OFFICE OF EVALUATION

Thematic evaluation series

Evaluation of FAO’s Contribution to Strategic Objective 4: Enabling Inclusive and Efficient Agricultural and Food Systems

ANNEX 3. Assessment of the Regional Initiative on “Improving Agri-food Trade and Market Integration” (RI2)

October 2017
Evaluation of FAO’s Contribution to Strategic Objective 4: Enabling Inclusive and Efficient Agricultural and Food Systems

ANNEX 3. Assessment of the Regional Initiative on “Improving Agri-food Trade and Market Integration” (RI2)
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1. Introduction

1.1 Background of FAO’s strategy and programme in the region

1 The Reviewed Strategic Framework 2010-19 of the Food and Agriculture Organization of the United Nations (FAO) was approved during the 38th Session of the FAO Conference in June 2013, outlining five new Strategic Objectives (SOs) representing the areas of work on which FAO will focus its efforts in support of Member Nations. The FAO Office of Evaluation has been asked to conduct an evaluation of SO 4, “Enable more inclusive and efficient agricultural and food systems” in the period 2016-2017. The main objectives of the evaluation are: (i) assess the soundness and effectiveness of the Strategic Programme (SP) 4 intervention logic and delivery mechanisms; (ii) examine how the reviewed strategic orientation has added value to FAO’s efforts to enable more inclusive and efficient agri-food systems, and what results are evident in this regard; and (iii) based on the above, provide strategic recommendations for FAO and the SP Management Team and, in particular, help shape the next Medium-term Programme outcomes and outputs under SP4.

2 In the Europe and Central Asia (ECA) region, Member Countries have asked FAO to apply its expertise to the following priority issues: strengthening food security and nutrition; boosting the productivity of small farms; managing natural resources sustainably and coping with climate change; controlling animal, plant and food-borne pests and diseases; entering into international organizations for trade, standard-setting and economic cooperation; and having access to the latest knowledge and other regional “public goods” – for the benefit of food security and safety, nutrition, food, agriculture, fisheries and forestry.1

Table 1: Current regional initiatives for Europe and Central Asia Region, 2016-2017 biennium

<table>
<thead>
<tr>
<th>Regional Initiative</th>
<th>Name and timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>RI1</td>
<td>Empowering smallholders and family farms sustainable NRM and inclusive development of rural areas (2014-2017)</td>
</tr>
<tr>
<td>RI2</td>
<td>Regional Initiative on Agri-food Trade and Market Integration 2016-2017 Preceded by: Agrarian Structures Initiative 2013 and then by Agri-food Trade and Regional Integration 2014-2015</td>
</tr>
</tbody>
</table>

3 There were two regional initiatives in the Europe and Central Asia region at the time of writing this report (see Table 1). In addition, two “focus areas” continue to receive high priority: control of animal disease, plant pests and food safety hazards, and natural resource management, including climate change mitigation and adaptation. There are plans to initiate one more regional initiative in the region on “Sustainable Natural Resource Management under a changing climate”.2

4 As part of the evaluation design it was decided that for the Europe and Central Asia region, the evaluation will focus on the “Agri-food Trade and Market Integration” Regional Initiative - RI2: this note addressed that decision.3 Case study countries for the evaluation include Georgia, Kyrgyzstan, Moldova, Tajikistan and Ukraine. In some sections, Armenia is also covered given the potential developments for RI2 in the next biennium.4

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3 Building on the findings of an evaluability assessment of SP4, the evaluation identified the Regional Initiative on Improving Agri-food Trade and Market Integration that was implemented in Europe and Central Asia as a case study for the evaluation of SO4 given that it encapsulates all SP4 elements in its design, as well as being well advanced in implementation amongst the three regional initiatives under SP4.
4 Armenia and Georgia could potentially be included, based on the discussions during the Review Workshop for the Regional Office for Europe and Central Asia (REU) Regional Initiatives, Budapest, Hotel Benczur, 3-4 May 2017. In preparation of Informal Consultation for Europe and Central Asia 29–30 May 2017.
1.2 Report outline

The rest of this report is organized along the following Outline. Chapter 2 describes FAO’s work under RI2. Chapter 0 describes country contexts in the Europe and Central Asia region and discusses the conceptual relevance of RI2. Chapter 4 discusses the relevance of the regional value added under RI2 design (as operationalized). Chapter 5 assesses the results by RI2 components: starting from typology and proceeding to the assessment of effectiveness (covering inter alia, the efficiency and inclusiveness criteria of SO4). Also, the contribution of RI2 to SO4 objectives and the potential for sustainability are discussed. Chapter 6 discusses the main enabling and limiting factors affecting the results and the potential for sustainability followed by the Conclusions in Chapter 7.
2. Description of RI2

Agricultural systems in the Europe and Central Asia region are still deeply affected by the process of political and economic transition. The transformation of agricultural production and markets has coincided with the process of globalization and deepening of trade integration both within the region and worldwide. With greater participation in global agricultural trade, the region plays an increasingly important role as a supplier of agricultural commodities to international markets. The primary goal of the Regional Initiative on Agri-food Trade and Market Integration (RI2) is to support member countries in enhancing the agri-food trade policy environment for small and medium-sized enterprises (SMEs). RI2 is expected to build the capacity of:

- government officials - in the implementation of trade agreements, particularly the World Trade Organization (WTO); and
- both governments and enterprises to: (a) implement international food quality and safety standards; and (b) create a supportive environment for trade, including export diversification (e.g. with development of value chains, export promotion policies, accessing international commodity and food markets, etc.)

RI2 consists of three main interrelated components to support the sharing of ideas, experiences and solutions across interventions (see Figure 1):

a. Implementation of trade agreements to increase access to new markets, aims at the development of the capacity for implementing the main trade agreements in the region. The initiative aims at building the capacity of civil servants and private industry in the region on WTO issues, including market access, domestic support measures, sanitary and phytosanitary (SPS) issues, technical barriers to trade, trade dispute resolution and trade facilitation;

b. Increased capacity to implement global food quality standards sought to develop capacity to implement global food quality standards covering three distinct areas:
   - improvement of the capacity of civil servants, private enterprises and scientists in the application of modern methods of risk analysis and in designing strategies for ensuring food, sanitary and phytosanitary safety;
   - building the capacity of civil servants on Codex, International Plant Protection Convention (IPPC) and World Organisation for Animal Health (OIE) good practices and standards in an effort to upgrade food safety, sanitary and phytosanitary standards in Europe and Central Asia countries; and
   - developing capacity for using geographical indications.

c. Supportive policy environment for export diversification focuses on country-level work on fostering a supportive policy environment for export diversification for food products. This component:
   - targets identification of potential export commodities, analysis of selected value chains in selected countries with recommendations for facilitating exports and assistance in the preparation of export promotion campaigns for food products; and
   - envisions using a combination of analysis and capacity building aimed at improving the policy environment for export diversification.

These three closely linked areas of capacity development were included in one regional initiative, according to the Concept Note:

- in order to support the sharing of ideas, experiences and solutions across interventions, so as to better address the needs of the Member States;
- given that the international trade agreements, such as the WTO agreements, form the basic rules for international trade, and thus form the environment in which domestic trade policies are formulated; and

5 This Chapter borrows heavily from the Concept Note of RI2.
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- given that modern agricultural global markets also require that producers meet rigorous standards on food safety and sanitary and phytosanitary issues. The WTO Agreement on Agriculture recommends that countries adopt the standards of three standard setting bodies—Codex Alimentarius, the IPPC and the OIE.

**Figure 1:** Regional Initiative on Improving Agri-food Trade and Market Integration, 2016-17: overall goal, outcomes, programme elements and activities

Source: Evaluation team

9 Supportive policy environment for modern agri-food trade concerns not only broader policies but policies and institutions at the national and enterprise level. Hence, government policies to effectively regulate imports and exports must also include policies on adherence to the standards and recommendations of these three institutions. This includes support for the increased capacity to implement global food quality standards, on phytosanitary and IPPC issues; on food safety standards, best practices and system architecture; on sanitary/veterinary control issues; on geographical indication, etc. The above sums up the interrelated nature of the three Components, with trade and markets as the “connecting” theme.

10 The activities are included in the RI2 on the basis of their congruence with the concept of the Regional Initiative, in particular, they should relate to one of the three components. Capacity building is provided at regional level workshops and at country level, with no specific capacity building for regional organizations.

11 RI2 unites more than 20 FAO experts and consolidates about 30 projects and more than 90 activities. The scope of RI2 covers 15 countries from four subregions: South East Europe (Serbia, Albania, the FYR of Macedonia, Montenegro, and Kosovo), Eastern Europe (Moldova, Ukraine and Belarus), South Caucasus (Armenia, Georgia, Azerbaijan), Central Asia (Kyrgyzstan, Tajikistan, Kazakhstan and Uzbekistan), as well as, Turkey.

12 RI2 focus countries are Kyrgyzstan, Moldova, Tajikistan and Ukraine. The selection of the focus countries was based on various factors, including the countries’ trade agreements,
their state of market integration or joining regional trade agreements (discussed in the next Section, e.g. Kyrgyzstan joining the Eurasian Economic Union (EEU) on 12 August 2015), as well as global ones (Tajikistan has been a member of the WTO since 2 March 2013, but is still in the process of harmonization and requires FAO support). Moreover, the prevailing activities in the 2014-2015 RI2 programme were considered, which contributed to continuity between the focus countries under the RI2 in 2014/15 and 2016/17. While it is not required to maintain a specific ratio of focus/non-focus countries, in the situation when it is necessary to choose one activity out of two priority is given to countries in focus.

13 The transformation of RI2 is described in Table 2. The changes were made in consultation with Member States and endorsed by the FAO Regional Conference.6

Table 2: Evolution of RI2

<table>
<thead>
<tr>
<th>Component</th>
<th>Trade agreements</th>
<th>Implementation of trade agreements to increase access to new markets</th>
<th>Before 2016, the focus was on analysis of regional and bilateral trade agreements, including Deep and Comprehensive Free Trade Agreements, and EEU. Since 2016, the main focus of Component 1 is on international/WTO agreements.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 2</td>
<td>Food safety and other normative technical guidelines for trade</td>
<td>Increased capacity to implement global food quality standards</td>
<td>The area of this component was expanded to phytosanitary, sanitary/veterinary control issues, geographical indication and food quality branding.</td>
</tr>
<tr>
<td>Component 3</td>
<td>Wheat trade for food security</td>
<td>Supportive policy environment for export diversification</td>
<td>This component in 2014-2015 was focusing only on wheat production and trade. 2015-2016 component focuses on export diversification in general. The component provides export diversification assessments, export value chain analysis and policy recommendations, outbound trade promotion strategies.</td>
</tr>
</tbody>
</table>

Source: Interviews and review of relevant documents

3. **Country contexts in the Europe and Central Asia region: conceptual relevance of the RI2**

3.1 **Development contexts: differences and similarities**

14 These countries vary greatly in terms of: economic standing value added of agriculture as share of gross domestic product (GDP) (see Figure 1 in Appendix 1), poverty rate (above 30 percent in Armenia, Kyrgyzstan and Tajikistan, and only around 3 percent in Kazakhstan, for example); quality of physical infrastructure (e.g. roads) and trade support infrastructure (see Figure 2 in Appendix 1); agro-ecological zones (with chernozem of Moldova and Ukraine to mountainous Armenia to the Steppes of Kazakhstan and deserts of Tajikistan and Uzbekistan); level of centralization of decision making/governance transparency, etc.

15 Economic unions in support of trade integration in the region include:

- European Union: In Serbia, Albania, the Former Yugoslav Republic of Macedonia and Montenegro, European Union accession negotiations are ongoing. Moldova, Ukraine and Georgia have signed European Union Association Agreements and Deep and Comprehensive Free Trade Agreement (DCFTA) with the European Union. Turkey has a free trade agreement with the European Union (since 1996) and a customs union since 1995; and
- Eurasian Economic Union (EEU), with Russia, Kazakhstan, Kyrgyzstan, Armenia and Belarus as members;

16 The European Union and the Eurasian Economic Union have different trade rules and standards. Uzbekistan, Azerbaijan, Tajikistan and Turkmenistan are not in any of these groups.

3.1.1 **Commonalities and regional approach**

17 With all the diversity, there are commonalities among these countries which support the arguments that there are merits in their inclusion in a single Regional Initiative. Some of these are identified below:

- **WTO membership**: most countries are WTO members (see Figure 2), with the majority having joined relatively recently and hence in need of training and improved trade policy-related analysis skills.
- **Food safety as one of the main challenges/priorities**. Addressing many of the food safety issues (e.g. transboundary diseases) requires a regional approach.
- **Desire for export diversification**, prompted in particular, but not only, by an increasing trend in the region to limit trade through tariff and food safety policies (in the context of trade wars), as well as many countries speaking of food self-sufficiency as a goal of their agricultural trade policy. A focus on value chain development is another area of common priorities (related to above), along with export promotion, which are prioritized in the agricultural development strategies/programmes of all the countries covered by RI2.

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7 data.worldbank.org
There are also structural commonalities, including:

- **Ongoing changes.** While the contexts and challenges differ greatly across the region, most of the countries are undergoing changes related to agri-food trade, partly connected to requirements linked to the regional trade agreements. This concerns food safety standards\(^8\) as well as much broader issues, such as lack of market information, lack of predictability in trade policy (with many ad hoc barriers) and lack of knowledge and effective use of international trade rules: these imply that the area of work features weak/infant institutions undergoing rapid changes.

- **Strategies lacking implementation capacity/Nascent institutions.** The institutional challenges mentioned above add to inherent institutional weaknesses inherited from the transition phase. The lack of availability of state finance for state provided services, while differs greatly across the countries in terms of the extent, applies to all countries. One other relevant common issue is that the agricultural trade matters often lie in the purview of the Ministries of Economy/Trade rather than the Ministries of Agriculture. In particular, export promotion agencies are often under the Ministries of Economy/Trade and do not have specialized units promoting export of agricultural products. The result of all these challenges taken together is that the countries often have respective strategies in place (on the development of agriculture/rural development as well as strategies on export promotion - see Appendix 4; some developed with FAO assistance), but lack implementation capacity.

- **Agriculture dominated by small holders: common feature but changing.** As a heritage from the Soviet past, agriculture in many countries of the region is dominated by small farms - a factor which complicates the implementation of reforms and affects the effectiveness of agricultural trade. Having said that: (a) the definition of small is different in Ukraine (where there are already many commercial large farms) and Tajikistan or Moldova, for example; and (b) consolidation of the valuable land is already a feature in many countries. Another feature of the common soviet past is the aversion/scepticism towards farmers’ cooperatives, with several attempts in forming farmers’ cooperatives falling short of expectations. And finally, fragmentation in agribusiness sectors is also a common feature, as a result of which often the requirements of export contracts in terms of quantities are not met.

The commonalities described above provide a conceptual rationale for the RI2, i.e. the relevance of addressing the three main blocks of issues under one initiative. Whether this conceptual relevance then translates into operationalized relevance depends on the programme design features: this is discussed in Chapter 4.

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8 In the context of accession to the Eurasian Economic Union (EEU) the national legislation has been brought into full agreement with legal framework of the EEU (40 laws and 51 resolutions of the Government of Kyrgyzstan (GKR)).
3.2 Contexts for agri-food trade: key features by subgroups

3.2.1 European Union alignment countries: Post DCFTA processes, outcomes and opportunities for Moldova, Ukraine, and Georgia

The European integration has anchored the Governments’ policy reform agenda. The AAs/DCFTAs between the three countries on one hand (Moldova, Ukraine and Georgia) and the European Union on the other, widened access to the European Union market for agricultural products, but overall, the increase in trade with the European Union, while growing, remains moderate so far. One of the reasons is that the tariff - quotas (where they still apply) are low.9 And the second reason is, indeed, the lack of readiness: the deep integration of food and consumer safety legislation and harmonization of standards for industrial, agricultural and consumer goods, will open up the European Union market, but it will take time (estimates standing at around ten years), requiring significant effort by the authorities to press ahead with reforms as quickly as possible. Thus, a more substantial boost to trade between these countries and the European Union is expected later.10 Meanwhile, DCFTA countries were confronted with market restrictions in the Russian Federation (ban on selected products combined with raised tariffs on other groups of products), which had significant adverse effects on the economies of these countries. The European Bank for Reconstruction and Development (EBRD) estimates the impact of these restrictions on food products adding up to 0.6 percent of Ukraine’s gross domestic product (GDP) and 0.8 percent of Moldova’s.11 This had a negative effect on the domestic markets with oversupply of produce, price decrease and lower income for farmers.

21 Agri-food export trends and potential. With favourable climate and geographical conditions, rich soil resources and biological diversity, agriculture is an important sector in the economy of all three countries:

- **Moldova.** Agriculture value added was at 12.0 percent of GDP in Moldova in 2015 (45 percent of total exports).12 Within the total agriculture export of the country in 2015, the largest share was held by the plant products, accounting for 55 percent (USD 502 million). Exports to the European Union of some Moldovan products doubled or even tripled. These include honey, grapes, dried fruits, wheat, barley, sugar and wine. Moldova offers a large range of agricultural products, such as fruits, vegetables, grains, and livestock,13 but meat products are not yet allowed for the export to the European Union, except for caviar.14

- **Ukraine.** Agriculture value added was at 14.4 percent of GDP in 2015 (40.4 percent of total exports). From 2003 to 2014, agricultural output grew by 75.6 percent. This was primarily due to the 5.3-times growth of labour productivity in the agricultural produce. Ukraine is on the list of the top producers of some goods: sunflower oil; corn; wheat; soybeans; and poultry (almost one third of all domestically produced poultry today is exported). The last decade saw a rapid growth also in livestock breeding and the production of meat (1.5 times) and eggs (1.6 times). Following two years of declining trade (instability, global decrease in commodity prices), exports from Ukraine to the European Union began to increase again, including in agriculture. In 2016, Ukraine became the third largest agricultural exporter to the European Union, but there are still tariff quotas and restriction on meat products (today Ukraine has the right to export animal products in the following categories only: poultry, sea fish, seafood, honey, industrial casein, collagen casings, down and feather, forage, by-products, soil improvers and fertilizers).15

- **Georgia.** Agriculture value added was at 9.2 percent of GDP in 2015 (28.4 percent of total exports). The ten agricultural exports with the largest volumes in 2012-2015 were: nuts (fresh or dried); wine of fresh grapes; natural or artificial mineral and aerated waters,

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9 For example, Ukraine produces 1.5-2 million tons of sugar a year, but its quota to sell to the European Union is just 20 000 tones. http://www.reuters.com/article/us-netherlands-eu-ukraine-exports-idUSKCN0X5080
10 Movchan V. and Shportyuk V. (2016): “First results of DCFTAs with the EU: cases of Georgia, Moldova, and Ukraine”
12 http://stat.wto.org
13 MIEPO (2016): “Agriculture and Food Processing Republic of Moldova: 2016-2017”. Basic crops that country offers (and has export potential) are winter and spring grains (wheat, barley, maize), sunflower, sugar beet, potatoes and vegetables, horticultural crops and fruits.
not containing added sugar; mineral and aerated waters, containing added sugar
undenatured ethyl alcohol, spirits, liqueurs and other spirituous beverages; live bovine
animals; live sheep and goats; citrus fruit, fresh or dried; flour, meals and pellets, unfit
for human consumption; greaves; fruit, nuts and other edible parts of plants, otherwise
prepared or preserved agricultural exports, originally expected to be a mainstay of
Georgia’s European Union-bound exports, actually slightly decreased, from USD 217
million in 2014 to USD 208 million in 2015; while experts identify more potential for
some products (e.g. honey), opportunities are more constrained than for Ukraine and
Moldova.18

Main barriers for agricultural exports include, inter alia: access to trade finance (all
countries); fragmentation of agricultural production (Moldova, Georgia) and food
processing and foreign trade (all countries); low level of productivity in all areas of the agri-
food sector (Moldova); insufficient marketing activities and lack of interaction in the field
of technology transfer between business, academic and university centres (all countries);
lack of efficient storage, processing and transportation capacities (Moldova, Georgia);
high level of dependence on the imports of most machinery and equipment used for
agricultural production, cattle breeding and food processing, as well as components,
seeds, crop protection agents, fertilizers (all countries), etc.19

Steps already taken by the respective governments to address these barriers include,
inter alia: (a) the establishment of the Export Promotion Council in Ukraine and the
Export Promotion Fund/Enterprise Development Agency, the Centre for Agribusiness, and
International Trade Missions, together with a Trade Portal and Online Export Database
in Georgia; and strengthening of the Investment and Export Promotion Organization
(MIEPO) in Moldova; (b) adoption of agriculture and export development strategies; and
(c) identifying and developing certain agricultural value chains with the support of EBRD/
FAO, USAID, IFC, GIZ, etc.20

Plans for the future include inter alia, increasing exports to the European Union, combined
with forceful efforts to diversify exports to, inter alia, markets in the Middle East, the Gulf
countries, China and India; opening of Export Support Centres abroad in Ukraine; and
better support services for agrarian exporters (all countries); and an increase in the focus
on processed agricultural products (Georgia).21

3.2.2 Eurasian Economic Union - Members: Kyrgyzstan and Armenia

A treaty aiming for the establishment of the Eurasian Economic Union was signed on 29
May 2014 by the leaders of Belarus, Kazakhstan and Russia, and came into force on 1
January 2015. Treaties aiming for Armenia’s and Kyrgyzstan’s accession to the EEU were
signed on 9 October and 23 December 2014, with the treaties coming into force in 2015
(January 2015 for Armenia and August 2015 for Kyrgyzstan). The EEU introduces the free
movement of goods, capital, services and people and provides for common policies in the
macroeconomic sphere, transport, industry and agriculture, energy, foreign trade and
investment, customs, technical regulation, competition and antitrust regulation.

This section covers Kyrgyzstan as one of the case study countries for this evaluation and
Armenia, given the potential developments in RI2 in the next biennium.22

16 http://www.eurasianet.org/node/78371
17 Regarding wine and alcohol beverage export, the five export countries are: Russia; Ukraine; Kazakhstan; China;
and Poland.
18 EPRC (2014) showed that EU-Georgia DCFTAs would be beneficial in the end, but is expected to produce short-
term pressures on domestic market. European Union’s Agreement on Deep and Comprehensive Free Trade Area
19 Based on the country reports presented during the Expert Round Table - Best practices in export promotion:
Experiences in Latin America, ECA, 24-25 May 2016, JAMO Halle (Saale), Germany; http://www.fao.org/economic/
est/international-trade/europe-and-central-asia/call/en/
20 Ibid.
21 Ibid.
22 Armenia and Georgia could potentially be included, based on the discussions during the Review Workshop for the
Regional Office for Europe and Central Asia (REU) Regional Initiatives, Budapest, Hotel Benczur, 3-4 May 2017. In
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27 Post EEU processes, outcomes and opportunities:

- **Kyrgyzstan.** Agriculture accounts for 15.9 percent of GDP in 2015 (9.9 percent of total exports). Main exports include, *inter alia*: honey, potatoes, onions, garlic, leeks, cabbages, cauliflowers, carrots, turnip, dried vegetables and fruit, fresh fruit, nuts, apples and apricots. Priority sectors to pursue further also include raw and processed meat, milk and dairy products, and bottled water. The main trading partners are Russia, Kazakhstan, China, Switzerland, Turkey, Uzbekistan, Germany, United Arab Emirates, Belarus and South Korea.23

- **Armenia.** Agriculture accounts for 19.2 percent of GDP in 2015 (26.3 percent of total exports). Exports include, *inter alia*: wine and beverages, tobacco products, aquaculture products, fruit and vegetables, showed strong growth during 2003–2015 rising from USD 79.1 million to USD 398.0 million over the same period. There has been little growth since 2013, due to low agricultural production in 2014 and deteriorating conditions in the Russian economy in 2015. Agri-exports remain a major component of total exports, nevertheless, with 26 percent of total exports (USD 1.48 billion) in 2015.24 There is potential for further sustained growth in the exports of agricultural products.25

28 Steps already taken by the respective governments to address these barriers include, *inter alia*:

- **Kyrgyzstan.** Export Development Plan for 2015-17 (elaborated with ITC/GIZ support) adopted; a Single Window Centre (under the Ministry of Economy, focused on Trade Facilitation and Exports Promotion) established and turning into a Trade Promotion Agency; and the Kyrgyz-Russian Development Fund established, suppling credits to entrepreneurs up to USD 3 million through banks since September 2015. The establishment of agro-technical service centres (machinery leasing) is underway.

- **Armenia.** The Sustainable Agricultural and Rural Development Strategy 2015–2025 was adopted and an Export Insurance Agency was established in 2015, operated by the Committee from different ministries. This agency insures financial losses incurred because of non-payment by the importing party and collaborates with the banking sector on the provision of loans.

29 **Main barriers for agricultural exports** include, *inter alia*: absence of specialized export promotion agencies (Kyrgyzstan); expensive logistics services (Armenia, Kyrgyzstan); lack of experience on export promotion (Armenia, Kyrgyzstan); absence of foreign trade representatives abroad (Armenia, Kyrgyzstan); issues with the implementation of the standards (HACCP, ISO are still not implemented in Kyrgyzstan). In both countries: (a) joining EEU implied a massive exercise in changing laws;26 but there are issues with the implementation, due to the lack of monitoring and clashing standards when trading outside EEU; and (b) exports were affected by the economic downturn in Russia in 2015.

30 **Plans for the future** include *inter alia*: (a) modernization and commercialization of the agriculture sector (Armenia); (b) Guarantee Funds and developing national umbrella brands (both countries); (c) pursuing opportunities arising from having the status of European Union Global System of Preferences (GSP+); (d) better utilization of the opportunities of proximity to China (in the case of Kyrgyzstan) and Iran (for Armenia); and (e) pursuing exports to the Gulf countries.

3.2.3 Tajikistan

31 The three countries, which are covered under the RI2, but have not joined any of the two groups are quite different. This Section covers only Tajikistan as it is one of the country case study for this evaluation. Tajikistan has the lowest GDP per capita in the region (USD 2,834 in 2014) and is likely to join the EEU soon.

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23 Export Development Plan for 2015-17 in Kyrgyzstan; Meerim Momunzhanova Senior specialist of the Trade Division Ministry of Economy of the Kyrgyz Republic; Expert Round Table - Best practices in export promotion: Experiences in Latin America, Europe and Central Asia, 24-25 May 2016, IAMO Halle (Saale), Germany.

24 WB (2016): "Modernization and Commercialization of Armenian Agriculture Synthesis Priorities for Sector Reform and Investment".

25 Ibid.

26 In frame of accession to the Eurasian Economic Union the national legislation has been brought into full agreement with legal framework of the EEU (40 laws and 51 resolutions of the Government of Kyrgyzstan).
Agri-food export trends and potential. It is mainly an agricultural country (65 percent of the gross output), with agriculture generating more than one-fifth of Tajikistan’s GDP growth. The cotton industry is the most important agribusiness sector with 60 percent of total agricultural production (USD 112 million in exports in 2013, 15 percent of total export revenue). Due to the absence of a large-scale textile industry, most of the cotton is exported unprocessed, making the economy very vulnerable to external shocks. Around 95 percent of the rest of agricultural exports are fruit (grapes, apples, apricots, etc.) and vegetable. Dried fruits and onions constitute 80 percent of food exports – 2 percent of all global dried fruit exports. 27 96 percent of Tajikistan’s food exports go to Russia, either directly or as re-exports from Kazakhstan but other markets also show potential. Exports are affected by the import substitution policy of Russia (98 percent of juice in Russia is now produced locally, compared to 5 percent in 1990); meanwhile, exports of preserved fruit from Tajikistan to Russia decreased 3.5 times between 2000 to 2010. 28

Steps already taken by the Government to address these barriers include, inter alia: Tajinvest, under the State Committee for Investments and State Property, has been mandated to carry out investment attraction and export promotion. There are four Free Economic Zones and there is a credit line for the exporters through the Entrepreneurship Support Fund, established in 2013 with preferential terms, but the scope is limited. At the local commercial banks, interest rates are high, terms are short, and collateral requirements make up to 130 percent of the loan or credit extension.

Main barriers include, inter alia: low price competitiveness; informal trade in agricultural produce; processing, storage and related industries not developed (only about 20 percent of production is processed); limited export promotion and marketing efforts; weak links between farmers and processing companies; and lack of specialists to credibly evaluate agribusiness policies combined with limited national and regional statistics.

Government’s Plans include, inter alia: WTO accession creates opportunities for Tajikistan. Regional demand for fruit and vegetables is increasing, especially for processed products. Plans to: (a) enhance the existing export promotion structures; increase the number of financing options for agribusiness companies and exporters; and (b) diversify exports to Afghanistan, Iran and China.

27 Imomov Imomnazar, Ministry of Economic Development and Trade of the Republic of Tajikistan "Export promotion in Tajikistan", Expert Round Table - Best practices in export promotion: Experiences in Latin America, Europe and Central Asia, 24-25 May 2016, IAMO Halle (Saale), Germany.
28 Ibid.
4. Alignment of RI2 with the outcomes of SP4

36 Under the SO4 objective of “Enabling more inclusive and efficient agricultural and food systems”, RI2 is tagged under and contributes to Outcome 4.1 (International agreements, mechanisms that promote more inclusive and efficient trade and markets). However, RI2 also contributes to (see Figure 3): (a) SO4.2. - Agribusiness and Agrofood chains that are more inclusive and efficient are developed and implemented by private and public sector; and (b) SO 4.3. - Policies, financial instruments and investment that improve inclusiveness and efficiency of agri-food systems are developed and implemented by public and private sectors; it does so primarily through Component 3 of RI2 (value chain development), but also Component 2 (on Food Safety) in the parts concerning trade facilitation and market promotion.

37 RI2 components contribute to the improved environment for global trade (RI2 goal), linked to all three (3) indicators of SO4, namely:

- increased share of global trade in global agriculture (all three components);
- increased share of value added agro industry in agriculture value addition (Components 2 and 3);
- improved labour productivity in agriculture and agribusiness (Components 2 and 3).

38 RI2 contributes to the efficiency and effectiveness criteria of SO4 (albeit in a narrower sense, in relation to value chains, with the links to food systems not well articulated). In particular:

- contribution to efficiency criteria:
  - improving the capacity of the countries to implement their obligations and exercise their rights under WTO, i.e. promoting compliance with its rules (RI2 Component 1);
  - contributing to increased market access through gains in competitiveness and compliance with market standards (RI2 components 2 and 3); as well as
  - less wastage due to animal disease and pests (RI component 2).

- contribution to inclusiveness criteria:
  - inclusive model of training (RI2 Component 1);
  - increased offtake from smallholder farmers and small livestock holders (RI2 Component 2); and
  - reaching out to a wide spectrum of businesses through sectoral associations (though the picture here is mixed, see Chapter 6) as well as through extension networks (RI2, Component 3).

Figure 3: Interrelations between RI2 (and its Components) and SO4 Objective, Outcomes and Indicators

Source: Evaluation Team
The enunciation of SO4 in 2013 coincided with and helped to formulate the first phase of RI2 (2013-2014) (the link to SP4 scope of work and results matrix is described in the Regional Office for Europe and Central Asia (REU) Regional Initiative concept note).

While the notion of developing value chains is explicitly targeted under Component 3, the Concept Note of RI2 does not make a link to the notion of “inclusive and efficient agricultural and food systems”. This is a reflection of: (a) the fact that the notion is not well understood and internalized by all the staff at regional office, particularly given that the introduction of a comprehensive food system approach is relatively recent at corporate level and results framework and entry points for change are still being articulated; and (b) the disconnect that exists between the Outcomes of SO4 (with RI2 Components well aligned with these) and SO4 objective, since the notion of “food systems” appears only in SO4 Objective and not its Outcomes.

4.1 SP4’s areas of comparative advantage and regional value added

4.1.1 RI2: comprehensive approach

The goals and components of RI2 are relevant for the countries, both individually and in terms of the region as a whole, as discussed in Chapters 2, 3 and 5, being mostly well aligned with the Country Programming Frameworks. RI2, namely its components, are relevant for the RI2 countries. In general, main tools for export promotion include: product quality and safety; national legislation being in compliance with international standards; effectiveness of official veterinary and SPS control system and its compliance with international practice; legislation and administrative practices designed to promote safe processes (HACCP); laboratories with international accreditation; focus on value addition and niche markets (e.g. organic products); geographical indications; building a positive country image/brand; capacity building of human resources, etc. RI2 addresses all of these – to a varying degree - among the measures under its three Components, taking a comprehensive approach to enabling environment for global trade.

4.1.2 RI2: regional value added

The key aspects of the relevance and effectiveness of the RI2 are related to its “regionality” (regional value added), in comparison to a scenario when the same results were to be pursued as country-based components. The conceptual relevance of the regional approach in terms of addressing common concerns was discussed in Chapter 0, but the conceptual relevance could be utilized to various degrees of effectiveness. Hence the question is whether the design of RI2 overall and its components added value over an individual country approach. The regional valued added manifests itself in primarily two ways:

a. Learning among the members. The discussion in Chapter 5 contains many examples of such cross-country (subregional and regional) events under all three Components, but primarily under Component 1 and somewhat less under Component 2 (under food safety); as for Component 3 only one event could be mentioned (the workshop in Germany). European Bank for Reconstruction and Development/Investment Centre Division experience needs to be shared more widely across the countries as discussed in the end of Section 5.3.2. The Investment Centre Division’s (TCI’s) contribution to EastAgri platform (TCI’s learning stories mostly feature there, apart from regular news digests) is not integrated with sustainable food value chain platform; and

b. Economies of scale. For example, when with one training course there is a potential to reach more people than it would have been possible by targeting each country separately. Obviously, this is possible when the needs in training are similar (this is relevant to WTO training, so far). The project staff noted that through using e-learning, they have been able to train over 500 people in two years, which would not be possible with a face-to-face format.

43 The linkages between the components could have been better pronounced (see Figure 4), even though there are some examples when these had happened already (e.g. in Ukraine related to African swine fever and meat and dairy value chains). Thus, overall, the operationalization of the “regional value added” under RI2 was also relevant, but (a) more needs to be done in terms of Component 3; and (b) intra-Component linkages need to be strengthened.

Figure 4: SPS system and agri-food trade


4.1.3 Linkages between RI1 and RI2

44 The RI1 relates to Strategic Objectives 2 and 3 with SO3 being the lead SO with close links to SO2. It planned to involve SO4 elements in the work of the RI1, more specifically on short/local value chain and farm business development. RI2 further contributes at policy level towards RI1 actions to increase rural poor’s access to markets and value chains and towards creating an enabling environment for the scope of the potential RI3 (on climate change) by strengthening institutions’ capacity for implementing polices for sustainable production. Hence there are obvious linkages between the two regional initiatives which could be utilized better (especially if there is more strategic approach to refinement of the focus countries, see Table 3) which will then result in more benefits accruing to better utilizing “regional” elements. This will also allow converging towards a “food systems” approach in addressing SO4.

Table 3: Regional Initiatives and Focus countries

<table>
<thead>
<tr>
<th>Focus countries</th>
<th>RI1</th>
<th>RI2</th>
<th>RI3 (planned)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Armenia</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Azerbaijan</td>
<td></td>
<td>x</td>
<td></td>
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<tr>
<td>Belarus</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Moldova</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FYR of Macedonia</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Montenegro</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>


30 Informal Consultation for Europe and Central Asia 29 – 30 May 2017 in Budapest. FAO Regional Office for Europe and Central Asia (REU).

31 Ibid.
5. Contribution to results - Assessment of results by components

5.1 Implementation of trade agreements to increase access to new markets

5.1.1 Typology

5.1.1.1 WTO related training

45 These included:

- Five e-learning courses in Russian of five weeks duration were organized in cooperation with the United Nations Institute for training and Research (UNITAR) (see Box 1).

- Regional workshops on WTO accession issues in agriculture:
  - on WTO accession in Kiev, Ukraine, 12-13 November 2013;
  - on WTO Trade Facilitation Agreement impact on agri-food trade in Odessa, Ukraine on May 30 – June 1, 2017; and
  - on Agreement on Agriculture for CEECAC Countries in Vienna, Austria, 27-29 September 2016.

- National training workshops on:
  - WTO accession in Kazan, Russia (30-31 January 2013); in Belgorod, Russia (20-21 November 2013); and in Chisinau, Moldova (2-4 December 2014); and
  - WTO trade dispute resolution in Moldova (2015), Serbia (17 May 2016); and in Ukraine (June 2017).

Box 1: E-Learning courses on WTO (agriculture)

WTO accession and its implications for the agricultural sector in Commonwealth of Independent States countries in March and October 2014 (with the facilitation of UNDP Regional centre) with four modules: rules and agreements for agricultural trade in the WTO; the Agreement on the application of sanitary and phytosanitary measures (SPS Agreement); WTO and the Commonwealth of Independent States countries: Accession and implementation issues in agriculture; and Implications of WTO membership for agricultural policy and food security.

Ensuring Agricultural Trade Policy Transparency in the post-Soviet countries, four-week course, from 19 September to 14 October 2016, composed of three modules: Transparency instruments and procedures; Transparency of agricultural domestic support policy; Transparency of sanitary and phytosanitary measures.

WTO accession and implications for agriculture in the post-Soviet countries, course dates: 5 to 30 June, 2017.

Resolving Agricultural Trade Issues through International and Regional Trade-related Agreements in the Commonwealth of Independent States Region, course dates: 1 to 26 June 2015 and 4 to 29 April 2016.

WTO accession and implications for agriculture in the post-Soviet countries, course dates: 5 to 30 June 2017 and 4 to 29 September, 2017.

Source: Regional Office for Europe and Central Asia (REU) documents, provided for this evaluation

5.1.1.2 Support for the Expert network - Agricultural Trade Policy Expert Network (ATEN)

46 FAO is supporting a Commonwealth of Independent States Agricultural Trade Policy Expert Network, bringing together predominantly independent experts/researchers from academia, but also some from the governments and private sector. The aim is to: (a) promote dialogue on agricultural trade policy issues; and (b) support broader capacity development in this area (see Box 2). ATEN Annual Meetings were held on: 15-16 December 2014 in Rome (inaugural meeting, work plan for 2015-2016 drafted and Coordinating Committee of the ATEN was formed); 8-9 October 2015 in Minsk; and 6 April 2016 (an informal meeting);
Annex 3 – Assessment of the Regional Initiative on “Improving Agri-food Trade and Market Integration”

and November 1, 2016 in Samarkand, Uzbekistan. FAO activities in support of the ATEN included participation in the training courses and workshops listed above, and producing publications described in point “C” below. The list covers:

- organization of the online and on-site workshops, training seminars and discussions on agricultural trade policies;
- preparation and dissemination of relevant publications and data;
- technical assistance to trainers in preparing curriculums, adapting or developing training programmes including Training of Trainers guidelines for them to engage in adapting/delivering training;
- facilitation of exchanges and study tours among researchers and analysts from different European and Central Asian countries;
- organization of annual meetings/conferences of the network;
- facilitation of public-private dialogue on agricultural trade policy issues in European and Central Asian countries.

Box 2: Agricultural Trade Policy Expert Network

Objectives:

- provide a neutral and independent platform for knowledge and experience exchange on agricultural trade issues affecting European and Central Asian countries;
- enhance the quality and relevance of agricultural trade research and strengthen collaboration among experts for analysis, capacity development and other initiatives in the European and Central Asian region;
- strengthen the capacities to provide technical advice and policy recommendations to governments and the private sector;
- improve communication and information sharing on trade policy issues with the wider community.

Expected outcomes:

- a consolidated expert community actively involved in addressing the challenges associated with promotion of agricultural trade in the Commonwealth of Independent States countries;
- improved quality of agricultural trade policy research and advisory services to governments on trade agreements and agricultural trade policy;
- private sector and civil society more informed about the implications of trade policy changes on agriculture and engaged more effectively in dialogue with governments on agricultural trade issues.


5.1.1.3 Publications

47 Some of the publications delivered under the Regional Initiative were produced by the Agricultural Trade Policy Expert Network (see Table 4)

Table 4: Knowledge products

<table>
<thead>
<tr>
<th>Knowledge products</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 monthly bulletins of the Agricultural Trade Expert Network in Europe and Central Asia published by June 2017</td>
</tr>
<tr>
<td>Countries in the Commonwealth of Independent States: Agricultural policy issues in the context of the World Trade Organization (published 2014)</td>
</tr>
<tr>
<td>Improving Market Access for Food: Main Provisions of the EU’s Deep and Comprehensive Free Trade Agreements with Ukraine, Moldova and Georgia: Ukraine and Moldova</td>
</tr>
<tr>
<td>Forest products annual market reviews (FPAMR). December 2016</td>
</tr>
</tbody>
</table>

Source: Regional Office for Europe and Central Asia (REU) documents, provided for this evaluation
5.1.2 Assessment of relevance, effectiveness (including effectiveness and efficiency criteria of SO4) and the potential for Sustainability

5.1.2.1 WTO-related training

The overall relevance of WTO training is confirmed by the feedback on the questionnaires sent out to the courses’ participants by the course organizers in 2014 and 2016: 57 percent and 51 percent (respectively) admitted they had not been exposed to the information provided in the courses, and 74 percent and 51 percent (respectively) said the information was relevant to their job. Since the countries joined at different points in time, the level of knowledge and experience differs (and hence the level of relevance), but the interviews revealed also that the potential constituents even in the countries that joined earlier still need training on specific issues.32 Plus, due to high turnover in the Ministries, the training is still relevant for the new cadre. The analysis of the lists of participants of the e-leaning course indicates that there was good participation from the Ministries of Trade/Economy as well. For example, for the “e-learning course on agri-food trade policy transparency based on WTO rules and procedures”, 13 percent were from the Ministries of Agriculture and 10 percent from the Ministries of Economy (from the overall number of participants of 239). The e-learning courses has enabled FAO to train over 500 people in two years. A classroom/workshop format (there were nine such events so far) could be considered to be a suitable training modality that allows for active interaction, particularly when workshop participants include the representatives of the Ministries of Agriculture on one hand and the Ministries of Economy/Trade on the other, given the often fractured handling of agricultural export between them.

- **Online courses.** The online course included: (a) government officials from post-soviet countries, mainly from Ministries of Agriculture but also a limited number of them from other government ministries and agencies directly involved in the formulation and implementation of agricultural policies and programmes, including national food safety and phytosanitary authorities; (b) scholars in agriculture (PhD candidates, university teachers, researchers, etc.); and (c) the private sector, represented by consultants and lawyers working on agricultural topics. There were approximately 200 participants in the first course and 70 in the second one. Training activities included quizzes, assessment of case studies and discussion forums, enabling participants to learn from their colleagues in a multicultural, albeit mostly virtual environment. The effectiveness of the courses is confirmed by the share of participants, who stated that they were likely to use the knowledge gained: 83 percent for the first course and 64 percent for the second one. More than 96 percent in both courses, who took all assessment quizzes, were successful in exceeding by far the qualification threshold, scoring an average of: (a) 9.6 out of 10.0 during the first course; and (b) 8.0 out of 10.0 in the second. The participants gained a better understanding on WTO principles and rules regulating global agricultural trade, and the accession commitments in agriculture assumed by new WTO member states in the Commonwealth of Independent States region. The course materials were rated very high with an average of 96 percent of respondents. In particular, the second course included new modules and a Sanitary and Phytosanitary transparency toolkit, as well as WTO information and weekly interaction among the participants and mentors.

- **Training workshops.** Based on the interviews, the workshops facilitated a greater understanding of the multilateral trading rules for agriculture and the trade commitments assumed by the Commonwealth of Independent States countries in the context of the WTO accession. For example, in Russia, during the workshops organized jointly with the Ministry of Agriculture, over 200 representatives of regional authorities discussed the key areas of concern in relation to the WTO commitments on agricultural subsidies and options for providing the necessary government support within the WTO rules. The events also fostered discussions on options for trade-related reforms that would allow the countries to take greater advantage of the WTO membership.

5.1.2.2 Agricultural Trade Policy Expert Network

The concept of the Agricultural Trade Policy Expert Network was relevant: there is a need in the countries for more experts with good research and policy analysis skills related to agricultural trade. The need is present both on the governments’ side and in relation to independent analysis (the extent differs from country to country for both).

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32 For example, the Ministry of Agriculture of Georgia (one of the countries joining early) recently requested training on the application of WTO’s “de minimis” rules.
In the framework of this evaluation a small survey of the ATEN members was carried out. Sixteen responses to the survey were received out of a target sample of 33 active recipients of ATEN. Some of the responses are reflected upon in the points below:

- 93.8 percent thought that ATEN has helped to increase the relevance of research in the field of agricultural trade.
- 80 percent thought that ATEN contributed to the strengthening of cooperation between experts in the field of analysis with a comment that they learned a lot from each other, and that ATEN helped to establish a genuine network of professional contacts with other participants.
- In relation to the question on being consulted the respondents brought the following examples: introducing an additional import fee for a number of products, including agricultural products in Ukraine; receiving the status GSP+ in Kyrgyzstan; and bringing the norms of pesticides into compliance with Codex Alimentarius in Russia.
- In relation to the question on having contributed to policies, the respondents brought the following examples: measures of agrarian policy during economic crisis in Russia; and package of proposals for the development of production and export of goods with protected geographical indications in Russia; contribution to the Export Promotion Law in Tajikistan; and introduction of loans with preferential terms for the agricultural producers in Russia. Note that these are self-reports; verification was not possible under this evaluation.

There is no systematic information to assess the effectiveness of ATEN in terms of affecting policy (the interviews in the countries visited showed that it is not large). The examples from the expert network survey are few. While the evaluation recognizes that it is too early to identify impact regarding members of the network affecting policy, there is also an issue regarding the selection criteria of the members that may be a limiting factor for results in this regard. To join the network (which is an informal group), candidates are asked to fill out a form,33 which is then evaluated by the RI2 team judging the extent to which the candidate fits with the profile needed. The criteria, however, do not require that a potential candidate has a seat on the Ministry’s consultative platform in a given country, or that he/she works at a reputable think tank.34 Participation in the Network is on a voluntary basis, and members are expected to dedicate time to at least some of the activities (providing inputs to publications, participating in discussions, sharing information within their institutions, etc.); this is the argument for the criteria chosen, as well as a specific (and articulated during the interviews for this evaluation) desire to invest in promising individuals rather than institutions.

While there are merits in the arguments in favour of the chosen design, the side effects include the following: some countries not represented; members not necessarily having the position to affect policymaking; negative impact on the prospects of sustainability, given that people move countries and change jobs, etc. And finally, not all members were active and there were no mechanisms in the design to ensure the opposite (e.g. a requirement to publish). Thus, while the design chosen was “inclusive” it was not necessarily the most efficient. Additionally, the links between the ATEN and the local FAO offices were weak and hence the potential of the ATEN is not utilized well by FAO country offices.

Publications listed in Table 4 were, overall, well received by the Ministries of Agriculture, especially in the context of learning about the practices in other countries, but the knowledge about these publications in other Ministries (e.g. Economy/Trade) was low. It was planned to collect and public lessons learned from negotiating and implementing global and regional trade agreements.35 This does not exist yet as a final product (would be useful to have it completed and published).

33 www.fao.org/economic/cistrade
34 The implementing team of the Regional Initiative note in their comments to this report that the network includes several influential institutions that are involved in the formulation of strategies and policies by governments (for example: Center of Agrifood policy of the Russian Presidential Academy of National Economy and Public Administration (RANEPA), Institute of Forecasting and Macroeconomic research of Cabinets of Ministers of Uzbekistan and the Institute of system research in the agroindustrial complex of the National Science Academy of the Republic of Belarus. Nonetheless, the evaluation notes that the draft of the revised Concept Note of ATEN envisions certain changes in the eligibility criteria, including more emphasis on job affiliation.
5.1.2.4 Sustainability

54 Sustainability of WTO-related training outside FAO support is not assured since the project has not made formal efforts to embed these training courses at local institutions. Such attempts were made recently, with Timiriazev Academy in Russia. Informally however, those participants of the courses who were in teaching jobs have often commented that they will use the modules in their lectures.

55 Sustainability of the Agricultural Trade Policy Expert Network outside FAO support is not assured either. This is a prevailing view among the surveyed members (see Figure 5) as well as from the interviews for the evaluation. The selection criteria, as mentioned, affect sustainability, given that individuals are targeted, rather than institutions.

Figure 5: Will the Agricultural Trade Policy Expert Network continue?

Source: Survey of the Agricultural Trade Policy Expert Network

56 As part of the South-South component, a roadmap for regional cooperation on agricultural trade issues between Central Asian countries and China was supposed to be published. Such a roadmap would indeed be very useful linking to the activities of the Subregional office in Ankara.

5.2 Increased capacity to implement global food quality standards

5.2.1 Typology

57 The second component of the RI2 relates to the standards and good practices that make up a great deal of modern agricultural global markets. The subcomponents are described in Table 5.

5.2.2 Assessment of Relevance, Effectiveness and potential for Sustainability

5.2.2.1 Relevance

58 Global agricultural markets feature an increasing scope and complexity of food standards, particularly relating to food safety, with standard setting, implementation and enforcement being dealt with not only by governments, but also of firms, non-governmental organizations (NGOs), international organizations, as well as private certification bodies.

59 Human health-related food safety outcomes in both Central Asia and the European Commonwealth of Independent States countries lag behind those in Organization for Economic Cooperation and Development (OECD) countries. This is partly due to common

36 Ibid.
37 RI2 Concept note.
past with: (a) Soviet Union GOST-based (and not WTO based/aligned) standards - modified by the individual nations after independence - in force until quite recently; (b) capacities of the countries being weak and inadequate to manage food safety and agricultural health due to economic decline; as well as (c) emergence of large numbers of small farms following the breakup of the Former Soviet Union. These factors taken together imply that the control of animal diseases and plant pests was weak.

Table 5: Subcomponents under Component 2 “Increased capacity to implement global food quality standards” with a taxonomy of activities

<table>
<thead>
<tr>
<th>Capacity building on sanitary/veterinary control issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>• development of policies and strategies, capacity development of state veterinary systems and private veterinary practices for prevention and control of major animal diseases including zoonoses;</td>
</tr>
<tr>
<td>• risk analysis and provision of animal disease and zoonoses information;</td>
</tr>
<tr>
<td>• emergency preparedness and emergency assistance to transboundary animal disease outbreaks;</td>
</tr>
<tr>
<td>• strengthening of professional and community-based organizations;</td>
</tr>
<tr>
<td>• veterinary education;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capacity building on food safety standards, best practices and system architecture</th>
</tr>
</thead>
<tbody>
<tr>
<td>• guides, policies.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capacity building on phytosanitary and IPPC issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>• workshops, training;</td>
</tr>
<tr>
<td>• limited work on implementation.</td>
</tr>
</tbody>
</table>

Transition economies made progress in reforming the institutions but continued to face important challenges in their efforts to replace their former standards’ systems with systems that comply with the 1994 WTO Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) agreements, given institutional problems, limited human and financial resources, and the dominance of intra-Commonwealth of Independent States trade relations, in which compliance with GOST standards continued well past 2010. Russia’s joining WTO in 2012 was a decisive moment but it coincided with the formation of the Eurasian Economic Union and the closer European Union alignment by some of the countries in the region, which brought about more reforms.38

In particular, the countries which signed the DCFTA restructured their food safety systems to form single food safety agencies,39 while the countries which joined EEA had to follow the guidance of the Eurasian Economic Commission (EEC). In both the European Union and the EEU there are two levels of food safety control: the central authorities (at EC and EEC) and the food safety authorities of each nation state. There are considerable differences in terms of the relationship between these two levels. As opposed to the European Union, in the EEU the EEC has the authority to issue food safety regulations,40 but does not have the authority to monitor or enforce them at the country level. Moreover, member state governments are not obliged to change their own laws to be consistent with the decisions coming from the EEC. This creates a very difficult situation for food producers in the region as to which regulations they should follow – domestic ones or those issued by the central authority at EEC;41 this is even more difficult if they trade in the same subregion with the countries not in the European Union nor the EEU.

To comply with international good manufacturing practice requirements, major investments are needed in public services infrastructure and equipment to improve hygiene practices.

38 WB (2007): “Food Safety and Agricultural Health Management in Commonwealth of Independent States Countries: Completing the Transition”.
39 A few other countries outside these 3 also have single food safety agencies, e.g. Azerbaijan.
management and training on food safety and quality management systems, such as the use of hazard analysis and critical control points, and these are in short supply.

63 To sum up, in the countries covered by RI2, the capacities had to be built afresh. This situation has now improved in many respects, although the scale of the improvements varies from country to country. Parts of the food industry have already undergone thorough upgrading, and many of the modernized companies have successfully introduced coordinated supply chains linking to small farms. Foreign direct investment has played a major role; more so in selected countries.

64 Most countries are OIE, Codex, and International Plant Protection Convention members and most are relatively new. They need support to effectively participate in the discussions on standard setting: this feedback from interviews is validated by the literature review. To effectively participate in standard setting, the countries need functional systems and requisite infrastructure and human resources in place, enabling expert review of draft standards and specifications to generate technical and substantive comments and submit these to the respective Secretariats during member consultation periods. The latter, in turn, are under various pressures from exporting and importing countries, non-governmental organizations, etc., so it is in each country’s interest to participate actively. The standard setting processes are also evolving. Participation also allows for better ability to monitor, encourage and support the harmonized implementation of the standards by the parties; identifying and addressing the emerging and potential implementation problems before they become trade disputes, through assistance-based and non-confrontational processes; and establishing baseline information and annually updated data that could be used for the review of the state of plant protection in the world.

65 In 2016, the Codex Secretariat asked members to indicate the three to five most critical and emerging issues in food safety/quality. The issues that were most frequently identified as critical included: Food fraud and Food adulteration (55 percent); Antimicrobial resistance (AMR) (36 percent); Contaminants (36 percent); Issues related to the globalization of trade (36 percent); Challenges in food safety management along the chain (32 percent); foodborne pathogens (32 percent); and new distribution channels (32 percent). Issues that were indicated only as emerging included Challenges to food safety management along the chain (32 percent); and the traceability of food products (9 percent).

66 Given this background, conceptually the component was very relevant. The demand for support from the Regional Office for Europe and Central Asia (REU) has been in: assistance with food chain crisis/emergencies (including transboundary issues), capacity and institutional development, policy review, updating to align with international requirements.

5.2.2.2 Effectiveness

Capacity building on sanitary/veterinary control issues

67 FAO has been helping the countries with developing principles for traceability and risk-based analysis. National animal identification is the first part in animal health and fundamental for market access, and most countries lack this. FAO has supported national animal identification with projects in the Balkans, a pilot in Kyrgyzstan and, at the time of

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43 In relation to OIE, see for example Thiermann A. (2006): “The role of the OIE in a safe and fair-trade WTO Public Forum; www.ippc.int

44 Marième Fall Agriculture and Commodities Division World Trade Organization. Implementation of international standards: collaboration between the WTO and the three sisters (Codex, IPPC and OIE) Marième Fall Agriculture and Commodities Division World Trade Organization.

the evaluation, in Georgia, but with Technical Cooperation Programme projects. Serbia, Montenegro, Kosovo, have seen the economic benefits with doubling farmer incomes from the focus on small ruminants. There are positive developments also in Georgia already. While these projects were not funded under the RI2, but through Technical Cooperation Programmes, they: (a) indicate what could be achieved with funding available to address this fundamental need in animal traceability; and (b) are complementary to RI2 activities in the countries mentioned.

FAO’s role was instrumental in the regional and national control programmes of brucellosis, foot and mouth disease and African swine fever: most of these under the RI2:

- The support to improvement of brucellosis prevention and control strategies in Armenia and Georgia, with a five-year surveillance programme, included technical and institutional support to veterinary services in both countries. The support covered: (a) technically sound and cost effective national strategies and action plans based on vaccination; (b) capacity development on epidemiology, surveillance; and (c) awareness raising on brucellosis prevention. This is progressing well, but a few cases were registered in 2015 and 2016 in both countries, prompting a follow up support to improve the brucellosis prevention and control at regional and national levels in both countries in 2016. The national capacities were strengthened with training and advice to enable the implementation of the National Brucellosis Control Programmes (May 2016). While it is taking time to see reductions in the cases, the governments have already shown that they are responding and preparing better (see in relation to Georgia). Subregional workshops on brucellosis control were organized in Georgia and Armenia in October 2016. FAO also has a regional roadmap for progressive control covering Balkans, Caucuses and Central Asia.

Box 3: Getting a grip of brucellosis in Georgia

“Brucellosis was quite bad in Georgia, but the country is making progress, investing its own money and increasing the number of people working on it. It’s on the right path, but it will take a lot of time, effort, patience and commitment from the Government,”

Andriy Rozstalnyy Animal Health and Production Officer, FAO Regional Office for Europe and Central Asia (REU)


Government-funded follow-up project zeroed in on developing and implementing the control strategy and drew on the expertise of multidisciplinary teams – veterinarians and epidemiologists as well as non-governmental organizations and universities – to get the word out about brucellosis and how to minimize the risk of infection. Throughout 2016, the national forest assessment facilitated or conducted numerous capacity building activities for not only the national forest assessment, but also for other stakeholders and the general public. In addition to the various campaigns conducted within the course of the normal national forest assessment activities (i.e., rabies awareness and vaccination campaign, brucellosis sampling and monitoring, etc.), in 2016, it facilitated or conducted 25 trainings events, 18 workshops, 14 working groups, five public-private dialogue events, attendance at three conferences, and three study tours. The Geographical Information System and the Electronic Disease Surveillance System are fully functional.


- Legislation for preparedness for transboundary animal diseases (TAD) and information system in Moldova. The package of support included: (a) a comprehensive assessment of the national food control system, following internationally accepted codes and standards, and FAP/WHO criteria; as well as, (b) revisions of food safety legal framework, reducing the gap toward nationally established objectives. The National

46 NID in the Kyrgyzstan pilot was very successful and was upscaled by UNDP nationally. The 4 years long project in Georgia includes introduction of an electronic NID system, compliant with WTO regulations and approximation to EU requirements as much as possible, to aid traceability. Funding was received from Switzerland and Austria and covers hardware, software, awareness raising, training etc.

47 Georgia is now an exporter of small ruminants to Gulf via Jordan where the animals are quarantined for three months then transported to Qatar and Saudi Arabia.

48 The European Union has developed a sector policy support programme on agriculture, running until 2015, which focuses on animal health and food safety. It has also introduced a comprehensive institution building (CIB) instrument to help develop the capacity of Georgia’s National Food Agency. With funding from the CIB programme, the National Food Agency contracted FAO to carry out the brucellosis inception phase, while a brucellosis control programme followed in 2014 and 2015 (fao.org/in-action/fight-against-brucellosis-translates-into-action-in-georgia/en/).
Food Safety Emergency Response Plan and regulations to strengthen the food recall system were drafted. The assessment of national food control system using the new FAO/WHO tool allowed for the identification of the priority areas to be acted upon: the prepared draft is at the stage of analysis and review by the relevant stakeholders and food safety competent authorities. Due to structural changes in the government and the Ministry of Agriculture, the process slowed down.

The effectiveness of this work is hampered by: the insufficient financial and human resources of the National Food Safety Agency (ANSA), lack of clarity in relation to the boundaries of its competencies, the limits with the absorption capacity of the assistance that the Agency receives from many development partners, as well as to the persistence of informal food markets. The European Union’s Joint Analysis on “Programming in the Republic of Moldova until 2020”49 cites that “…ANSA requires further capacity building to be able to provide an effective control system and comply with EU standards. This is necessary for food for the internal market and for products intended for export to the EU….” (p.94). It is not an easy process for ANSA, which is a nascent institution (established in 2013). While ANSA could have expected to have fared better (with more efficient and transparent operations), there are objective obstacles related to large number of small and often economically weak holdings (farms) and underfunded local governments. The system is already strengthened somewhat with laboratories and alike (with the support from the WB, GIZ, Romania) and is expected to benefit further from projects developed under the National Strategy on Regional Development 2016-2020.

• Development of a Contingency Plan and Compensation model for African swine fever control, Ukraine. With the project implemented through the FAO Investment Centre Division (TCI), the contingency plans at national and regions level were produced (with six regional simulation exercises), the laboratory diagnostic capacity was improved and the awareness of local veterinary practice as well as of smallholder pig farmers was raised (see Photo 1). The number of outbreaks in Ukraine is growing every year,50 but the interpretation of this trend is not straightforward, as it could be argued that veterinary services worked better in terms of identification of wild boars that are infected with the African swine fever.51 The interviewees in Ukraine for this evaluation highlighted the importance of this work given the value of this sector for Ukraine and for controlling the spread to Europe. Ukraine has no access to vaccines yet, and since there are no prophylactics to combat the African swine fever, the only way is for producers to have a high level of biosecurity. Apart from the stringent biosecurity and vaccines, Ukraine needs an effective compensation scheme to stamp out the African swine fever: the implementation of such a scheme is hampered, however, by the current weak institutional landscape.52 There is progress in terms of the Government allocating more funds for an

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50 Fifty-five outbreaks of ASF were registered in the first half of 2017 with the Government having to cull 3,000 pigs. In 2016 there were 91 outbreaks with roughly 52,000 pigs culled. Forty outbreaks were reported in 2015 and only 16 in 2014.
52 Irina Palamar, the head of Ukraine’s Livestock Association, called on the government to adopt a comprehensive programme to fight against the disease for the period 2017-2022. She noted that the programme has already been developed with several scientific organisations and manufacturers having participated. The document’s approval by the government, however, appears to be postponed for unknown reasons. http://www.pigprogress.net/Health/Articles/2017/3/Ukraine-sees-spike-in-number-of-ASF-outbreaks-112816E/
anti-African swine fever campaign.[53] [Note that two outbreaks of ASF in Moldova in September 2016 were dealt with in time with FAO support to prevent further damage. GIS modules were used for surveillance and information monitoring (an approach to be replicated)];

- **Lumpy skin disease** is a new issue, affecting Turkey, Israel, Russia, Azerbaijan and most of the Balkans. A vaccine is available and the Regional Office for Europe and Central Asia (REU) has used surplus funds from the Georgia Brucellosis project to conduct workshops and produce brochures and manuals in 12 countries; and

- **Knowledge sharing on foot and mouth disease** came in the form of risk analysis and guidance on foot and mouth disease and a regional workshop in September and May 2016

### Capacity development in phytosanitary issues

69 The demand for support from the Regional Office for Europe and Central Asia (REU) has been in capacity building and institutional development and policy review/updating to align with international requirements. Several recurring issues are:

- Lack of regular pest monitoring, quarantine pest control and pest reporting; the latter is not regular as it is not obligatory, and countries report only when things are critical. *(some good results e.g. in Armenia with suspected potato moth entry, see Photo 2 above)*.

- Over-spraying of pesticides. Good progress in Georgia and Armenia where white butterfly control chemicals were replaced with integrated pest management; resistance control improved and now these are national integrated pest management programmes.

70 Regional Office for Europe and Central Asia (REU) assistance under RI2 comes mostly in the form of training. E-Phyto is a recent development and expected to grow in the portfolio.

71 Regional and national workshops on plant protection and pest monitoring were organized, including capacity building workshops to strengthen phytosanitary systems in Ukraine, Armenia, Moldova and Belarus (2016). Apart from workshops there was also support in conducting assessments (Armenia and Moldova) and support with the elaboration of the National Programme in Moldova. Training under RI2 is complemented by the special workshops in subregions – Balkans, post-soviet countries and even European Union members, to help them comment on standards before the annual IPPC meetings. The Regional Office for Europe and Central Asia (REU) supports IPPC participation with resources for attending through own and donor funding (for eligible countries - as per agreed criteria). The fact that a dedicated staff member at the Regional Office for Europe and Central Asia (REU) is the regional focal point for the IPPC Secretariat is a facilitating factor in this case. The countries’ adhering to different trading agreements creates some challenges as the needs are different, but all brought together.

72 There is evidence that the training has increased knowledge and awareness in the countries *(e.g. evidence on using new methods)*, but to enter the European Union market, the improvements in policies and practices need to be accompanied with investments on a regular basis and these are in short supply.

### Capacity building on food safety standards best practices and system architecture

73 FAO conducted assessments in selected countries on the extent of harmonization of national food safety laws with international benchmarks. There is good feedback on FAO support to develop capacities in food safety risk assessments, risk communication, management of risks, both in regional and country-level trainings. The capacity building in early warning systems and the manuals that countries can use are much appreciated. While the results are measurable, the translation of knowledge into practice need some time to make the impact visible.

74 The work is organized in the following sub-streams:

- **Standards setting** National guides on Good Hygiene practices were produced: four in Tajikistan and one in Moldova.

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53 The 2017 state budget for anti-epizootic measures was doubled, aimed at curbing the spread of ASF across the country.
- In Tajikistan (funded under the FAO-Turkey Partnership Program (FTPP)), five good health practices generic guides for subsectors were produced (covering raw milk, food service establishments, canning, pastry and bread). The larger project on building the capacity of the Ministry of Agriculture of Tajikistan in policy formulation and Animal Health Services (TCP) targets optimization of the laboratory system, introduction of risk-based inspections, improving legislation and training (see Photo 3). In particular, veterinary services were strengthened with private sector rural veterinary service network and a revolving fund to create infrastructure and connectivity (bikes for surveillance and customer support) to handle surveillance and day-to-day production, disease management and good practices. This work is strongly complementary to the RI2 activity, since the guides per se would have hardly been effective on their own. The private veterinary service is considered a success based on the interviews, but it remains to be seen whether financial sustainability will be assured or not.

**Photo 3:** Tajikistan’s dairy farmers make strive to make the country’s dairy industry more productive and competitive


- In Moldova, the (draft) Concept of Intersectoral Food Safety Coordination mechanism and the National Food Safety Response Plan were complemented by a guide to help convey food safety requirements and good practices to small-scale producers of milk and to food service operators (Moldova became eligible for Turkish support under the second phase of the FTPP was extended for Phase 2 to Moldova). The Guide has been distributed to the participants in the trainings from the respective food sub-sectors where the producers received training on what information is in the guides. According to the interviews it is useful and used. The second Guide is under preparation.

- **Technical/scientific advice for Codex committee and members.** As the interviews for this evaluation indicated, while the National Codex Points are now set up in all countries, the processes are slow and affected by staff turnover. As an example, under Codex Trust Fund 2, Europe and Central Asia has nine eligible countries, but only two made proposals for the first round. Under RI2, the “Regional critical and emerging issues in food safety” were identified through questionnaire-based feedback from Europe and Central Asia countries as part of the assessment of emerging issues in food safety for the Codex EU meeting (2016), clarifying the issues that need to be acted upon.

- **Strengthening food safety systems across food chain.** With the Investment Centre Division (TCI) the following projects were completed (see also Section 5.3.2):

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54 Also, under FTPP, in Kyrgyzstan, HACCP certification was achieved for one pilot enterprise (support with documentation, training and certification, based on which national consultants certified 7 more enterprises.

55 In Kyrgyzstan, the Kyrgyz Veterinary Association was established.
“Improving Food Safety in Georgia’s Dairy Sector”\(^{56}\), “Update of Meat Quality Standards in Montenegro”, “Public-private policy dialogue on food safety and quality standards in the meat sector in Serbia”; and on “Meat and dairy policies in Albania”. Additionally, the implementation of Chemical Products Regulations in Russia and Serbia was supported. And finally, an Exchange of Lessons Learned in the Western Balkans was organized in April 2016.

**Implementing early warning and communications around food safety risks.** There is a huge demand from countries for urgent rapid assessments. To address this growing issue, a four-day regional workshop for people working in various sectors concerned with food safety was organized in June 2015.\(^{57}\) As part of the training, participants used FAO’s Guide on “Enhancing Early Warning Capabilities and Capacities for Food Safety”\(^{58}\). Both the workshop and the handbook are part of a larger effort by FAO to establish national early warning systems for food safety to detect signals of food safety hazards early and stop incidents before they get out of control.\(^{59}\) RI2 contributed to this mandate with the workshops and in-country support aimed at strengthening national capacities.

### 5.2.2.3 Sustainability

75 Work on the livestock sector needs prolonged engagement: the successful example of a ten-year long engagement in Serbia is telling (with the four phases of engagement covering production, performance recording, breed improvement and market development). The same applies to the work on food safety frameworks overall.

76 The countries face significant financial constraints in sustaining the achievements and scaling up pilots: more structural cooperation with the European Union (for the European Union alignment countries) would have helped to leverage European Union funding in a more systematic way.\(^{60}\) The same applies to EEU/EEC: here FAO has a Memorandum of Understanding whereby FAO supports the countries with food safety measures, but again, more financial commitments and systematic approach are needed. Laboratories are better equipped now in the European Union alignment countries (with European Union funding), but more needs to be done for accreditation (e.g. Moldova does not have domestic accreditation and uses SGS or Russian bodies). Investment is key also for market access. Potential markets outside the European Union often also have high standards (e.g. Iran, Gulf countries, etc.).

77 Regional Office for Europe and Central Asia (REU) resources are strained and it would be difficult to meet the increasing needs in urgent rapid assessments for food safety risks and the work on transboundary animal disease control. FAO does not have a regional Emergency Centre for Transboundary Animal Disease (ECTAD): the staff at the Regional Office for Europe and Central Asia (REU) (3) and the Subregional Office for Central Asia (SEC) (2) play that role.

78 Emergency project funding (under SO5) feeds a considerable part of the work on animal health and transboundary pests and animal diseases. Continuity beyond the United States Agency for International Development funding of the Emerging Pandemic Threats Programme 2 (EPTII) (which ends in 2019) remains uncertain.\(^{61}\)

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\(^{56}\) A Report on “Food safety regulations in dairy sector” was produced.


\(^{58}\) http://www.fao.org/3/a-i5168e.pdf

\(^{59}\) The FAO Emergency Prevention System for Food Safety (EMPRES Food Safety) unit works with FAO members and other partners to prevent food safety emergencies. The International Food Safety Authorities Network (INFOSAN) is a global network of national food safety authorities, managed jointly by FAO and WHO. It is a fundamental component of FAO’s Food Chain Crisis Management Framework (FCC).

\(^{60}\) However, the evaluation notes that in June 2017 the Veterinary service of Ukraine signed a grant agreement with the EU for measures combating ASF in Ukraine.

\(^{61}\) There has been financial allocation for doing this from SP funding (USD 1 million for all SPs) and USD 0.3 million from SP4 for value chain analysis and food safety.
Sustainability chances also depend strongly on the country authorities themselves taking a more active stance in securing funds. For example, while the collaboration with OIE and WHO was very strong, and while for the antimicrobial resistance, national action plans are to be committed in 2017, only some countries have progressed somewhat.62

5.3 Supportive policy environment for export diversification

5.3.1 Typology

Elements: (a) export diversification assessments; (b) export promotion strategies; and (b) value chain analysis and policy recommendations for export (see Figure 6).

Figure 6: Components for policy environment for export diversification

Source: Evaluation Team

5.3.2 Assessment of Relevance, Effectiveness and potential for Sustainability

5.3.2.1 Export diversification assessments

For the European Union alignment countries, this is very important at this stage due to the time that it takes for the full opening of the European Union market (there are tariff quotas in the short-term, plus there is a lack of readiness in many sectors) on the backdrop of the ban from the Russian Federation of many agricultural products from these countries. The Eurasian Economic Union member countries are looking to reduce their dependence on the Russian Federation market (see Figure 7), as well as Kazakhstan - for some countries. Armenia and Kyrgyzstan benefitting from Generalized System of Preferences of the European Union, are eager to export more to the European Union. Almost all the countries look to expand their agri-food trade with Gulf countries, China, India and Iran. In many respects, these developments are conditioned by the widespread trend in the region of limiting trade through tariff and food safety policies (as well as many countries speaking of food self-sufficiency as a goal of their agricultural trade policy). Therefore, a well-defined work stream under this subcomponent would have been very relevant, but it is not well-defined for now, and is pursued through the third sub-component on value chain analysis and policy recommendations for export.

62 There is a new three-year project in Russia funded for AMR and AMU, supported by the Ministry of Public Health of the RF.
5.3.2.2 Export promotion strategies

Many countries have Export Development Strategies (see Appendix 4). All of them want to see an increase in agricultural exports, improvement of the trade balance and export diversification. Some specifics include: moving from the export of raw materials to the export development of products with higher value-added, processed products (Kyrgyzstan); intensification of agri-food import substitution and orientation of the domestic production for export (Tajikistan), etc. The effectiveness of the implementation of these strategies depends on the enabling environment, institutional capacities, governance quality and available funding. This is where the differences between the countries and their groupings manifest themselves, but all the countries need support, as evidenced by document review and interviews for this case study.

During the Expert Round Table on "Best practices in export promotion: Experiences in Latin America, Europe and Central Asia" (in Halle, Germany) in May 2016, conducted under RI2, the experts highlighted the need for more targeted agricultural export promotion practices, as the countries of the region are experimenting with developing institutions and implementing programmes to address the challenges associated with diversifying exports. The experts highlighted that:

- exporting agricultural and food products to new destinations requires a thorough analysis of the requirements and consumer preferences in export markets and strengthening testing and certification procedures to ensure the quality of the products;
- the countries need to take an active stance on positioning national products abroad, including through trade fairs, while developing a positive country image and brands is essential; and
- support with addressing the lack of specialized expertise in the food producing sectors and strengthening the sanitary and phytosanitary systems and certification that would help obtain market access are among the key challenges.

The strategy of export promotion under RI2 (as well as beyond) is equally not well-defined yet (as in the case with supporting export diversification, discussed earlier). Certain delays were associated with changes in the management. These changes are now completed and a speeded-up process of identification of the modalities of support is expected soon. Two measures for export promotion have been selected/decided upon tentatively:

compensation of promotion activities overseas, trade fairs and exhibitions, and compensation for geographical indication registration (both were “piloted” in Moldova, see below). At the time of the evaluation there was a draft strategy (June 2017).

For now, the activities are few and not well structured, including:

- Geographical indication promotion:
  - The demand for this stream of work came from the countries, based on the Investment Centre Division (TCI) work on value chains (see later in this Section with the examples from Serbia) as a tool to promote products to the European Union and international markets. Geographical indication-related work has been identified as a priority technical area for FAO support for the region. Gap analysis showed very rich diversity and potential in the region. At the time of the evaluation: (a) three studies were completed on the experience with implementation of the geographical indication framework, covering Croatia, Poland and Hungary; and (b) a gap analysis of countries in the process of geographical indication framework improvements was conducted, covering Russia, Moldova, Georgia, Armenia, Kyrgyzstan, and Albania. At the time of the evaluation, the work on the synthesis report was underway. The next (planned) stage will involve awareness raising workshops and policy consultations to discuss follow up steps for FAO support with the key ministries: each country will need to decide a plan for prioritizing certain products.° Key is to involve at least 80 percent of producers in geographical indication territories.
  - The implementation part has progressed mostly in Moldova so far: the Ministry of Agriculture of Moldova was advised regarding the development of the geographical indications. Moldova introduced support measures to compensate producers’ cost of geographical indication registration. The list of protected geographical indications and protected appellations of origin from Moldova contains ten names. More assistance is needed (the European Union has started a project as well; there was an earlier support from the International Fund for Agricultural Development (IFAD) (sheep cheese) and the European Investment Bank (EIB) (wine)).
  - On partially related note, in Albania, the capacities of the Ministry of Agriculture, Rural Development and Water Administration was strengthened covering issues such as the implementation of marketing standards, quality policy, organic/geographical indication (May 2016).

- Compensation of promotion activities overseas - trade fairs:
  - With FAO support under RI2, Moldova introduced a scheme of compensation for promotional activities overseas such as trade fairs (with clear eligibility criteria and procedures); In 2016, 350 Moldovan companies received support from the Moldova Investment and Export Promotion Organization (MIEPO), participating in various international exhibitions, fairs, business missions and study visits. About 1,300 business contacts with development potential, out of which 91 resulted in export contracts conclusion, according to MIEPO’s data.°

- Supporting countries’ benefitting from Agricultural Market Information System (AMIS):
  - Fostering Kazakhstan’s participation in the work of AMIS.
  - Web site with information about modern technologies and market information launched in Georgia.

- Technical advice:
  - Advice provided to the Ukraine Ministry of Agricultural Policy and Food on “agricultural support policy, export promotion and land consolidation” (paper drafted on 29/02/2016).

- Workshops:
  - Two-day workshop “Agricultural export promotion in Kyrgyz Republic” (Bishkek, Kyrgyzstan). 18-19 October 2016 (as a first step to similar assistance as for Moldova).
  - Plenary presentation on “Tourism and Rural Development in Uzbekistan” at a conference on “Foreign investments, innovative solutions and cultural heritage as factors for development in Bukhara, Uzbekistan” (Bukhara, Uzbekistan) 27 May 2016.

° FAO support package is likely to include legislative changes, since the Commonwealth of Independent States countries follow labelling of product origin and patent, which is different from the EU and US frameworks, plus the Ministries of Trade/Economy are in charge and not the Ministries of Agriculture, as in the EU. There should be at least role sharing with Patent agencies needing to delegate some powers to the ministries of Agriculture (at least a technical clearance role).

• Expert Round Tables:
  - Round table on "Best practices in export promotion: Experiences in Latin America, Europe and Central Asia" (Halle, Germany). 24-25 May 2016, IAMO Halle (Saale), Germany.

85 As for the effectiveness of this subcomponent, it is somewhat early to judge, but already there has been a positive feedback from the interviewees related to the workshops and the Expert Roundtable. The Workshop in Kyrgyzstan has led to a Technical Cooperation Programme under preparation on value chain development.

5.3.2.3 Value chain analysis and policy recommendations for export

86 The third subcomponent is currently the most advanced under Component 3. This portfolio has grown parallel to producers becoming more market-oriented, increasing both their holding sizes and production levels, and governments beginning to see their role in encouraging private sector investment. The region has great potential to increase food production, especially grains, meat and milk products, and contribute more substantially to global food security. Yet challenges remain. Crumbling infrastructure, weak processing and value addition capacity and degraded natural resources, especially in Central Asia, have put a dent in agricultural productivity and competitiveness.67 The work streams focus around two themes:

• Agri-food sector assessments
  - In Moldova, a country assessment of the agri-food sector was prepared and six benchmarking studies of food export promotional programmes were conducted using the experience of Chile, Brazil, Austria, Serbia, Estonia, Poland, and the European Union. After the completion of the six benchmarking studies, more than 120 fruit producers, traders, retailers and market experts from all regions of Moldova, as well as representatives of supermarket chains and fruit importers from Belarus, Romania, Russia, Tajikistan and Ukraine gathered for the First International Conference on Fresh Produce Retailing and Exports in Moldova (in November 2016). The plan is to follow up with value chain promotion activities through the Investment Centre Division (TCI)/ European Bank for Reconstruction and Development for selected value chains (see below).

• Value chain analysis and/or development
  - This is mostly implemented via FAO Investment Centre Division (TCI)/European Bank for Reconstruction and Development partnership, described in detail in the text below: Market analyses enables FAO to assess the contributions and constraints of all actors in a commodity chain in order to promote more inclusive and better performing value chains. Value chain development, takes the analysis work a step forward, allowing to link with many related areas of work, like food safety. Public private dialogue, working with industry associations, which are the main vehicle for the delivery of the work (see Box 4). This allows reaching out to the small producers (and contributing to “inclusiveness” criteria); however, the work included also working with some of the largest producers/private companies (important for “efficiency” criteria (but see Section 6.2 for discussion)).
  - In Serbia, the use of geographical indication for horticulture products was introduced – a status that assures consumers of a product’s quality, origin and reputation. Public-private platform on meat and dairy policies was facilitated (2016). Several companies received GlobalGap certification (initiated by FAO/EBRD support, see also Section 6.2). The project brought together a working group of meat processing companies and government representatives to create a public quality label that would recognize the higher quality of certain meat products, as well as other food categories - Srpski Kvalitet.68 The Serbian Meat Quality Label Association was created in late 2016, which, inter alia, agrees on the quality features of the selected products and submits requests to the Ministry of Agriculture and

68 For each type of product category, the label will require up to three specific properties differentiating the Srpski Kvalitet products from standard products in the mark.
Environmental Protection for approval. **Serbia’s example inspired other countries in the region, leading to FAO/EBRD support for the development of quality and origin-based labels in Montenegro, Georgia, and Turkey.**

- **In Ukraine**, **public-private platforms in the meat, dairy and grain sectors were facilitated** (see Box 4). EBRD/FAO partnership has supported associations of producers of agricultural commodities in dozens of legislative initiatives such as crop receipts, food safety standards, veterinary services etc. – all aimed at improving sector regulation and investment climate. As a result, the development of the grain sector has been particularly impressive, with annual grain yields of well over 60 million tonnes. The review of market and policies in the meat sector was conducted with the focus on food safety at this stage. The milk and dairy sector in Ukraine is showing signs of recovery after a period of stagnation: getting access to the European Union and Chinese markets for a number of Ukrainian dairy companies; opening up Kazakhstan’s market; maintaining free trade arrangements with Belarus; improving the transparency of the dairy market through the development of publicly available supply and demand balances; and the resolution of long-standing issues related to water use and manure utilization through legislative change.

- **In Georgia**, a **public-private platform on dairy policy** was facilitated (see Photo 5 above). Commercial dairy farmers in Georgia have made considerable strides in a short time, with some producers improving production by 20 percent in less than a year, investing upwards of USD 2.5 million in upgrading their operations, building new barns and buying more productive livestock. Many have significantly improved the health and welfare of their cows, as well as their approach to feeding and milking – all resulting in higher yields and profits. One, Kvareli Baga, is a European Bank for Reconstruction and Development client and Georgia’s largest milk producer, with over 350 milking cows. The other, Shtori Ltd., has invested more than USD 700K in modernizing its facilities to improve milk safety and hygiene. Following a successful National Dairy Congress, a Caucasus Dairy Congress was organized too.

There is some progress in other countries as well:

- In Kyrgyzstan, a report on “The value chain of the sheep meat sector and recommendations for improvement for exports in Kyrgyzstan” was produced (12/2016) and presented at the stakeholders’ meeting.

As could be observed, animal production value chain development does not feature prominently in the portfolio. The interviews for this evaluation indicate that pilot work is potentially needed on the ground, to allow for evidence to feed into policy advice (in partnership with specialized agencies). In general, there is increasing scope for FAO engagement in the meat sector value chains. For example, the increase in animal

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69 In this framework, the CEI Fund at the EBRD (contributed by Italy) has supported a joint EBRD-FAO initiative to mobilize the private sector and help the country’s grain farmers increase their skills and knowledge of best practices through technical cooperation project worth EUR 265K; http://www.cei.int/content/%E2%80%8Bcei-fund-ebrd-supports-joint-ebrd-fao-initiative-promote-sustainable-farming-ukraine

70 http://emerging-europe.com/regions/ukraine/ukrainian-agribusiness-a-jewel-in-a-crown/


production over the past few decades has raised a wide range of ethical issues, including concern for animal welfare. Retailers and the food industry are asking for higher animal welfare standards for foods of animal origin, and compliance with such standards is increasingly stipulated in trade agreements. The Regional Office for Europe and Central Asia (REU) together with the Royal Society for the Prevention of Cruelty to Animals (RSPCA, UK) has already held a regional conference in Georgia on the transportation, handling and slaughter of animals – along with sustainability and related legislation (all are aspects of animal welfare) in January 2017, with the objective to develop a common understanding of animal welfare and develop a regional action plan. This opens up a whole new front for engagement in meat value chains in the region.

As part of their collaboration, FAO and European Bank for Reconstruction and Development have launched the "Supporting National and Private Sector Capacities in Sustainable Agricultural and Bioenergy Investments" initiative in 2016, aimed at supporting decision-making related to bioenergy investment in three countries of operations of the EBRD: Ukraine, Turkey and Egypt. In fact, this started in 2013 when EBRD and FAO expanded their cooperation to help reduce the impact of agriculture on climate change by promoting investments which entail a more efficient use of water, biomass, land and energy. For EBRD, this will provide improved tools for the identification of priority investments, initial country level results on sustainable bioenergy potential, and capacity building, and enhance their green investments portfolio under their Green Economy Transition approach. For FAO, it is a good opportunity to enhance its portfolio on sustainable (including "green") food value chains. There are already several projects in the region on greening value chains (e.g. TCI project on Improving the Efficiency of Fruit and Vegetable Value Chains in Tajikistan and Moldova), with more planned (e.g. in Ukraine on bioenergy). In this context, there is increased global attention to promoting the circular economy, reducing food loss and reusing food waste in value chain development. More advanced work on value chain development cannot exclude these issues.

Based on the interviews for this evaluation there is also considerable interest in developing organic agriculture/agribusiness. The Regional Office for Europe and Central Asia (REU) has already conducted presentations (e.g. on European Union institutional framework presentation and organic agriculture support for the administrative staff of the Albanian Ministry of Agriculture).

Sustainability potential

Cooperation with the European Bank for Reconstruction and Development has "sustainability" benefits in that the association members become more prepared to benefit from EBRD loan and grant programmes. There are elements in each country’s support package that have strong sustainability potential: e.g. the cost sharing component related to participation in trade events in Ukraine - a factor that supports the likelihood that such measures as participation at trade fairs will continue.

Sustainability-related concerns exist in terms of the ability of the state bodies (even if only from the financial standpoint) to effectively implement the recommendations (e.g. on food safety). There are also concerns related to the human resource potential at the Regional Office for Europe and Central Asia (REU) and locally. There is now a value chain expert hired at the Regional Office for Europe and Central Asia (REU), which is likely to strengthen this line of work at the Regional Office, but at the country level such capacities are lacking. There are concerns about the value chain development work at FAO itself in terms of:

- capturing the learning generated by European Bank for Reconstruction and Development/Investment Centre Division (TCI) partnership to utilize elsewhere. While the produced reports are available on EastAgri, and there is some interaction (limited) with the

73 Moreover, the EBRD – with FAO’s engagement - has developed various financial tools such as the Sustainable Energy Initiative (SEFF) and the Finance and Technology Transfer Centre for Climate Change (FINTECC) programme which have been applied in the agribusiness sector to improve energy efficiency and resilience throughout the value chain, from livestock breeding and food production and packaging, to distribution and logistics optimization. These financial instruments help reduce the agribusiness sector’s environmental footprint by supporting projects that contribute to the reduction of GHGs, better energy and water use, reduced crop losses and food waste, and the recovery of by-products of agricultural production.

74 http://www.eastagri.org/meetings/projects.asp?id=118


76 www.eastagri.org
Sustainable Food Value Chains’ Platform\textsuperscript{77}, systematic work in this direction is lacking. In terms of RI2, while there were a couple of knowledge sharing events across the region/subregions related to export promotion and value chain development, these were not enough and more is needed; and

- few staff working on value chain finance, and contract farming - all essential for value chain development.

5.4 Progress towards results against FAO’s gender equality objectives

There were several reports produced\textsuperscript{78} under the Regional Initiative on empowering smallholders and family farms (RI1): gender is as a cross-cutting issue, a key component of RI1 and, based on FAO corporate policy requirements and the Regional Office for Europe and Central Asia (REU) Regional gender strategy approach, is addressed through specific actions empowering rural women and ensuring inclusiveness of women and disadvantaged groups through systematic gender mainstreaming of all other interventions within the RI1. These reports/guides assist with RI2 as well, since the scoped of the two Regional Initiatives overlap, especially in the context of value chain development. Agribusiness value chains have specific gender issues however (see Figure 8) and a sharper focus on that would have been useful, with specific recommendations. For example, the International Finance Corporation (IFC) (2016)\textsuperscript{79} identifies a number of such avenues, e.g. supporting women in opening agro-dealerships, etc. The evaluation did not encounter specific examples of applying FAO’s “Guiding Framework: Developing gender-sensitive value chains” in any of the projects reviewed in the region.

\textbf{Figure 8: Overview of gender issues in agribusiness value chains}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Figure8_GenderIssues.png}
\caption{Overview of gender issues in agribusiness value chains}
\end{figure}

\begin{itemize}
\item \textbf{Input Provision and Use:} Informal, unacknowledged, and under-resourced
\item \textbf{Production:} Underrepresented
\item \textbf{Post-Harvest Processing and Storage:} Limited access to information, hired labor, technology, assets, and networks
\item \textbf{Transportation, Marketing, and Sales:} Limited access to information, hired labor, technology, assets, and networks
\end{itemize}

Source: IFC (2016): Investing in Women along Agribusiness Value Chains

\textsuperscript{77} http://www.fao.org/sustainable-food-value-chains/home/en/

\textsuperscript{78} Under the FAO Regional Gender Equality Strategy for Europe and Central Asia 2016-2017 approved in January 2016, and in line with the ERC/Europe and Central Asia recommendations, a regional network of experts meeting convened in Minsk in February 2016 which resulted in the publication Gender, Social Protection and Rural Development. FAO published a report on the state of social protection in the region of Eastern Europe, South Caucasus and Central Asia and an awareness-raising meeting was prepared to define FAO’s role in social protection in the region. The Agri-Gender Statistical Toolkit was published in Kyrgyzstan, Tajikistan and Turkey; a study on gender and forestry was conducted and recommendations were provided to the government of Kosovo; FAO facilitated the empowerment of more than 1500 rural women through capacity development under the UNJP on Rural Women’s Economic Empowerment in Kyrgyzstan; Country Gender Assessments were conducted for Tajikistan, Kyrgyzstan, Turkey, Albania and Armenia.

Within the RI2 and SP4 there is a small gender-specific activity that supports income diversification and works with rural women at grass roots level (Handicraft Development in Central Asia, Kyrgyzstan and Uzbekistan). This is a good example, when specific activity was initiated in support of addressing gender in value chains more systematically. What is missing however is a robust identification of gaps that could be addressed programmatically as next stages of this project as well as through RI2 across the region (Central Asia).

There is a specific area of concern in this region, which relates to child labour in the cotton industry in Tajikistan and Uzbekistan: FAO Regional Office for Europe and Central Asia (REU) could have taken a more pronounced position against that.

5.5 Contribution to the SDGs

The RI2 contributes to various targets: SDG 2 on zero hunger (target SDG 2.b.2 - Preventing trade restrictions); SDG 8 on decent work and economic growth (target SDG 8.a.1 Aid for Trade commitments and disbursements); SDG 12 on responsible consumption and production (target 12.3. aims at reducing losses and waste in the food system); SDG 15 on life on land and SDG 17 on partnerships for the goals (target 17.10 promoting a universal, rules-based, open, non-discriminatory and equitable multilateral trading system). The countries in the region have already localized SDG indicators and need help with developing programmes to address these. There is potentially room for RI2 to engage in this, as already planned by the Regional Office for Europe and Central Asia (REU).80

6. Summary of main enabling/limiting factors for results and sustainability potential

6.1 Programmatic approach and resource mobilization

98 A noteworthy feature of RI2 is its pragmatic approach and conscious decision to programme with predictable regular budget funding and avoid ambitious programming with huge unfunded gaps. This has enabled a steady pace of delivery and averted discontinuities. More notable results were achieved when there was a strong programmatic connection and coordination between the projects funded under RI2, Technical Cooperation Programmes and Investment Centre Division (TCI) (if not under RI2); several examples were discussed in Chapter 5.

99 There are many examples, when very similar activities in the same country are funded under different mechanisms, i.e. Technical Cooperation programmes and Regional Initiatives. This implies a need for a strong coordination role of the Regional Office for Europe and Central Asia (REU) between the country offices and headquarters, which has worked well most of the time, but not always (especially in relation to Central Asian countries, which are served also by the Subregional Office for Central Asia (SEC)).

100 The RI2 budget is presented in Table 6. There has been a marked increase in 2016 primarily for the food safety and value chain development work. Overall, RI2 was well-funded in 2016, with the funding ring fenced, but Component 1 received relatively low funding. Having more funding would have allowed for ensuring the sustainability of the initiatives under Component 1, or for the inclusion of more subregional and cross regional learning events under Component 2 and 3, etc. As can be seen from ten in Appendix 5 on the details of the budget, the income from external sources was “negative”. Based on the interviews for this evaluation a tentative conclusion is that there are untapped resources that could be leveraged for RI2 with the right resource mobilization approach.

Table 6: Approximate budget envelope for RI2 regular programme *

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015**</th>
<th>2016</th>
<th>2017</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount USD</td>
<td>153,900</td>
<td>382,460</td>
<td>1,609,329</td>
<td>1,449,982</td>
<td>3,595,671</td>
</tr>
</tbody>
</table>

*data for 2014-2015 provided by FAO Trade and Markets Division (EST), data for 2016-2017 as of 7 February 2017 provided by FAO Regional Office for Europe and Central Asia (REU)

** 2014-2015 estimations do not include salaries of Regional Office for Europe and Central Asia (REU) and Trade and Markets Division (EST) technical officers

101 Indeed, the overall positive conditions in the region - a diversity of trade and market access opportunities, donor prioritization of agribusiness and value chain development, growing demands to understand sanitary and phytosanitary and technical barriers to trade issues in agriculture trade, and the emergence of new trade and development partners - offer potential for a focused resource mobilization campaign for trade-focused regional initiatives, geared towards meeting the import-based food security strategies of China and Arabian Gulf and Middle East markets. South-South cooperation modalities with China, Islamic Development Bank funding and sovereign funds of a few GCC members are interesting yet untapped areas in this regard and best spearheaded by the regional office in Budapest, with more support from the subregional office in Ankara.

102 It is recognized that the capacities of FAO in the countries are not too strong, with many countries not having a fully-fledged FAO representation, and if the implementation is left to the countries (for country-level components) that would be a challenge. In particular, the Regional Programme Coordinator now is also an FAO Representative for four countries, including Moldova, Armenia and Georgia. Sustaining the Regional Initiative and even scaling it up brings new emerging challenges that at current country office capacities will

81 E.g. Georgia anchovy industry; food safety for Ukraine fishery products, etc.
limit FAO’s effectiveness in such work. Here, the example from Ukraine could be interesting where there is a Programme Coordinator (as an International consultant) who is 50 percent funded by the FAO Investment Centre Division (TCI), and 50 percent by the programme budget: this allows for a better utilization of the linkages between the FAO Investment Centre Division (TCI) and thematic units - an important prerequisite for the success of SO4 and RI2 in particular.

6.2 Partnerships

6.2.1 With development partners

FAO’s strong partnership with the European Bank for Reconstruction and Development - based on an existing framework Memorandum of Understanding (providing for a 70:30 funding split) - is one of the key success factors for RI2, under the second and especially under the third components. EBRD regards FAO as a trusted partner as well as highly credible technical expert/adviser. Some of the specifics were already discussed in Chapter 5. Figure 9 demonstrates the long-term nature of engagement, as a success factor when tackling specific sectors on the example of the joint work on the grain sector in Ukraine.

Figure 9: EBRD/FAO collaboration in Ukraine's sector policy dialogue

FAO management acknowledges that, since even a large partner like the European Bank for Reconstruction and Development focuses on partnerships with a third party to get results and impact, it is important to partner with others for services and expertise that can help FAO’s own work.

There are some examples of the Investment Centre Division (TCI) working with IFAD on value chain development, but not with the International Finance Corporation (IFC), which has a strong presence in the region (it has its own advisory service, which is the key reason) or the Asian Development Bank (ADB). While in the countries there are examples of cooperation (coordination and joining forces around certain issues) with IFC, as well as the United States Agency for International Development, more structured cooperation needs to be sought. FAO’s technical expertise in narrow, specialized areas is highly valued, as was evidenced in the interviews for this evaluation.

There is also strong and long-established cooperation with WHO and the World Organisation for Animal Health under Component 2 of the Regional Initiative, as well as WTO and the United Nations Institute for Training and Research (UNITAR) under Component 1.

6.2.2 With Academia

107 There is strong cooperation with academic institutions under RI2. The main partners include the following academic institutions and think tanks: Leibniz Institute of Agricultural Development in Transition Economies (IAMO); Moscow Timiryazev Agricultural Academy, Belarus Institute of system research in the agro-industrial complex of the National Science Academy; Institute of Public Policy and Administration (Kyrgyzstan); and Institute of economic research and policy consultations (Ukraine). It is important also to note the role of Wageningen University and Research Institute, which joined the FAO/EBRD partnership to improve technologies and business models and strengthen agribusiness value chains in Ukraine and the Western Balkans, helping to unlock private-sector innovation by: examining ways to upgrade food-quality standards and access international agricultural markets; and advising on how to improve the links between small and medium-sized enterprises, food processors and retailers through the adoption of supply-chain management best practice (launched in December 2015).

6.2.3 With Private Sector

108 Value chain development is impossible without strong partnerships with the private sector. While within EBRD/FAO cooperation, partnerships with the private sector have mostly worked through industry associations (for example, National Union of Food Exporters (Russia) and National chamber of entrepreneurs of Kazakhstan, and Ukrainian Grain Association), there are also examples of working directly with private companies. For example, in Serbia, FAO has worked with: (a) ABD Prom, a private fruit processing and exporting company, which was the first company to receive GlobalGAP certification as a result of project assistance; (b) Nectar, a leading juice drinks company in the Western Balkans, to develop origin-based labels for Serbian fresh and processed fruit products such as the sour cherry; and (c) Carnex, Serbia’s top meat producing company, to develop public quality labels for Serbian meat and meat products. The “public good” argument holds in these cases, as not only these companies are the beneficiaries of the specific interventions. This distinction is not always very clear, and staff at the Regional Office for Europe and Central Asia (REU) expressed a desire to have more clarifications on regulations regarding cooperation with the private sector, especially in the context of developing value chains.

109 With a growing pipeline of technical and market access needs in value chains, there is a need to strengthen and increase partnerships with relevant United Nations agencies, especially UNIDO, International Trade Centre (ITC) and International Labour Organization (ILO), which deal more directly with private sector, a constituency with whom FAO has some reservations in engaging.

6.3 Supporting policy dialogues and industry associations for value chain development

110 One approach that has worked well in the framework of FAO’s partnership with the European Bank for Reconstruction and Development is to engage diverse public and private sector stakeholders, including farmer and industry representatives, in dialogue over concrete value chain bottlenecks – identifying root problems and putting practical issues on the table (this was demonstrated in Box 4).

111 Working with industry associations and policy dialogue is only one important ingredient to success. Overall, it is more about taking a comprehensive approach which, in addition to the above, taps into FAO’s specialized thematic experience, includes everything from studies, to training and branding, to funding participation in trade fairs abroad (on a cost-shared basis), etc. One important word of caution is that while focusing on industry associations it is important to keep the smallholders at the bottom of the pyramid in sight, since not all of them would be part of the associations. While there is evidence that the larger companies

83 For ABD Prom, this was a critical achievement for their business, because their French customer had informed them that they would no longer purchase sour cherries from them without the GlobalGAP certification. The award of this certification played a key role in their exports of sour cherries in 2009, as immediately following certification ABD Prom began their exports of certified frozen fruit to their customer, and as of the end of September 2009 these exports were worth US$ 1.4 million.
provide their own training to its suppliers, small farmers who are not suppliers will not benefit from that (as is the case with the grain association in Ukraine). Hence, it is important to strengthen and work through extension services: this has happened in Moldova but not in Ukraine, for example.

**Box 4:** Ukraine, Serbia and Georgia: strengthening industry associations, one of the key factors of success

Building trust among industry players, coupled with technical knowledge and guidance, is the formula of success. Ukraine has a major role as a global grain exporter, which makes transparency and efficiency key sector improvements. Since 2009, FAO and the European Bank for Reconstruction and Development have been working in Ukraine to create open dialogue between the public and private stakeholders in the grain sector, having recognized the importance of facilitating open dialogue. In 2011, they commenced the joint project Reinforcing Public-Private Dialogue in the Ukrainian Grain Sector with primary activities of: (i) setting up a consultation process; and (ii) providing continued support for improving transparency in key data collection systems on the grain sector in Ukraine.

The Ukrainian Grain Working Group was established as a platform for policy dialogue. Thanks to the Working Group, policy transparency and predictability have improved, in turn increasing investor confidence. Specifically: (a) a Memorandum of Understanding was signed between the Ukrainian Ministry of Agrarian Policy and Food and the grain industry that requires the Ministry to provide a prior notification to and engage in consultation with the industry in case of possible export restrictions; (b) increased efficiency was achieved in state testing requirements to certify grain without delays, greatly facilitating grain transportation and exports in peak times; (c) the Ukrainian Grain Congress (UGC) was formed; and (d) as a tangible result, the practice of imposing damaging export restrictions was discontinued. This has helped reduce volatility in the business environment as well as corruption, leading to increased global trade. In May 2013, Ukraine’s dairy industry representatives and the government requested support with the establishment of a similar Working Group for the dairy sector in Ukraine. A similar request came from Egypt after a meeting in Cairo in June 2013. The country’s dairy industry associations, with support from the Government, FAO and EBRD, have also created a working group to encourage greater dialogue on important dairy sector issues and transparent policymaking. Despite complex challenges due to changing structural and international trading conditions and political turbulence, the working group has helped advance important legislative and regulatory changes, opening up new export opportunities for producers. This, in turn, has encouraged more investment to modernize and diversify the sector.

In Serbia, which is preparing to join the European Union, FAO and EBRD have been supporting the country to upgrade food safety and quality standards in its dairy and meat sectors by facilitating dialogue between policymakers and the private sector. A working group for the meat sector was set up to look at issues such as cost competitiveness, quality and export development. A dairy working group was also created to deal with sector development and the problem of aflatoxin, toxic fungi found on certain crops that can affect livestock and humans. Among other things, these efforts resulted in the introduction of a Serbian quality label, the removal of specific export barriers, the development of a risk communication protocol and guidelines to cope with aflatoxin and increased Government capacity to negotiate accession into the WTO.

In Georgia, a public-private platform on dairy policy was established and facilitated at the national level, with EBRD/FAO providing modular training and advice. The first National Congress of dairy producers was followed by a subregional (South Caucasus) Dairy Congress (2017) that attracted over 250 participants from the Caucasus and eastern European regions, including commercial dairy farmers, processors, equipment suppliers, industry experts and representatives from the Georgian government.

7. Conclusions

**Conclusion 1.** FAO through RI2 has contributed to improved environments for global trade in line with SO4, but the link to food systems is not well pronounced. The latter has many reasons behind, including the disconnect between the Outcomes and Objective of SO4 itself, but also because the concept of agricultural and food systems is not yet well internalized across FAO.

**Conclusion 2.** FAO through RI2 has played an important role in supporting the countries with capacity building related to WTO rule and meeting international food quality and safety standards. This has contributed to countries’ efforts to unlock their potential by creating a policy environment favourable to domestic and foreign investment in agribusiness and export promotion/diversification. With the policies/framework there, the implementation is challenging (often due to nascent institutions and funding constrains): there are however, signs that more governments are taking charge, and allocating resources to tackle the pressing issues.

**Conclusion 3.** While there are indications from course participants that the knowledge obtained will be used in their work, such as in negotiations, formulation of ministry plans and policies, etc., the sustainability elements related to training on WTO and the Agricultural Trade Policy Expert Network could have been better designed. Shifting the attention to strengthening institutions could be considered.

**Conclusion 4.** FAO’s support modalities for the countries with export diversification and export promotion – common ambitions in the region - are still shaping up under RI2. There are however, already initiatives which could allow elaborating coherent modalities of work (e.g. promotion of geographical indication).

**Conclusion 5.** FAO’s work on value chain development has contributed strongly to significant results achieved through EBRD/FAO Investment Centre Division (TCI) partnership, working with sectoral associations, promoting public-private dialogues and supporting the development of selected value chains with a comprehensive package of measures. This work has been much more pronounced in the European Commonwealth of Independent States, Western Balkans and Georgia. Measures also need to be put in place to promote this in Central Asia more forcefully: EBRD engagement there is picking up, but FAO needs to enhance its cooperation with other development partners active in that region (e.g. Asian Development Bank). FAO could significantly expand delivery with strengthening of backstopping support to FAO country offices in project formulation and resource prospecting.

**Conclusion 6.** Overstretched Regional Office for Europe and Central Asia (REU) resources and limited capacities of country offices are obstacles for several areas covered by RI2. This is especially true in relation to the food safety-related work and value chain development. This is compounded by the fact that the capacities at headquarters in some of the related departments have reduced (e.g. rural finance).

**Conclusion 7.** Through FAO’s RI2, the countries had better opportunities to learn from one another, but more could be done to facilitate cross-learning and spreading the knowledge related to value chain development across the region. RI2 has helped to capitalize on the fact that despite differences between the countries, they have a number of similarities and some common ambitions. The regional training/knowledge sharing events were mostly around WTO rules, however, somewhat less on food safety, and much less related to value chain development. Learning from FAO Investment Centre Division (TCI)/EBRD work is not well integrated with FAO sustainable food value chain network/platform.

**Conclusion 8.** The conceptualization and operationalization of the typology/modality of work related to export promotion and diversification (which only started in 2016) is incomplete (related to diversification) or not systematic (related to promotion). This hampers the effectiveness of support under these subcomponents and linkages with value chain development.

**Conclusion 9.** Intra-component linkages within RI2 as well as linkages between RI2 and RI1 could have been stronger and better elaborated. In terms of intra RI2 linkages this applies to food
safety-value chain and value chain-trade policy linkages. In terms of linkages between RI1 and RI2, this applies to value chain development which is tackled under both.

**Conclusion 10.** There is a strong partnership with WTO, WHO and EBRD. In relation to value chain development, examples of similar partnerships with other organizations are not many. There is some cooperation with IFAD, but not much with Asian Development Bank, or International Finance Corporation.

**Conclusion 11.** Gender issues pertaining specifically to agri-food trade in the region could have been better supported with studies and activities.
8. Appendices

Appendix 1. Additional data and figures

**Figure 1:** GDP per capita, USD in PPP, current

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP per capita (USD in PPP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARM</td>
<td>$8,419</td>
</tr>
<tr>
<td>BLR</td>
<td>$10,452</td>
</tr>
<tr>
<td>GEO</td>
<td>$9,599</td>
</tr>
<tr>
<td>KAZ</td>
<td>$3,484</td>
</tr>
<tr>
<td>KGZ</td>
<td>$5,049</td>
</tr>
<tr>
<td>KOS</td>
<td>$9,340</td>
</tr>
<tr>
<td>MDA</td>
<td>$16,050</td>
</tr>
<tr>
<td>MNE</td>
<td>$14,112</td>
</tr>
<tr>
<td>SRB</td>
<td>$2,834</td>
</tr>
<tr>
<td>TJK</td>
<td>$20,009</td>
</tr>
<tr>
<td>UZB</td>
<td>$7,780</td>
</tr>
</tbody>
</table>

Source: World Bank

**Figure 2:** Value added in agriculture, % GDP

<table>
<thead>
<tr>
<th>Country</th>
<th>Value added in agriculture, % GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARM</td>
<td>9,2%</td>
</tr>
<tr>
<td>GEO</td>
<td>13,5%</td>
</tr>
<tr>
<td>KAZ</td>
<td>15,9%</td>
</tr>
<tr>
<td>KGZ</td>
<td>14,4%</td>
</tr>
<tr>
<td>MDA</td>
<td>10,2%</td>
</tr>
<tr>
<td>MNE</td>
<td>8,5%</td>
</tr>
<tr>
<td>TUR</td>
<td>14,0%</td>
</tr>
<tr>
<td>UKR</td>
<td>18,3%</td>
</tr>
<tr>
<td>UZB</td>
<td>18,1%</td>
</tr>
<tr>
<td>MKD</td>
<td>11,2%</td>
</tr>
<tr>
<td>SRB</td>
<td>8,2%</td>
</tr>
<tr>
<td>TJK</td>
<td>19,3%</td>
</tr>
</tbody>
</table>

Source: http://eba.worldbank.org/

**Figure 3:** Enabling business in agriculture

Source: http://eba.worldbank.org/
### Appendix 2. Lists of projects that contribute to the Regional Initiative

**Table 1: List of projects contributing to Regional Office for Europe and Central Asia (REU)**

<table>
<thead>
<tr>
<th>Project Symbol</th>
<th>Project Title</th>
<th>Operating Unit</th>
<th>Actual EOD</th>
<th>Actual NTE</th>
<th>Technical Unit (LTU)</th>
<th>SP Budget (FPMIS)</th>
<th>Contribution to RI2 (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TCP/ALB/3503</td>
<td>Support to the implementation of the Inter-sectoral Strategy for Agriculture and Rural Development 2014-2020</td>
<td>REUTD 2015-01-01</td>
<td>2016-12-31</td>
<td>ESADD 3, 4</td>
<td>USD345 000.00</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>TCP/BIH/3602/C2</td>
<td>TCPF: Immortelle plant production and processing, export prospects and investment opportunities</td>
<td>REUTD 2016-11-03</td>
<td>2017-10-31</td>
<td>REUTD 2, 4</td>
<td>USD58 000.00</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>TCP/MOL/3602/C1</td>
<td>TCPF: Preparedness for Transboundary Animal Diseases</td>
<td>REUTD 2016-09-15</td>
<td>2017-01-31</td>
<td>REUTD 4</td>
<td>USD72 500.00</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>TCP/RER/3503</td>
<td>Strengthening capacities of the national phytosanitary control services in four Eastern European countries</td>
<td>REUTD 2016-02-22</td>
<td>2017-12-31</td>
<td>AGDI 4</td>
<td>USD456 000.00</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>TCP/UKR/3601</td>
<td>Technical Assistance to the Ministry of Agrarian Policy and Food of Ukraine in Agricultural Support Policy, Exports of Horticultural Products and Land Consolidation</td>
<td>REUTD 2017-01-01</td>
<td>2018-09-30</td>
<td>ESTDD 3, 4</td>
<td>USD240 000.00</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>FMM/RER/056/MUL</td>
<td>FMM support to SO4 - OO 401 (MTP 2014-2017) - Trade Related Capacity Development in Eastern Europe and Central Asia</td>
<td>ESTD 2017-01-01</td>
<td>2017-12-31</td>
<td>EST 4</td>
<td>USD545 790.00</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>GCP/GEO/004/AUT</td>
<td>Capacity Development of the Ministry of Agriculture of Georgia: Improved Policy Making and Effective Implementation of the Strategy for Agricultural Development (contribution to ENPARD Georgia Programme)</td>
<td>FEGEO 2014-02-01</td>
<td>2017-11-30</td>
<td>REUTD 2, 4</td>
<td>USD2 391 000.00</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>GCP/GEO/009/SWI</td>
<td>Technical Assistance to Support the Establishment of a National Animal Identification, Registration and Traceability Systems (NAITS) in Georgia</td>
<td>FEGEO 2016-12-01</td>
<td>2020-11-30</td>
<td>AGA 2, 4</td>
<td>USD5 410 750.00</td>
<td>60%</td>
<td></td>
</tr>
</tbody>
</table>
**Table 2:** Regional Office for Europe and Central Asia (REU) list of project Investment Centre Division (TCI)

<table>
<thead>
<tr>
<th>Assignment name</th>
<th>Country</th>
<th>SP</th>
<th>Geographical area</th>
<th>Completion date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain Warehouse Receipts</td>
<td>Russia</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>31 December 2017</td>
</tr>
<tr>
<td>Implementation of CPR legislation</td>
<td>Russia</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>1 July 2018</td>
</tr>
<tr>
<td>Grain Warehouse Receipts System: Awareness-raising and Capacity Development</td>
<td>Serbia</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>30 June 2017</td>
</tr>
<tr>
<td>Development of Origin-based Labels in the Horticultural Sector</td>
<td>Serbia</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>31 December 2017</td>
</tr>
<tr>
<td>Improving Food Quality and Safety Standards in Serbia’s Meat Sector</td>
<td>Serbia</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>31 December 2017</td>
</tr>
<tr>
<td>Implementation of CPR legislation</td>
<td>Serbia</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>31 December 2016 (to be extended)</td>
</tr>
<tr>
<td>Public-private policy dialogue in the Ukrainian dairy sector</td>
<td>Ukraine</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>30 November 2016</td>
</tr>
<tr>
<td>Policy dialogue in Serbia’s Dairy Sector</td>
<td>Serbia</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>31 December 2016</td>
</tr>
<tr>
<td>Policy dialogue in Serbia’s Meat Sector</td>
<td>Serbia</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>30 June 2017</td>
</tr>
<tr>
<td>Enhancing Grain Market Transparency</td>
<td>Kazakhstan</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>31 December 2016</td>
</tr>
<tr>
<td>Update of Meat Quality Standards in Montenegro and Exchange of Lessons Learned in the Western Balkans</td>
<td>Montenegro</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>15 December 2016</td>
</tr>
<tr>
<td>Facilitating effective policy dialogue in Ukraine’s meat sector</td>
<td>Ukraine</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>31 April 2017</td>
</tr>
<tr>
<td>Partnership Agreement between Ukrainian Government and Private Sector</td>
<td>Ukraine</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>13 July 2017</td>
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<tr>
<td>Improving Food Safety in Georgia’s Dairy Sector (Phase II)</td>
<td>Georgia</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>14 October 2017</td>
</tr>
<tr>
<td>Improving the Efficiency of Fruit and Vegetable Value Chains in Tajikistan and Moldova</td>
<td>Regional</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>20 October 2017</td>
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<tr>
<td>Supporting an inclusive dairy value chain development</td>
<td>Kazakhstan</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>29 June 2017</td>
</tr>
<tr>
<td>Capacity Development of Agribusiness Associations in Developing Export Markets</td>
<td>Ukraine</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>29 June 2017</td>
</tr>
<tr>
<td>Expanding Bioenergy in the Transition Region - Support to the Bioenergy Week</td>
<td>Global</td>
<td>4</td>
<td>Global</td>
<td>31 August 2016</td>
</tr>
<tr>
<td>Sustainable Agri-food Value Chains in the Mediterranean Region: Knowledge-Sharing Event</td>
<td>Regional</td>
<td>4</td>
<td>Regional</td>
<td>04 February 2017</td>
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<td>Supporting the Development of Agricultural Cooperatives in Serbia - Development of a By-law and Promotion of the Benefits of Cooperative Membership</td>
<td>Serbia</td>
<td>4</td>
<td>Serbia</td>
<td>28 August 2018</td>
</tr>
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<td>Assignment name</td>
<td>Country</td>
<td>SP</td>
<td>Geographical area</td>
<td>Completion date</td>
</tr>
<tr>
<td>----------------</td>
<td>---------</td>
<td>----</td>
<td>------------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Strengthening Grain Association and Export Activities</td>
<td>Serbia</td>
<td>4</td>
<td>Serbia</td>
<td>22 September 2018</td>
</tr>
<tr>
<td>Development of Self-Regulatory Organization in Agribusiness</td>
<td>Ukraine</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td>13 October 2018</td>
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<tr>
<td>Awaiting for funding (Terms of References approved)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>African Swine Fever, Phase II: Risk awareness raising and risk mitigation in Ukraine</td>
<td>Ukraine</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td></td>
</tr>
<tr>
<td>Sustainable value chain integration in the horticultural sector</td>
<td>Montenegro</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td></td>
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<tr>
<td>Quality on Dairy Sector in Georgia</td>
<td>Georgia</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td></td>
</tr>
<tr>
<td>Supporting the Development of Agricultural Cooperatives</td>
<td>Ukraine</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td></td>
</tr>
<tr>
<td>Promoting Local Sourcing and Modern Distribution in the Horticultural Sector</td>
<td>Croatia</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td></td>
</tr>
<tr>
<td>Quality labels for food retailers to support sustainable value chains</td>
<td>Regional</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td></td>
</tr>
<tr>
<td>Study on cotton sectors in ETCs</td>
<td>Azerbaijan</td>
<td>4</td>
<td>Europe and Central Asia</td>
<td></td>
</tr>
</tbody>
</table>
## Appendix 3. Selected RI2 results as of January 2017

### Table 3: Selected RI2 results as of January 2017

<table>
<thead>
<tr>
<th>Component 1: Implementation of trade agreements to increase access to new markets</th>
<th>Elements: Capacity development on WTO Agreements. Selected achieved results (1 January 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 Feb 2016</td>
<td>TCP/UKR/3503 &quot;TA for Ukraine Min of AgPol and Food on agricultural support policy, export promotion and land consolidation&quot; drafted.</td>
</tr>
<tr>
<td>6 Apr 2016</td>
<td>FAO panel on &quot;Recent Trends in Agricultural Trade Policy in the Countries of Eastern Europe and Central Asia&quot; was organized at the International Association of Agricultural Economists conference “Agricultural Transitions along the Silk Road: Restructuring, Resources and Trade in the Central Asia Region” under RI2 in Almaty, Kazakhstan</td>
</tr>
<tr>
<td>6 Apr 2016</td>
<td>Meeting of the FAO Agricultural Trade Expert Network (ATEN)</td>
</tr>
<tr>
<td>4-29 Apr 2016</td>
<td>FAO-UNITAR e-learning course in Russian: “Resolving trade issues through international and regional trade related agreements in the Commonwealth of Independent States”</td>
</tr>
<tr>
<td>17 May 2016</td>
<td>Training workshop on &quot;WTO trade dispute resolution&quot; in Belgrade, Serbia</td>
</tr>
<tr>
<td>27-29 September 2016</td>
<td>Participation in WTO Regional Workshop on Agreement on Agriculture for CEECAC Countries in Vienna, Austria.</td>
</tr>
<tr>
<td>1 October 2016</td>
<td>Synthesis of the study on Agricultural trade policies in 12 post-Soviet countries (in English) released.</td>
</tr>
<tr>
<td>1 October 2016</td>
<td>Nine monthly bulletins of the Agricultural Trade Expert Network in Europe and Central Asia published</td>
</tr>
<tr>
<td>19 September - 14 October 2016</td>
<td>Regional FAO e-learning course in Russian on &quot;Transparency of agricultural trade policy based on WTO provisions and instruments&quot;.</td>
</tr>
<tr>
<td>1 November 2016</td>
<td>Agricultural Trade Expert Network meeting in Samarkand, Uzbekistan</td>
</tr>
<tr>
<td>1-4 November 2016</td>
<td>Conference &quot;Regional and International Cooperation in Central Asia and South Caucasus: Recent Developments in Agricultural Trade&quot; (Samarkand, Uzbekistan)</td>
</tr>
<tr>
<td>December 2016</td>
<td>Data collected about potential GI products (GI products inventory) and gaps to be filled for development of sustainable GIs in Russia, Moldova, Georgia, Armenia, Kyrgyzstan, Albania</td>
</tr>
<tr>
<td>December 2016</td>
<td>Forest products annual market reviews (FPAMR) produced</td>
</tr>
</tbody>
</table>

### Component 2: Increased capacity to implement global food quality standards Elements: (a) capacity development on phytosanitary and IPPC issues; (b) capacity development on food safety standards, best practices and system architecture; (c) capacity development on sanitary/veterinary control issues; (d) capacity development on geographical indication food quality branding. Selected achieved results (1 January 2017)

| 10 March 2016 | Presentation on “regulation of food safety in Georgia and possible impact on dairy sector” delivered at the National Dairy Congress (Tbilisi, Georgia). |
| March 2016 | National workshops conducted for the staff for making analyses and assessment in the plant protection field including capacity building for elaboration of the National program (Moldova) |
| April 2016 | Public private platform on meat and dairy policies facilitated (Albania) |
| May 2016 | Support to improvement of brucellosis prevention and control strategy at regional and national level (Armenia) |
| May 2016 | National Food Agency capacity for implementation of sustainable national Brucellosis control programme is strengthened and in line with the OIE, FAO and WHO standards (Georgia) |
| May 2016 | Capacity building workshops, risk analysis and guidance on Foot-and-Mouth Disease (REG) |
| May-June 2016 | Questionnaire-based feedback received from Regional Office for Europe and Central Asia (REU) countries on critical and emerging issues in food safety (basis for a paper/agenda item at the meeting of Coordinating Committee for Codex European Region to be held on 3-7 October 2016 in Astana, Kazakhstan) |
| September 2016 | Regional capacity building workshops, risk analysis and guidance on Foot-and- Mouth Disease (FMD) organised |
| September 2016 | Capacity building workshop, technical advice and analyses and information provided to strengthen the Phytosanitary systems in Ukraine, Armenia and Belarus |
October 2016 | Support to improvement of brucellosis prevention and control strategy at regional and national level provided for Armenia
---|---
October 2016 | Sub-regional workshops on brucellosis control in Georgia and Armenia organised
November 2016 | National workshops conducted for the staff of the Phytosanitary Service of ANSA for pest monitoring, forecasting and reporting in Moldova
December 2016 | Report on food safety regulations in dairy sector and presentation at the National Dairy Conference (Georgia)
December 2016 | National workshops conducted for the staff for making analyses and assessment in the plant protection field including capacity building for elaboration of the National program (Moldova)
December 2016 | Concept of intersectoral food safety coordination mechanism and National Food Safety Response Plan (draft) developed (Moldova)
December 2016 | Capacity building workshop, technical advice and analyses and information provided to strengthen the Phytosanitary systems in Ukraine
December 2016 | National guides on Good Hygiene practices in Tajikistan
December 2016 | Public-private policy dialogue on food safety and quality standards in the meat sector established and promoted (Serbia)

**Component 3**: Supportive policy environment for export diversification

| 31 Jan 2016 | “The value chain of the sheep meat sector and recommendations for improvement for exports in Kyrgyzstan”
| 15 Feb 2016 | Stakeholder meeting on “The value chain of the sheep meat sector and recommendations for improvement for exports in Kyrgyzstan” (Bishkek, Kyrgyzstan)
| February 2016 | In Moldova, country assessment of agri-food sector prepared and six benchmarking studies of food export promotional programs made with experience of Chile, Brazil, Austria, Serbia, Estonia, Poland, EU
| 26-27 May 2016 | Expert Round Table “Best practices in export promotion: Experiences in Latin America, Europe and Central Asia” (Halle, Germany).
| 27 May 2016 | Plenary presentation on “Tourism and Rural Development in Uzbekistan” at conference on “Foreign investments, innovative solutions and cultural heritage as factors for development in Bukhara, Uzbekistan” (Bukhara, Uzbekistan)
| May 2016 | In Albania, MARDWA institutional capacities are strengthened to ensure steps taken by ministry to further approximate with EU in agriculture and rural development (how to implement marketing standards, quality policy – organic/geographic indications – delivered during January – May 2016).
| 18-19 October 2016 | 2-day workshop “Agricultural export promotion in Kyrgyz Republic” (Bishkek, Kyrgyzstan).
| December 2016 | Foster the country’s participation in the work of the Agricultural Market Information System (AMIS) (Kazakhstan)
| December 2016 | Public private platform on meat and dairy policies facilitated (Serbia)
| 31 Jan 2016 | “The value chain of the sheep meat sector and recommendations for improvement for exports in Kyrgyzstan”
| 15 Feb 2016 | Stakeholder meeting on “The value chain of the sheep meat sector and recommendations for improvement for exports in Kyrgyzstan” (Bishkek, Kyrgyzstan)
| February 2016 | In Moldova, country assessment of agri-food sector prepared and six benchmarking studies of food export promotional programs made with experience of Chile, Brazil, Austria, Serbia, Estonia, Poland, EU
Appendix 4. Agriculture/rural development and export strategies of RI2 members

Agriculture/Rural Development Strategies

- **Ukraine.** National Strategy and Action Plan for Agriculture and Rural Development (10 priorities) and State Targeted Program of Agricultural Sector Development till 2020 (final stage of elaboration).
- **Georgia.** The Strategy for Agricultural Development in Georgia 2015-2020 aims at: enhanced competitiveness of rural entrepreneur; institutional development; amelioration and soil fertility; regional and sectorial development; ensuring food security and food safety; veterinary and plant protection.
- **Tajikistan.** Government resolution “Additional Measures to Support the Agriculture Sector of the Republic of Tajikistan (2009); Concept of State Policy for Attraction and Protection of Investments (MoJoT, 2012); mid-term programmes of state investments focused on attracting foreign financing for approved large investment projects. State Programme on Strengthening of Export Potential of Fruit and Vegetable Sector in 2010-2012.

Export development strategies

- **Tajikistan.** A draft of the Programme about export promotion and import substitution in Republic of Tajikistan for 2017-2020;
- **Turkmenistan.** The State programme for increasing exports and the State programme for organization of production produce for import substitution (May 2015);
- **Uzbekistan.** National strategy for export growth: Establishment of trade enterprises for export of vegetable, fruits, cotton fibre. Strengthening of Export Support Fund (2016);
- **Azerbaijan.** On additional measures to promote the export of non-oil products (March 2016);
- **Belarus.** National Programme for export support and development in Republic of Belarus for 2016-2020;
- **Moldova.** Strategy for Development of the international trade in the Republic of Moldova for 2014-2020;
- **Russia.** A draft of Export Promotion Act; a draft of sub-programme for agri-food export support of the State.
### Appendix 5. Budget Details

**Table 4: RI2 budget details**

<table>
<thead>
<tr>
<th>Regional Initiative on Improving Agri-food Trade and Market Integration 2016</th>
<th>1 449 982</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXT - External Income</td>
<td>-80 000</td>
</tr>
<tr>
<td>TSS - Technical Support Service Income</td>
<td>-80 000</td>
</tr>
<tr>
<td>STF - Staff</td>
<td>1 163 858</td>
</tr>
<tr>
<td>SPR - Staff Professional</td>
<td>1 163 858</td>
</tr>
<tr>
<td>NST - Non Staff</td>
<td>366 124</td>
</tr>
<tr>
<td>GOE - General Operating Expenses Budget</td>
<td>366 124</td>
</tr>
<tr>
<td>CT21 - Reg. Conference: Europe (ERC)</td>
<td>300 000</td>
</tr>
<tr>
<td>CT66 - Gender Focal Point</td>
<td>243 000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regional Initiative on Improving Agri-food Trade and Market Integration 2017</th>
<th>1 449 982</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXT - External Income</td>
<td>-80 000</td>
</tr>
<tr>
<td>TSS - Technical Support Service Income</td>
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<tr>
<td>STF - Staff</td>
<td>1 163 858</td>
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<tr>
<td>SPR - Staff Professional</td>
<td>1 163 858</td>
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<tr>
<td>NST - Non Staff</td>
<td>366 124</td>
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<tr>
<td>GOE - General Operating Expenses Budget</td>
<td>366 124</td>
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<td>CT21 - Reg. Conference: Europe (ERC)</td>
<td>100 000</td>
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<tr>
<td>CT66 - Gender Focal Point</td>
<td>243 000</td>
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