



AFC Newsletter

2010



for Partners and Colleagues



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Our achievements in the year 2009 and challenges for the year 2010

AFC Consultants International GmbH became a member of the GOPA Group in 2007 and continues to benefit from the huge international network and internal tailor-made services for group members. During the last few years we have further streamlined our profile and were very successful in 2009 with the acquisition of new projects in our main fields of work.

Services in rural development, agriculture and agribusiness remain our core competences and we are active in these fields of work in Latin America, Africa, Eastern Europe and Asia. In cooperation with one of our strategic partners, the German Agricultural Society (DLG), we have implemented projects in the PR China and Morocco.

In 2009, AFC Consultants International GmbH was awarded contracts for the following new projects:

- ACP (African Caribbean Pacific) countries: Gender aware approaches in agricultural programmes: a comparative study of SIDA-supported agricultural programmes (11/2009 – 05/2010), SIDA;
- Belize: Enhancement of national sanitary and phytosanitary capacity (02/2009 – 09/2009), TradeCom/EDF;
- Chad: Support to the autonomisation of the regional development programme (01 / 2010 – 12/2011), DEZA;
- China: Preparing the Jiangxi sustainable forest ecosystem development project (05/2009 – 12/2009), ADB;
- Egypt: Private sector development programme – component 2: resource and energy efficiency in the food industry (12/2009 – 06/2012), GTZ;
- El Salvador, Honduras, Guatemala: Protection of tropical forests and management of water catchment areas (CAMA-RENA) (03/2009 – 12/2011), GTZ;

- Ghana: Marked-oriented agriculture programme (MOAP) (07/2009 – 11/2011), GTZ;
- Kosovo: Supporting the food industry – dairy and wine sector studies (01/2009 – 03/2009), GTZ;
- Mali: Projects: "Irrigation extension Siengo" and "Valorisation of the agricultural potential in N'Débougou" (10/2009 – 09 / 2013), KfW;
- Niger: Final evaluation of the projects "Support to land development in Dosso department" and "Regional support programme for primary education development in Dosso" (09 / 2009 – 10 / 2009), Lux Development;
- Sub-Saharan Africa: Pre-feasibility study for an African out-grower development fund (03 / 2009 – 09 / 2009), KfW;
- Tadjikistan: Support to SME (2nd phase, 03/2009 – 12/2011), GTZ; and
- Worldwide: Multiple framework contract with reopened competition for the provision of evaluation, impact assessment and related services to the Commission in the areas of public health, consumer protection and food chain (lot 1, public health), (2009 – 2011), EC.

We very much appreciate the trust that new donor agencies, namely DEZA (Switzerland), Lux Development (Luxembourg) and SIDA (Sweden), show in our services.

In line with many experts working in international cooperation, we realise the need to increase agricultural production globally as a response to the growth of the world's population, regional food shortages, caused by natural catastrophes, and the reduction of arable land for food production, brought about by the rising demand for bio energy.

Therefore, beneficiaries and donor agencies will continue to call on our qualified services for strengthening agricultural production and the whole value chain.

The challenges of improving global food security and food safety were also highlighted by almost all speakers during the "Global Forum for Food and Agriculture" in Berlin in January 2010, an event organised by the Federal Ministry of Food, Agriculture and Consumer Protection (BMELV). AFC has been participating in this annual forum with a fair stand of its own for the past 16 years.

Financial system development is another core competence of AFC that also creates valuable synergies with the fields of work mentioned above. For several years already, we have been implementing projects in this subject area in cooperation with our strategic partner, the Academy of German Cooperatives (ADG) based in Montabaur.

New projects focus on the following tasks:

- China: Microfinance programme China, phase A (01/2010 – 07/2012), KfW;
- India: Design of a "promotional programme for energy efficient new residential housing in India" (06/2009 – 12/2009), KfW;
- Kyrgyz Republic: Sustainable economic development programme: TA package 1: set-up of a national savings and credit cooperative association and TA package 2: support financial institutions in value chain financing (08/2009 – 12/2010), GTZ;
- Mongolia: Capacity building in risk management at Xac Bank (12/2009 – 08/2010), KfW;
- Nepal: Rural finance sector development cluster programme (sub-programme II) (05/2009 – 02/2010), ADB;
- Yemen: Private sector development: risk management, international audit and savings strategy at Al Amal Bank (11 / 2009 – 08/2010), GTZ; and



- Philippines: Credit Line for Energy Efficiency and Climate Protection (01/2010 – 12/2011), KfW.

A specialised department at AFC is charged with implementing these projects in financial system development.

In January 2010, AFC/ADG organised the "2nd Financial Expert Day" in Montabaur to exchange experiences and views related to rural lending with our associated experts. The event was highly appreciated by the more than 30 participants and a 3rd Financial Expert Day will surely take place in January 2011.



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AFC participates in the Cooperation Market in the framework of the conference "Agriculture and Climate Change – New Concept Proposals from Policymakers and Industry". Berlin 2010

Climate protection is one of the key challenges facing us today in environmental, social and economic policy terms. This holds true for all sectors at both global and regional levels.

At this year's International Green Week, the Federal Ministry of Food, Agriculture and Consumer Protection (BMELV) organised a conference on the subject "Agriculture and Climate Change – New Concept Proposals from Policymakers and Industry", which centred on the challenges associated with climate change and, at the same time, followed up on the theme "food security" which was the main focus of the fair in 2009. Agriculture ministers from around the globe were invited to come to Berlin to attend the International Agriculture Ministers'



Panel Discussion and the Berlin Summit of Agriculture Ministers on 16 January 2010 in order to discuss experiences and concept proposals in the field of climate protection and the adaptation strategies pursued by their countries.

During this conference AFC participated in the Cooperation Market and presented its comprehensive portfolio of projects in Central and Eastern Europe, Asia, Africa.

and Latin America. Numerous experts from the sectors of rural development and climate change, and representatives from private companies, donors and official delegations seized the opportunity to meet AFC personnel.

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China: Preparing the Jiangxi Sustainable Forest Ecosystem Development Project

The People's Republic of China (PRC) is the third largest consumer of timber in the world and faces a widening imbalance between supply and demand for wood products. The present consumption level of about 300 million cubic meters of standing stock exceeds the present annual growth rate of the local forests. This deficit is being made up by imports. Although the Government of the PRC has taken steps to address the widening wood deficit by investing in plantations, it has not, until recently, tackled the sector's fundamental imbalances.



Jiangxi is a landlocked province located in the south-east of the PRC. It is surrounded by six provinces: Anhui province bordering the southern banks of the middle and lower reaches of the Yangtze River in the north, Zhejiang province in the northeast, Fujian province in the east, Guangdong province in the south, province Hunan in the west

and Hubei province in the northwest. Its land area is largely characterised by hills and steep mountains; the climate shows subtropical features.

The forestry sector plays an important role in the economy of the province, not only providing timber and panel products for the large construction sector, raw material for the provincial pulp and paper industry, and a significant part of rural household energy, but also in the protection of biodiversity and watersheds. Forest land occupies 10.6 million ha, which corresponds to 62.5% of the province's total area. Stocking is estimated at 353.5 million m³, which corresponds to an average of 34.4 m³ per ha, only 44% of the national average. Despite this low stock density, Jiangxi province is an important production area for wood and bamboo, even when compared with the total main forest product output in the PRC, accounting for 7% and 8% of the PRC's total wood and bamboo output respectively.



Controversial forestry practice: steep hills near Jingdezhen City clearfelled and followed by burning, January 2010

sufficient funding to adopt appropriate sustainable forest management practices. Existing forest resources are characterised by young and middle-aged stands,

established through tree plantations which show deficiencies in quality, growth and species composition. Additionally, about 15% (or 1.5 million hectares) of forestlands across the province are composed of open forests, shrub lands, and barren hills, which are low yielding and underutilised. In addition to the already existing structural deficiencies, a severe snow storm in the beginning of 2008 provided a strong blow to the forest sector in Jiangxi province. The snow storm damaged 4.6 million ha or nearly half of the provincial forests and caused an economic loss estimated at CNY 3.45 billion.

The high percentage of underutilised and poorly managed forestlands in the province is not only a waste of land resources; but also causes serious environmental problems such as soil erosion, siltation and flooding. Furthermore, experience shows that poorly managed forests easily fall subject to natural disasters such as the massive snow storm of January 2008. Until June 2009, less than 30% of the damaged forests had been cleared and restored, which aggravates the already existing problem of poorly stocked and underutilised forest land and the related environmental hazards.

Jiangxi Province ranks 3rd in the PRC in terms of forest cover; but the forest lands are not used to their full potential. The development of forest resources is stagnant, mainly due to past overexploitation of forest resources and the lack of



Active discussion during the Final Workshop



To address these issues and to further improve forest cover and forest yields of selected barren lands in the province, the Jiangxi Provincial Government (JPG) requested the Asian Development Bank (ADB) to finance its Jiangxi Sustainable Forest Ecosystem Development Project. In response, ADB approved in November 2008 a project preparatory technical assistance (PPTA) to prepare this project, for which the executing agency (EA) is the provincial government's Department of Forestry.

On 18 May 2009, the PPTA team fielded by AFC Consultants International started activities in Jiangxi province with the inception phase, assisting the EA in project preparation.

Milestones during the PPTA implementation were the inception workshop on 16 June 2009, the interim workshop on 22 September 2009, both held in Nanchang, the province' capital city, and the final workshop on 25 January 2010, held in Jingdezhen, a city famous for and widely regarded as the producer of the best porcelain in China, and home to one of the largest state forest farms in the province.

The project is designed to achieve improved forest management and environmental sustainability in Jiangxi Province, with 24 counties being invited to participate, of which six are national poverty counties. The participating counties were selected based on the following criteria:

- (i) project implementation capacity and adequate sizes and sites of land resources;
- (ii) capability of repayment and commitment to providing counterpart funds; and
- (iii) capability of adopting a bottom-up decision-making process to ensure community and voluntary participation.

Services provided by the PPTA team made up of 3 international and



Excursion during a training course on sustainable forest management, January 2010

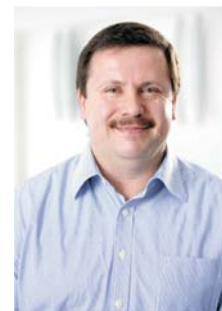
7 national experts included, among others, the following:

- identification of sector issues and recommendation of sustainable solutions;
- evaluation of the rationale and justifications for the proposed investment activities;
- assessment of opportunities for promoting low-carbon growth and private sector participation in forest development in the province;
- preparation of safeguard documents and a knowledge product on forest land rehabilitation to facilitate policy dialogue;
- establishment of a geographic information system (GIS) for use in selected counties;
- implementation of training courses to strengthen the institutional capacity in project implementation and natural disaster risk management of the participating provincial and county level institutions;
- preparation of an investment plan with implementation arrangements eligible for ADB funding;

- organisation of overseas training on sustainable forest management and climate change adaptation;
- preparation of a project design suitable for ADB financing and agreed upon by the government and ADB; and
- development of a proposal for co-financing by the Global Environment Facility (GEF) or ADB's Climate Change Fund to support climate change adaptation and mitigation.

Based on the final report of our TA team, loan negotiations between the Chinese government and ADB are scheduled for late summer 2010.

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AFC/ADG support XacBank, Mongolia in Capacity Building in Risk Management



AFC and its strategic partner ADG (Academy of German Cooperative Banks, Montabaur) were awarded a technical assistance contract by KfW at the end of 2009 to assist XacBank in its efforts to enhance the key areas of risk management. The consulting services entail the development of improved policies and procedures, state-of-the-art risk measurement tools, enhanced reporting systems and related staff training in three units of the Bank: Integrated Risk Management Division, Internal Audit Division and Treasury Department. AFC/ADG started the project at the beginning of December 2009 with a first mission which assessed the procedures and systems in place.



During the implementation phase from January until June our four experts cooperated with the aforementioned units to improve XacBank's enterprise-wide risk management, treasury and internal audit systems. Four XacBank staff members will have the chance to participate in a study tour at the end of June to ADG's training facilities in Montabaur. In addition to class room training in Montabaur castle, several visits to cooperative and other banks are planned. After a follow-up phase in August the project will come to a close.

With this project AFC/ADG will ensure that appropriate integrated risk management foundations are put in place to enable the bank to grow and achieve its business

outstanding. It has furthermore a privileged outreach through its comparatively large domestic network and its mobile banking services which are provided by agents and merchants throughout the country.

AFC and ADG have been implementing projects in Mongolia during the last couple of years. A long-term project supporting the institutional development of the Mongolian Cooperative Training and Information Center was successfully implemented by AFC from 2005-2008. ADG has been managing a GTZ-funded project "Support of Banking Training Centre of Bank of Mongolia" since 2005.

Thus, we look forward to new challenges in Mongolia and are pleased to cooperate with XacBank which is well known both in Mongolia and other countries.

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Background information XacBank

- XacBank - the first commercial bank in Mongolia with a social mission - was created as the result of a merger of the two largest non-bank financial institutions in Mongolia, in October 2001.
- XacBank is a leading provider of development finance in Mongolia, delivering innovative products and inclusive services to all the regions of the country through a rural presence and extensive network of 67 branches. Its clientele not only represents the lower-income segment of the market – micro-entrepreneurs - but also a growing number of small and medium-sized enterprises.
- XacBank's core products include a wide array of current and savings accounts, various credit and lending products, as well as both domestic and international remittances. The bank also boasts an ever-growing range of innovative products in the market, including mobile banking services, rural franchisee service for cooperatives, herder loans, household loans and financial leasing, as well as new residential housing loans.

objective in becoming a "dynamic leader in providing inclusive financial services and innovative products" in Mongolia. So far, XacBank has become one of the dominating banks in the Mongolian microlending market in terms of the number and volume of loans



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Chinese delegation undertakes agricultural study tour to Germany



AgriTechnica 2010

Within the framework of the project "Joint German-Chinese Pilot Farm in Ganhe" the consortium DLG-Agriservice/AFC Consultants International coordinated a first study tour for Chinese guests, which took place from 8 to 15 November 2009. The delegation was headed by Mr Liu Min, Director General of the Agricultural Machinery Testing Centre, Ministry of Agriculture,



Chinese delegation with company GRIMME

Beijing. The group included three participants from the Ministry itself and four from the demonstration farm Ganhe. Horst Bunge, project manager in Ganhe and Stefanie Maak, AFC consultant, led the group through a diversified programme which consisted of a balan-



Mr Wang Bo, counterpart of the German team leader in Ganhe, at the "Chinese-European Farm Mechanisation Summit"

ced mix of visits to a trade fair, German farms, companies in the field of agriculture as well as some cultural features typical for Germany.

The study tour started with the international trade fair for agricultural machinery "Agritechnica" in Hanover. More than 2,300 companies presented their machines, equipment, spare parts and accessories at the world's largest



Mr Liu Min, head of the Chinese delegation, at LEMKEN

exhibition for agricultural technology. Around 350,000 visitors, including over 77,000 international guests, came to the exhibition grounds. The worldwide leading trade fair for the agricultural machinery sector was a great environment for meetings and networking opportunities for both the Chinese and the German project partners.



Visiting a German milking parlour

On 10 November, the Chinese delegation visited the "Chinese-European Farm Mechanisation Summit" at the "Agritechnica". This was the first event of its kind, bringing together Chinese and European agricultural machinery ex-

perts. At the summit, Mr Fan Xuemin of the Agriculture Mechanization Administration Department in the Chinese Ministry of Agriculture, presented a report on the development of the Chinese agricultural machinery sector and emphasised the increased support from the Chinese government. Mr Buschmeier, Managing Director of AFC, gave a speech on the project "Joint German-Chinese Pilot Farm in Ganhe" and informed the audience about the results of the first season.

Another highlight of the study tour was the opportunity given to the delegation to visit three of the companies involved in the project: CLAAS, LEMKEN and GRIMME. All opened their doors to the Chinese group and provided an inside view of the history and development of their firms. Moreover, the group got to know a local seed dealer and KWS, one of the leading international seed companies, specialised in corn and sugar beet.

As training in technical and management skills is a remarkable com-



Farm manager Helmuth Kükemück shows how his cows are kept

ponent in the Ganhe project, the delegation visited a German agricultural training centre (DEULA). Currently, two Chinese trainees from Ganhe farm are working on German farms. The purpose of this internship is to boost their agricultural know-how and at the same time develop their German language skills. They will work as translators for Mr Bunge in 2010. Their host families welcomed the Chinese delegation to their farms. This provided a chance for the Chinese to get to know two different German farms, one being a dairy farm (400 cows, milking parlour and robotic milking systems, 215 ha) and the other a mixed farm (900 pigs, oilseed production, biogas, 310 ha).



On the road

German food and culture were also part of the study tour: The group enjoyed a combined dinner/theatre event with acrobatics and pantomime in Hanover and visited the Cologne cathedral which is a UNESCO World Heritage site.

According to a Chinese proverb, a journey of a thousand miles begins

with a single step. The delegation's trip in November 2009 serves as an initial step to a strong and long-lasting German-Chinese relationship within the project and has provided participants with a new perspective in their fields of expertise. The next Chinese delegation is planned to visit Germany in June 2010, on the occasion of the DLG "Feldtag" or field day, known as an



Getting to know a feature of German culture: carnival costume in Cologne

information exchange for modern plant production.

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AFC welcomes delegation from Tajikistan



Map of Tajikistan

In December 2006 AFC/CAICO started the GTZ-financed project "Support to SME Development in Tajikistan". Since March 2009 we entered Phase II which aims to improve demand-oriented enterprise-related services in Dushanbe (the country's capital), in the northern Sughd region (with the capital Khujand) and in Gorno Badakhshan Autonomous Province (GBAO) in the east (capital: Khorugh).

In terms of business activities and entrepreneurship, the Dushanbe area shows the most dynamic development, accounting for more than 39% of the total number of small and medium enterprises (SMEs) active in Tajikistan.

Due to its very mountainous geography, GBAO is difficult to access and has a very low population density (3% of the total Tajik population). It is therefore the least developed region of the country, with a small SME sector.

In contrast, the Sughd region is one of the most developed and industrialised regions of the country, contributing 17% of industrial output to the economy. Twelve percent of all companies with foreign investments are situated in this region.

Women play an important role as individual entrepreneurs in the SME sector. Survey results indicate that 42% of those working as individual entrepreneurs are women. In the segment of SMEs with two employees: on average, out of 3 enterprises more than 1 is managed by a woman.

The project's goal is to support the development of SMEs in Tajikistan by improving the business environment, developing training and extension services, improving enterprises management and fostering strategic development. In Tajikistan the institutional and political enterprise support structure is still underdeveloped. Instruments to support SMEs and to increase regional value chains and additional networks are hardly known. However, SMEs need a supportive environment to be able to both increase their economic performance and contribute to regional economic development.

The following consulting services are provided by AFC:

- overall project management;
- support to individual pilot SMEs, agribusiness and start-up enterprises through exemplary sup-

port measures;

- establishing the Centre for Associations and SME Excellence as an umbrella organisation, training and service centre for SME associations;
- elaboration of service and marketing concepts for associations;
- members' and branch analysis for associations;
- advice in the elaboration of a support policy for SMEs and start-ups;
- preparation and organisation of specific trainings;
- development of structures for setting up an advisory service system;
- network development including micro-finance institutions;
- identification, planning and conducting of exemplary support measures, particularly for training local advisers;
- advising selected associations in the improvement and expansion of their services; and
- support of agricultural enterprises and agro-processing industries, training of trainers, transition towards market-oriented agriculture, support to government organisations.

One crucial component of Phase II is to provide technical assistance for the development of an "umbrella" association "The Centre for Association and SME Excellence (CASE)" which is to cater to Tajik business association leaders. The "umbrella" in Tajikistan will provide essential services to its members such as advocacy support for member issues, educational programmes, training for association leaders and managers as well as owners of micro, small and medium businesses. It will also provide extensive communication to keep the members well informed.

The study tour started in Albania on 20 November 2009 and ended in Berlin on 2 December 2009. Ed Beaman, Senior International Consultant of AFC, organised the meetings in Albania with the Association



Business Management Center (ABMC) and the Albanian Agribusiness Council (KASH). AFC welcomed the group of association leaders from Tajikistan in Berlin. During this study tour meetings were arranged with: the Fruit and

- lobbying in politics, chambers and associations
- marketing
- supply chain management

The last evening of the 14-day study tour ended with a merry get-together in Berlin and in the midst of the season's Christmas atmosphere.

The project is to run until the end of 2011 and is a part of the GTZ programme "Sustainable Economic Development" headed by Mr Bernd Benning. We will report about the project results again.

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Celebrating with the Tajik delegation

Vegetable Wholesale Market, the Federation of German Food and Drink Industries (BVE), the Chambers of Industry and Commerce and its Association (DIHK), the German Association for Small and Medium-Sized Businesses (BVMW) and the German Federal Bakers Association in Berlin.

The following key issues were of particular importance to the participants:

- organisational structure
- networking- and association membership
- services
- membership due regulation
- foreign trade

Each presentation was followed by a fruitful dialogue with intensive question and answer sessions on specific factors and their success.

To sum up: twelve association leaders from Tajikistan together with key staff from AFC spent an interesting and highly efficient time in Albania and in Germany. The study tour was well received by all participants. It gave them a perfect networking opportunity, providing energy as well as new ideas for the development of small and medium enterprises, valuable insights and a better understanding of how SME centres work in Albania and in Germany, thus showing them how a similar organisation could function in Tajikistan.



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Cooperation with the Central Bank of Nigeria Support to the Microfinance Certification Programme (MCP)

In April 2004 AFC took over the responsibility for the Financial Services Component (FS) within the GTZ's Employment-oriented Private Sector Development Programme (EoPSD). The objective of the FS is to support capacity building of financial service providers within the microfinance sector as one of the key factors to improve the efficiency of micro, small and medium enterprises and to expand their business and employment potential. This also includes support to regulating authorities like the Central Bank of Nigeria (CBN).

The CBN first approached the EoPSD - FS Component in 2006 to enhance the acquisition of appropriate microfinance operational skills for the management of microfinance banks (MFB).

On the initiative of the CBN and in agreement with GTZ, the FS Component initiated a pilot mission in September 2009 to identify the starting point and the needs of the CBN in the field of developing and implementing a microfinance certification programme (MCP).

During this mission it became clear that point of departure was no longer valid and that the assumptions that determined the initial terms of reference for the technical assistance (TA) had changed considerably.

- The institutional framework has changed and is not clearly structured.
- Since 2007 CBN already worked with a consultant to train regulators and trainers outside the MCP.
- The CBN has neither concept nor plan for ensuring the proper implementation of such a programme by the different stakeholders, including TA.
- A change in legislation at end of 2007 determined that the Chartered Institute of Bankers (CIBN) is to be the exclusive authority for examining and certifying MF trainers and will be responsible together with CBN for examining and authorising training material, and for examining the local trainers who train operators.
- Finally, it needs to be considered that microfinance is still not sufficiently understood by the project partners', which makes it difficult to apply the standard skills requirements for MFB management.

Nevertheless, the mission resulted in the participatory elaboration of a training skills and competences catalogue, to which the relevant stakeholders agreed. A participa-

tory-based action plan is currently being elaborated.

The mission experienced difficulties in harmonising cooperation and collaboration. A common understanding of the project and a commitment to the action plan, including the provision for a working unit, will be the minimum requirements for GTZ to continue cooperation.

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Promotion of energy efficiency and renewable energies in the Philippines

The Republic of the Philippines is an archipelago of 7,107 islands that stretch to more than 1,800 kilometres between the island nations of Borneo to the south and Taiwan to the north. Inhabited by a population of 85 million (50% of whom are rural inhabitants), the country is divided



Biomass power plant using rice husk



Rice husk mill



Training session for LBP staff

into three main island groups, Luzon, Visayas and Mindanao, each being a complex economy in its own right with great variations in the levels of economic development and energy demand.

Given its vast size and large population, the Philippines are a prodigious user of energy. In spite of some coal deposits and recently identified additional indigenous oil and gas resources, the country is dependent on imports for most of its fossil fuels. The high cost of this dependence motivated the country to aggressively seek domestic alternative solutions well before energy efficiency and the development of alternative energy sources became major global concerns. As a result, the Philippines are already able to meet close to half of their energy needs from indigenous renewable sources, primarily geothermal energy and solid biomass fuels.

It is the Philippines' priority to develop indigenous energy resources in line with the country's energy development objectives. The Philippines have extensive natural resources that can be utilised as renewable energy. In addition to still untapped biomass and geothermal energy sources, there is also great potential for wind and hydro development. There is also a ready market awaiting the realization of these oppor-

tunities as the government's updated 2008 energy plan projects a 6% increase in electricity demand by 2014. Furthermore, climate change and emission reduction objectives are already being actively pursued as a matter of national

development, supported by comprehensive Philippine legislation and donor programmes. The German Government's new Initiative for Climate and Environment supports projects in the field of climate and environmental protection in developing and emerging countries and matches well the domestic efforts in this field in the Philippines. In the framework of this initiative, the Kreditanstalt für Wiederaufbau (KfW) provided a Credit Line for Energy Efficiency and Climate Protection (CLEECP) to the Land Bank of the Philippines and the contracted consortium AFC / ECOFYS / ADG / Berkman led by AFC to provide the related consultancy services.

The general objective of the consultancy services is to assist the Land Bank of the Philippines (LBP) and potential clients of the credit line to identify, plan, evaluate and implement investments reducing primary energy consumption and greenhouse gas (GHG) emissions.

In the course of the consultancy assignment the LBP personnel will be trained in the areas of energy efficiency, climate protection measures and Clean Development Mechanism (CDM) procedures. The consultants' team will assist bank staff in evaluating investment proposals in energy efficient and re-

newable energy technologies. It will also assist bank clients to identify potentials for energy efficiency, GHG reduction measures and CDM benefits. Finally, the consortium will develop a marketing concept for the new financial products of the bank: energy efficiency and renewable

energy loans.

As a result of the very close cooperation between the consultants and both bank staff and management, LBP will be able to independently manage energy efficient lending programmes with its in-house staff and in cooperation with local energy experts. The bank staff will be able to identify energy savings potential amongst the bank's clients and to attract potential clients for energy efficiency and renewable energy loans. Moreover, LBP will be able to continue the training measures related to energy efficiency lending independently and further increase its expertise in this field beyond the project's duration.

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Egypt: Egyptian German Private Sector Development Programme (GTZ); Component 2: Resource and Energy Efficiency in the Food Industry

Most Egyptian enterprises are not competitive in the international and partly also in the national market. They are therefore not able to provide a sustainable basis for the protection and expansion of employment. The existing economic and legal framework is character-

the, in many respects, deficient Egyptian system for promoting innovations. Since the potential for enhancing resource efficiency and developing new products and services is not used sufficiently, national aid programmes are to counteract this situation. For instance,

The implementation concept is divided into three complementary parts: (1) supply and implementation of demand-oriented business development services (BDS); (2) support in the supply of information about resource efficiency through partner organisations and (3) contribution to the improvement of the framework requirements. The objective is for selected enterprises of the food industry to implement the offered services for the efficient use of resources (water, energy and chemicals). Activities centre on effectively economising resources used, the target being to save 30% per unit produced.



Project concept is being presented to selected private companies

Before services are offered to a representative number of enterprises in the food industry, services that have already been implemented successfully will be identified and tested on a pilot basis. In this regard, services which have been developed and implemented by the Efficiency Agency of the Federal State of North Rhine-Westphalia (EFA) in German enterprises of different sectors seem to be suitable. In particular, the EFA has implemented measures for production-integrated environmental protection (PIUS check) in Germany to improve production efficiency. A cost minimising production with high resource efficiency and minimised efforts for disposal protects the environment and strengthens economic competitiveness. With the "PIUS check", the relevant material flows and the state of the production technology can be measured and improvements for enhancing the resource efficiency within production processes can be identified.

ised by a market that is largely protected by import tariffs and energy subsidies, with the result that the majority of Egyptian companies has an extremely low resource efficiency. Due to the lack of economic incentives, the energy consumption for the production of standard products in Egypt is 20 to 40% above the international average. The potential for improvements is not used to the extent necessary and innovations are only hesitantly established in the production process.

the Industrial Modernization Centre subsidises energy audits which, however, are rarely translated into concrete measures as further technical assistance is lacking. As a result, the Egyptian economy is not sufficiently competitive due to a deficit in innovations, restricted product quality and high resource consumption.

Being aware of this situation, the Egyptian government created a first conceptual framework to increase the private sector competitiveness by elaborating the "Egyptian Industrial Development Strategy" in 2006. The centres of technology transfer established thereafter by the Ministry of Trade and Industry

The Egyptian German Private Sector Development Programme aims to develop and implement services required by enterprises, focusing on the efficiency of resources and energy as well as on a more systemic approach for implementing and disseminating innovations. In this context, AFC provides technical assistance to improve the efficient use of resources in the food industry.

In cooperation with the already identified partner organisations FTC (Food Technology Centre) and CFI (Chamber of Food Industries) these services will be presented to the food industry sector in Egypt, tested and eventually adapted to local circumstances and the requirements of the participating enterprises. Experts from the partner organisations will play a major role in all measures



to be carried out, from identifying the services to evaluating the achieved results and eventually adapting services, while at the same time providing support towards increasing the capacity of service delivery. In parallel, a pool of local experts will be established, with the EFA implementing professional training programmes and coaching measures to build the capacity of local experts for resource efficiency.

Furthermore, the project supports partner organisations in the design and implementation of information and awareness-raising campaigns related to environmental protection and resource efficiency in the food industry as well as in the identification and promotion of financing mechanisms and models for invest-

ments in adequate improvements. Finally, based on the achieved results at company level, two proposals for the improvement of framework conditions related to resource efficiency measures in the food industry will be elaborated in close coordination with the partner organisations.

The project started in December of 2009 and will have a duration of 2.5 years. AFC has excellent knowledge and hands-on experience in the Egyptian food industry, having very successfully implemented a GTZ-funded project in Egypt related to fruit and vegetable processing from 2006 to 2009. The current endeavour will significantly benefit from the lessons learnt and the existing relations with relevant stakeholders.

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AFC supports the quality improvement of Moroccan agro-alimentary products

At the beginning of 2009, the Ministry of Agriculture and Fishery of Morocco, in collaboration with the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), launched the project "Quality improvements of agro-alimentary products (AQPA)". This project, implemented by DLG Agriservice and AFC Consultants International GmbH, aims at making the agro-alimentary sector more competitive on both internal and external markets through improving product quality.

The food processing industry is one of the main industries in Morocco. Its objective is to feed a growing population and to participate in the country's export activities. The industry's major export market is Europe, which is increasingly exigent when it comes to product

solutions for the harmonious and concerted development of quality in three sub-sectors (olives, canned fruit and tomato paste). During this period the problems related to processed vegetables were systematically evaluated and quality management tools developed, such as the reference quality management guide PIAQ (Programme of integrated quality management).

The encouraging results yielded by the introduction of these quality management tools in a pilot group of enterprises convinced the regulating authorities to implement necessary modifications, in particular the official recognition of the PIAQ as a founding document for a new quality management concept – both on the private sector and government level.

internal organisation. In this way, consumer protection in Morocco was significantly reinforced. Today, the AdC are accredited actors and participate in the decision-making process of national and regional authorities. Furthermore, AdC created and implemented consumer protection service desks to assist consumers looking for support in defending their rights.

Under the AQPA project a number of innovations and modifications in the agro-alimentary sector were initiated. For example, a normative and legal data base was established in business associations and a standardised production contract which links agricultural and processing operators was developed. These initiatives allowed the associations to reinforce their role in the development of the agro-alimentary sector. The initial results of the introduced modifications confirmed the need for the standardisation of a new approach in securing product quality at the national level.

The AQPA project certainly benefited from the favourable economic situation created by the free trade agreements between Morocco and other countries or groups of countries. It also benefited from the growing requirements of markets and civil society. But its achievements are primarily the result of a fruitful cooperation between different partner organisations representing civil society, the private sector and the state administration.

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Project presentation to stakeholders

quality. Also, Moroccan consumers are becoming more and more demanding in respect of hygiene and quality for products sold on the national market.

The AQPA project implemented a wide range of tools to support the development of the agro-alimentary sector. During a first piloting phase of 3 years the project identified

The AQPA project contributed towards adapting the legal framework for the quality control of food products and to the elaboration of product standards. In the framework of the project a law concerning the sanitary security of food was worked out which came into force in 2008. The consumer protection associations (AdC) were provided with practical tools for structuring their



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New colleague in the financial sector development team

Simona Helmsmüller joined AFC in April 2010 for a three-month internship after which she was offered a work contract. Ms Helmsmüller will support AFC's department for financial sector development, assist in project acquisition and project management.

Ms Helmsmüller has recently returned from Dhaka, Bangladesh, where she completed an internship at Grameen Bank (GB), the winner of the 2006 Nobel Prize for Peace. At the bank, Ms Helmsmüller had the chance to learn in depth about the philosophy, systems and procedures of the Grameen methodology of microfinance. During various field trips to Bangladeshi villages, she conducted interviews with borrowers, participated at centre meetings and observed the daily work of branch staff. She has therefore experienced first hand that microfinance offers an unequalled opportunity to reduce poverty and foster social change through a market-based, sustainable approach. At the head office in Dhaka, she worked on various build-operate-transfer (BOT)

projects at the Grameen Trust. Grameen Trust, an independent company under the Grameen umbrella, is responsible for the promotion of microcredits and the implementation and adaptation of GB type programmes worldwide. Ms Helmsmüller helped with the writing of annual reports and newsletter articles as well as with the controlling of the monthly balance sheets from BOT projects in Zambia, Kosovo and China. This allowed her to gain a first insight into the country specific opportunities and challenges of microfinance. Furthermore, she substantially contributed to a feasibility study aimed at analysing the demand for microfinance in Scotland and in this task closely collaborated with the Glasgow Caledonian University.

Before her internship with Grameen, Ms Helmsmüller worked as a student research assistant at the German Research Centre for Artificial Intelligence in Saarbrücken and as a volunteer/teacher for

mathematics and English at an Indian Primary and High School in Bangalore. She holds the equivalent of a Master's degree in Mathematics with a focus on statistics and insurance mathematics, which she completed with outstanding results. She is currently pursuing a second degree in Economics, in which she specialises on economic policy and development economics.



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