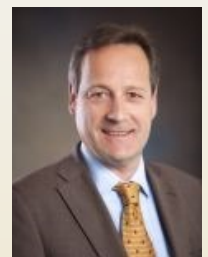
CO2 off-setting certificates from the European Emissions Trading Scheme (see below).

We hope that you will enjoy this overview of our multi-faceted projects and activities and welcome your comments on our Newsletter 2015.

We wish to thank all our partners for trustful and productive cooperation and look forward to expanding future joint efforts in our established areas of competence.



Johannes Buschmeier

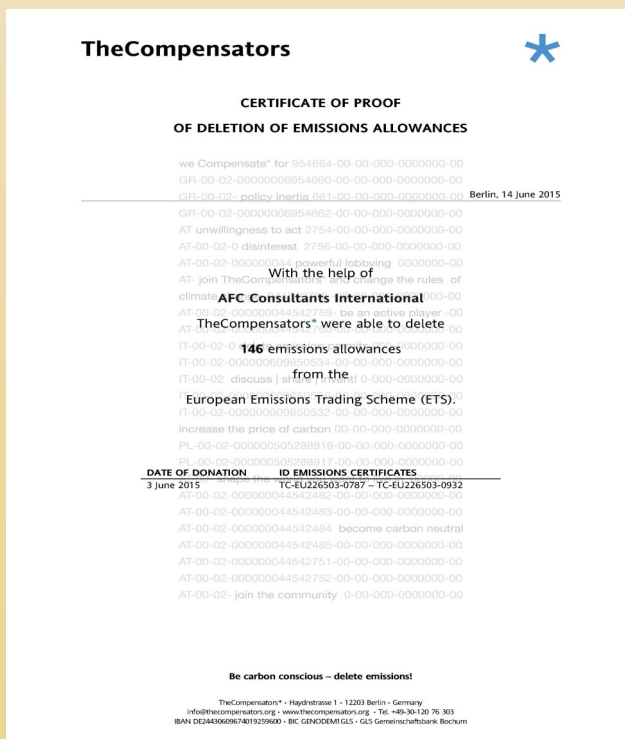


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AFC/ADG FINANCIAL SECTOR EXPERTS MEET AT MONTABOUR CASTLE

On the 9th and 10th January 2015, for the seventh time, AFC Consultants International and ADG organised the Financial Expert Day at Montabaur Castle, the headquarters of ADG. The event has become an integral part of AFC's and ADG's activities to exchange views with consultants active in the field of financial sector development. AFC and ADG can look back on more than 30 projects in the field of financial sector development that have been implemented successfully, thanks to close cooperation with highly skilled experts. The number of more than 40 participants shows the pronounced interest in and appreciation of such an annual meeting. Jointly with AFC/ADG's financial sector in-house staff, long-term experts from on-going projects, associated consultants and those interested in future cooperation had the unique possibility to exchange best practices and



Participants of the 2015 Financial Expert Day

knowledge on "Professional financial training approaches", the title of this year's event.

On the first day, participants learned in detail about training needs assessment, study tours, and the application of e-learning methodologies and business simulation games. To provide deeper insight into the concept of e-learning, this session was designed as a highly appreciated webinar, informing the audience about possible use of such technologies in financial sector development projects. Equally appreciated was the input from Dr Marco Rimkus, presenting the possibilities of using a banking simula-

tion game in order to develop the management skills of bank employees. During this session, Dr Rimkus combined the introduction to banking simulation games with a practical exercise and a discussion of aspects critical for the successful implementation of such a game. AFC and ADG projects in Tajikistan and Myanmar have already benefitted from the banking simulation game, which proved to be a useful tool for capacity development in banks and microfinance institutions. The first day of intense discussions on the various topics was concluded with a dinner in Montabaur Castle's Knights' Hall, where participants could exchange views and enjoy their time together. The second day focussed on the possibilities and constraints of applying different training approaches to projects currently implemented by AFC and ADG.

During group work sessions, participants had the chance to share valuable comments and opinions on a regional SME finance project in East Africa and a rural finance project in Tajikistan. As experts from both projects were present during the Financial Expert Day, suggestions and new ideas could be discussed in depth. Both AFC and ADG highly appreciated the active participation by all experts and will review the possible implementation of some suggestions for the projects in East Africa and Tajikistan in cooperation with the project teams.

As for East Africa, the consultant team is considering the inclusion of webinars in the capacity development activities of the beneficiary banks. A *blended learning* approach seems to be the perfect way to combine on-site training activities with preparatory or follow-up webinar sessions. The integration of the banking simulation game in capacity development has been considered as an option for the banks' mid-level or top management to understand that differ-

ent departments are responsible for the success of a financial institution and that close interaction with



Montabaur Castle

managers and employees from different departments therefore is a crucial factor for sustainable growth and success. As for Tajikistan, the consultant team concluded that the summer/winter schools should be offered regularly, based on a self-sustainable financing structure. A primary goal is to be certified by the National Bank of Tajikistan, bringing added value to the participants and eventually to the Tajik financial sector. Mr Johannes Buschmeier (AFC Managing Director) and Mr Rüdiger Meister (ADG International Head of Department) are already looking forward to welcoming interested experts and consultants to next year's Eighth Financial Expert Day on 8th and 9th January 2016 – to exchange views at a high professional level. Preparations for the next workshop will be initiated soon, starting with the selection of a relevant main topic for next year's event, for which all participants have been invited to share their suggestions.

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INTERNATIONAL GREEN WEEK/GFFA 2015

“The growing demand for food, raw materials and energy: opportunities for agriculture, challenges for food security?” This was the theme of the 7th GFFA (Global Forum for Food and Agriculture), which took place in Berlin during 15th to 17th January 2015.

The Global Forum for Food and Agriculture (GFFA) is an international conference on central issues of global agriculture and the food sector, which takes place during the International Green Week in Berlin. The Forum provides an opportunity for political actors, business circles, academia and civil society to exchange views on current agricultural policy issues in the context of food security and to communicate politically. The GFFA is organised by the Federal Ministry of Food and Agriculture (BMEL) in cooperation with the GFFA Berlin e.V., the Berlin Senate and the Messe Berlin GmbH.

The aim of the GFFA, in a series of expert panel discussions, working meetings and an international panel, is to identify ways and means of sustainably meeting the diverse and growing demands that are placed on the agricultural sector.

As in previous years, the results of the various GFFA events guide the work of the Berlin Agriculture Ministers’ Summit – the largest international conference of agriculture ministers in the world. Their decisions, formalised in the final communiqué of the 7th Berlin Agriculture Ministers’ Summit, contribute to the international debate on agricultural policy.

At the international GFFA podium event on 17th January 2015 in the City Cube Berlin, high-ranking representatives from politics, business life, academia and civil society and around 1,200 international guests discussed topics related to the



International Green Week (IGW) 2015: visit of Mr Niu Dun, the Chinese Vice Minister for Agriculture, and Parliamentary State Secretary Peter Bleser at the AFC exhibit

growing demand for food, raw materials and energy.

During the GFFA fair in the City Cube Berlin, a cooperation exchange took place, allowing associations, companies, universities and the German Federal Ministry of Food and Agriculture (BMEL) to present themselves and their work in the agro-food sector.

Since August 2014, funded by the BMEL, AFC implements the Zambian-German Agricultural Knowledge and Training Centre, together with its partners DLG International, DEULA Nienburg and IAK Leipzig. The project combines technical advice and training from a team of national and international experts on sustainable agricultural production techniques, with modern agricultural machinery and inputs provided by twelve German partners from the private sector.

Also financed under the BMEL Economic Partnership Programme is the “German-Moroccan Excellence Cen-

tre for Agriculture”, a public private partnership (PPP) project in Morocco. The aim of the project is to develop a training centre in Morocco, where farmers and their organisations, extension staff and other partners in the agricultural value chain can obtain information on modern agricultural technology and cultivation methods.

This fair offered an excellent opportunity for AFC Consultants International to make new contacts and exchange ideas with long-term partners, such as our partners involved in our projects in Zambia and Morocco.

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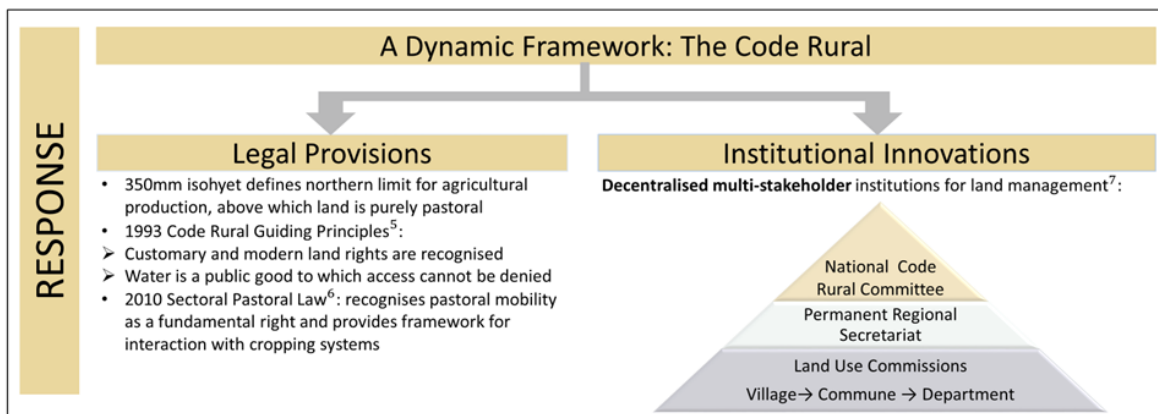
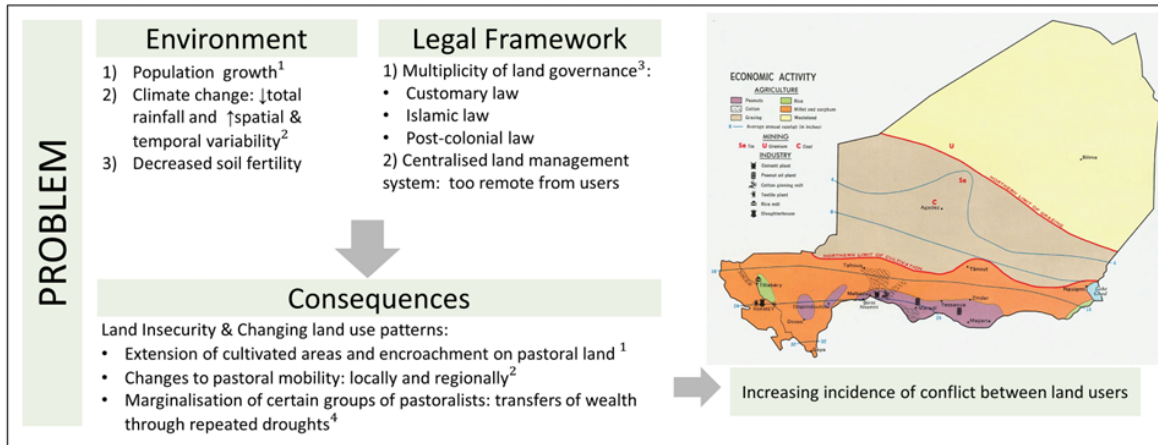


Institutional Innovations for Sustainable NRM and Protection of Pastoral Mobility in Niger

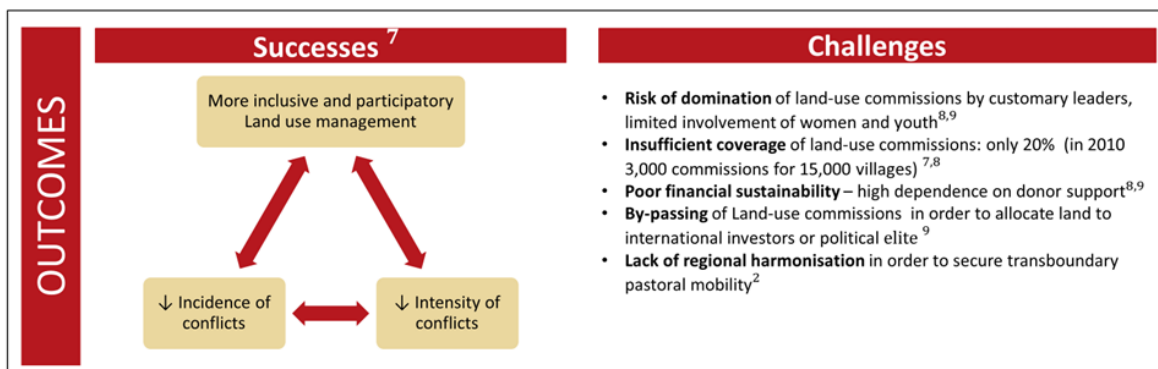


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The TROPENTAG is an annual conference on tropical and subtropical agricultural and natural resource management. This year, it took place in Berlin during 16th-18th September. The conference theme was "Management of land use systems for enhanced food security - conflicts, controversies and resolutions". AFC presented the poster "Institutional Innovations for Sustainable Natural Resource Management and Protection of Pastoral Mobility in Niger".



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MOROCCO: SUPPORT PROGRAMME FOR THE PLAN MAROC VERT (GREEN MOROCCO PLAN)

The agricultural sector has a negative image in many countries – in general, agriculture is considered to be a sector which has low productivity and is not worth investing resources in. This was the same case in Morocco until the government decided in 2008 to develop a new strategy: the Green Morocco Plan (Plan Maroc Vert,



The cooperation with the French institute AgroParisTech has been renewed for the second year. Their contribution to the establishment of a monitoring and evaluation system for the Green Morocco Plan is very valuable. The picture shows students interviewing a farmer under the supervision of their professor.

PMV). The main objective at the time was to create a new dynamic and to bring the agricultural sector back to centre stage in order to make it attractive for new investments. The strategy is being implemented by viewing the agricultural sector as an entity standing on two pillars:

Pillar I – commercial agriculture: In some parts of the country, Morocco has a very-well-performing agricultural sector: the export of fruits like oranges and mandarins, and vegetables such as tomatoes and pepper is an important source of foreign exchange. Here, the Green Morocco Plan envisages the installation of public private partnership

projects. The government lends state farms to private investors for a long period and, in exchange, receives foreign direct investment, resulting in the creation of new jobs.

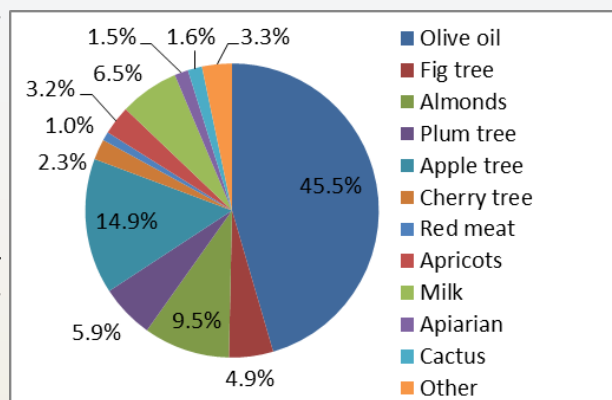
Pillar II – smallholder agriculture: In other parts of Morocco, where farming conditions are less favourable, large segments of the rural population still live in a farming system based on subsistence. Here the objective is to combat poverty by supporting smallholders in improving their agricultural production, both in quantity and quality. Public funds are mobilised in order to support 800,000 farmers.



The establishment of new plantations is an important activity within the framework of the support programme. The picture shows the plantation of apple trees in the province of Sefrou. Drip irrigation is necessary for a good harvest.

The strategy has been developed for the period 2008 to 2020, and a mid-term evaluation has been carried out. The results are mixed: some parts of Moroccan agricul-

Distribution of Budget Component A



The distribution of budget component A of the programme is depicted in the chart. Nearly half of the total investment is dedicated to the olive oil sector – mostly new plantations, but also some oil mills. The second biggest investment is in apple plantations, followed by almond and plum tree plantations. Investments in the animal sector are of less importance: only 6.5% of the investment is used to improve the collection and processing of milk.

ture have responded very well to the Plan, while others remain behind expectations.

The French Agency for Development (Agence Française de Développement, AFD) decided in 2011 to support the Green Morocco Plan through a programme of its own and mobilised a credit of € 50 million and a grant of € 300.000 for the support programme for the Green Morocco Plan (PAPMV). The three Moroccan regions of Tanger Tétouan, Fès Boulmane and Taza Al Hoceima Taounate were chosen as project areas for the implementation of this programme. The financial agreement covers the period from 2012 to 2017.

The objective of AFD is to support the smallholder agriculture of the PMV Pillar II through a comprehensive programme, which comprises four components:

- ◆ **Component A:** implementation of projects of type pillar II PMV at a global budget of € 46.8 million
- ◆ **Component B:** testing of new approaches, new methods at a global budget of € 5.52 million
- ◆ **Component C:** training for farmer organisations and ministry staff at a global budget of € 5.04 million
- ◆ **Component D:** monitoring and evaluation at a global budget of € 720,000
- ◆ **Miscellaneous:** € 1.6 million.



The focus of component B is the improvement of the downstream side, better quality and enhanced durability of agricultural products. Morocco still imports nearly two thirds of consumed olive oil. Therefore, efforts are made to improve the production and processing of olive oil. The picture shows the oil mill of the cooperative “Femme de Rif” (Women of the Rif).

AFC with its Moroccan branch AFCi was awarded the technical assistance contract to accompany the implementation of this programme for three years. In each of the three regions of the project area a team of three experts assists the local agricultural administration in monitoring the implementation of the programme. One national coordinator supports the agency for agricultural development (ADA).

The biggest part of the budget (around 80 percent) is reserved for the implementation of 60 different projects of component A.

Up to now, approximately 15,000 ha of plantations of different species have been planted, and nine processing facilities have been built.

The programme of component B was planned along five value chains and concentrated on the downstream side; one to two chains in one project region: olive oil in Tanger Tétouan, fig and almond in Taza Al Hoceima Taounate and apples and table olives in Fès Boulmane. The main objective is to improve the quality and durability of the products. The budget of component B finances the hardware to produce the necessary infrastructure, and the budget of component C is dedicated to providing technical assistance in order to accompany the cooperatives.

Under component D, a cooperation agreement with the French institute “AgroParisTech” was signed. The objective of this cooperation is to contribute to the selection of reliable indicators for the evaluation of the support programme. Moreover, a mid-term evaluation is on its way.

The Green Morocco Plan has made the Moroccan agricultural sector more attractive for investors: private investors for pillar I of the plan and bilateral and multilateral donor agencies for projects of pillar II. Support to the Green Morocco Plan by the French Agency for Development plays an important role in this context because of its comprehensive approach. The programme provides not only a budget for implementing development projects but also envisages support for testing new concepts and methods, training of farmers and civil servants of the agricultural ministry and monitoring and evaluation.

Other projects of the Green Morocco Plan are related to the results of the support programme; in particular, new solutions for the management and organisation of the downstream side are expected. The production side of the agricultural sector is being mastered, whereas the management of processing facilities is still not satisfying. Moroccan farmers lose a significant part of added value because of inefficient management of the processing part of the value chains.

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MOROCCO: CECAMA AGRICULTURAL TRAINING PROJECT

The agricultural training project CECAMA is in its third year. The project initially offered training courses in agricultural machinery, cereal and potato production and farm management. At the beginning of 2015, the activities were extended to the dairy sector. Morocco has become an important producer of dairy products. In 2014, about three million tons of milk were produced. The target for 2020 is five million tons.

during the International Trade Show SIAM 2015 held in April in Meknes.



Young cows at a dairy unit near Sidi Kacem, Morocco

From 2009 to 2011, about 86,000 heifers were imported, out of which 65 percent from Germany. The farms are small, on average 85 percent of all milk produced originates at farms with less than ten cows. However, an important number of dairy farms with more than 1,000 cows also exist.

The biggest challenge is to exploit the genetically high production potential of the cows. Major constraints are fodder production and herd management.

In close collaboration with the national extension service ONCA and the federation of milk producers and processors FIMALAIT, a training approach has been developed,

which addresses the following topics: (1) ruminant nutrition, (2) reproduction management, (3) the udder and milking systems and (4) cow wellness and health.

CECAMA follows a training of trainers (ToT) approach. International and national specialists train local trainers. These will then train farmers groups. The project also supports the approach of the national extension service ONCA that encourages the creation of so-called "farmers field schools (FFS)". A FFS is a group of farmers that meets at regular intervals to discuss certain topics in dairy production. It is managed by an extension agent, the so-called facilitator.

For further information please consult our website www.Cecama.ma and Ute.Jacob@afci.de



Moroccan Minister of Agriculture Aziz Akhannouch (left) with Parliamentary State Secretary Peter Bleser

The importance of the sector was underlined by the presence of Minister of Agriculture Mr Aziz Akhannouch and his German counterpart, Parliamentary State Secretary Peter Bleser, who opened a short workshop titled "Milk production boom in Morocco – what is the contribution of German partners?"



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TUNISIA: AFC DOUBLY INVOLVED IN THE GIZ SUSTAINABLE AGRICULTURE AND RURAL DEVELOPMENT PROJECT

Tunisia's development still very much depends on the agricultural sector and rural development. Nationwide, one fifth of all employed people work in agriculture, which still accounts for 16 percent of the country's gross domestic product (GDP). In the inland regions, as many as 50 percent of the population are employed in agriculture. At the same time, agricultural occupations are declining in financial and social status because of the lack of competitiveness of Tunisian products on national and interna-

tional markets. Until now, small-holder farmers in rural areas have not had sufficient access to public sector advisory services, leading to problems of uncontrolled and unsustainable use of soil and water resources. Taken together, these issues weaken the economic and ecological potential of the agricultural sector. Furthermore, the 2010/11 Revolution (the first of the Arab Spring) started in rural areas protesting - among other things - inequality with Tunis and tourist regions along the coastline.

In its development strategy 'Stratégie de Développement Economique et Social 2012-2016', the Tunisian government addressed these issues and highlighted the sustainable use of soil and water, while recognising the special role of agriculture in the development of the rural regions.

To support this new national strategy, the GIZ has set up a programme with the Ministry of Agriculture, Water Resources and Fishing, aimed at the promotion of sus-

tainable agriculture and rural development (PAD), focused in the regions of Centre-Ouest and Nord-Ouest.

The project advises the Ministry of Agriculture on the development of a national strategy for the agricultural sector, as well as a national action plan. It supports the Minis-



Auto-cleaning machine for irrigation systems

try's training and outreach agency (Agence de la Vulgarisation et de la Formation Agricoles - AVFA) and the regional authorities in Centre Ouest and Nord Ouest in developing and delivering appropriate training and support measures for smallholder farms. It advises Tunisian state institutions on marketing and promoting agricultural exports with a view to generating greater profits by supporting a number of selected value chains in the regions. Finally, the project supports Tunisia in increasing the controlled agricultural use of sewage sludge and recycled wastewater. Recently, the project expanded to include a small package of activities for the integration of women as well as a larger component providing subsidies and funding the acquisition of larger equipment.

AFC is implementing the component consisting of cooperation with the Ministry of Agriculture Direc-

tions Générales (DG) for the safe use of sewage sludge (DGPA) and treated wastewater in agriculture (DGGREE). Sewage sludge is a result of the treatment of waste water in recycling plants (STEP), most of which are operated by the National Sanitation Office (Office National de l'Assainissement - ONAS) which itself is supported by a KfW project. When this water is not contaminated with industrial residues, and when it undergoes a proper treatment in the STEP, the resulting sludge can provide a sustainable alternative for soil fertilisation, and the recycled water can either be re-injected into the natural water network (rivers, underground reserves) or used for irrigation. To be allowed for use in agriculture, the sludge has to follow certain norms (maximum quantity of heavy metals, absence of parasite eggs etc.), the water norms vary depending on whether it is going to be re-injected into the wild or pumped for agriculture, but both norms aim to preserve the environment and both human and animal health. Our team supports the Ministry of Agriculture in the adaptation of these norms and in collaborating with the environment and health ministries to develop a monitoring and control system.

AFC's component has also carried out an extensive sludge spreading campaign in the fields of voluntary farmers, promoting a consistent controlled approach to the use of sludge, while expanding the zone of intervention. At present, 17 of the 24 governorates receive support. The farmers benefitting from the project are provided with specific training on best practices for the spreading of the sludge, including basic health protection measures. They also benefit from direct services, such as soil analysis of their field both prior and after the spreading and the delivery of the readily-analysed sludge coordinated by our project. Sewage



Loading mud from a recycling plant

sludge can also be associated with green waste to make compost. Our team has established a demonstration composting unit within the AVFA training facility in Sidi Thabet, which we now use to train farmers and future advisory providers. Two additional composting units will be implemented during the lifetime of the project.

Recycled waste water use should be straightforward as the farmer irrigation associations (Groupements de Développement Agricole



Mr Lotfi and Mr Slim from DGPA with Ms Duthoit

- GDA) are already established on the plots and fields earmarked for irrigation by recycled waste water (RWW), which cover around 8,000 ha. However, the waste water recycling plants are often unable to deliver the required quality (according to the norms), making mistrusting farmer associations and users avoid the RWW and revert back to unsustainable practices (pumping rivers etc.). Of the 8,000 ha normally equipped and ready for irrigation with RWW, very little is technically operational (due to missing pumps, clogged canalisation network etc.).

AFC's project team has therefore identified three potential farmer associations and locations with whom to collaborate on pilot projects. These pilots aim to restore the trust by providing a controlled RWW suitable for irrigation, mostly for irrigation of fruit tree plantations. In order to overcome the hurdles of bad water quality and suspicion from the farmer associations and water users, each pilot area will be equipped with complementary treatment units and on/off mechanisms that let "bad RWW" bypass the system without entering the fields. The treatment units will be combined with water saving irrigation systems that the farmer associations have agreed to reinforce through the regular subsidies made available by the Tunisian government. The final installation of the treatment units (filter mechanisms, membranes etc.) will be conditional on a prior understanding with the farmer association that all functioning and maintenance costs will be met by the GDA, once the project hands over the installations. The three project sites will amount to around 30 ha (3*10 ha), and the feasibility studies, which will identify the best

adapted system of treatment/irrigation, are currently being implemented on the three sites.

In addition to the RWW/sludge component, AFC contributes to GIZ/PAD support of the agricultural extension and training agency (AVFA) by implementing a study for the development of a technical and practical reference guide for the development of sustainable agriculture (Référentiel pour le Développement d'une Agriculture Durable DAD). This guide, which provides both an introduction to the concepts of sustainable agriculture and a collection of best practices, is adapted to the Tunisian context and covers topics, which are relevant to the four aforementioned components of the PAD. It aims to lay the basis for sustainable agriculture in Tunisia, to sensitise the players in the agricultural sector, establish and initiate a national dialogue, structure discussions on this topic, introduce new techniques, concepts, approaches, methods and current findings, and provide practical guidance. This guide also forms the basis for the development of a national strategy for sustainable agri-

culture, training and agricultural counsel and extension services, as well as the sustainable development of the agricultural sector. The target group for the guide consists of decision makers at the national and regional levels, associations and professions, private companies, donor agencies, projects and NGOs, technical centres and consultants and agricultural extension workers, as well as research structures and teaching and vocational training institutes. The AVFA will also use it as a basis to develop new adapted training materials. The final version in French was submitted in June 2015 and will be translated into Arabic.

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ALGERIA: OFFICIAL CLOSING CEREMONY OF SUCCESSFUL TRAINING SESSIONS

On 20th January 2015, a ceremony was held, bringing to an end two years of fruitful collaboration between AFC Consultants International, the Training Department of the Algerian Ministry of Agriculture and Rural Development and the DIVECO (DIVersification of the ECONomy) project team.



Management Committee of technical institutes and DIVECO

Over the past two years, AFC has implemented a multitude of training sessions for employees of the ministry and affiliated institutions, including on the following topics:

- ◆ Product certification and traceability
- ◆ Research methods, statistics, data analysis and econometrics
- ◆ Agriculture chamber management
- ◆ Training methods and approaches
- ◆ Agricultural and livestock value chains.

The training sessions took place both in Algeria (in Algiers and in the regions) and in France, giving trainees the opportunity to learn from their experience abroad. The ceremony took place at the National Agriculture Research Institute and summarised the main results of the project.

In total, 731 persons have been trained, of which 25 percent women, covering 20 modules. The modules provided in-depth learning opportunities; indeed two of the module courses covered 130 hours of training, ensuring pedagogic continuity and close monitoring of the trainees.

The main approaches used in order to guarantee high standards and tailor the training sessions to staff's needs include:

- ◆ A common pedagogic approach for all trainers
- ◆ A questionnaire, circulated prior to all training sessions to identify trainee profiles and training needs
- ◆ A competency-based approach for each training, building on specific scenarios
- ◆ Supporting material for each training with all documents available in hard copy, on CD or the DIVECO website (www.diveco-algerie.org).

- ◆ A standardised evaluation procedure (by participants and the trainer) for each training session.

The director of the Training Department of the Ministry of Agriculture and Rural Development, Mr Chehat, stated that the "programme was a 100% success", highlighting that it had not only built staff's technical and pedagogic capacity but also awakened their interest in additional training sessions on issues that can be applied in their day-to-day work.

Whilst the project was a success, it is clear that there are still unmet capacity building needs for the Ministry of Agriculture. Longer

courses were seen as particularly beneficial, suggesting that setting up a long distance training system may be an interesting option for providing in-depth and continued training opportunities.

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SUDAN: TECHNICAL ASSISTANCE FOR THE MANAGEMENT OF THE RURAL SMALL HOLDERS COMPONENT UNDER THE SUDAN FOOD SECURITY PROGRAMME

The agricultural sector is the core of Sudanese life and a main driving force behind the country's economy. However, one sector which has so far been particularly neglected, by policy makers and implementers alike, is smallholder rain-fed agriculture. The project aims to increase the productivity and incomes of rural smallholders by promoting a vertical expansion of agriculture whereby, on the one hand, the productivity of rainfed crops will increase through improved practices and, on the other hand, benefits will be generated through the provision of access to appropriate packages and technologies for additional income-generating activities. The project also aims to facilitate smallholder access to and use of services (credit, inputs etc.).

The project, which is implemented with the support of AFC and its lead partner Landell Mills, since April 2013, targets the states of Blue Nile in the transitional areas and of Red Sea, Kassala and Gedarf in the eastern region. All

states targeted are war-affected and were classified as food-insecure by the 2010 Household Poverty Survey.

Our team of long and short-term experts supports the implementa-



Sorghum production with good agricultural practices

tion of grant contracts under EU procedures, strengthens the capacity of NGOs and actors of the private and public sector in their ability to provide agricultural extension and input services, assists in the development and introduction of extension packages as well as appropriate and affordable technologies for income generating activities, which facilitate the generation of added value and in-

creased labour productivity and strengthens the relationship between agricultural research centres, extension workers and farmers through on-farm action research and farmer field schools.

Implementation is going well and the original three year TA-contract has been extended for an additional 30 months, until October 2018.

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GHANA, MOROCCO, MYANMAR, NEPAL AND UGANDA: AGRICULTURE INSURANCE FOR STABLE GROWTH

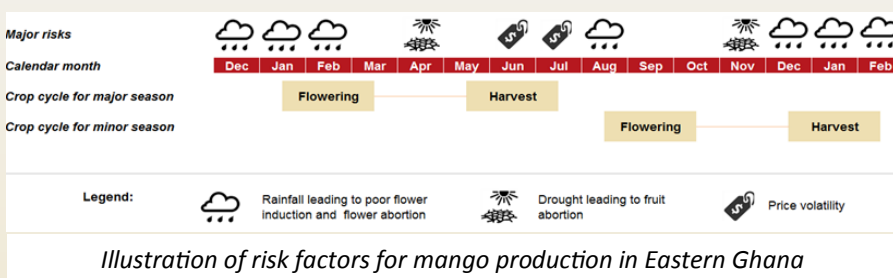
Based on its long-standing experience in agricultural risk management as well as in financial sector support, AFC is in a strong position to promote the development of agriculture insurance. Over the past twelve months, we conducted studies in three African and two Asian countries on the potential of agriculture insurance. In all of these countries, our team ascertained the need to combine insurance with a more integrated approach to risk management.

In Ghana, Morocco and Uganda, AFC is conducting a feasibility study on behalf of KfW, assessing the potential for meso-level insurance for producer groups, buyers and microfinance institutions.

For this purpose, our team compares the historic performance of these different types of agricultural intermediaries to their performance following external shock events such as drought, excessive rainfall and price volatility. Most of



Illustration from an awareness-raising brochure on risks and insurance for Nepalese farmers



insurance products that are tailored to their specific risk profile could hedge risks and thus contribute to more stable growth.

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The market studies in Nepal and Myanmar were conducted by AFC on behalf of the GIZ project Regulatory Framework Promotion of Pro-Poor Insurance Markets in Asia. In the case of Nepal, our team also provided capacity building for the insurance regulator Beema Samiti as well as an awareness-raising brochure that was pilot-tested with farmer groups in two regions.

these institutions have already adopted some kind of risk management strategy, such as diversification, risk-averse selection criteria of producers and minor season production.

Nevertheless, they often remain vulnerable to external shocks and lose business opportunities, especially in the years following the adverse event. In many cases, in-



BURKINA FASO: EROSION CONTROL, RESTORING SOIL FERTILITY AND AGROECONOMIC VALORISATION OF DEGRADED LAND

An Innovative Approach to Inclusive Watershed Management, Supported by the Energy and Climate Fund (EKF) of the German Government and AFC Consultants International

The integrated climate change adaptation project started its initial phase in October 2013 and was extended in January 2015 to an overall duration period of six years (until August 2019). The project is financed by the Energy and Climate Fund (EKF) of the Federal Ministry for Economic Cooperation and Development (BMZ). On behalf of GIZ, the consortium AFC-GOPA was contracted with the implementation of the project in South Western Burki-



The AFC-EKF team at the administration centre in Diebouougou during the visit of the project manager Dr Jacob

na Faso, with a total financing volume of € 4,738,684. It is embedded in the GIZ Agriculture Development Programme (PDA) in Burkina Faso. Using an inclusive watershed management approach (including physical and biological erosion control techniques, as well as a diverse package of capacity building measures) and awareness-raising activities, the project attracts increasing international interest for best practices.

Some challenges and achievements since 2013 are described here:

Climate change poses a serious threat to agriculture in Burkina Faso. Poorly adapted land use meth-



One of 60 working groups loading stones for various construction purposes, such as stone rows and dikes. The average protected soil surface due to erosion measures is about 5,000 ha per year.

ods, increasing demographic pressure on suitable land for food production (due to the high population growth rate of about 2.5 percent per year) and an absence of alternative income sources outside the agricultural sector have led to severe degradation of agricultural land and natural resources. A vulnerability analysis undertaken by Action Contra la Faim in 2014 shows a loss of vegetation cover in south-western Burkina Faso of about 60 percent during the last 15 years, mainly because of high demand for fire wood as an energy source and for local beer (Dolo) production.

The impact of climate change and resulting climatic irregularities, such as spatially and temporally irregular rainfall patterns, including dry spells and locally spotted extreme precipitation, are aggravating the degradation of vegetation and soils.

Both climate- and non-climate-induced stress factors are influencing the sensitive ecosystems reciprocally. As vegetation cover decreases, the effects of soil erosion due to heavy winds and floods increase drastically. Consequently, agricultural production, which is the main income basis, will be affected heavily, with unforeseen socio-economic consequences for the

rural population — e.g. increasing length of hunger periods, migration to urban areas or neighbouring countries or switch of economic activities from agriculture to others, such as gold digging.

A further challenge is the current political situation in Burkina Faso, with a transitory government entailing a change of responsibilities and contact persons as well as budget reduction for partner structures at all levels.

In order to reduce local vulnerability, the AFC-EKF-project focuses on the application of adaptation measures at both the meso and micro levels. The project assists service providers with integrating adaptation measures into their advisory services by providing process support, technical advice and training. Moreover, EKF promotes sustainable development of adapted



Beside deforestation for energy use and local beer production, soil degradation due to heavy water run-off is one of the key factors reducing soil fertility, thus affecting food security.

species and varieties for agrosylvopastoral systems and biodiversity, in close partnership with research institutions. The EKF project contributes significantly to the adaptation of rural production systems to climate change through awareness raising and the introduction of the following measures, among others:

- ◆ Soil and water conservation methods in suitable watersheds of selected communities
- ◆ Training farmers in the construction of physical (stone rows, dikes, dams) and biological (planting along stone rows) erosion protection methods

- ◆ Strengthening the capacities of rural smallholders with the introduction of best agricultural practices (adapted seeds, storage facilities to produce compost and irrigations systems like drip irrigation, and rainwater harvesting in water collection tanks).

These measures will increase and diversify yields and income sustainably, thereby improving the resilience of rural households.

Until 2019, the EKF project plans to cover a watershed area of 20,000 hectares with physical and biological erosion protection measures, accompanied by capacity building activities for both climate smart farming practices and agricultural extension at the micro and meso levels. Other upcoming activities include the development of small scale irrigation systems and adding value to recovered surfaces to increase income and promote “agropreneurship”. Within the scope of overall long-term sustainability, EKF aims to make use of its multi-stakeholder approach to build a climate change adaptation platform. AFC was invited to present EKF results at the 5th International Conference on Drylands, Deserts & Desertification in November 2014 in Israel (www.desertification.bgu.ac.il) and became a member of the global network of sustainable land management, WOCAT (World Overview of Conservation Approaches and Technologies).

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BURKINA FASO, CHAD, MALI, MAURITANIA, NIGER AND SENEGAL: THEMATIC STUDIES IN THE SAHEL IRRIGATION INITIATIVE (S21) FRAMEWORK

Financed by the World Bank, the Sahel Irrigation Initiative was established at the High Level Forum on “Beating the odds, building resilience in the Sahel”, which took place in Dakar in October 2013.

Six countries are part of this initiative: Burkina Faso, Chad, Mali, Mauritania, Niger and Senegal. The Forum resulted in the Dakar Declaration, which sets the goal of at least doubling the irrigated area over the next five years, bringing the total to the ambitious target of 1,000,000 ha by 2020.

A regional task force responsible for implementing the Dakar Declaration has been established. It is organised in thematic working groups, each tasked with elaborating a different theme of the Dakar Declaration. The overall objective is market consolidation for products from irrigated agriculture through the development of comprehensive and collaborative value chains.

The objective of the consultancy is to carry out the necessary analyses to draft the strategic framework, the global action plan and the regional project document. Preparing the provisional and final versions of these documents means working closely with the task force, the thematic working groups, the national focal points and national consultants, as well as with various thematic consultants in the context of a participatory process with all stakeholders. To achieve the objectives, we conducted six thematic studies:

- ◆ Value chains: value chain mapping in each country, including analysis of opportunities and challenges and on-going trends.
- ◆ Policies and strategies: comparative analysis of policies, strategies, institutional frameworks and investment plans across the six countries and analysis of each country’s respective M&E system for policies and strategies.
- ◆ Investment planning: analysis of both public and private investment for hydro-agricultural development and for country and river basin project portfolios; classification of investment financing based on the five types of irrigation development named in the Dakar Declaration.
- ◆ Financing: inventory of stakeholders involved in financing the development of irrigation; analysis of problems linked to public and private funding in the development of irrigation; identification of alternative financing methods, such as leasing, group credit, contract farming etc.
- ◆ Capacity building: identification of capacity building and training needs (both public and private sectors); analysis of current supply in training and competences of training and research institutions and gap analysis; identification of training institutions; establishment of a capacity building plan for training and research institutions, encompassing both private and public actors.
- ◆ Knowledge management: assessment of current knowledge management systems: identification of the main actors in-



Irrigation of a gardening plot in Mali

involved in research on irrigation and value chains for irrigated products (public and private); inventory of research topics, capacities and R&D priorities; and evaluation of the levels of collaboration and exchange of knowledge between public and private actors with regard to R&D.

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MALI: SUPPORTING MANGO VALUE CHAIN ACTORS

Since October 2014, AFC has been supporting the German Corporation for International Cooperation (GIZ) in Mali with the implementation of the “Green Innovation Cen-



Mango tree certified by the project

tre” project. Specifically, we work with the Training Centre IPR/IFRA *Institut Polytechnique Rural de Formation et de Recherche Appliquée* to help it develop into a hub for the dissemination of innovations within the mango, potato and rice value chains. These three value chains have been identified as having strong potential for increasing incomes and enhancing the food security of rural households. This article presents some of our results within the mango value chain.

Mali’s annual mango production amounts to an average of 550,000 tons. A large proportion of the mangos produced are consumed locally, however the export mango value chain targeting European markets presents higher value added potential for Malian mango actors. Nevertheless there are multiple hurdles with regard to entering the European market, in particular with respect to quality norms. Certification according to recognised global standards enables farmers and exporters to access these markets, and in particular to obtain higher prices for their produce. To reach the standards required for certification, close cooperation is required between small scale mango producers, and larger scale

mango processors and exporters, in particular with regard to information flows. Within the context of the Green Innovation Centre Project, AFC has therefore supported 150 Malian mango farmers to obtain certified status (Tesco, BSCI, Albert Hisn, GlobalGAP, and Organic). We achieved this by supporting small scale mango producers of the Sikasso production basin, three key mango processors (dried mango etc.) and an exporter (Agrumes et Oléagineux du Mali, OAM) in their cooperation in the context of a partnership with IPR/IFRA. There were three main steps involved, which were undertaken between February and April 2015:

- ◆ Coaching and training of quality control agents of the partner processor and exporter companies on quality standards, certification procedures (Tesco, BSCI, Albert Hisn, GlobalGAP, and Organic) and how to support farmers to respect these standards
- ◆ Training of mango producers within the Sikasso production basin on certification standards, and also the respective roles and responsibilities within the process
- ◆ Facilitating the official audit process.

As a result, the exporter AOM and 150 associated mango producers were able to obtain certified status (according to the five aforementioned certification standards), and thus access to European markets. Following up on this, in May 2015 we undertook a study on innovations in the mango value chain. This involved analysing each step of the value chain, identifying key bottle necks where most innovation is needed. We then conducted an inventory of innovations from

the subregion and within Mali, which would best respond to these challenges, and we identified key actors from the public and private sectors best suited for promoting the dissemination of these innovations.

Our planning workshop in July 2015 built on these results in order to prepare the next steps of the project with regard to innovation diffusion within the mango value chain. The support of indigenous knowledge and innovations already identified and tested by farmers is crucial. Multiple exchange possibilities exist with the MOAP project that we implement in Ghana, and we are currently planning exchange visits between the Malian association of mango producers and the Ghanaian mango roundtable, in order for them to share their experiences and knowledge.

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NIGERIA: PROJECT IMPLEMENTATION WITHIN THE GIZ PROGRAMME “SUSTAINABLE ECONOMIC DEVELOPMENT IN NIGERIA” (SEDIN)

Since September 2014, the consortium AFC/GOPA implements the Unit 4 “Development of Agricultural and Non-Agricultural Value Chains” in the GIZ SEDIN Programme. The project duration amounts up to 31 calendar months.



Advocacy meetings with BDCs

The staffing includes one international and six national long-term experts, settled in the three intervention states. The team is supported by a pool of international and national short-term experts.

Despite high growth rates, the economic and social situation in



Construction site

Nigeria is still characterised by a vast majority of micro businesses, most of them not formally registered. Their development is hampered by complex framework conditions, especially with regard to taxes and duties, unofficial payments and other fees, power and water supply issues, land reform/registration and limited access to markets. Internal constraints of these enterprises comprise lack of capital, high labour costs, inadequate management/accounting skills, a low technology level and poor



Cassava market

market information. As a result, the MSMEs and especially women entrepreneurs can not develop their full economic potential.

The project supports horizontal and vertical business and business relations in the agricultural and construction sectors in order to enhance both group businesses and the linking of businesses along the value chains. In the agriculture sector, the focus lies on the potato, rice and cassava value chains; in the construction sector the focus is the building of energy-efficient homes. Interventions are implemented in three states, in Niger, Ogun and Plateau. Thus the project outcome complies with the programme objective, improving framework conditions for businesses and the investment activities of MSMEs, in particular through improved access to markets and resources and the contribution to income and employment.

The methodological implementation approach envisages the improvement of individual businesses as well as the interaction of public and private partners and the establishment of national and international networks, mostly through capacity building. The project thus cooperates closely with the other programme units, national service institutions and providers, as well as with international input and processing companies and national and international development programmes.

The expected outputs are:

- ◆ Business relationships of primary production and processing companies have been expanded
- ◆ The financial business volume within existing business relationships has increased
- ◆ A corporate support structure consisting of public and private partner organisations (for example sector ministries, economic support organisations and companies) has been established.



Typical village setting in the North

Linking up with a large number of public and private partners will be both a challenge and an opportunity for sustainable sector development.

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SIERRA LEONE: PROJECT IMPLEMENTATION IN THE FACE OF EBOLA

Before the Ebola outbreak hit the country in 2014, Sierra Leone, among the poorer countries in the world (ranked 154th in estimated GDP at purchasing power parity in 2014), was slowly recovering from the impacts of a protracted civil war, which had raged between 1991 and 2002. The rapid spread of the virus forced the government to redirect limited funds to combat the disease. This strained the budget, disrupted economic activity and deterred much needed public and private investment projects.

Even by mid-June 2015, Sierra Leone reported new Ebola cases on a daily basis in the Northern



Village scene in Eastern Sierra Leone

Province. Naturally, the epidemic had a profound impact on AFC's ongoing work in its two projects in the country: the EU-funded Agriculture for Development Project (A4D), supporting the development of the cocoa, coffee and cashew value chains in the three respective districts of the Eastern and Northern Province, and the GIZ-funded cocoa and coffee component of the Youth Employment in Agriculture Programme.

Soon after the first reported cases in the Eastern Province, both programmes had to reduce their field work in the affected districts and implement precautionary measures, informing staff as well as beneficiaries on the disease and on preventive

actions. With the rise in infections, both programmes were eventually forced to stop field activities in the Eastern Province in August 2014. Soon after, the A4D Project also had to cease field work in its three project districts in the Northern Province.

Throughout the entire epidemic, international A4D staff kept a presence within the Ministry of Agriculture, Forestry and Food Security, supporting the Ministry's project management unit in its contribution to the government's fight against the epidemic. National project staff assigned to the provinces were given the choice to either relocate to the main office in the capital city, Freetown, or to stay with their families in their home towns. GIZ, on the other hand, withdrew all international personnel due to the mounting problems in the health sector.

The issue was not so much the danger to contract an Ebola infection; but the epidemic implied that the health and safety of staff could not be guaranteed even for minor health problems, and that repatriation in case of an emergency would be difficult or even impossible. Thus, following GIZ guidelines, our team leader relocated to Germany and directed the efforts of the national long-term expert team to support the fight against the disease and to carry out project activities like planning, preparation of service contracts, training materials etc. from the project office in Kenema – located within sight of the Kenema Ebola isolation unit – or their respective homes. The decision of both projects and their respective funding agencies not to withdraw completely, but to stay on site and assist national partners in their struggle against

the epidemic is commendable! It enabled national staff to keep earning their salaries and thus

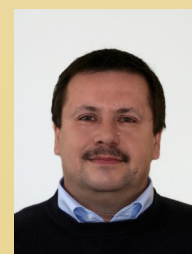


Fenced private cocoa nursery in a village near Kenema, Sierra Leone

support their extended families and neighbours; it helped them significantly to keep up their morale even under desperate circumstances (one national expert contracted the virus but survived the infection); and it enabled both projects to resume their local activities as soon as the respective districts in the Eastern Province were declared Ebola-free and restrictions on movement were eased. Thus, while both projects now face delays in their field implementation vis-à-vis original plans, they are again fully operational in the Eastern Province, providing beneficiaries with the opportunity to use the assistance offered and continue their business activities within the supported value chains – thus providing people with hope and a positive perspective during a persistently difficult time.

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ZAMBIA: OFFICIAL OPENING OF THE ZAMBIAN-GERMAN AGRICULTURAL KNOWLEDGE AND TRAINING CENTRE (AKTC)

Since August 2014, AFC — together with its partners DLG International, DEULA Nienburg and IAK Leipzig — has been implementing the Zambian-German Agricultural Knowledge and Training Centre. The project is financed by the German Federal Ministry of Food and Agriculture (BMEL) under its bilateral cooperation programme and combines technical advice and training on sustainable agricultural production techniques, offered by a team of national and international experts, with modern agricultural machinery and inputs provided by twelve German partners from the private sector.

Zambian project partners are the Zambian National Farmers Union (ZNFU) and the Golden Valley Agricultural Research Trust (GART). The German project partners are manufacturers of agricultural machinery, irrigation equipment, seeds and chemicals (Amazone, Bayer Crop Science, Beinlich, Claas, Europlant, Grimme, Fliegl, Lemken, Pöttinger, Rauch, Riela and Solana). Other German and Zambian private and public partners are expected to join the project in the course of its implementation.



Official opening of the AKTC

The project is located 60 km north of Lusaka on the GART commercial farm Chaloshi, where 72 ha were made available to the project for demonstration and training purposes.

The project was officially launched on 17th April 2015 by the German

Minister of Agriculture, Christian Schmidt, and his counterpart, Hon. Given Lubinda. The official launch of the project followed the opening of the Agritech Expo, currently the largest business platform for the agricultural sector in Zambia, which was also located at GART premises.

In their opening speeches, the two ministers, together with the ZNFU President, Mrs Evelyn Nguleka, the German Ambassador to Zambia, Mr Bernd Finke, and other GART and ZNFU officials, emphasised the



Minister Schmidt and his Zambian counterpart, Minister Lubinda, with German project partners

importance of the new project, especially in view of the great demand for qualified staff in the agricultural sector in Zambia. They welcomed the initiative of the project to collaborate with national agricultural training institutions and colleges, such as the NRDC (Natural Resources Development College).

Demand was also tangible during the Agritech Expo, where AFC's project partner, DLG International had organised exhibits for the German project partners. The AKTC and the DEULA exhibits in particular were highly frequented by farmers, students and training institutions, looking for information on training opportunities that will be made available through the project.



AgritechExpo: German Minister of Agriculture Schmidt at DLG International exhibit

During a conference for representatives of the five regional African farmers organisations, organised by the German Farmers' Association (DBV) in Lusaka on 15th and 16th April 2015, the AKTC team leader, Mr Helmut Anschütz was invited to present the project and its concept to interested audiences.

The project teams of three long-term experts from Germany, Zambia and Zimbabwe are now preparing for the second growing season for wheat and potato and the related training and demonstration activities for 2015. Apart from the AKTC resident team, national and international short-term experts and staff from the partner companies will provide training on agricultural machinery handling, operation and maintenance as well as on farm economics and sustainable production techniques and processes.

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BENIN: BANK TRAINING ON MSME FINANCE

In terms of employment, micro, small and medium enterprises (MSME) play a major role in the Beninese economy. However, their limited access to bank finance represents a major obstacle to their development.

Against this background, AFC in consortium with ADG implements a bank training project on MSME finance on behalf of APBEF (Association Professionnelle des Banques et Etablissements Financiers du Bénin). This project is funded by AFD and the EU as part of their Support Programme for Mesofinance (PAMESO), which targets the gap between microfinance and bank finance.

The training is open to all banks operating in Benin in order to strengthen their capacity to serve this specific client segment, assessing risks, analysing cash flows and building qualitative entrepre-

neurial capabilities for MSME with different degrees of formalisation.



Participants of a bank training course in March 2015

During the first phase of the project, which started in January 2015, the staff of nine banks participated in a five day class room training, which combines MSME-specific knowledge and credit appraisal tools with practical exercises and case studies. The strong motivation and positive feedback of all participants demonstrated the high quality of this training. AFC and ADG have handed over the training kit to APBEF, and some banks have

already started to disseminate the training internally.

Nonetheless, AFC and ADG do not limit their role to being trainers but are also dedicated to being actual 'partners of performance', as emphasised on their 7th Financial Expert Day. For this reason, the classroom training is now followed up by a second phase, including coaching for branch managers and loan officers as well as assistance to senior and middle managers in the areas of monitoring, business planning and process optimisation.

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KENYA, UGANDA, TANZANIA AND RWANDA: EIB EAST AFRICA TA PROGRAMME — SUPPORTING LOCAL ENTREPRENEURSHIP SKILLS

A consortium of AFC Consultants International, the Academy of German Cooperatives and INTEGRATION was awarded a three-year contract funded by the European Investment Bank in April 2014. The project supports the establishment and growth of micro-, small- and



Entrepreneurship skills training in Rwanda

medium-sized enterprises (MSMEs) by working with 24 financial institutions in Kenya, Uganda, Tanzania and Rwanda.

In addition to various training and capacity building activities with the partner institutions, the project also focuses on the strengthening of local MSME clients.

MSMEs make up the vast majority of enterprises in any country, including Eastern African countries.

They are thus crucial for economic growth and increasing prosperity, as well as employment and distributing wealth in a society. MSME sectors in Eastern African countries share some important similarities:

- ◆ The majority of MSMEs are not based in the capital cities but in rural and peri-urban areas
- ◆ By gender, ownership of MSMEs is largely evenly distributed

- ◆ A significant percentage of MSME owners/managers have at least secondary school education, although most of them either did not complete school or left without a certificate.
- ◆ Access to financial services is a major challenge for MSMEs in all countries of the region. By far the most important obstacle to MSME lending from the banks' perspective is the lack of adequate information, which affects the quality of their loan books.

However, SME lending is considered to have very good prospects, which resulted in banks increasing their efforts to reach out to MSME clients and to support such clients.

Many banks have allocated internal budgetary resources and created schemes to support MSME clients, although the approaches obviously differ (women entrepreneur training, business clinics etc).

Challenges are the result of inadequate business skills, insufficient knowledge of bank products; insufficient knowledge of regulations and general information asymmetries on the part of the MSMEs.

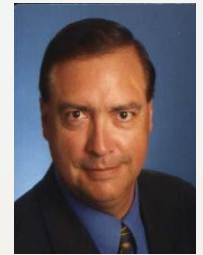
The EIB's East Africa TA Programme addresses these challenges and aims to increase MSMEs' business skills and relevant knowledge — in



Group work at an SME credit risk workshop

other words: to improve financial literacy and entrepreneurship skills.

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GUATEMALA: SUCCESSFUL IMPLEMENTATION OF THE EU SECTOR BUDGET SUPPORT PROGRAMME

Technical Assistance in Support of the National Policy for Food and Nutrition Security

Between October 2010 and December 2014, GOPA (lead), AFC and the Spanish consulting company Eptisa jointly implemented this technical assistance (TA) contract in support of the EU sector budget support for improved food and



Members of civil society discuss policy proposals for improved food security

nutrition security in Guatemala. The country holds the first place in Latin America and the fourth worldwide in the prevalence of chronic child malnutrition, which severely affects the indigenous and rural population. The problem has various structural causes, which negatively affect the availability, the access, the consumption and the appropriate biological utilisation of food. The multisectoral causes of food insecurity called for a multisectoral response.

Guatemala's "Strategic Plan for Food and Nutrition Security" (PESAN) identified the activities of the various public institutions that have an impact on food security (the ministries of education, health, agriculture, environment, finance, economy, various social funds etc.), and the respective budgetary allocations for the purpose of implementing coordinated actions in 135 prioritised municipalities throughout the country. In this context, the presidential Secretariat of Food Security and Nutrition (SESAN) is the entity responsible for coordinating the successful implementation of the PESAN. The EU supported this policy by means of a € 40 million sector budget support programme. The TA aimed to strengthen SESAN's capacity to plan, coordinate, integrate and monitor the food and nutrition security interventions between the public sector, civil society and international cooperation agencies. It also aimed to improve the technical capacities, instruments and institutional mechanisms of the ministries and government agencies responsible for the implementation of programmes and initiatives included in the PESAN. Apart

from institutional and organisational capacity development per se, particular attention was paid to issues related to results-oriented budgeting and budget implementation, the standardisation and harmonisation of information systems related to food and nutrition security as well as the implementation of institutionalised feedback loops to better assess and measure the effectiveness and efficiency of policy implementation. During implementation, the consortium could rely on the effective support of the GOPA Group representative in Guatemala, Mr Carlos Alvarado, who facilitated the communication with key stakeholders and the implementation of activities on the ground.

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GEORGIA: DEVELOPMENT OF THE QVEVRI WINE VALUE CHAIN FOR QUALITY

A PROJECT WITHIN GIZ PRIVATE SECTOR DEVELOPMENT SOUTH CAUCASUS

Wine has always been one of the most important agricultural products and one of the major export commodities of Georgia. Since January 2015, AFC in consortium with DLG Test Service GmbH implements a GIZ project to support the Georgian wine value chain. AFC thus continues its strong engagement in the Georgian wine sector, which had started in 2003 with a GIZ project related to the establishment of a quality assurance system for wine, including a wine testing laboratory in Georgia.

The objectives of the new project are the following: improve organisation of the sector and facilitate quality enhancement and international marketing, inter alia by establishing a wine cadastre and adjusting the Georgian wine law to European standards within the framework of the DCFTA (Deep and Comprehensive Free Trade Area).

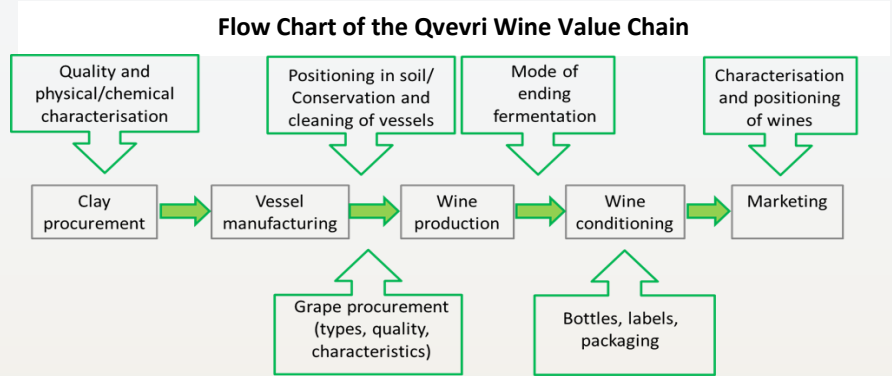
Further objectives are upgrading the oenological competences of private and institutional actors in the sector, fostering training and education in all aspects of wine technology and assisting grape and wine producers in raising the efficiency and environmental friendli-



Qvevri embedded in the ground

ness of production. In addition, the project aims to increase sustainably the presence of the Qvevri wine value chain in the international wine scene.

Qvevri wine is a speciality within the wine segment as it is prepared



in a very specific way, considered being one of the oldest wine producing methods, building on the use of clay pots, the Qvevris, for fermentation. Georgia has preserved this methodology and cultivated it for thousands of years; in fact, the UNESCO has declared Georgian Qvevri wine to be a



Qvevri workshop in Tbilisi

cultural heritage of humanity. Although Qvevri wines are currently sold only in small quantities outside Georgia, they are considered being a major option to promote Georgian wines internationally and to sharpen the profile of Georgia and its wine industry. However, so far, Qvevri wines are poorly characterised.

Standardisation, which would allow classification and promotion in a systematic way, has not yet taken place, hindering adequate international placement.

One of the methods, which proved efficient in raising the competitiveness of the value chain was to organise actors in a cluster. A cluster is understood to be a geographically proximate group of interconnected companies, actors and in-

stitutions in the field of Qvevri wine production that work together on projects to ameliorate their value.

The Qvevri value chain is perceived as consisting of five major interconnected elements:

- ◆ Selection of raw materials for Qvevri pot manufacturing and their production
- ◆ Placement of the Qvevri pots and ensuring their cleanliness
- ◆ Wine production
- ◆ Wine conditioning and preparation for marketing; and
- ◆ Wine promotion, presentation and sales.

To achieve high quality of Qvevri wines, each of these elements needs to be safeguarded, their interaction perfectly harmonised and technical and economic parameters optimised across the entire chain. Such an objective can only be achieved if all actors of the value chain work together. The basis for such cooperation is trust and the agreement on a joint project.

In light of the above, a workshop was organised within the framework of the GIZ Private Sector Development Programme on 30th March 2015, in Tbilisi, which brought together major actors of the Qvevri wine value chain.

It was the first time ever that for instance pot manufacturers met Qvevri wine producers and had the opportunity to exchange opinions, experiences and expectations. They also had the chance to agree on a joint initiative: to work on a commonly accepted procedure for the production of Qvevri wine that is internationally accepted and will ultimately allow placing and promoting Qvevri wines on international markets. A letter of intent was signed, according to which all participants agreed to work jointly during the 2015/16 season on improvements of the individual components of the Qvevri wine value chain, facilitated by GIZ, so that the resulting wine meets international requirements and can be characterised according to global standards. Wine meeting such standards

will be certified and presented as *Qvevri wine produced according to a documented standardised system* to European wine wholesalers in early 2016.

Corresponding to the elements of the Qvevri wine value chain, the following areas of activities were defined during the workshop, to be worked on jointly during the 2015/2016s season:

- ◆ Clay quality and pot production
- ◆ Placement of pots and hygiene
- ◆ Vineyard management, grape selection and vintage
- ◆ Wine making
- ◆ Wine characterisation and marketing
- ◆ Economics of Qvevri wine production



Small qvevris for sale on the roadside

- ◆ Qvevri wine definition and documentation of procedures.

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KYRGYZSTAN: KfW FEASIBILITY STUDY FOR RURAL HOUSING FINANCE AND ENERGY EFFICIENCY

Beginning in 2012, KfW provided a credit line of € 7.5 million for commercial banks and microfinance institutions for a housing finance programme for Kyrgyzstan. As the credit line was fully utilised and the project completed, KfW is currently considering establishing a second phase with emphasis on housing finance in rural areas, and financing of energy efficiency (EE) measures for private households. For the purpose of conducting a feasibility study, KfW contracted AFC to undertake the study.

The housing sector in Kyrgyzstan is marked by serious deficiencies. The capacity is insufficient, most buildings are old and dilapidated, and many buildings do not - or poorly - provide basic facilities, such as heating, water supply and sanitary installations. There is a huge gap between provision of facilities in rural and urban areas.

The share of houses in rural areas with water supply is only one quarter and with sewerage facilities only ten percent. In rural areas, only 3 percent of the houses have central heating, 3 percent bathrooms and 0.8 percent hot water supply. The one outstanding exception is the electrification rate of nearly 100 percent of all households.



Housing in rural areas

Due to a poverty rate of 38 percent and low purchasing power of

most households, buildings are poorly maintained. Needs for additional houses and home improvements are very high but can mostly not be satisfied due to missing financial resources. This is especially true for rural areas. The need to provide financial resources for rural households therefore remains urgent. Housing construction decreased sharply after Kyrgyzstan's independence.

From 2008 to 2012, the rate of new constructions of dwelling houses was roughly constant at 850,000 m² per year, and the majority of houses were constructed on behalf of private persons. In 2014 the rate increased to 936,000 m², with a strong focus on Bishkek. In 2015, the number of new constructions dropped considerably due to deteriorating economic conditions.

Apart from KfW's envisaged new project supporting housing finance and EE measures, EBRD's "Kyrgyzstan Sustainable Energy Finance Facility" (KyrSEFF) addresses energy efficiency measures in buildings for households, SMEs, and corporate entities. Financial support to date comprises a credit line of € 20 million to commercial banks, along with a grant component and technical assistance. The loan amount was exhausted recently, and new funds will be provided to extend the programme. Currently KyrSEFF cooperates with four banks in Kyrgyzstan: Demir Bank, KICB, Finca Bank and Bai Tushum Bank. Under the building component of the programme, KyrSEFF offers grants covering 20-35 percent of the investment, depending on the type of measure. The precondition for

In the 2009 census, 1.145 million households were registered in Kyrgyzstan with an average household size of 4.7 persons, 59 percent of them in rural areas. The residential housing stock comprises 80 million m² corresponding to 14.5 m² per person. In rural areas, 95 percent of the housing units are individual houses, in urban areas, 50 percent. More than 98 percent of all housing units are privately owned.

receiving a grant is a loan by one of the participating banks. Interest rates are normally 17 percent (KGS) and 14 percent (US\$), which is below market rates. After one month of field research, the AFC expert team presented two key recommendations.

One recommendation was not to pursue housing finance in general in rural areas. The economic situation in the country has deteriorated substantially over the last year with a depreciation of the KGS vis-à-vis the U.S.dollar in excess of 20

percent. The National Bank increased its interest rate to 10.5 percent in December 2014, the interest rate for commercial bank loans in KGS reaches 30 percent, and conditions for providing housing loans have been tightened considerably. This implies that loans are only affordable by the wealthier part of the population. In addition, some banks have taken the strategic decision not to assign priority to housing finance any longer.

The second recommendation was to offer financing of E measures for private households as the demand for this kind of loans is still higher than the amounts supplied by the market. In addition, the average loan amounts are lower than those required to finance new constructions. Market prospects are more promising for Bishkek; nevertheless, there is growing interest in EE measures among households in rural areas as well. However, it is questionable if funds of around € 8 million can be disbursed in rural areas only. Accordingly, potential borrowers in the capital may become eligible for loans as well.

The AFC expert team advised KfW to explore liaising with EBRD's KyrSEFF project regarding future investments in energy efficient housing, in order to avoid duplication and to leverage synergies. KyrSEFF's statistics show that low-income households (below US\$ 400 per month) account for around 5 percent of loan disbursements, medium-income households (below US\$ 1,000 per month) account for 50 percent, and high-income households (beyond US\$ 1,000 per month) account for 45 percent. It can be assumed that only a minor share of high income households are located in rural areas.

Differentiation of grant levels will be important to ensure that low- and medium-income households get better access to EE improvements of their homes.



Construction material for rural housing

In addition, due to uncertainties in the development of EE loan portfolio disbursements for PFIs, also because of a conservative assessment of near-term economic prospects for Kyrgyzstan, it may not be possible to disburse € 10 million in three years. Most likely, a time horizon for disbursements of five years will be realistic. The average loan duration is expected to be around 2.5 to 3 years. Consequently, loans disbursed will be amortized, and the proceeds will be available for on-lending through new EE loans.

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TAJIKISTAN: RURAL FINANCE SECTOR PROGRAMME — STRENGTHENING THE AGRICULTURAL SECTOR

In the framework of the German regional financial cooperation with the Republic of Tajikistan, the German Federal Ministry for Economic Cooperation and Development (BMZ) funds the “Rural Finance Sector Programme” (Phase II). The project is implemented by the Ministry of Economic Development and Trade (MEDT) with support of AFC in consortium with its partners Akademie Deutscher Genossenschaften (ADG) and Central Asia International Consulting (CAICo), on behalf of the KfW Development Bank. It aims to strengthen sustainable private financial institutions that provide financial services to micro and small enterprises active in rural areas of Tajikistan.

To achieve this goal, KfW provided long-term credit lines totalling € 4.5 million to four part-



A shepherd who received a loan from KfW's Rural Finance Programme

ner financial institutions (PFIs) in the first phase of the current programme. In its second phase, KfW provides additional funds amounting to € 12 million, to be disbursed among five PFIs.

The programme operates in a challenging economic environment. The slowdown of the Russian economy in 2014-2015 had a strong negative impact on the

volume of remittances to Tajikistan, which make up almost 56 percent of total household income. The slowdown was also reflected in Tajikistan's foreign trade. A decline in foreign trade, falling prices on strategic export goods targeting international markets and lower remittances – all these factors reduced the inflow of foreign currency, which in turn triggered the depreciation of the local currency, the Somoni.

For Tajikistan, this implies a decline in GDP growth from 6.7 percent in 2014 to 3.8 percent projected for 2015, pressure on the exchange rate, an increase in non-performing loans of commercial banks and higher social conflict potential. All these factors strongly affect the efficiency and quality of the portfolio of Tajik financial institutions.

Given that the programme aims to finance small- and medium-scale enterprises in rural areas, where the agricultural sector constitutes the major share, we can meet the needs of the partner financial institutions in capacity building measures to enhance their financial performance, strengthen know-how and reduce existing risks.

On the basis of a capacity building needs assessment, a tailor-made training and support schedule for the individual PFIs has been designed in five core areas:

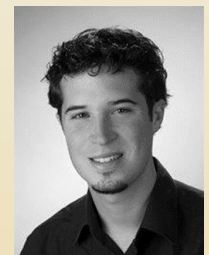
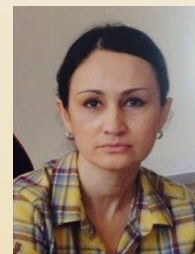
- ◆ Capacity building in SME lending
- ◆ Mitigating currency risk

- ◆ Agricultural value chain finance and agro lending
- ◆ Credit risk
- ◆ Internal efficiency and costing.

In parallel, AFC and its partners support the MEDT to establish a revolving fund mechanism, which should combine various activities funded by German Development Aid and which will ensure sustainable and continuing support for the Tajik agricultural sector.

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TAJIKISTAN: COMMUNITY INCLUSIVENESS

GIZ implements the project “Framework and Finance for Private Sector Development” (FFPSD) on behalf of DFID (British funding) and BMZ (German funding). GIZ sub-contracted AFC for implementing output 1 (business enabling environment), output 2 (rural economic development), and output 3 (finance sector development). The activities in the area of rural economic development (output 2) are particularly focussed on business approach and commercial viability, hence sustainability. By using such approaches, substantial success could be achieved with respect to income generation and job creation.

Naturally, larger farms and enterprises mainly benefit from such approaches with their relative larger market power. To offset this and to reach a larger share of the rural poor with income generating activities, village-based approaches were tested and implemented on a relatively large scale. The Soviet system, which Tajikistan inher-



Women interest group planning activities

ited, did not have a community level administration. Even now the governing system goes only down to “Jamoat” level, which comprises 10 to 25 villages. This is not a social unit, which would allow developing solidarity among people and which would encourage them towards self-help activities. The village, however, was found to be an adequate unit. There people feel close enough to the real problems of life, and social control is working at this level – the right precondition to take life into their own hands. Traditionally, the Mahalla committees were solving lo-

cal problems but were never organised democratically. This was the starting point for the programme to develop village councils out of the mahalla committees with elected members.

Thanks to prior activities of Oxfam, Tajik legislation recognises these village councils (also called community based organisations – CBOs). The village council is the starting point and support structure for self-help activities. The council also collects money from the inhabitants on a voluntary basis to implement projects. Since 2013, FFPSD helps village councils to develop village development plans with prioritised projects to improve livelihoods.



Village committee members plan to improve their drinking water supply

Many of the projects are implemented without external support. This basic village structure also helps to attract donors and government support for individual projects according to their programme. Also, FFPSD provided a trust fund to bridge financial gaps by strictly avoiding oversponsoring, which would undermine self-help efforts. Up to now, implementation partners, such as Oxfam and the Aga Khan Foundation (MSDSP programme) have supported the villagers in establishing village councils on behalf of FFPSD.

This process is now mainstreamed among other donors such as World Bank, Swiss Development Corporation (SDC) and others. The specific intervention is that FFPSD’s implementation partners train the dis-

trict and jamoat administration to help the villagers form these village councils. It is thus being hoped that more scale, hence impact, will be achieved at lower costs.



Women interest group, proud of having purchased processing equipment to crack apricot kernels

Apart from local infrastructural measures, many village councils pursue local economic development activities by initiating and supporting interest groups. This is already the first step towards making up for the low market power smallholder farmers and resource-poor people in rural areas have to face. Interest groups, however, are still too small to attract professional commercial business services, such as advisory services and traders.

Therefore, FFPSD together with the implementation partners identified production clusters in different areas of Tajikistan. The village council development now focuses on these clusters with the target to create interest groups on the identified product (value chain) relatively fast and to support networks among the groups within the cluster to enable them to gain sufficient market power.



Typical village meeting to plan village development

As land resources are the basis of income generation for people in rural areas, the village councils are also used to develop land use plans within the villages. To change land use, financially viable measures take priority, in particular those that trigger rapid income increase for the land user, while protecting or even improving soil fertility and productivity.

A major problem in rural areas is the overgrazing of pastures. Any improvement measures for pastures can not ignore the village, the only structure that can control animal movement effectively.

Until March 2015, in 275 villages with around 71,000 households, 1,300 self-help activities and 112 small-scale projects (with financial support from FFPSD) were implemented, with about 110,000 ultimate beneficiaries. In 77 villages land use plans were developed, resulting in improved land use practices on around 2,000 ha. In 2014, these villages collected an average of around US\$ 1,600 from their inhabitants. In total, around US\$ 655,000 were collected and for the most part already invested in self-help projects. FFPSD contributed only around US\$ 51,000 to some of these projects.

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PAPUA NEW GUINEA: AFC WORKS ON RISK SHARING FACILITY

Despite recent advances in industrial development, equal economic opportunity in Papua New Guinea proves elusive, and access to finance for micro-entrepreneurs and small businesses remains constrained, particularly in the challenging rural and island geographies of this vast country. The micro and small enterprise (MSE) market is served by banks, specialised microfinance providers, savings and loans societies and other community-based financial cooperatives. There is a distinct need for risk support via credit guarantee schemes instead of traditional on-balance sheet senior funding for MSE lending.



Start-up of microbusiness in Marobe province in Papua New Guinea: drying of produce to be sold in the market

Today, more than 2,250 credit guarantee schemes exist in a large variety of forms in nearly 100 countries. Credit guarantee (risk sharing) facilities are promoted as

a potentially promising way to increase the availability of financing for small and medium enterprises (SME) in developing markets. However, it is unclear to what extent the loans covered by credit guarantee facilities actually will be additional, i.e. if they would not have been made otherwise. Guarantees usually come at a cost to the lender but might also boost the lender's overall profit by reducing losses in the event of a borrower's default. Hence, it might well be the case that guaranteed loans would have been profitable in the absence of a guarantee as well. Moreover, credit guarantee facilities may undermine the incentives for banks to screen and monitor their borrowers. Both aspects, the additionality of credit guarantee facilities as well as their incentive effects need to be well understood for future successful implementation of such schemes.

In June 2014, AFC launched the establishment of a risk-sharing facility (RSF) in Papua New Guinea that will address mitigation of the risk of rare, unexpected stress losses through residual portfolio coverage, providing an alternative mechanism for effective portfolio diversification with the aim to



J. Siki from National Capital District (Papua New Guinea) is going to sell goods in Port Moresby

- ◆ Increase access to debt finance by MSEs
- ◆ Mitigate and diversify default risk
- ◆ Encourage banks and financial institutions to increase their MSE loan portfolios
- ◆ Catalyse and leverage lending by banks to segments "perceived as risky"
- ◆ Help MSEs mobilise resources to develop their businesses.

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MYANMAR: GOPA GROUP'S REPRESENTATIVE OFFICE

Since October 2013, Ms Lisa Sommer is the country representative of the GOPA Group in Yangon, Myanmar.

AFC initiated the establishment of a representative office in Myanmar in view of the huge potential of development projects.

Myanmar is the largest country on the Southeast Asian mainland, located in a promising geographic area between China, India, Thailand and Bangladesh. While the government is seated in the new capital Naypyitaw, greater Yangon region remains the national economic and cultural centre with approximately 7.4 million inhabitants.

Since launching its transformational reform process in 2011, the government of Myanmar has brought about profound political, social, and economic changes in the country. Yet, progress remains constrained by continued distrust between diverse ethnic and political groups, by sectarian violence and armed conflict, by monopolisation of resources by an economic elite, and by degraded social services and institutions. Although Myanmar has a promising geographical location and extensive natural resources, it remains one of the poorest countries in Asia.

A large part of Myanmar's infrastructure dates back to the colonial era and is outdated; and many economic sectors lack international competitiveness, due to misguided government and military interventions and mismanagement over the past few decades. Economic sanctions and restrictions by western countries have aggravated the situation.

Meanwhile, most international donors are represented in Yangon, in

order to support the country on a sustainable development path. The ongoing and planned interventions of these development institutions for the coming years are tremendous, and international implementing/consulting companies with local experience are scarce, due to the prolonged isolation of the country.

With the opening of the representative office in Myanmar, the GOPA Group shows its commitment to support Myanmar in facing the great challenges ahead on the way towards fair and stable economic development — including in the agricultural sector, which employs more than 70 percent of the country's population.

Moreover, the representative has the possibility to identify qualified national experts on the ground, who are essential for the successful implementation of the projects, and to be near the line ministries that cooperate closely with international donors.

As a result, the strategic partners AFC/ADG have implemented several projects in the financial sector, and AFC has been involved in agricultural development:

- ◆ Market Assessment for Agricultural Insurance in Myanmar (donor: GIZ, timeframe: July 2014)
- ◆ Bank Simulation Training (donor: GIZ, timeframe: November 2014)
- ◆ Analysis of "Master of Banking and Finance", implemented at the Yangon University of Economics (donor: GIZ, timeframe: November 2014)
- ◆ Study of Extension and Farm Advisory Services (donor: LIFT/

UNOPS, timeframe: December 2014-April 2015)

- ◆ Trade Finance and International Banking Training (donor: GIZ), timeframe: May-June 2015.
- ◆ Other members of the GOPA Group have also begun implementing projects on behalf of KfW and EU.

But the country is just at the beginning of the reform process, and there is still a long way to go before the millennium development goals will be achieved.

Another important milestone would be an independent, transparent and accountable election administration. Elections are scheduled for the end of this year, and both the process and the results will have a major impact on Myanmar's relations with the international community.

We are confident that Myanmar will continue its reform process and look forward to being part of this important development through our projects on the ground over the next few years.

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NEW AFC STAFF MEMBERS

Sandra Benthe



Sandra Benthe joined AFC's finance and contract manager team in March 2015. She holds a Master's degree in business management and worked several years in development policy.

Having grown up in West Africa, after completing her degree in Germany, Sandra worked for four years in sales for a French-American company in Frankfurt. In the past ten years, Ms Benthe has lived in Cameroon, Benin, Zambia and Jordan where she strengthened her excellent French and English language skills as well as her intercultural competences.

During her Master's studies in business management, she assessed business opportunities for German investors at the German Embassy in Zambia. Upon completion of her Master's degree, Sandra worked as a consultant for a private consulting company focused on the agriculture sector.

One of her main tasks was to analyse the coffee value chain in Burundi. During an assignment with GIZ, Ms Benthe was entrusted with financial and administrative tasks of the Zambian Water Programme.

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Markus Nipko



In June 2015, Markus Nipko joined AFC's finance and contract manager team. He holds a diploma in social management, and his interests and main study areas were management accounting and human resources management. Afterwards, Mr Nipko worked several years in development cooperation.

Markus gained further experience during his business education and work as an accountant.

His current responsibilities at AFC include the financial and contractual managing of various projects.

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Christina Larres



Christina Larres joined AFC's accounting department in July 2015.

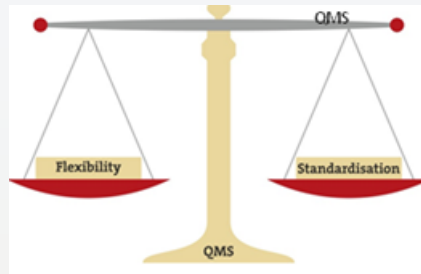
Christina started her career at the Deutsche Ausgleichsbank (merged into KfW in 2003). In 2005 she became a state certified business manager.

During the past 12 years, Ms Larres has worked as a project accountant in an international foundation, focussing on financial sector projects in developing and transition countries.

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AFC's QMS CONFIRMED TO MEET ISO 9001:2008 STANDARDS

Our quality management system (QMS) has recently been audited by DNV GL, formerly Germanischer Lloyd and confirmed to be compliant with the internationally recognised standards according to ISO 9001:2008. AFC's QMS was certified in July 2014.



The key to our successful QMS: a balanced mix between flexible and standardised every-day practice

Our everyday work and routines are as diverse as our projects – nevertheless, certain standards help our team to ensure high quality and the highest customer satisfaction. The focus in strengthening AFC's QMS thus lies on the balance between self-responsible working practices and standardisation of core processes. Our most important objective is to foster a "living system", which is being improved and adapted constantly to the needs and requirements of our customers, as well as to internal innovations and growth. During

AFC's annual retreat in Montabaur in spring 2015, we took the chance to review developments and progress since the certification almost one year earlier. We concluded that, with the support of each colleague, our QMS will remain compatible with the objectives of our company. The system helps us to apply lessons learnt from previous projects and to remain successful and able to adapt to the changing

demands of a competitive international environment. Summarising our vision for AFC's QMS, we strive to integrate the new ISO norm 9001:2015 (which will be introduced in the autumn of 2015) early and to maintain sustainable quality in the long run.

To order our slim QM manual or for further information, please contact: Stefanie.Maak@afci.de



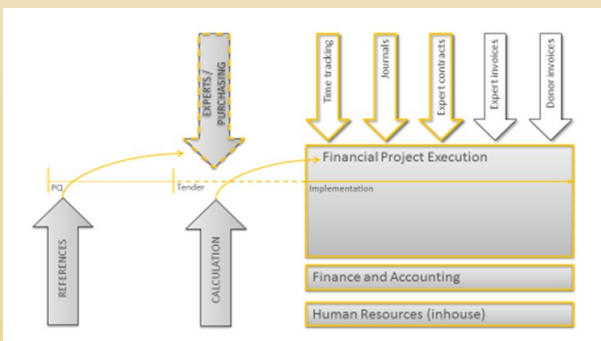
GOPA GROUP GOES "MOVE 2016"



is a reorganisation project being undertaken within the GOPA Group. The companywide goal is to develop more efficient structures and to harmonise internal structures, working tools and processes for all members of the

us to improve effectiveness and efficiency sustainably, while also enhancing communication between the different units of the group. In particular, the internal process of financial and administrative project processing should be eased by Move 2016. Also we aim

structures might need to be adapted. This will be done individually in each unit, as needed or as preferred in specific projects, designed by the individual companies.



to facilitate closer connection with the project teams by supporting time sheet and journal transfer through an integrated IT solution. In order to ensure a well-adapted system, our processes from project acquisition to project execution must be represented by the ERP. A

Every company is represented in the Move 2016 core team by a staff member, as well as by a member of the management in the official steering committee. Therefore, Mr Buschmeier, Dr Jacob and Ms Heinen-Manz represent AFC and the company's needs and interests in the selection project, as well as later on in the implementation project.

GOPA Group. This is done individually for each company, while ensuring compatibility in the context of the entire GOPA Group.

core expectation of Move 2016 will be that any data are entered into the system only once. The new system aims to allow this approach.

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We are therefore selecting a new common ERP (enterprise resource planning) system, which will be used by the entire group, enabling

To be able to benefit from the enhanced possibilities of an integrated system, current processes or



NEW PROJECTS ACQUIRED SINCE THE LATEST ISSUE OF THE AFC NEWSLETTER (07/2014)

- BANGLADESH.** Pilot Programme for Climate Resilience (PPCR): Climate Resilient Agriculture and Food Security. IFC. 04/2015 – 09/2016. AFC (lead) – Services and Solutions International (SSIL).
- BENIN.** Technical Assistance to Training Programme on Meso-Finance Offered to Bank Employees. AFD. 01/2015 – 03/2016. AFC (lead) – ADG.
- BURKINA FASO.** Programme for the Protection against Erosion, Restoration and Development of Degraded Surfaces - Phase II. GIZ. 01/2015 – 08/2019. AFC (lead) – GOPA.
- BURKINA FASO.** Soil Conservation and Rehabilitation of Degraded Soils. GIZ. 08/2015 – 12/2017. GOPA (lead) – AFC.
- CHINA.** Sino-German Crop Production and Agricultural Technology Park. GFA Consulting/German Ministry of Food and Agriculture (BMEL). 08/2015 – 07/2018. AFC (lead) – DLG International.
- GEORGIA.** Promotion of Private Sector Development in the Wine Sector in Georgia. GIZ. 01/2015 – 10/2016. AFC (lead) – DLG Testservice.
- INDIA.** Develop the Set-Up for a Strategic Research and Development Department for Rashtriya Gramin Vikas Nidhi MFI. NMI. 04/2015 – 06/2015. AFC (lead) – ADG.
- INDIA.** Global Programme Innovation Centres for the Agriculture and Food Sector: India. GIZ. 04/2015 – 12/2017. AFC.
- INDIA.** Module 2: Building Utkarsh' Training Capacity. NMI. 11/2015 – 03/2016. ADG (lead) – AFC.
- IVORY COAST.** Mid-Term Evaluation of the Project "Adaptation to Climate Change and Resilience Strengthening in South West Ivory Coast". GIZ. 01/2015 – 02/2015. AFC.
- KENYA.** Soil Protection and Rehabilitation for Food Security. GIZ. 08/2015 – 12/2017. GOPA (lead) – AFC, ADCL, African Centre for Technology Studies (ACTS).
- LESOTHO.** Benchmarking Financial Cooperatives' Performance in Lesotho. IFAD. 03/2015 – 04/2015. AFC (lead) – ADG.
- LITHUANIA.** Lithuanian Credit Unions Study Tour in Germany. ALCU. 08/2015. AFC (lead) – ADG.
- LITHUANIA.** Strengthening of Lithuanian Credit Unions Sector. ALCU. 09/2014. ADG (lead) – AFC.
- MALAWI.** Innovations Benefitting Smallholders - Technology Transfer Recommendations for the Malawi Green Innovation Centre. GIZ. 10/2014 – 12/2014. AFC.
- MOROCCO.** Monitoring Programme to Support the European Union Agricultural Sector Policy Phase 2 (AGRI 2). ECEU. 06/2015 – 11/2017. AFC (lead) – AFCi.
- MOROCCO.** Preparatory Measures for the Programme "Economic Promotion and Rural Development of Disadvantaged Regions". GIZ. 06/2015 – 09/2015. AFC (lead) – AFC Consultants Maroc (AFCi).
- MOROCCO.** Support to the Ministry of Environment for the Negotiations under the United Nations Framework Convention on Climate Change (UNFCCC). GIZ. 07/2014 – 12/2014. AFC (lead) – AFCi.
- MOZAMBIQUE.** Formulation of the Belgian Cooperation "Livestock Development Project" in Mozambique. BTC. 07/2014 – 03/2015. AFC.
- MOZAMBIQUE.** Improving Framework Conditions for a Competitive Private and Financial Sector (FAN). GIZ. 03/2015 – 11/2016. AFC (lead) – ADG (partner), International Capital Corporation (ICC) (subcontractor).
- MYANMAR.** Financial Sector Development in Myanmar; Bank Simulation: "Bank Strategies and Operational Decisions in a Competitive Environment". GIZ. 10/2014 – 11/2014. ADG (lead) – AFC.
- MYANMAR.** Financial Sector Development in Myanmar; On-site Assessment of the Master in Banking and Finance. GIZ. 10/2014 – 11/2014. ADG (lead) – AFC.
- MYANMAR.** Study of Extension and Farm Advisory Services. UNOPS. 12/2014 – 05/2015. AFC.
- MYANMAR.** Training in International Banking and Trade Finance. GIZ. 05/2015 – 06/2015. AFC (lead) – Akademie Deutscher Genossenschaften (ADG).
- NEPAL.** Review and Develop Capacities of the Nepali Cooperative Sector. GIZ. 09/2014 – 11/2014. AFC (lead) – ADG.
- NIGERIA.** Agriculture & Agribusiness Innovation Network Nigeria (AgrInNet). GIZ. 08/2015 – 12/2017. AFC (lead) – DLG International (subcontractor).
- NIGERIA.** Sustainable Economic Development Programme (SEDIN)/ Intervention Area 3: "Development of Agricultural and Non-Agricultural Value Chains". GIZ. 09/2014 – 03/2017. AFC (lead) – GOPA.
- NIGERIA.** Sustainable Economic Development Programme/Unit 1 "Financial Sector Reform" and Unit 2 "Reform of Institutional and Legal Framework". GIZ. 08/2014 – 03/2017. AFC (lead) – GOPA, ADG.
- OCCUPIED PALESTINIAN TERRITORY.** Debt Advice Centre Assessment, Palestine Monetary Authority. PMA. 11/2014 – 03/2015. AFC (lead) – ADG.
- REGIONAL (AFRICA).** Desk Review of the Agriculture Sector and Identification of Investment Opportunities in 11 Sub-Saharan African Countries. Private client. 04/2015 – 07/2015. AFC.
- REGIONAL (AFRICA).** Feasibility Study "Insurance for Agricultural Intermediaries". KfW. 03/2015 – 07/2015. AFC.
- REGIONAL (AFRICA).** Promoting Vocational Technical Education and Training in Agriculture (ATVET) through NEPAD/CAADP. GIZ. 12/2014 – 12/2016. AFC.
- REGIONAL (AFRICA).** Sahel Irrigation Initiative – Lead Analytical Consultant. WB. 12/2014 – 12/2015. AFC.
- REGIONAL (AFRICA).** Sahel Irrigation Initiative – Capacity Building and Knowledge Management. WB. 12/2014 – 12/2015. AFC.
- TAJIKISTAN.** Programme on Sustainable Economic Development - Improved Framework and Finance for Private Sector Development" (FFPSD). GIZ. 04/2015 – 03/2016. AFC (lead) – ADG, CAICo Kyrgyzstan.
- TUNISIA.** Conception of a Reference Guide for the Development of a Sustainable Agriculture in Tunisia. GIZ. 12/2014 – 07/2015. AFC.
- TUNISIA.** Promotion of Sustainable Agriculture and Rural Development in Tunisia: Component 4: Utilisation of Sewage Sludge and Waste Water in Agriculture. GIZ. 08/2014 – 04/2016. AFC.
- TUNISIA.** Technical Assistance to the Tunisian Microfinance Control Authority. GIZ. 11/2014 – 06/2015. AFC (lead) – ADG.
- UKRAINE.** Technical Assistance in the Ukrainian Financial Sector's Priority Areas. EU. 03/2015 – 03/2018. Human Dynamics (lead) – IAAG, Berlin Economics, AFC.
- ZAMBIA.** German-Zambian Agricultural Training and Knowledge Centre (ATKC). GFA Consulting/German Federal Ministry of Food and Agriculture (BMEL).



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