



USAID | AgroInvest Project
FROM THE AMERICAN PEOPLE

QUARTERLY REPORT OCTOBER 1 – DECEMBER 31, 2013

January 2014

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International.

AGROINVEST

**QUARTERLY REPORT
OCTOBER 1 – DECEMBER 31, 2013**

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

CONTENTS

Acronyms	1
Introduction.....	2
Quarterly Highlights.....	3
Section I: Accomplishments and Progress to Date.....	5
Technical Implementation.....	5
Component 1	5
Component 2.....	23
Component 3.....	30
Project Communications.....	35
Gender Integration.....	41
Section II: Deliverables.....	43
Section III: Challenges and Plans to Overcome Them.....	44
Section IV: Planned Activities for Next Quarter	46
Section V: Level of Effort Report	49

Annexes:

- Annex 1 Meetings of the National Agrarian & Land Press Club
- Annex 2 List of publications in press highlighting USAID AgroInvest
- Annex 3 Environmental Mitigation and Monitoring Report
- Annex 4 Success Story: Ukrainian Land Registrars and Notaries Build Essential Skills
- Annex 5 Success Story: One Website; Infinite Land Information
- Annex 6 Performance Management and Evaluation Summary

ACRONYMS

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

INTRODUCTION

Project Overview

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

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

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

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

In November of this reporting period, protests began in central Kyiv in response to the GoU's last minute decision not to sign the European Union Deep and Comprehensive Free Trade Zone Agreement (DCFTA). Thousands of protesters have taken to the streets and been demonstrating 24 hours, seven days a week, blocking Kyiv's main downtown road. On November 25, and then again on December 11, police attempted to use force to disburse the protesters using tear gas and violence. This use of violence merely heightened the political and social instability. As of December 31, the demonstrations and protests are continuing in central Kyiv.

This situation has resulted in multiple disruptions to AgroInvest and its partners' activities this quarter. Those most worthy of note include:

- On Monday, December 2nd, the Director of the Department of Foreign Economic Relations within the Ministry of Agrarian Policy and Food of Ukraine, resigned citing political differences of opinion with Ministry staff. This individual was AgroInvest's main point of contact within the Ministry. At this time it remains unclear as to what affect this will have on AgroInvest activities as it is not known when a replacement will be named and confirmed.

- The fact that the Parliament of Ukraine has been functioning in a limited capacity since late November is impacting progress related to AgroInvest's partners' policy activities.
- Numerous meetings and Project events were cancelled or postponed by either AgroInvest directly or its partners as a result of safety and security concerns, as well as difficulty moving around the city and accessing certain buildings, including the Ministry of Justice of Ukraine.
- On several occasions during the month of December, the AgroInvest Project invoked flexible scheduling, meaning that those staff members faced with difficulty getting to the office or that felt it was unsafe to do so were allowed to telecommute/work at home. This decision was made based on ensuring staff safety, the closing of several metro stations, and worsened traffic conditions due to police check-points set to limit vehicles entering the center of the city.

QUARTERLY HIGHLIGHTS

In October-December 2013, the AgroInvest project team continued technical implementation activities despite the political and social situation unfolding in Ukraine. Key activities and accomplishments during this period included the following:

- Jointly with partner industry associations, assisted with preparation of an international investment forum of Kirovograd oblast (Elisavetgrad Investment Day) which served as a national level platform for discussion of agricultural land related issues with participation from the President of Ukraine and other key government officials;
- Prepared comments to the 2015-2020 Strategy for the Agrarian Sector Development and presented and discussed them with members of a working group set up by the Ministry of Agricultural Policy and Food of Ukraine (MAPF) to draft a new detailed Sector Program for the period until 2020;
- Analyzed the estimated impact of potential trade restrictions on the export of Ukrainian dairy products by Ukraine's largest importer of these products – the Russian Federation;
- Provided support to two national level conferences organized by agricultural industry associations: Fourth Ukrainian Grain Congress organized by the Ukrainian Grain Association on October 23-24th and the Fifth National Conference "Agribusiness in Ukraine-2014" organized by the Ukrainian Agribusiness Club on December 5th;
- Commenced implementation of the capacity building programs with three agricultural industry associations selected through a competitive process for grant awards to build their capacity in advocacy and agricultural policy

analysis: the Ukrainian Agricultural Confederation, the Ukrainian Grain Association and the Ukrainian Agribusiness Club;

- Continued implementing a large-scale training campaign for state registrars and notaries on new registration procedures in cooperation with the Ministry of Justice and State Registration Service; conducted training events in nine regions with a total of 3009 participants, thus covering 57% of the total number of state registrars in Ukraine and approximately 2 public notaries per rural raion;
- Conducted three training seminars entitled "Basics of effective communications with borrowers from among agriculture producers" for credit union officers and members of the Agrilending Task Force. The seminars were particularly useful for rural credit officers who served SMPs on a regular basis but did not have access to such training in the past;
- Conducted three internal audits/on-site monitoring in Agrilending Task Force member credit unions;
- Conducted four practical agrotechnological training sessions combined with lending offer promotion to farmers (customers of AgroInvest partner credit unions) covering innovations in horticulture, modern approaches in rabbit breeding, production technologies of cucumbers and tomatoes in greenhouses, and drought-tolerant crops for the Southern region.
- Finalized the economic feasibility study for the modification and amendments to the Tax Code of Ukraine regarding VAT taxation on agricultural produce sold by agricultural service cooperatives. The proposed changes will improve the legal and economic framework of agriculture servicing cooperatives' operations and encourage small producer associations to unite efforts in processing and marketing their produce;
- Prepared a feasibility study for the "Green Markets" National Program and the Draft Law of Ukraine "On amending the Law of Ukraine 'On Wholesale Agriculture Markets'". This work was carried out at the request of the MAPF and the State Agency for Investments and National Project Management. It is a component of the National Action Plan for 2013 with regard to implementing the Economic Reform Program for 2010-2014 titled "Prosperous Society, Competitive Economy, Efficient State" as approved by Presidential Decree #128/2013 dated March 12, 2013;
- Selected six new agriculture service cooperatives for grant awards to build their capacity and demonstrate the benefits from added value chain development when processing agriculture produce;

- The Model Internal Regulations of an Agriculture Servicing Cooperatives, which had been developed with technical assistance from AgroInvest, were approved by MAPF Order #643 dated October 30, 2013;
- Completed market studies and feasibility studies for the development of two wholesale-and-retail markets in the Crimea (Krasnogvardeyske and Kukushkino) and wholesale livestock market Charodiy (Cherkasy oblast). The said documents will enable the construction of the market infrastructure facilities to begin according to international standards.

SECTION I: ACCOMPLISHMENTS AND PROGRESS TO DATE

Technical Implementation

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

Task A: Accelerate Market-Oriented Reforms

Analysis of legislation on agricultural land market

AgroInvest continued its activities in monitoring, reviewing and analyzing legislation on land-related issues. During this quarter, one of the main activities was focused on preparing a review of the Draft Law “On Agricultural Land Circulation”. In September 2013, the State Agency for Land Resources developed another version of the draft law which contained certain amendments to earlier drafts of this draft law, in particular, a proposal to establish an obligatory minimum term for agricultural land lease agreements.

Given the critical importance of this draft law for the development of the land market and the agricultural sector in Ukraine, AgroInvest prepared a review of this draft and shared it with the GoU and other stakeholders to ensure the law is significantly improved before its approval. The review includes the following: (i) a list of principles upon which an efficient and equitable land market should be based, (ii) a comparison of the nature of land ownership and market institutions in Ukraine and other selected countries; (iii) an assessment of the likely consequences of various provisions in the draft Law “On Agricultural Land Circulation”, and (iv) suggested amendments and additions to the draft law. This work is being done under the subcontract with the University of Missouri.

As a part of this task, University of Missouri experts and the AgroInvest team held meetings and discussions with key stakeholders of the land market in Ukraine, including representatives of the government, members of the Verkhovna Rada, industry associations, farmers and leading land experts. The review will be finalized and made available for discussions with key partners by early February 2014.

Since the draft law “On Agricultural Land Circulation” was still at the development stage, some of its provisions have been submitted to Verkhovna Rada as separate pieces of legislation. In October 2013, the parliament reviewed a draft law “On Amendments to Certain Laws of Ukraine Regarding Simplification of the Transfer of Agricultural Land

into Ownership and Use” which was registered by an individual Member of Parliament (MP). This draft law proposed amendments to the Land Code which would effectively lift the moratorium for the State Land Bank thus only allowing this institution to have a monopoly position on the market. On October 10, 2013, AgroInvest prepared a legal analysis of this draft law which highlighted the most controversial provisions of the proposed legislation. This analysis was further updated and passed on to members of the agricultural committee of the parliament at the end of October. As a result of this as well as activities of other opponents to the monopoly position of the State Land Bank, the proposed legislation has not been approved.

Experts of the Resource Center, which was established by the Land Union of Ukraine under an AgroInvest grant, also analyzed other legal and legislative documents dealing with land issues and developed proposals with solutions to issues identified through their analysis. In October-December 2013, these activities, in particular, included the following:

- Preparation of comments and amendments to the draft law of Ukraine “On Amendments to Certain Legislative Acts of Ukraine (regarding regulation of relations for immovable objects)” (registration No. 2049a). The proposed amendments would allow avoiding duplicate steps and additional costs for land plots which have been registered in the State Land Cadastre prior to January 1, 2013. In December 2013 the Land Union received a formal confirmation from the State Registration Service that the proposed amendments are being supported by the Service.
- Preparation of a draft law which allows verifying land survey documentation online prior to the registration of the documentation in the State Land Cadastre. A relevant draft law “On Amendments to Article 38 of the Law on State Land Cadastre (regarding the verification of the exchange files)” has been registered in Verkhovna Rada on December 23, 2013 (registration No. 3814).
- Drafting of a law which simplifies the procedure for conversion of land survey information in the outdated format into a new format in the State Land Cadastre. A draft law which addresses this issue was registered in the Verkhovna Rada on December 12, 2013 (On Amendments to Section VII “The Final and Transitional Provisions” of the law of Ukraine on the State Land Cadastre”, registration No. 3756).

It should be noted that in November-December 2013 the Verkhovna Rada of Ukraine demonstrated minimal activity to discuss/approve new legislation due to a political deadlock between the majority and the opposition around the non-signing of the Association Agreement between Ukraine and the EU and following massive street protests in Kyiv which continue into 2014. With very few exceptions, draft laws registered in the Verkhovna Rada during this period have not moved through the review process. Prospects for a quick resolution of the issue remain unclear and this places uncertainty on the efficiency of the legislative process as we move into 2014. Given the increased political tension in the country, it is likely that the government might delay its

plans to approve some of the more controversial legislation, including the draft law “On Agricultural Land Circulation”.

Land lease agreements. This quarter the Project completed collecting copies of land leases required for analyzing lease arrangements. The collection of the leases was made possible via AgroInvest’s collaboration with the Association of Village Mayors and the State Land Agency of Ukraine. Overall, 830 lease agreements from 17 oblasts have been collected. The actual number of leases used for the research will decrease after final verification of the documents; however this number will exceed the Project’s minimum quota of 500 leases. The leases are currently being reviewed and entered into a database which will allow for statistical analysis.

On December 12, 2013, the Project conducted a focus group meeting in Chernivtsi on topical issues of leasing of agricultural land. The event was held in cooperation with the First Agrarian Cluster, an NGO intimately familiar with land lease challenges in the area. The outcomes of the meeting, including peculiarities of leasing land under orchards and issues of receiving lease payments in kind at remote distance will be used while analyzing the leases and developing proposals to improve lease relations in rural areas of Ukraine. Two additional subject focus groups will be held in Dnipropetrovsk and Kherson in March 2014 after receiving preliminary results of the research.

Developing recommendations to preserve soil quality (through crop rotation) that decrease the role of government regulation and makes compliance with relevant state regulations less expensive for agricultural producers. Agricultural producers and industry associations continue to raise concerns regarding the complexity and high cost associated with obligatory development and application of pre-approved crop rotation schemes by farmers. This quarter the Project conducted a legal analysis of the current regulations of obligatory crop rotation in Ukraine and developed the first draft of recommendations to simplify and reduce the cost of such crop rotation requirements. These recommendations include:

- Waiving strict regulation of crops’ sequence in crop rotations and changing it to restrict the cultivation of certain crops in the same field for a certain period of time;
- Canceling the requirement of developing crop rotation schemes as land management plans (land survey projects to be developed by a land survey company and approved by state authorities) and give them a status of agroproduction plans that will allow for reduced time and costs for their development and implementation;
- Allowing agricultural producers to develop crop rotation plans themselves in order to simplify the procedures for application of crop rotations;
- Empowering territorial agencies of the Ministry of Agricultural Policy and Food of Ukraine to monitor the availability of and adherence to crop rotation plans by agricultural producers who use agricultural land.

The analysis and recommendations will be discussed with key experts and presented for public discussion. Upon revisions based on these discussions and feedback, the

recommendations will formally be submitted to the MAPF. The Agrarian Union's analytical center, an AgroInvest grantee is a key partner in this initiative.

Presentations and Manuals on Agricultural Land Issues

During the reporting period, the AgroInvest team continued to place emphasis on facilitating public discussions of the draft laws dealing with land issues jointly with partner organizations. Such discussions allow building coalitions and raising support to proposals on improving the proposed draft legislation.

As a part of these activities, the AgroInvest Project together with the Land Union of Ukraine assisted in preparing and executing an international investment forum in Kirovograd oblast on October 3, 2013 (Elisavetgrad Investment Day) which served as a national level platform for discussion of agricultural land related issues. During the forum, the President of Ukraine reported on agriculture and land related issues and other key government officials participated in panel discussions.

AgroInvest experts presented on “Land Legislation: Access of Agribusiness to Land” during a break-out session.



In October-December 2013 AgroInvest also made presentations and/or participated in discussions during the following events organized by partner institutions:

Date	Event name	Participants	Presentations/comments by AgroInvest
October 18, 2013	Round table “Registration of ownership to real estate and encumbrances: Challenges and Prospects”	Ministry of Justice of Ukraine, State Registration Service of Ukraine, USAID AJLEP Project, Land Union of Ukraine, land experts	Proposal for streamlining the procedure for registration of lease agreements for land plots lacking a cadastre number.
October 23, 2013	Round table “State land Bank: Pros and Cons” organized by the Ukrainian Agrarian Association	Members of the Agricultural and Land Committee of the Parliament, State Land Bank representatives, government officials, representatives of industry associations, land experts.	Comments on risks associated with proposed legislation on the State Land Bank.
October 31, 2013	A round table “Who and on What Basis Uses “Nobody’s” Land” – this was a part of activities of the National Agrarian and Land Press Club which is supported by AgroInvest	Government officials, village mayors, NGOs, academics, and managers of agricultural enterprises and media.	A presentation on legal aspects of land use for the land which does not have a formal legal owner
November	Scientific and Expert Council under the State Land	State Land Agency officials,	Comments and proposals on amendments to

20, 2013	Agency	NGOs, academics, and experts	legislation on legislation of lease rights
November 27, 2013	Quarterly meeting of the AJLP Project in Chernivtsi	Representatives of legal aid offices of the Ministry of Justice, legal companies who provide legal aid to population	A presentation "State Registration of Land Plots, State Land Bank and other New Issues in Land Legislation"
December 19, 2013	A round table "Transfer of Land to the Statutory Capital of the State Land Bank, its Efficient Use and Monitoring. Measures to Prevent Corruption Risks"	Representatives of the State Land Bank, NGOs, representatives of government land agencies in Bulgaria, the Netherlands and Lithuania, farmers and media	No formal presentation or comments made

Other Policy Initiatives

Review of the Strategy for Agricultural Sector Development and its Presentation to MAPF. In October 2013, the Cabinet of Ministers of Ukraine approved a Strategy for agricultural sector development through 2020. The Strategy was prepared by the MAPF as a concept for a new detailed Sector Program to be developed by the Ministry in 2014. AgroInvest contributed to the development of the first draft of the Strategy through discussions and comments provided to the MAPF in April 2013.

With assistance from the University of Missouri (UoM), AgroInvest prepared comments to the approved Strategy on policy and regulatory decisions that would follow to implement this strategy. These comments were shared with the MAPF in November 2013 and then presented and discussed with members of a working group set up by the MAPF to draft a new detailed Sector Program for the period until 2020.

Legislative and regulatory framework for development of agricultural producer organizations. AgroInvest continued its activities developing the economic feasibility study for the modification and amendments to the Tax Code of Ukraine regarding VAT taxation on agricultural produce sold by agricultural service cooperatives. In October 2013, results of the feasibility study were presented for public discussion to officials of the MAPF and experts in the sphere of service cooperative operations. The main findings of the study were also presented at the International Conference on Cooperative Development in October 2013 which was held in Kyiv. Based on feedback received during these public discussions, the economic feasibility study and a draft law with proposed amendments to the Tax Code were finalized and sent to the MAPF in December 2013. The Ministry will make a formal submission of a relevant draft law to the Parliament for approval. Once approved, these changes will remove disincentives for operation of agricultural service cooperatives that still exists in VAT legislation.

In addition, the Model Internal Regulations of an Agriculture Servicing Cooperative, which had been developed with technical assistance from AgroInvest, were approved by MAPF Order #643 dated October 30, 2013. Approval of the Model Internal Regulations allowed AgroInvest to finalize and prepare the publication entitled "Scientific and

Practical Commentary to the Law of Ukraine on Agricultural Cooperation and Related Legal Documents” which will be the first comprehensive compendium of legislation and regulations governing agricultural cooperatives in Ukraine. The Commentary will be published and disseminated to AgroInvest partners in early 2014.

Draft legislation on Agricultural Wholesale Markets. The project has also completed development of a draft law “On Amendments to the Law of Ukraine “On Agricultural Wholesale Markets”. This activity has been initiated at the request of the MAPF and the State Agency for Investments and National Projects. Drafting of this law is a part of the 2013 National plan for implementation of the Program of Economic Reforms for 2010-2014 “Prosperous Society, Competitive Economy and Efficient State” which was approved by the Decree of the President No. 128/2013 on March 12, 2013. This draft law will be given to the Cabinet of Ministers by the State Agency for Investments and National Projects for review and action in early 2014.

Analytical Group on Issues of Foreign Economic Activities. The objective of this work is to raise the ability of the MAPF to monitor international agricultural markets, analyze issues related to trade in agricultural and food commodities and prepare proposals on government policies in this area. Activities of the analytical group were to commence in October 2013. However, in view of issues which arose at the stage of final negotiations of the grant agreement and the resignation of AgroInvest’s point of contact within the International Department of the MAPF in early December, this work has been temporarily suspended. Final decisions on the analytical group will be made during the next quarter upon the appoint of the new director of the MAPF’s International Department.

Analysis of the estimated impact of potential trade restrictions on the export of Ukrainian dairy products by the Russian Federation. During the last several years, Ukraine experienced periods of difficulties with supplying its dairy products to the markets of the Russian Federation due to various forms of trade restrictions. These restrictions had a negative impact on the development of the dairy sector in Ukraine which suggests that the sector might be particularly vulnerable to new or increasing trade restrictions from the Russian Federation (e.g., trade restrictions which might emerge after Ukraine signs the Association Agreement with the EU). In November 2013, AgroInvest prepared an analysis of the estimated impact of potential trade restrictions on the export of Ukrainian dairy products by the Russian Federation. The analysis included the possible impact of such restrictions on prices for agricultural producers in Ukraine, in particular small farmers who produce the bulk of raw milk in Ukraine. The analysis also provided proposals and recommendations for measures required to diversify the export of Ukrainian dairy products.

Assistance to the MAPF in reviewing export and import of agricultural and food products and proposing policies to ensure a constant and positive balance in Ukraine’s foreign trade for agricultural sector goods. At the request of the MAPF in October 2013, AgroInvest prepared a brief analytical note that reviewed the dynamics of the import and export of agricultural and food products and identified the main trends in Ukraine’s trade

balance in these products. This analytical note was used by the Department of Foreign Economic Relations of the MAPF to develop more comprehensive proposals to improve the trade balance and reverse some of the negative trends identified earlier in the year.

Assistance to industry associations with international conferences – Fourth Grain Congress and the International Conference “Agribusiness in Ukraine in 2014”. During the reporting period, AgroInvest provided support to two international agriculture conferences organized by partner industry associations. Specifically AgroInvest supported the conferences by identifying and inviting leading US policy and market experts to make presentations. This included a presentation entitled “World grain Market: Challenges and Risks” by William Tierney, Chief Economist of the AgResource Company based on Chicago Illinois. This presentation was delivered at the Fourth Ukrainian Grain Congress on October 23-24, 2013.

Additionally, at the International Conference: “Agribusiness in Ukraine in 2014”, a presentation on the current trends of world agricultural policy and the role of government agents in implementing sector policies was delivered by Dr. William Meyers, Howard Cowden Professor of Agricultural and Applied Economics at the University of Missouri. Dr. Myers delivered this speech as the keynote speaker of the event. This conference was organized by AgroInvest partner, the Ukrainian Agribusiness Club on December 5, 2013.

Task B: Strengthen Industry Associations

Capacity building grant program for agricultural industry associations

In October-December 2013, AgroInvest continued working with 11 partner industry associations of the capacity building grant program. Highlights of each of these partners activities this quarter can be found below.

1. All-Ukrainian NGO Ukrainian Agrarian Confederation.

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

- Undertaking regular monitoring of new legislation on agricultural sector issues in the Verkhovna Rada of Ukraine;
- Preparing and publishing an analysis of the financing available for the agricultural sector in 2013. The analysis contained proposals on measures required to increase the financing available to farming enterprises which were sent with a separate letter to the Minister of Agricultural Policy and Food;
- Organizing and holding a conference “Regulation of Trade in Agricultural Commodities in the Association Agreement between Ukraine and the EU” with the purpose of explaining the provisions of the agreement that deal with agricultural trade issues to Ukrainian business community, experts and academics;
- Developing detailed comments and proposals to draft resolutions of the Cabinet of Ministers which are required for implementation of the law “On

Transfer Pricing” and draft resolution “On Certain Aspects of Development of Commodity Exchange Trading in Agricultural Commodities” (the later one jointly with the Ukrainian Grain Association);

- Active participation in discussions and development of multiple proposals on reducing the cost of grain handling and transportation for the interagency working group on the logistics of grain export during 2013-2014 marketing year (jointly with the Ukrainian Grain Association).

2. All Ukrainian NGO Ukrainian Grain Association

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

- Active participation in and development of comprehensive proposals to amend selected laws and Cabinet of Ministers resolutions for the interagency working group on the logistics of grain export during 2013-2014 marketing year;
- Organizing and holding the Fourth Ukrainian Grain Congress on October 23 and 24 which served as a platform for public-private dialogue on further development of the grain market in Ukraine;
- Developing, translating, and publishing analytical materials based on United States Department of Agriculture data covering longitudinal global commodities trends;
- Publishing weekly news monitoring reports for the information on Ukrainian grain market.

3. NGO Organic Federation of Ukraine

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

- Publishing the “Manual of EU Standards on Regulation of Organic Production and Labeling of Organic Products. Book 3” (in Ukrainian). The book contains regulatory documents on production and labeling of organic products approved by the European Union in 2010-2013;
- Preparing amendments and additions to the Law of Ukraine № 425-VII “On Production and Circulation of Organic Agricultural Products and Raw Materials” and discussion of the proposed amendments with key members of the Verkhovna Rada.
- Coordinating the development of the “Rules for Organic Agricultural Production” with the Ministry of Agricultural Policy and Food;
- Organizing a seminar “Organic production: the European choice of Ukrainian farmers”;
- Organizing and holding an annual press-conference to inform the business community and public about main developments in the organic sector during 2013;

- Publishing their quarterly magazine entitled “Organic UA”.
4. All-Ukrainian NGO Ukrainian Agriculture Service Cooperative Members' Union (implementation of this grant agreement ended in November 2013).

Main accomplishments of the Ukrainian Agriculture Service Cooperative Members' Union during this quarter included:

- Preparing and distributing a [documentary](#) (movie) on main aspects and best experiences in development of agricultural service cooperatives in Ukraine;
- Organizing a training seminar on development of agricultural service cooperatives and presentation of the manual “Agricultural Service Cooperative: a Primer” as part of the 16th Agricultural Exhibition “Farmer of Ukraine 2013”;
- Organizing, in cooperation with the MAPF, a competition among students of agrarian universities and schools a business plan competition.

5. Society for Promotion of Rural Green Tourism in Ukraine

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

- Active support for approval of two draft laws of Ukraine - “On Amendments to the Law of Ukraine on Private Farming regarding the Development of Rural Green Tourism” (No. 2530a) and “On Amendments to the Tax Code of Ukraine regarding Taxation of Services Provided in the Sphere of Rural Green Tourism” (No. 2529a) by the Verkhovna Rada of Ukraine. As a result, these draft laws were approved by the Parliamentary Committee on Family, Youth, Sports and Tourism Issues on October 22, 2013;
- Organizing a round table on issues of green tourism development in the Verkhovna Rada of Ukraine;
- Organizing and holding a training workshop on categorization and eco-branding of households;
- Preparing a manual for green tourism experts for publication.

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

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

- Preparing and holding a the national conference “Agricultural Advisory Services: Problems, Strategy and Options for Development”;
- Organizing three training seminars focused on agricultural technology, financing and marketing issues for representatives of regional advisory services;
- Organizing a break-out session entitled “Agricultural advisory services as an instrument to facilitate the development of rural areas” as part of the USAID

Pact/UNITER project's 2nd Organizational Development Forum on November 21-22;

- Organizing, in cooperation with the National Agrarian & Land Press Club, a press tour to Poltava oblast to highlight work the role of advisory services in agricultural and rural development.

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

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

- Organizing and holding all-Ukrainian public hearings "The Role of Industry Associations in Forming the Prices for Agricultural Products";
- Participating in activities of the interagency working group on the logistics of grain export during the 2013-2014 marketing year;
- Organizing and holding a round table "Agricultural Sector Development Strategy until 2020: a Plan of Actions or Declarations?" (jointly with Ukrainian Agriculture Service Cooperative Members' Union);
- Organizing a regional and a national round table on the main issues to be included in the Agriculture Sector Development Program for the period until 2020.

8. All-Ukrainian NGO Association of Village Mayors.

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

- Preparing revisions and updates to a manual entitled "Practical Advice for Village Heads for the Improvement of Sustainable Rural Development and Agricultural Production". AgroInvest Project staff reviewed the draft manual and provided written comments and recommendations to it with a particular focus on the sections dealing with land issues and cooperatives. The manual was approved by the scientific Council at the National University of Life and Environmental Sciences of Ukraine;
- Publishing and disseminating among village councils and other partners of three issues of the "Bulletin of the Association";
- Preparing comments and recommendations to draft Cabinet of Ministers' Resolution "On Amendments to Cabinet of Ministers Resolution #101 dated 16-10-2010 On Managing Taxes, Obligatory Payments and other Budget Incomes". The main recommendations were related to increasing the role of village councils in the local budget generation process.
- Organizing and holding a round table and a press conference on the role of local councils in the development of rural settlements. During the round table the Association of Village Mayors and the Association of Small Towns signed a Memorandum of Collaboration with the purpose of cooperating in reforming local self-governments in favor of local communities.

9. All-Ukrainian NGO Agrarian Union of Ukraine.

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

- Active participation in developing proposals for the Agricultural Sector Development Strategy until 2020;
- Developing and disseminating among the members the following analytical papers: (1) Current issues of applying fixed agricultural tax; (2) Analysis of budget support of the agricultural sector in the draft state budget for 2014; and (3) Weekly bulletins on grain market pricing.
- Preparing an analytical note on the results of 2013 agricultural year and its presentation at a national round table;

10. NGO Pig Breeders Association.

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

- Initiating a working group on the development and deregulation of pig breeding within the Ministry of Agricultural Policy and Food (in November 2013). The group has been split into three sub-groups which focus on following issues: (i) improvement of legislation that regulate swine production to synchronize it with modern and international standards of pig breeding; (ii) creating national system of management of pedigree swine resources; and (iii) development and implementation of a new state standard on carcass assessment and classification.

11. Public Organization “Association Ukrainian Agribusiness Club” (AUAC). This grant agreement was signed in December 2013 and has the objective of increasing the institutional capacity of AUAC through analysis of laws and regulations, preparation of proposals to these documents and advocating the interests of agribusiness in communication with government agencies.

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

- Developing key performance indicators for each individual employee of the Association;
- Developing a registry of requests for legislative reviews/analysis received from members of the Association;
- Drafting a report “Market Control and Surveillance for Crop Protection Materials”;
- Preparing detailed proposals to a Cabinet of Minister’s Resolution “On Approval of Amendments to the Procedure for Issuing Permissions for Importing Crop Protection Materials to Ukraine”.

Joint activities of partner agricultural industry associations

In October-December 2013, the partner agricultural industry associations worked together to organize and conduct several joint activities on agricultural policy issues. These are worthy of note as collaboration amongst such associations is increasing and they are increasingly seeing that such initiatives of working together are achieving more advanced development in the Ukrainian agrarian sector. The main activities, in particular, included:

- 1) A Second All-Ukrainian National Agrarian Forum on October 18, 2013. This was a meeting of representatives of industry associations and farming enterprises which discussed the most pressing issues of agriculture sector development. The Forum approved an appeal to the President of Ukraine, the Prime Minister and the Speaker of the Verkhovna Rada with a list of actions to be taken by the authorities in order to facilitate further growth of the sector. The activities of the Forum were coordinated by the Ukrainian Agricultural Confederation, Agrarian Union, Association of Private Farmers and Landowners, Ukrainian Agribusiness Club (all – AgroInvest partners) and the National Association of Poultry Producers.
- 2) Issuing a joint open appeal on the benefits of signing the Association Agreement between Ukraine and EU. In the appeal, the agrarian community stressed that the terms and conditions of the EU Association Agreement and DCFTA were, on the whole, advantageous for the Ukrainian agriculture sector. Sector industry associations expressed their confidence that (i) the signed Agreement would facilitate further strengthening of economic relations, trade and investments between Ukraine and the EU and will support the Ukrainian government in implementing its reform program; (ii) associated EU membership of Ukraine would give an impetus to the development of the domestic agrarian sector; (iii) the Agreement would create preconditions for macroeconomic stability and additional investments in the Ukrainian agro-industrial complex. Most of AgroInvest's partner industry associations were among the signatories of the appeal.
- 3) On December 17, 2013, the All-Ukrainian Association of Village Mayors, the Association of Farmers and Private Land Owners of Ukraine, the National Association of Agricultural Advisory Services "Dorada" and the All-Ukrainian Agriculture Service Cooperative Members' Union signed an agreement on cooperation. The objective of the agreement is to merge efforts of the four associations in implementing joint activities aimed at accelerating the development of the agricultural sector and facilitating development of rural areas.



Four AgroInvest Industry Association Partners Sing an agreement on cooperation, December 17, 2013

Task C: Provide Public Education for Land Rights

Land Rights Public Education and Outreach Campaign

In the reporting period, the Land Rights Awareness & Education Campaign “My Land, My Right” continued in collaboration with Project partner the Center for Ukraine Reform Education LLC (CURE).

The campaign includes a media campaign, TV and radio programs, video spots, as well as the Agriculture and Land Press Club. Thematically, the campaign is mainly focused on land issues but since land is a cross-cutting theme for many other issues of focus for AgroInvest, the campaign looks into those issues as well — through the lens of land.



This quarter, four 10-minute radio programs and one 40-minute radio talk-show were aired as part of this campaign “My Land, My Right” with a total audience of approximately 1 million listeners. They programs were dedicated to the following topics:

Date	Topic
10-minute radio programs	
14.10.2013	What kind of land market do we need?
28.10.2013	Agricultural extension services
11.11.2013	Heirless property
25.11.2013	Agricultural extension is a reliable helping hand for a small and medium producer (based on press tour)
40-minute radio talk-show	
04.12.2013	The peasant and the land: when will the legislative harmony be achieved?

Also, in this reporting period, two installments of the TV program “My Land, My Rights” were aired with a total audience of about 200,000 viewers. They covered the following topics:

27.10.2013	"Procedure for free-of-charge privatization of land plots from state- or communally-owned land"
	In the program, experts of the Land Rights Resource Center established by the Land Union and experts of USAID AgroInvest presented step by step instructions on how to privatize land plots for various purposes, including for agricultural business. The program's audience was 102,217 viewers.



08.12.2013 "[USAID AgroInvest Project for the Ukrainian people](#)"

The program was devoted to the activities of USAID AgroInvest under all three components with a special emphasis on work towards the establishment of a transparent land market and protection of land rights of rural citizens. The program's audience was 82,324 viewers.

In addition to national TV channels, both radio and TV programs were also provided to 29 local (oblast-level) radio and TV companies for broadcasting.

The [National Agrarian & Land Press Club](#)

established as part of the Land Rights Public Education and Outreach Campaign conducted four events in the reporting period, including three press club meetings and one press tour. In order to support the overall goals of AgroInvest, the subject matter of these events were not limited to land issues; however, for all of them land was among the main topics as land is indeed of key importance for all activities in the agricultural sector. For more details please refer to Communications section and Annex 1.



Legal Land Rights Services Program

The Legal Land Rights Services Program continued cooperation with two partners, namely the *Land Union of Ukraine* (through the Kyiv-based Land Rights Resource Center) and the *Civic Platform on Implementation of Land Reform in Dnipropetrovsk Oblast*.

Land Rights Resource Center

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



One of the most important activities undertaken by the Land Rights Resource Center in the reporting period was the continuation of the national training campaign for state registrars and public notaries. Nine seminars entitled "State Registration of Land Plots and Rights to Land Plots; Authority of Local Governments with Regard to Land Management" took place in Poltava, Lviv, Ternopil, Lugansk,

Donetsk, Kharkiv, Chernigiv, Uzhhorod, and Ivano-Frankivsk. The seminars were organized in cooperation with the Ministry of Justice of Ukraine and State Registration Service of Ukraine. This quarter alone, 1,695 state registrars and notaries took part in the trainings focused on helping them to better understand the specifics of land issues, know how the cadastre system functions, and understand newly implemented registration procedures.

The Ministry of Justice of Ukraine expresses its respect and extends its thanks to the USAID Agroinvest in Ukraine Project for fruitful cooperation and support of measures intended to raise the level of legal culture, enhance the public education system, increase public awareness of legal matters, and develop the public respect to law in Ukraine.

- Olena Lukash, the Minister of Justice of Ukraine

In addition to state registrars and notaries, village and raion authorities as well as partners of the USAID AJLEP project were invited to the training events. With the view of further dissemination, presentations and other materials used at the events are available on the Land Rights Web-Portal. Overall, since the launch of the training campaign, 20 training events have been conducted in the regions with a total of 3009 participants, representing 57% of the total number of state registrars in Ukraine and about 1-2 public notaries per rural raion. At the request of the Ministry of

Justice of Ukraine, the campaign will continue in the next quarter and is planned to cover all remaining oblasts of Ukraine.

In addition to the above mentioned training campaign, the Resource Center conducted four training events for providers of primary and secondary legal land services, which included a total of 200 participants:

- “Responsibilities of Local Governments in the Area of Land Management” (Kyiv)
- “Responsibilities of Local Governments in the Area of Land Management” (Kamyanets Podilsky)
- “Procedures for Correcting Mistakes in the State Land Cadastre” (Kyiv)
- “Legal Consequences of the Separation of State and Municipal Property in 2013: New Procedure to Improve Land Allocation; Practical Tools for Legal Assistance on Land Issues” (Kyiv)

It should be noted that the training activities are not stand-alone events; they serve to establish contacts with participants who are encouraged to use the Land Rights Web-Portal, download materials available there, and to contact experts of the Land Rights Resource Center in case they face a complicated case and need further advice and/or assistance. Also, participants are provided with the Manual “A Guide to Land Issues”, posters with roadmaps which they post on the walls in their offices for reference by rural landowners, and a comprehensive package of training materials.

“Due to roadmaps developed by the Land Union and approved by the Ministry of Justice, every landowner knows exactly how to proceed with land registration and other issues. This information closes a gap for misuses and corruption because landowners have clear step-by-step guidelines how to proceed”

- Natalia Zheleznyak, Department Head of the Ministry of Justice of Ukraine

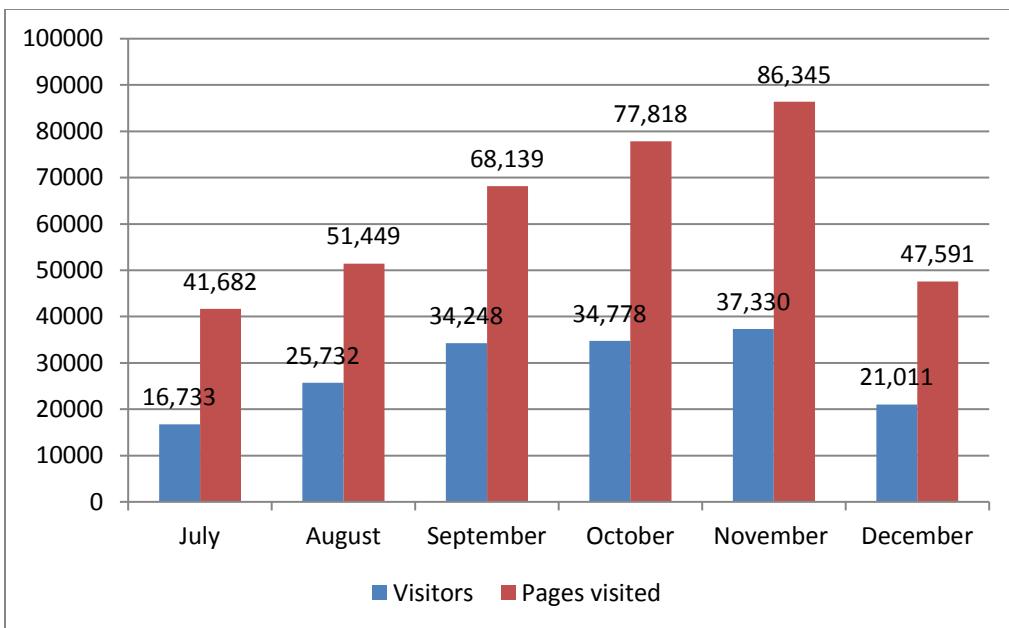
The training activities undertaken by the Land Rights Resource Center are also instrumental in identifying local problems faced by state registrars and notaries, especially regarding gaps in coordination of activities between the two registration systems that operate in Ukraine, namely, the State Registration System and the Land Cadastre. Experts of the Land Rights Resource Center analyze this information and convert it into policy proposals to feel the gaps and thus improve operation of both systems for the benefit of rural landowners.

As an example, on October 4, 2013, experts of the Land Rights Resource Center sent a letter to the Prime Minister of Ukraine entitled “Regarding Removing Obstacles to Exercising Property Rights to Land Plots”. In the letter, experts described a problem which arose with the implementation of the new state registration system, namely the fact that it became impossible for citizens whose land deed was lost or damaged to receive a duplicate of this document, which is needed for them to register their land rights in the State Registrar of Immovable Property. The Land Rights Resource Center suggested a procedure to resolve this problem. As a result of an advocacy campaign implemented by the Land Rights Resource Center, the Cabinet of Ministers approved Resolution No. 868 entitled “On Approval of the Procedure for Provision of Information from State Registry of Rights to Immovable Property.” The new procedure will help remove the aforementioned obstacle and protect land rights of rural landowners. The Resolution will come into effect in February 2014.

In addition to training efforts, the Resource Center produced the following new materials:

- 1) Manual “A Guide to Land Issues”
- 2) Poster “How to split a land plot?”
- 3) Roadmaps:
 - “How to sell a part of a land plot?”
 - “How to join several land plots?”
 - “How to establish appurtenant easement run with land based on court decision?”
- 4) Document templates:
 - sample letters from a landowner to the tenant regarding consent and rejection of the right to sublease the land plot;
 - template application on joining several land plots;
 - sample letter about establishment of appurtenant easement run with land with the owner of neighboring land plot.

These and other materials developed by the Land Rights Resource Center are available on the Land Rights Web-portal (www.zem.ua) maintained by the Center. This quarter more than 93,000 visitors to the Land Rights Web-Portal were recording bringing the total number of unique visitors since the launch of the program to 325,000. The number of pages visited in the reporting period exceeded 211,000, and the overall number of pages visited totaled 418,000. For detailed month-by-month statistics, please see the chart below.



Furthermore, during the reporting period, the Resource Center:

- Worked intensively with the State Land Agency and Center of State Land Cadastre, and Association of Farmers and Private Landowners to identify problems and find solutions;
- Organized, and participated in, seven expert discussions/round tables on topical land issues, mostly focused on land market, lease relations, role of the State Land Bank, improvement of land legislation, discussion of international experience and best practices. Among others, these events included two roundtables organized jointly with the Ministry of Justice and USAID AJLEP and one international investment forum, attended by the President of Ukraine, Minister of Agrarian Policy and Food, Head of the State Land Agency and other top-level policy-makers.
- Provided 79 consultations to providers of primary and secondary legal land rights services, mainly related to land registration, corrections of errors in the state land cadastre, approval of land use documents, state registration of land title, privatization, assignment of cadastral number of the land plot, lease relations, etc.;
- Participated in the December National Law Week organized by the Ministry of Justice of Ukraine with support of the USAID AJLEP; in particular, during the exhibition-forum "Lawyers Society" specialists of the Land Rights Resource Center provided free of charge consultations on land issues and distributed educational literature to interested rural landowners

Providers of secondary legal land rights services

In the reporting period, the *Civic Platform on Implementation of Land Reform in Dnipropetrovsk Oblast* (Civic Platform), an AgroInvest grantee, continued their activities in providing primary and secondary legal land rights services to rural landowners. In addition to providing legal land rights services to end beneficiaries (rural landowners), Civic Platform serves as the main point of disseminating expertise on land issues in the Dnipropetrovsk oblast.

This quarter, Civic Platform launched a new activity, namely, a large-scale training campaign for village-level land managers. The first two events took place on December 5 and 17 and were attended by a total of 179 land managers. This is a critical activity as land managers are an excellent source of primary legal land rights services for rural landowners. Due to rapid changes in land legislation and procedures, many of them have insufficient or outdated understanding of land-related procedures and need to be updated. At the training events, land managers received full package of materials prepared by the Land Rights Resource Center, which they will use in providing consultations to rural land owners. This campaign will continue in the next quarter.



Training for village-level land managers organized by Civic Platform, Dnipropetrovsk, December 17, 2013

The table below summarizes the main results achieved by providers of secondary legal land rights services in the reporting period and since the launch of the program in June 2012:

Indicator	October-December 2013 (reporting period)	June 2012-December 2013 (total since program was launched)
Number of consultations	513	5,909
Number of land deeds issued in target communities	26,891	42,486
Number of land conflicts resolved as a result of project assistance	212	473
Number of round tables	1	25
Number of participants	23	986
Number of presentations, training events, community meetings	6	155
Number of participants	331	5,113
Number of materials disseminated	1,240	17,419
Number of media publications, including TV and radio	250	1,247
Number of people who received info from media	1,200,000	29,728,176

COMPONENT 2: Stimulate Access to Finance

Work with Partner Banks

Selection of the third partner bank interested in agrilending to SMPs increase

As a result of Erstebank (one of AgroInvest's three original partner banks) notifying the Project that its strategy and categories of lending were changing due to its internal reorganization based on a change in ownership, AgroInvest determined the need to identify a replacement bank so that programmatic indicators and results would not suffer. As AgroInvest is regularly solicited by Ukrainian banks to receive technical assistance, four banks who demonstrated their interest in cooperation with AgroInvest were evaluated. These included Kyiv'ska Rus, National Credit Bank, Ukragazbank, and Unison Bank. AgroInvest specialists conducted site visits in November to collect and better understand information about the bank's ownership, history, practices, current status, and management strategies and plans for future development in the area of agrilending to SMPs.

Information on each bank was then summarized and analyzed by AgroInvest according to the set of detailed selection criteria. Based on this evaluation, AgroInvest determined that Kyiv'ska Rus Bank is the best financial institution to serve as the replacement for Erstebank. Of the reviewed banks, Kyiv'ska Rus Bank is the institution that could best benefit from the Project's assistance and is most closely aligned with AgroInvest's focus on increasing agrilending to SMPs.

Agrotechnological trainings for credit officers of partner financial institutions

This quarter, AgroInvest conducted two training seminars for credit officers of partner banks and credit unions. During Year 4, AgroInvest will conduct 12 such trainings focused on field crop production, vegetables, orchards, intensive horticulture, dairy farming, and pig breeding. All trainings are conducted utilizing a series of structured and interactive modules that include video and case studies.

These trainings are innovative in that they are the first of their kind and establish clear and transparent links between advanced agrotechnological specifics and traditional risk assessment procedures to develop tailor made agrilending opportunities for SMPs. Through the trainings, financial analysts of the banks and lending officers of credit unions acquire in-depth knowledge of agronomic and other technological aspects which will enable them to make more informed and less risky loans to SMPs.

The first training seminar took place in Simferopol on November 21st and 22nd and was attended by 14 loan officers of Crimean partner credit unions (Profi, Lya Riba, Yurt, and Republican Crimean Mutual Benefit Fund). The training covered all six training modules AgroInvest developed with partner TA Consult, specifically: field crop production (wheat, corn, sunflower, barley); Vegetables (tomatoes, cucumbers, onions, carrots, and beets); orchards (peaches, apples, and pears); intensive horticulture (tomatoes, cucumbers, onions, greens); dairy farming; pig breeding. As a result of the training, loan officers of partner financial institutions increased their knowledge of modern agrotechnologies that their SMP

clients apply in their specific regions. The trainings also covered methods of assessing and monitoring the cash flow of their applicants so as to make more informed lending decisions.

The second training took place in Zaporizhzhya on December 12, 2013 and covered field Crop production (spring and winter crops grown for grain and fodder purposes namely: wheat, barley, rape, corn, and sunflower). The training was attended by 12 loan officers of Megabank (nine participants from Megabank's Zaporizhzhya branches and three participants from the banks head office in Kyiv).

As a means of continually improving the content of these trainings, AgroInvest's financial specialists meet with TA Consult, the Project partner who delivers the trainings, to discuss areas for improvement. Through the two trainings that took place this quarter, the following aspects were identified to be revised and included in subsequent trainings:

- As the financial specialists of partner banks are increasingly working with the ARAT software package for cash flow drafting and monitoring, TA Consult must incorporate ARAT requirements into the sessions. It is noted that the purchase of the ARAT software by partner banks from the International Finance Corporation (IFC) was facilitated by AgroInvest in late 2012 and early 2013;
- As agrotechnologies are constantly and rapidly developing, and the most profound practical knowledge of the technical specifics is with VCA's specific areas of competence, TA Consult's trainers should consult with local VCAs during the preparatory stage for each subsequent training;
- Trainers of each session must be available by phone or email following each training so as to provide the participants the opportunity to ask questions as they begin practically applying what they learned.

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

During the reporting period, AgroInvest continued working on establishing cooperation between Kredobank and agricultural industry leaders. Discussions were held with the following industry leaders (VCAs): suppliers of agricultural inputs (BASF, Pioneer, KWS, Monsanto, Agrimatco, Agrobonus, Syngenta), purchaser of agricultural produce (Maisadour). Each of these VCAs commercialize agricultural inputs for Ukrainian agricultural operations, including those that are small and medium in size.

Meetings with the VCAs revealed concerns on both sides, such as:

- The VCAs (especially the international companies) follow their regional credit policies, and cooperation with any other bank must be authorized by the company's regional management. Authorization depends on the bank's rating, size of operations, efficiency (profitability, operational income, rate of non-performing loans, etc.), and engagement with competitors;
- The VCAs would like to initiate cooperation with banks targeted for SMP-segments only when the segment are of a strategic value for their sales policies;

- The VCAs agree to consider small (pilot) projects of new lending offer application in very limited scope;
- As a rule, the VCAs (multinational suppliers) do not have accounting staff to process SMP promissory notes. They would like such processing to be under the responsibility of their regional local distributors. Financial aspects of business between VCAs and distributors are not intended for paying the distributor back the cost of additional processing efforts on the side of distributors. As a rule, local distributors are shooting for big sales values, and sales margins are structured for this in most cases.

This quarter AgroInvest worked closely with Kredobank to improve its lending offers as well as finalized a lending mechanism based on promissory notes. Though Kredobank is not the only Ukrainian bank to offer this type of lending to agricultural operations, Kredobank is unique in that it provides opportunities for the smallest categories of SMPs (with arable land starting from 100 hectares and good credit history) to apply for short term financing at a minimal cost (3-5% of the value financed). In addition, Kredobank tuned their collateral evaluation procedures with the help of AgroInvest, and offers prompt review of loan applications (up to 5 days). The practice of other banks with similar loan products is to only consider applicants with much larger operations (starting from 500-100 hectares) and their application review process takes weeks and even months before the bank makes its lending decision.

Considering facilitation of cooperation of financial partners with Maisadour (seed producer) for financing irrigation supply to Maisadour seed growers in early 2014, AgroInvest worked closely with Oikocredit Ukraine and Metabank to finalize financing offers which were submitted to Maisadour and its seed growing partners in November 2013. As additional support to Maisadour, AgroInvest provided the company with contacts of the best irrigation equipment suppliers available in Ukraine. The seed growers will make their decision on irrigation equipment financing in the first months of 2014.

These innovative lending approaches based on close cooperation between the VCAs and financial institutions, and concerns raised by the VCAs were presented at the following events:

- The 3rd International Conference "Financing of Small and Medium Business" on October 9-11, 2013. The purpose of the annual event was to discuss current problems of small and medium business in Ukraine and CIS countries, as well as to contemplate on a number of issues related to loans, ways to improve financial institutions' profitability based on collaboration with customers, and new technologies needed to accelerate the efficiency of market participants. This year's conference provided an opportunity to work in focus groups to share experiences and discuss issues with SMPs directly. AgroInvest presented results of the Project activities in this area, outlined the potential for development of the credit market, as well as Project cooperation with financial institutions in the joint elaboration of the loan products for SMPS, and the role of SPMs in accelerating and stimulating finance access increase.

- The International Conference "Development of the Organic Market in Ukraine" in Kyiv. AgroInvest presented approaches to increasing agri-financing for SMPs of organic agricultural produce on the basis of: (a) developing a distribution network, including logistical and infrastructure components to mitigating risks of financing subject to availability of forward contracts for the purchase of organic agricultural produce, etc. and; (b) forming a distribution network that includes service cooperatives and other producer organizations. Financing organic production in Ukraine is especially limited due to the small size of organic operations, production and pre-operations costs (certification), and lack of established sales-purchase agreements with retailers. These specifics influence AgroInvest's priorities when developing approaches for consideration by organic producers.
- "Ukrainian Women in Business: Development and Success" in Dnipropetrovsk on November 21, 2013. AgroInvest presented recommendations for private entrepreneurs on how best to structure their operations and provided practical advice to those participants focused on agriculture operations on improving access to agri-financing as a basis for their development. This included the execution of forward contracts for supplying agriculture produce to buyers as an essential factor of reducing credit risks and the importance of partnering with providers of cutting edge agri-technologies as the most important multi-component factor of developing their production potential.



U.S. Ambassador Geoffrey Pyatt opening the "Ukrainian Women in Business" conference on November 21, 2013 in Dnipropetrovsk

Work with Partner Credit Unions

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

Internal audits and on-site monitoring in Agrilending Task Force member credit unions. AgroInvest partners, The Informational-and-Advisory Service and ABC-Center, conducted three audits: Snyatynska credit union (Ivano-Frankivsk, October 22-23, 2013), Hlobynska credit union (Poltava oblast, November 21-22, 2013), and Dovira credit union (Lviv oblast, November 27-28, 2013). Practical recommendations were provided to the credit unions that specialize in lending to SMPs on eliminating shortcomings with regard to legal issues, lending and financial aspects of their operations, diversification of their loan portfolios, and working with overdue debts. Data on typical problems of credit unions revealed by audits and recommendations on eliminating these problems are being collected and will be provided to all the other Task Force member credit unions once all audits planned for 2014 have been conducted.

Preparing internal auditors of credit unions which are specialized in lending SMPs. Establishment of internal audit services in credit unions helps them to improve

transparency and quality of their operations and enhance services to SMPs. A study was conducted to identify the optimal organization of internal audit services in credit unions, best practices of their operations, and needs in additional training and tools. The study results, together with proposals on developing a training course for internal auditors, were presented on October 15, 2013. The first introductory training seminar titled "Basics of conducting internal audits in credit unions that specialize in lending to SMPs" was held in Lviv on December 16-17, 2013. It was attended by 19 credit unions representatives.

Supporting credit unions in development of distribution channels for marketing agriculture produce of their members and sharing experience

On October 25 and 26, 2013, AgroInvest experts participated in a conference entitled "Development through Cooperation, Self-Sustained Production, and Organization of Fairs and Festivals" as well as the Stryi Organic Fair. The conference was organized by AgroInvest partner, Vyhoda credit union, in Stryi, Lviv oblast and focused on discussing essential aspects of community development through cooperation, organic production, and festivals with the engagement of practitioners, researchers, and stakeholders. As a result, participants developed recommendations in these areas. The event was attended by more than 100 participants including SMPs, representatives from cooperatives, and agriculture educational institutions. As part of the conference, AgroInvest held a training session on financial literacy for borrowers.

The Stryi Organic Fair was held on October 26th and was focused on providing production and servicing cooperatives, and other agriculture producers from throughout Ukraine, an opportunity to sell their produce directly at the fair and to establish long-term relationships with prospective customers and suppliers. As SMPs are often regionally isolated, this event allowed the cooperatives and producers to tap into and develop new markets and learn best practices from peers. The fair's participants included over 60 SMPs, cooperatives (including AgroInvest partners), educational institutions, and artists' associations who were able to offer their products to Stryi residents. As part of the fair, AgroInvest conducted a site visit to Vyhoda credit union where participants (24 persons in total) were able to learn how to establish cooperatives and the potential ways in which funding from financial institutions can support their development.

Agrotechnological trainings to credit unions and their SMP-customers as a means of increasing demand for lending services

The purpose of these trainings is to improve the creditworthiness of agricultural producers through sustainable development of their businesses. In November and December 2013 AgroInvest delivered four practical training sessions to the farmers - clients of partner credit unions on the following issues:

1. "Innovations in horticulture. Perspective hybrids of vegetables, their production characteristics" - 32 participants, Kherson oblast.
2. "Modern approaches in rabbit breeding. Best practices. Loan options" – 51 participants, Crimea.

3. "Production technologies of cucumber and tomatoes in greenhouses. Prospective cucumber and tomato hybrids for spring and autumn" – 30 participants, Kherson oblast.
4. "Drought-tolerant crops for the South of Ukraine, their production characteristics" - 25 participants, Kherson oblast.

During these trainings, agricultural producers received practical information on how to develop their business, and support the development with sound financial solutions. They covered a broad range of issues, such as market prospects for agrotechnologies, successful experience and professional recommendations regarding produce manufacturing, refining, and marketing. The training speakers were successful producers, researchers, and suppliers.

Another training held in the Kherson Institute for Irrigated Farming on December 23, 2013 was of particular use for members of the credit union Hromada. In the past two years, many of them suffered losses because of low harvests caused by severe droughts. Research from the Institute offered farmers six drought-tolerant crops, which had demonstrated their profitability even in very arid years according to the results of long-term tests, and shred their production experience. Some of the participants already had decided to cultivate some of the proposed crops in the next season to reduce their risks.

During all the trainings, credit unions presented in details their funding offers both to procure fixed assets and to cover the production cycle costs. The offers were made considering the features of businesses to be financed, their cost-effectiveness, and cash-flows.

Access to Finance Literacy program

Public education campaign on access to finance for SMPs

The concept of the public education campaign on access to finance for SMPs, which envisages intensive collaboration with the USAID FINREP-II project, credit unions, advisory services, and other stakeholders was developed and agreed on with these potential partners. According to the concept the public education campaign will be implemented at two levels (national and regional) and include development and distribution of education materials on access to finance for SMPs, development of training courses, forming a group of trainers and holding of training events for trainers and agriculture producers, and engagement of the media.

As part of the campaign, the training course "Practical Advice on Obtaining Loans and Ensuring Financial Security for SMPs" was developed and tested. The two hour course consists of two parts: (i) advice on obtaining loans (what loans can be obtained, on what terms and conditions, from what financial institutions, what requirements borrowers must meet to take out a loan for agriculture production purposes, what documents must borrowers submit to financial institutions etc.) and (ii) advice on ensuring financial security (how to calculate the actual cost of a loan and select best terms and conditions of lending, how to fulfill terms and conditions of a loan contract, and how to avoid fraud in the Ukrainian financial services market).

During the reporting period, six such trainings were organized with support from AgroInvest partners:

- Horodyshche, Cherkasy oblast, on November 12, 2013 and in Kamyanka, Cherkasy oblast, on November 23, 2013 with support from Credit Soyuz credit union;
- Brody, Lviv oblast, on November 19, 2013 with support from Samopomich credit union;
- Simferopol on November 28 with support from Lya-Riba credit union;
- Dyenizhnikove, Luhansk oblast, on December 5, 2013 and in Zhovte, Luhansk oblast, on December 6, 2013 with support from Luhansk regional advisory service.

On November 29, 2013, AgroInvest specialists participated in a round table to share experience in administering programs for improving financial literacy of the Ukrainian population including SMPs. Other participants included representatives from credit unions and the non-government organization, Financial Technologies Institute. The round table participants discussed a number of problems associated with the lack of financial literacy and related issues such as use of funding, deposit programs, and other financial instruments, creation and development of a financial advisors network, and cooperation between this network and credit unions. AgroInvest presented its program titled "Practical Advice on Obtaining loans to SMPs" and discussed prospects for cooperation.

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

The survey to determine the level of credit union members' satisfaction with their awareness of lending services and the quality of lending services in order to improve promotion of loan products for SMPs was finalized this quarter. The survey covered 500 existing members of credit unions – Agrilending Task Force members – from various regions of Ukraine. The survey revealed a number of interesting and important trends with regard to credit union members' awareness of loan products and their satisfaction with the quality of loan products. For example, SMPs appreciate opportunities for cooperating with credit unions because of tailor-made approaches to borrowers and fast loan origination process. However, credit unions lag behind banks as the latter have a broader branch network and wage more aggressive advertising campaigns. Another interesting conclusion is that credit unions should pay more attention to working with the youth as most of their members are senior people. Additionally, only 59 percent of surveyed agriculture producers take out loans from credit unions for the specific purpose of agriculture business development (the other loans are for consumer and other purposes). This means that credit unions have not yet captured the agrilending market even among existing members. Therefore, credit unions have room for development. And growth within their agrilending portfolios

The training entitled "Effective Promotion of Loan Products for SMPs" was developed with information collected from the survey data. Training seminars were held for credit union officers in Lviv on November 20-21, 2013 and in Kharkiv on December 3-4, 2013.

The seminars focused on (i) increasing credit unions' capacity to communicate information on existing opportunities for SMPs to obtain loans to develop their businesses effectively; (ii) identifying opportunities for increasing the utilization of credit unions' products by applying proper marketing tools; and (iii) facilitating practical implementation of such tools. The participants discussed the survey data, conducted a SWOT analysis of credit union competitiveness, considered effective marketing tools for rural areas, and planned further steps in agrilending development. The training seminars included 45 credit union representatives – members of the Agrilending Task Force. Every participating credit union received guidelines on implementing recommendations in daily operations and they will report on outcomes and share their experience at a round table scheduled for the second quarter of 2014.

COMPONENT 3: Facilitate Market Infrastructure for SMPs

Task A: Producer Organization Development

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

Work continued on developing the economic feasibility study for the modification and amendments to the Tax Code of Ukraine regarding VAT taxation on agricultural produce sold by agricultural service cooperatives. This activity is being conducted in partnership with the MAPF as a means of helping to further integrate SMPs into the agricultural produce marketing system. In October 2013, the initial feasibility study results were presented to officials of the MAPF as well as to researchers and practitioners in the sphere of cooperative operations for review and discussion. In December 2013 the revised economic feasibility study and draft amendments to the Tax Code were sent to the MAPF. Upon discussions with the MAPF it is envisioned that the GoU will take action on these amendments no earlier than February 2014.

In October-November 2013, site-visits and pre-award responsibility assessments have were executed by AgroInvest SAF and Component 3 team members for producer organizations that were selected during the fourth round of the grant tender: ASC "Chysta Flora", ASC "Golden bee", ASC "Snovyanka", ASC "Start-M", ASC "Dzhylek", ASC "Molochni riky".

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

- The monitoring and capacity building activities of 15 AgroInvest PO grant recipients. Grants with Storozhynets ASC Union "Hospodar Pidhirya", ASC "Khayal-2009", ASC "Zakhidny", ASC "Budzhak", ASC "Severyn", ASC "Ivankovetsky Svitanyok", ASC "Umyut", ASC "Frukty Krymu", ASC "Lypivsky", ASC "Losyatynske Molochne Dzherelo", ASC "Shyroke" all signed in previous reporting periods continued and new grant agreements were signed this quarter with ASC "Dzhylek" (equipment for a cool storage chamber), ASC

- “Start-M” (vegetable sorting), ASC “Golden bee” (honey dozing and packaging equipment), and Lviv oblast ASC Union “Rivnopravnist” (milk collection an primary processing system).
- Equipment procurement was funded for ASC “Umyut ” (equipment for a drying system), ASC “Frukty Krymu” (sorting equipment), ASC “Shyroke” (a cool storage chamber).

On October 26 and 27, 2013, AgroInvest organized an internal demonstration site visit to AgroInvest grantee Agricultural Service Cooperative “Chysta Flora” (Spas village, Kolomyia raion, Ivano-Frankivsk oblast) for representatives of agricultural cooperatives engaged in the cultivation and processing of medicinal herbs to share best practices and knowledge. Participants to the site visit familiarized themselves with practices of medicinal herb processing and certification of medicinal herbs as organic products, development of relationships among cooperative members, planning of activities in processing medicinal herbs into phyto products, and marketing. In addition, a specialist from the Research Center of the Agriculture Institute, the National Academy of Agrarian Science, presented calculations of the profitability of growing various medicinal herbs. Another important outcome of this event was facilitating the partnering of Ukrainian cooperatives with regard to sharing raw materials, products, and distribution channels to make sure that premium quality phyto produce is available to final consumers.

On October 31, 2013, AgroInvest, in collaboration with the Kherson Oblast State Administration, held a seminar on the development of cooperatives and logistics facilities. The seminar took place at the Kherson State Agrarian University. The event was attended by agricultural cooperatives, heads of raion departments of agriculture, representatives of the State Tax Administration, the Kherson State Agricultural University (accounting department), and media. The event enabled producers operating in the region to better understand the system of cooperatives, mechanisms of land taxation, and accounting. As a result of the seminar, participants are better able to foster rural development and the development of the rural economy.

On November 7, 2013, AgroInvest, jointly with the International Charity Organization "Dobrobut Hromad" (formerly Heifer International), in cooperation with Danone, and under assistance from Danone Ecosystem Fund (France), Heifer International (USA), and the Canadian CIDA SOCODEVI project, conducted a seminar entitled "Applying the Revised Law on Cooperation in Practical Activities of Cooperatives: Legal and Tax Aspects". The seminar provided cooperative leaders with recommendations on (i) changes in the principal documents regulating cooperatives' operations which need to be made by the end of 2013 and (ii) taxing of operations of agriculture servicing cooperatives under the revised Law on Cooperation and Tax Code. Such public seminars are important because they raise awareness amongst farmers regarding the tax issues as well as ways in which cooperatives can better function and protect their rights.

On November 21, 2013, AgroInvest conducted an internal demonstration site visit to the AgroInvest grantee Storozhynets Raion Union of Agriculture Servicing Cooperatives (Hospodar Podvir'ya) and the cooperative company Molochny Krai, Chernivtsi oblast. Representatives of agriculture cooperatives engaged in milk collection and processing

took part in the event. The Storozhynets raion administration provides comprehensive support for the development of cooperatives in the raion, including the Union of Agriculture Servicing Cooperatives. In particular, financial support was provided on a cost-sharing basis by the raion administration to help facilitate the establishment of the company Molochny Krai which is the formal dairy product business/marketing firm of Storozhynets Raion Union of Agriculture Servicing Cooperatives. This is a successful example of the implementation of a public-private partnership approach in the Chernivtsi oblast.

During the site visit, participants from Kherson, Khmelnitsk, and Lviv oblasts had the opportunity to discuss the development of cooperatives with the leadership of the raion administration and familiarize themselves with the best practices of small family farms keeping cattle, organization of cooperatives for collecting and cooling milk and dairy products (pasteurized milk, sour cream, butter, cottage cheese, cheese, etc.) at the facilities of the cooperative enterprise and marketing of dairy products, in particular to kindergartens, schools, hospitals, etc. and through retailers.

On November 23, 2013, AgroInvest held a seminar entitled "Development of Agriculture Servicing Cooperation". At the training small farmers, rural households and agriculture producers from Kamyanka and Smila raions gained key knowledge needed regarding the establishment and operations of agriculture servicing cooperatives.

Task B: Developing Effective Market Infrastructure for Small and Medium-Sized Producers

Under Component 3 Task B "Developing effective market infrastructure for small and medium-sized producers" the main activities during the reporting period were aimed at completing the process of preparing the feasibility study of the "Green Markets" National Project, developing proposals on enhancing the legislation on agriculture markets operations, developing the design and feasibility studies for the construction of an agricultural wholesale and retail markets and logistic centers in the Autonomous Republic of Crimea and Kherson Oblast, and supporting development of the wholesale agricultural market in Rivne oblast.

Major Results:

During the reporting period the preparation of the preliminary feasibility study for the "Green Markets" National Project was completed and the following were sent to the central executive authorities for review and approval:

- (a) Draft Cabinet of Ministers Decree on approving the preliminary feasibility study for the "Green Markets" National Project and the following major forms of government support of the "Green Markets" Project. The draft decree focuses on the following key issues related to the advancement of the Green Markets National Project:
 - Funding from the state budget including co-funding;
 - Government guarantees to secure borrowers' debt obligations;
 - Loans from state and/or local budgets;

- Full or partial reimbursement of loan interest with state or local budget funds.
- (b) Draft Law of Ukraine "On amending the Law of Ukraine 'On wholesale agriculture markets'" with relevant substantiations and explanatory note. This law focuses on streamlining procedures for the establishment and construction of such markets including more transparent land allocation and registration processes and more predictable processes related to obtaining construction permits.

Component 3 continued providing technical support to development of the Shelen wholesale agriculture market in Rivne oblast. This quarter all issues associated with obtaining necessary construction permits were resolved and the installation of market's physical structures began. Activities in attracting additional investment for the market continue by all parties involved.

Designs of wholesale-and-retail agriculture markets in Dobre, Simferopol raion, and Zuya, Bilohorsk raion in the Crimea were completed during this reporting period. The designs have been sent to the state construction inspectors for review. Upon their review/sign-off all documentation necessary to obtain the required construction permits will be submitted to the proper authorities.

Component 3 continued providing technical support for the renovation of the Molochny Dnister milk processing facility and slaughter house in Bilozerky raion, Kherson oblast. The feasibility studies and investment proposals AgroInvest is supporting for the development of Molochny Dnister serve the basis for mobilizing investments for these projects.

Preparation of the feasibility study and business plan for the development of the livestock market, Charodiy, in Cherkasy oblast was completed this quarter. This activity has resulted in the design documentation, business plan, and investment proposal for the markets development. Based on these documents, Phase 1 activities began pertaining to the renovation of the premises for the temporary keeping of animals (i.e. while they await auction) and the construction of a loading/unloading ramp that will safely allow for the efficient transport of the animals.

Component 3 continued providing support on developing the Hola Prystan wholesale-and-retail agriculture market in Kherson, oblast. With active support from the regional authorities, all land issues were finally resolved in late December. In terms of the markets physical progress, this quarter the market continued construction of a covered meat, dairy and fresh fish pavilion totaling 680 m² for 200 stalls and held a number of informational events to attract agriculture producers.

Activities to develop of four new agriculture logistic facilities in Kherson oblast also commenced this quarter for the following projects:

- Establishment of a wholesale-and-retail agriculture market in Chornyanka, Kahovka raion;
- Establishment of a logistics center in Kahovka raion;
- Renovation of a fruit storage facility in Beryslav raion;

- Renovation of a vegetable storage facility in Novotroitsk raion.

The work continued in selecting the second wholesale agriculture market for the purpose of preparing the feasibility study. Component 3 reviewed proposals on preparing feasibility studies for wholesale markets in Odessa, Dnipropetrovsk, Vinnitsa and Kharkiv oblasts. The final decision on the market selection was not made because of the existing uncertainty with numerous financial, land, organizational and other issues hampering development of wholesale markets in those regions.

Participation in Public Events Devoted to Development SMPs and POs

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

In October, Component 3 team members took part in organizing and conducting the public discussion of proposals on amending the Tax Code of Ukraine with respect to the value added tax on agriculture produce marketed by agriculture servicing cooperatives. The event was held jointly with the National Research Center of the Ukraine Agrarian Economic Institute. The participants put forward proposals on refining the Draft Law of Ukraine and approved proposals on sending the refined Draft Law to the interagency task force and the Parliamentary Committee on Agrarian Policy and Land Relationships.

On October 17th, at the invitation of the MAPF, Component 3 specialists took part in the meeting of the task force under the umbrella of the MAPF's Department of Animal products. The meeting was devoted to discussing problems associated with the development of family farms and uniting them in into agriculture servicing cooperatives for the purposes of improving the quality of presale handling of milk and meat and enhancing distribution of these products through organized markets. Following the discussion, a decision was made to draft a law, which would regulate the legal, commercial and economic aspects of family farms. It was proposed to consider prepared proposals during the task force's October 31, 2013 meeting. At this meeting, the institutional and operational aspects of individual homesteads in the context of family farms development and cooperation were considered. The discussion resulted in the approval of an action plan to substantiate and draft a law which would regulate the legal status of individual homesteads according to relevant EU standards.

On November 27, 2013, in Krychunove village Odessa oblast, AgroInvest, in cooperation with AgroOsvita Educational Center of the MAPF held a workshop on the organization and establishment of dairy agricultural service cooperatives. Participants included village mayor, farmers from Odessa, Mykolayiv, and Kirovohrad oblasts, representatives of regional advisory services, lecturers from the Mykolaiv and Odessa State Agrarian Universities, and representatives of rayon and oblast authorities. During the workshop, representatives of AgroInvest and AgroOsvita Educational Center highlighted the first steps, perspectives and best practices in the creation and development of cooperatives

aimed at collecting and cooling of milk in Ukraine, including the processing into dairy products. In addition, they discussed the legislative framework of cooperatives operations. The discussion was visualized with the training video on legal framework for Agricultural Service Cooperatives establishment and their activities in Ukraine created by USAID AgroInvest partner – Union of Agricultural Service Cooperatives – with support of USAID AgroInvest.

Participants also had an opportunity to discuss prospects for development of dairy agriculture servicing cooperatives with K.S. Pintyak, the Chair of Budjak cooperative of Saratsky raion in Odessa oblast (an AgroInvest grantee) which is engaged in milk collection and cooling and develop facilities for processing raw milk into dairy products (specifically, with AgroInvest grant).

PROJECT COMMUNICATIONS

USAID AgroInvest communication activities continue to evolve, creating opportunities to broaden public access to information about Project work. Using media such as TV and radio programs, AgroInvest informs, educates and raises awareness of the target audiences regarding the most prominent land and agriculture related issues. Overall during the reporting period, the Project was highlighted in 188 media publications as listed in Annex 2.

The Project employs a number of communications tools to ensure that progress, success and sustainability of activities performed throughout Ukraine, are properly reflected. USAID AgroInvest's web site, Facebook page and the National Agrarian and Land Press Club continue to be efficient and effective communications tools, whereas numerous public events and publications serve as a proven source of useful information on various agro-sector related issues, i.e. policy issues, access to finance for SMPs and market infrastructure development.

Events and Presentations

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

The Project was represented at numerous forums, round tables, seminars, and conferences organized by AgroInvest and partner organizations. The total number of public events organized, co-organized or supported by the Project reached 144 between October and December 2013. Through these events information about USAID AgroInvest, its goals, and progress to-date were highlighted.



Panel discussion at the 3rd International Investment Forum "with participation of experts from the AgroInvest and Land Rights Resource Center, October 3, 2013

Of note are the following events:

- On October 3, 2013, USAID AgroInvest supported the 3rd International Investment Forum of Kirovohrad. As part of the event, the National Land & Agrarian Press Club conducted a meeting in the format of a panel discussion entitled “Land Aspects of Investments in the Agricultural Sector of Ukraine”. Participants of the panel included the deputy head of the State Land Agency, Yevhen Berdnikov, experts of the Land Rights Resource Center, Andrij Martyn and Sergij Bilenko, and senior legal advisor of USAID AgroInvest, Pavlo Kulynych. This Investment Forum is now an annual event and platform in Kirovohrad for dialogue between representatives of State authorities and Ukrainian and international businesses focused on solving economic development issues and improving the investment climate of the region. Overall, the forum consisted of three panels with participation of top policy-makers of Ukraine and leading experts, including the President of Ukraine and the Minister of Agrarian Policy and Food. The President of Ukraine made a program speech, in which he emphasized the importance of development of small and medium sized producers in Ukraine, organic farming, and private-public partnerships.
- On October 5, 2013, USAID AgroInvest took part in the USAID City Day in Zaporizhya. A USAID Village was organized to present USAID projects implemented directly in Zaporizhya and surrounding communities. At USAID AgroInvest’s stand, Zaporizhya citizens were able to receive free legal advice on land issues, learn how to use the Cadastral Map and learn what is needed to become a member of a credit union and receive deposit or credit services. Visitors also took part in various educational quizzes on agricultural topics, sampled herbal tea produced by AgroInvest partner – Umyut cooperative, and tasted fruits produced by another partner – the Zaporizhya Women Farmers Council. Children had an opportunity to play with a rabbit and take part in a the drawing competition entitled “Agrarian Ukraine through the Eyes of Children.”
- On October 15, 2013, USAID AgroInvest held the All-Ukrainian Conference of Rural Women Farmers. The event was held jointly with the Ukrainian Women’s Fund, the Council of Women-Farmers of Ukraine, and the Union of Rural Women of Ukraine with support by the Ministry of Agrarian Policy and Food of Ukraine. Detailed information regarding this event can be found in the Gender Integration section located on page 41.
- On October 23-24, 2013, USAID AgroInvest took part in the 4th Annual Ukrainian Grain Congress. The Congress, which has already obtained international status, covered the most relevant issues of international and Ukrainian grain markets, analyzed the determinants and conditions for effective grain trade in the Black Sea



AgroInvest's booth at USAID's Village during the celebration of the City Day in Zaporizhya, October 5, 2013

region, and outlined milestones for the mid-term and long-term development of the grain sector in Ukraine.

Over 300 participants took part in the event, including representatives from state bodies and international organizations, producers, processors, exporters and importers, as well as key grain market experts, researchers and analysts, attended the Congress.

Traditionally, the USAID AgroInvest Project was a partner of the event and it supported the 4th Ukrainian Grain Congress jointly with Ministries and state agencies, international organizations and other international donor projects. The Congress was organized by the Ukrainian Grain Association - a partner of the USAID AgroInvest.

- On November 6, 2013, during the World Economic Forum, USAID AgroInvest Chief of Party Eric Bleich and Head of the State Agency for Investment and National Projects of Ukraine Vladyslav Kaskiv signed the Protocol of Intentions on implementation of the Green Markets National Project.

"We are honored to work with the U.S. Government and we are very grateful to our partner - USAID AgroInvest Project for cooperation to develop the preliminary feasibility study of the Green Markets National Project", Vladyslav Kaskiv said. The Green Markets National Project will create a network of logistics centers based on European levels and standards which will improve the profitability of agricultural production. It will create more than 17,000 new work places ensuring safe and high quality products for 45 million inhabitants of Ukraine.



Signing of the Protocol of Intentions between USAID AgroInvest and the State Agency for Investments and National Projects of Ukraine, Kyiv, November 6, 2013

- On December 5, 2013, USAID AgroInvest and its partner industry associations took part in the 5th International Conference entitled "Doing Agribusiness in Ukraine: Perspectives for 2014." The conference was organized by the Ukrainian Agrarian Business Club in collaboration with the Ministry of Agrarian Policy and Food of Ukraine.

The conference focused on several of the most important topics on today's agrarian agenda including:

- Agrarian policy
- Financing and financial instruments
- Markets and Risks



William Myers presenting at the 5th International Conference Doing Agribusiness in Ukraine: Perspectives for 2014, December 5, Kyiv

- Technology and business practices

From USAID AgroInvest, William Myers of the University of Missouri served as keynote speaker and spoke about “Current Trends of World Agricultural Policy: The Role of Government Agents” at the event.

Additionally, a seminar entitled "Public-Private Partnership for Agrarian Sector Development Purposes" was held as a breakout session during the Conference. This breakout session was organized jointly with the USAID Public Private Partnership project. From USAID AgroInvest, Mykola Hrysenko, Component 3 leader, made a presentation “Practical Experience in Ukraine: Partnering with Local Authorities for the Purpose of Agrarian Market Infrastructure Development”.

National Agrarian & Land Press Club

The National Agrarian & Land Press Club organized four public events during this reporting period, including three meetings and one press tour. For details, please refer to Annex 1.

In addition, the Press Club prepared eight articles/stories and disseminated them for free reprinting among local, regional, and national media outlets. These materials covered all major subject matters AgroInvest’s focus. The table below shows the number of re-prints for each item. Due to massive coverage and very well thought through messages, these publications are an important tool that helps attract attention of decision makers to issues AgroInvest aims to resolve.

Title	Number of reprints
1. <u>How to Revive Abandoned Inheritance?</u> – This article looks into the problem of the two million hectares of land which currently have no owner. This topic was the focus of a round table that took place at a meeting of the National Land and Agrarian Press Club.	60
2. <u>Pryluky Region Farmers Rely on Their “Hetman”</u> – An interview with the CEO of the “Hetman” credit union discussing how AgroInvest and increasing agrilending is helping the credit union better serve farmers and provide them access to finance.	16
3. <u>Lease Relations Need to be Reformed</u> – This article discusses land lease relations through the lens of findings of the survey conducted by USAID AgroInvest.	31
4. <u>Agricultural Service Cooperation Requires a Favorable Tax Treatment</u> – This article focuses on the important policy issue of taxation of agricultural cooperatives, which needs to be improved for cooperatives to develop.	23
5. <u>Why do Owners Distance Themselves from Land?</u> – This article discusses approaches that will help rural landowners better protect their interests in lease relations.	20
6. <u>Mykola Hrytsenko: “It is time to bet on the development of family farms”</u> – An interview with Mykola Hrytsenko, Market Infrastructure Component Leader of the USAID AgroInvest Project on the current situation with family farms and how the government may help them develop.	23

Title	Number of reprints
7. <u>Agricultural Advisory Service Clears the Path Towards Europe</u> – An interview with Roman Korinets, President of Agricultural Advisory Services of Ukraine on the current situation and future role of agricultural advisory services.	22
8. <u>Is it Possible to Ensure the State Food Security only with a Shovel and Rake?</u> – An interview with Mykola Hrytsenko, Market Infrastructure Component Leader of the USAID AgroInvest Project on policy reforms that would foster the development of family farms.	25

Project Web-site

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

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

Month	Unique visitors	Number of visits	Pages	Hits	Volume/downloads, GB
October 2013	2,885	5,044	28,206	146,124	5.90
November 2013	2,649	5,393	23,429	131,649	5.32
December 2013	2,285	4,463	18,133	96,997	4.70
Total	7,819	14,900	69,768	374,770	15.92

Over the past year (January 2013 – December 2013), the Project's web site was visited by more than 36,000 unique visitors who made over 1.63 million hits and downloaded approximately 40 gigabytes of information. The amount of downloaded information has doubled compared to the last year.

In addition to the Project web-site, AgroInvest promotes its activities through the Facebook social network. The page contains information about the Project, its activities, success stories, newsletters, land legislation updates and numerous photos from events organized by AgroInvest. On average, the Project posts approximately 200 new pieces of



information on its page each month. During the reporting period, the number of followers of USAID AgroInvest Facebook page increased by 13%.

During the reporting period, AgroInvest continued to issue its electronic [USAID AgroInvest Newsletter](#) (in Ukrainian). The target audience of this publication is wide, ranging from institutional partners to media and from central government to interested farmers. The newsletter is issued on a monthly basis and is well received by the readership. The project is frequently contacted by interested parties with enquiries about additional details, especially regarding the planned events, which is evidence that the publication meets its purpose. Due to cooperation with the USAID Bibliomist project, the Newsletter is available on web-sites of many public libraries throughout Ukraine.

Publications

In this reporting period, USAID AgroInvest supported the following publications:

- *Guide to Land Issues*, a manual that contains a comprehensive collection of materials, including laws and procedures, covering the most typical land-related issues, as well as roadmaps developed by the Land Rights Resource Center and contact information of local-level government bodies dealing with land issues. The manual was developed by the Land Rights Resource Center of the Land Union of Ukraine with support of USAID AgroInvest experts and is widely disseminated at training events conducted by both the Land Rights Resource Center and local partners.



- *How to Split a Land Plot?*, a poster developed by the Land Rights Resource Center that contains a 7-step roadmap for those rural landowners who would like to split their land plots, for instance, between children. The poster explains how to register two or more newly established land plots both in the State Land Cadastre and State Registration Service of Ukraine.



- *Scientific and Practical Comments to the Law of Ukraine "On Agricultural Cooperation" and Related Regulations*, a guide that contains detailed explanations of all laws and regulations that regulate the establishment and operation of agricultural service cooperatives. The bulk of these legislation and regulations was developed with support of USAID AgroInvest. This publication is essential to help implement these laws and regulations into practice. It was developed at the request of the Ministry of Agrarian Policy and Food of Ukraine. It will be widely used as a guide by local governments to understand how to support small rural producers in establishing a cooperative and by small producers

wishing to better understand how to establish and run a cooperative. In the reporting period, the guide was prepared through a subcontract by the National Association of Agricultural Advisory Services of Ukraine and all preparatory work was done so that it can be published and disseminated at the beginning of the next quarter.

Video

In the reporting period, USAID AgroInvest supported creation of the following video materials:

- [Cooperation for the Sake of Welfare and Prosperity](#)- This is a training video on the legal and regulatory framework for the establishment of agricultural service cooperatives and best practices of cooperatives in Ukraine. The film was prepared by USAID AgroInvest partner, the Union of Agricultural Service Cooperatives under the grant "Capacity Building of the Union of Participants in Agricultural Service Cooperatives of Ukraine through the Establishment and Efficient Use of a Resource Center of Knowledge about Agricultural Service Cooperation, including for Policy Analysis," supported by USAID AgroInvest. The video is available on USAID AgroInvest's web-site and is widely used for training activities for cooperatives and producer groups wanting to establish a cooperative.
- [USAID AgroInvest in Action](#)- This video summarizes the activities of USAID AgroInvest over the first 2.5 years. It covers all three components of the Project. The video is available on the Facebook, YouTube, project web-site, and web-site of the Centre for Ukraine Reform Education, the Project partner that produced the video.

GENDER INTEGRATION

During this reporting period AgroInvest's crosscutting gender integration activities focused on organizing and conducting a conference dedicated to the International Day of Rural Women, finalizing the “Gender Analysis on Opportunities to Strengthen Family Farms and the Agriculture Sector in Ukraine”, and the launch of the gender integration trainings for AgroInvest partners and other agriculturally focused NGOs.

On October 15th, 2013 USAID AgroInvest held the All-Ukrainian Conference of Rural Women Farmers. The event was held jointly with the Ukrainian Women's Fund, the Council of Women-Farmers of Ukraine, and the Union of Rural Women of Ukraine with support by the Ministry of Agrarian Policy and Food of Ukraine. It was conducted on the occasion of the Rural Women's Day. Ivan Bisyuk, First Deputy Minister of Agrarian Policy and Food of Ukraine opened the Conference with welcoming remarks to the participants.



Delegates to the All-Ukrainian Conference of Rural Women Farmers, Kyiv, October 15, 2013

During the Conference, topical issues of gender equality in rural areas and the impact of a more gender balanced policy in rural development were discussed. Findings of the gender assessment conducted by USAID AgroInvest were also presented. In addition to USAID AgroInvest, three other USAID projects took part in the event. The Strengthening Tuberculosis Care in Ukraine (STbCU) project delivered a presentation on gender aspects of TB prevention and diagnostics. FINREP-II presented its new program "Growth of Women's Business and Leadership Program." USAID AJLEP project spoke of pro bono legal services offered by their project partners. Andrij Koshyi, president of the Land Union of Ukraine and Director of the Land Rights Resource Center established with the assistance of the USAID AgroInvest spoke about the work of the Resource Center and presented materials available on the web-portal ZEM.UA, which are useful in the protecting land rights of rural landowners. Summing up, the conference participants discussed an action plan, next steps and future prospects and directions of the social movement of rural women for 2014. They also agreed to consolidate their efforts to work towards the inclusion of the International Rural Women's Day in the list of official holidays of Ukraine.

In October the Project finalized the gender analysis of Ukrainian agriculture development entitled, "Gender Analysis on Opportunities to Strengthen Family Farms and the Agriculture Sector in Ukraine." As the overall report is extremely lengthy and detailed, this quarter the analysis executive summary was expanded and translated into Ukrainian so that a more manageable overview of the analysis and its findings and recommendations could be distributed to high and mid-level state authorities and other interested Ukrainian parties. The expanded executive summary highlights seven key challenges identified through the analysis:

- Not enough relevant information is flowing to women to enable them to contribute more to the economic success of SMPs;
- There are insufficient state resources supporting and reaching promising family farms;
- Agriculture-related legal support is not sufficiently reaching women responsible for legal compliance and contracting;
- Family farms are not utilizing financing because women are reluctant to borrow and lack the financial literacy to obtain financing;
- Women's productivity and their ability to contribute in other ways to the well-being of family farms and rural development is constrained by their not having access to machinery;
- Women lack information, inspiration and confidence to develop entrepreneurial value-added initiatives; and
- The GoU is not seeking, valuing or using sex-disaggregated data and gender analyses regarding women's roles in agricultural production and rural development to develop effective and sustainable policies.

AgroInvest is working with the GoU to address these challenges through its different activities and programs. Additionally these challenges and the corresponding recommendations developed through the analysis are already being addressed in the gender integration training program AgroInvest is conducting in partnership with the Ukrainian Women's Fund.

In November the Project started conducting the gender integration trainings under grant program. Upon internal evaluation of the first two trainings to have been completed, certain modifications to the training modules were identified that will improve the program. Revisions to the training modules were made after joint discussions between UWF representatives, the trainers and Project representatives. Based on the observed perceptions of the training participants (as gender is quite a sensitive issue, especially in rural areas that are dominated by traditional stereotypes) the modules have been revised to be more focused on the economic dimensions of gender in community development



Participants of training in Zaporizhzhya during practical exercise

instead of a more personal focus of gender in each persons' lives. The revised modules now focus more specifically on theoretical explanations and practical examples of how to improve economic life of rural communities through providing equal opportunities and access for men and women. Overall 14 trainings (Kirovograd, Chernigiv, Kherson, Crimea, Lviv, Odessa, Zhytomyr, Zaporizhzhya, Ivano-Frankivsk, Dnipropetrovsk, Rivne, Vinnytsia) were conducted this quarter.

SECTION II: DELIVERABLES

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

Deliverables	Date Submitted
April 1- June 30, 2013 Quarterly Report	October 31, 2013
Analysis of the Impact of the Russian Federation's Potential Trade Restrictions on the Export of Ukrainian Dairy Products	December 2, 2013

SECTION III: CHALLENGES AND PLANS TO OVERCOME THEM

The following main challenges for efficient implementation of Component 1 have been identified:

1. With the increased political tension in the country and the Presidential elections scheduled for March 2015, there is a chance the government might not risk approving the draft law “On Agricultural Land Circulation” until after the Presidential elections. The draft law deals with important and potentially sensitive issues and there is a chance the parliamentary review of the law and lifting of the moratorium might be delayed further. This also increases the likelihood that some provisions of the draft law might appear in the Parliament as separate, new legislative initiatives, e.g., sponsored by individual members of the Parliament. AgroInvest will monitor developments with this draft law and any other relevant legislation very closely. It will also work with project partners to raise their understanding of the benefits which an open and transparent agricultural land market will bring to Ukrainian agriculture and its farmers.
2. Recent political developments in the country have significantly slowed the parliamentary legislative process. With very few exceptions, the Parliament has been non-operational since mid-November 2013. This creates a risk that some of AgroInvest’s legal initiatives and proposals may be delayed much longer than expected. AgroInvest will monitor these issues and will be ready to focus on those issues that have chances for approval through Cabinet resolutions rather than laws.

Implementation concerns for Component 2 are as follows:

1. The continuing economic crisis is deepening due to negative economic indicators and a shrinking of national cash reserves. In addition, as of December 31st, 2013 the 2014 State budget has not been approved yet by the GoU. Another concern is raised by the high dependency on non-transparent economic agreements entered into with Russia by the GoU in December. According to Fitch, Ukraine's downgraded rating to B- from B in November 2013 was due to the unstable external funding caused by unavailable IMF loans, limited access to the external markets and a substantial debt burden. As a mitigation tool for increased lending risks, AgroInvest will continue supporting and introducing risk decreasing initiatives for AgroInvest financial partners to implement. This includes working with partners to improve the quality of their credit portfolios and is based on profound knowledge of agrotechnological aspects by financial officers of partner financial institutions.
2. As governmental plans to modify the legislative environment for credit unions’ operations are still valid and the terms of modification are still not yet made public, AgroInvest specialists continue to monitor potential modification

intentions. AgroInvest continues its open dialogue with its partner associations and credit unions to discuss any impact such changes may require.

As for Component 3, the following major factors and challenges continue to hamper the development of agrarian market infrastructure in Ukraine:

1. Development of wholesale and retail agricultural markets in Ukraine is a relevant task for the Ukrainian economy, but there are still some critical points in the process that hinder their development, namely:
 - Difficult processes related to the allocation and registration of land plots for the markets (from 6 months up to 2 years);
 - Farmers' markets face discriminative conditions compared to those wholesale markets with regard to land allocation;
 - Complex and unpredictable processes related to obtaining construction permits from the State Architecture and Construction Inspection Agencies of Ukraine. For example, re-registration and arrangement of land plots for the wholesale-and-retail market in Hola Prystan (Kherson) took almost a year. As a result, management of the agricultural market received a new title to its land plot only in December 2013.

In order to address these problematic issues, AgroInvest conducted a systematic analysis of the legislation in the area and developed proposals for appropriate amendments to the Law of Ukraine "On Wholesale Agricultural Markets". Additionally AgroInvest is discussing these issues with the MAPF and other relevant agencies within the confines of established MOU's and protocols of intentions with these bodies.

2. Development of agricultural service cooperatives and their effective business activities remains constrained through value added tax requirements on agricultural produce of individual producers, i.e. the individual members of the cooperatives who market their produce through such cooperatives (the situation leads to unequal economic conditions for individuals distributing their agricultural produce through cooperatives and the entities being subject to a preferential taxation). With AgroInvest's technical support, a feasibility study of the said problem has been conducted and a draft law of Ukraine on Amendments to the Tax Code of Ukraine was developed and submitted to MAPF. AgroInvest will continue to work with the MAPF and relevant stakeholders in the coming quarter(s) to lobby for this law's passage.
3. Proper and systematic transaction accounting is essential for the development of agricultural service cooperation. Unfortunately, Ukraine has not yet adopted a unified accounting methodology for cooperatives. To address this issue, AgroInvest is participating in the development of methodological recommendations for cooperative accounting. The Project has also developed a scientific and practical commentary to the Law of Ukraine on Agricultural Cooperation and related legislative texts

SECTION IV: PLANNED ACTIVITIES FOR NEXT QUARTER

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

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

- Submit Project papers and recommendations to the Ministry of Agricultural Policy and Food for further discussion and use while developing State Program of Agricultural Development. In particular, crop rotation, master leases and lease terms subjects are expected to be key Project inputs to the Program;
- Finalize analysis of collected agricultural land leases and develop recommendations of improving legislation pertaining to this issue;
- Complete organizational capacity assessment based on at least 20 industry associations OCA self-assessments and begin the formalized training component of AgroInvest's capacity building program with these organizations;
- The Project will summarize an international experience of crop rotation regulations to elaborate subject recommendations for Ukraine and hold public discussions. The Agrarian Union, Land Union and Ministry of Agrarian Policy and Food will be the main partners to promote the more efficient and less cost effective crop rotation regulations developed;
- Continue the training campaign for state registrars and notaries in cooperation with the Ministry of Justice of Ukraine;
- Launch a training campaign for local government officials in cooperation with the Ministry of Justice of Ukraine;
- Continue the Land Rights Awareness & Education Campaign, including radio programs, TV and radio talk shows, producing video and radio spots on topical issues, and work with media through the National Agrarian & Land Press Club.

Component 2, Stimulate Access to Finance

- Develop an action plan of collaboration with new partner bank, Kyivs'ka Rus, consisting of training activities, loan products support and overall development;
- Conduct at least three agrotechnological trainings for partner financial institutions on various technologies applied by SMPs;

- Develop and disseminate information materials (leaflets) within under the Access to Finance Financial Literacy Campaign;
- Establish a Task Force (of representatives of partner credit unions) on financial literacy and access to finance for SMPs;
- Conduct at least two trainings for partner credit unions specialists on the basics of effective communications with borrowers to support the increase in the quality of lending services for SMPs;
- Conduct second regional training for internal auditors of partner credit unions;
- Study current experience in regional programs of subsidizing loan costs for agricultural SMPs which were launched by a few regional state administrations of Ukraine to find out if this practice should be replicated in other oblasts;
- Conduct at least three agrotechnological (horticulture, greenhouse production) training sessions for SMPs from the southern regions;
- Assist the company Agro Capital Management in development of new loan products for SMPs of the southern region and support its promotion.

Component 3, Facilitate Market Infrastructure for SMPs

- Support the processes of refining the modification and amendments to the Tax Code of Ukraine regarding VAT taxation on agricultural produce sold by agricultural service cooperatives at the approval stage;
- Conduct trainings in the pilot regions for potential SMPs and POs on development of projects for strengthening capacity for each separate producer organizations that will be aimed at expanding services, improving access to markets and enhancing productivities for organizations' members
- Hold internal demonstrational site visit to spread the best practices on value added chains' development on the basis of POs implementing the grant programs provided by the AgroInvest Project
- Provide technical support in refining the Draft Law of Ukraine "On amending the Law of Ukraine 'On wholesale agriculture markets'" at the stage of agreeing and approval;
- Provide technical support in refining and approving the Cabinet of Ministers decision concerning preparation of the preliminary feasibility study for the Green Markets National Project and implementation of local investment projects being components of the Green Markets Project;
- Provide technical support in construction/renovation of:
 - One wholesale-and-retail agriculture market in Kherson oblast (Novyi (New) market in Hola Prystan raion);

- Two wholesale-and-retail agriculture markets in the Crimea (in Zuya and Dobre);
 - Milk processing workshop and slaughter house at the agriculture servicing cooperative, Molochny Dnister, in Kherson oblast;
 - Wholesale livestock market, Charodiy, in Cherkasy oblast.
- Organize and support activities in developing designs and preparing feasibility studies for the following projects:
 - Development of two wholesale-and-retail markets in Krasnohvardiysk and Kukushkine, the Crimea;
 - Development of the wholesale-and-retail agriculture market in Hola Prystan, Kherson oblast;
 - Development of the wholesale-and-retail agriculture market in Chornyanka, Kahovka raion; construction and renovation of three logistic facilities in Kherson oblast (Navigator-Agro LLC and the agriculture servicing cooperatives, Ovochivnyk-Plus and Beryslav Agro).
- Continue the process of selecting the second wholesale agriculture market for the feasibility study preparation purpose.

Project Communications

- Prepare mission Weekly Highlights and submit to USAID;
- Prepare monthly highlights for broad audience of project partners;
- Maintain the project web-site and Facebook page;
- Prepare publications on current project issues, including success stories;
- Publish the *Scientific and practical comments to the Law of Ukraine "On Agricultural Cooperation" and related regulations*;
- Take part in the USAID Field Days as appropriate.

Cross-cutting issues/Gender:

- Continue conducting trainings for gender integration (under grant program with the Ukrainian Women's Fund) among AgroInvest partners.
- AgroInvest will investigate cross border cooperation/training opportunities with the USAID Moldova Agriculture Competitiveness and Enterprise Development Project (ACED) in the areas of female agricultural cooperatives/associations.

SECTION V: LEVEL OF EFFORT REPORT

LOE Matrix as of December 31, 2013

Labor Category	Total Work Days	Total Work Days Utilized To Date	Total Remaining Work Days
LT Technical Assistance (Key Personnel)	1,270	701	569
LT Technical Assistance (Expatriate)	111	81	30
LT Technical Assistance (CCN)	14,405	8,136	6,269
ST Technical Assistance (Expatriate)	755	266	489
ST Technical Assistance (CCN)	420	405	15
HO Support	199	195	4
Total	17,160	9,784	7,376

Meetings of the National Agrarian & Land Press Club

Title, date	Main issues discussed	Speakers	Statistics
Press Club meeting entitled: "Land Aspects of Investments in the Agricultural Sector of Ukraine" October 3, 2013	<ul style="list-style-type: none"> - Land legislation: agribusiness access to land; - Agrifunding: agribusiness access to financial resources; - Panel discussion. Agricultural market. What it should/could be? 	Facilitator: Serhiy HUBIN , USAID AgroInvest; Yevhen BERDNIKOV , Deputy Head of the State Agency for Land resources of Ukraine; Serhiy BILENKO , Board Member of the Land Union of Ukraine; Andriy MARTYN , Head of the Land planning design department of the National University for Bioresources and Nature Management of Ukraine; Pavlo KULINICH , Signore Legal Advisor of USAID AgroInvest	2 TV programs, 2 radio programs and 102 publications: 22 articles in newspapers, 11 materials of information agencies, and 65 online materials of periodicals such as: PhotoInform, Entire Kirovohrad, Agrarian Week, Official representative office of the President of Ukraine, GALINFO, Land Union of Ukraine, Agrarian Sector of Ukraine
Press Club meeting entitled: "Who and on what grounds is "no man's" land being used by?" October 31, 2013	<ul style="list-style-type: none"> - How does the situation with the abandoned heritage land look in the regions and in Ukraine in general; - Why abandoned heritage provokes increasing corruption in rural areas; - Who, and on what grounds, uses abandoned heritage land for cultivation; - Can local communities use the abandoned heritage land and what 	Yevhen BERDNIKOV , Deputy Head of the State Agency for Land resources of Ukraine; Alexander KALIBERDA , Deputy chief of party of USAID AgroInvest; Mykola MYRKEVYCH , President of the Association of Farmers and Private Landowners of Ukraine; Yulia MALYAR , Head of the	3 TV programs, 3 radio programs and 14 publications: 2 articles in newspapers, and 6 online materials of periodicals such as: UNIAN, All Comments, AgroInform, AgroProfi

Title, date	Main issues discussed	Speakers	Statistics
	<p>socio-economic function it can perform;</p> <ul style="list-style-type: none"> - How many agricultural land plots, which owners live in urban areas, are under cultivation; - Why it is risky for the current tenants to deal with land shares which owners do not live in rural areas at the location of land units (plots); - How much of the Ukrainian black soil areas are reserved for field access roads, by whom and on what grounds are they used for cultivation; - How to use the land on which there are farm buildings (farms, warehouses, etc.) of the former collective farms; - Other people's on shared land: what should landowners do if there are gardens, vineyards, ropeyards owned by other people on their land; - how to use agricultural land (pastures, grazing grounds, meadows) that have not been shared 	<p>Land Legislation Department in Astarta - Kyiv Ltd.;</p> <p>Ihor OHORODNIYCHUK, Partner of the Law Firm OMP, Director of the Land and Agricultural Practices;</p> <p>Andriy MARTYN, Head of the Land planning design department of the National University for Bioresources and Nature Management of Ukraine;</p> <p>Larysa STARIKOVA, Coordinator of the analytical Center of the Agrarian Union of Ukraine;</p> <p>Ludmyla MUZYCHKO, Mayor of Potik village, Mironivskyi raion, Kyiv oblast;</p> <p>Leonid KUCHERYAVY, Head of Dymer urban settlement, Vysshhorod raion, Kyiv oblast;</p> <p>Pavlo KULINICH, Signore Legal Advisor of USAID AgroInvest</p>	
<p>Press Tour: "Exposure to the Advisory Service Work"</p> <p>November 20, 2013</p>	<ul style="list-style-type: none"> • Dairy Service Cooperative (Sushky village) having for a point of collection and cooling milk received from the coop members, as well as a laboratory to test the milk quality and milk cooling storage tanks; • Farm (Butoyarivka village): which owner's family is 	<p>Svitlana ANDRIENKO, Director of the Poltava Oblast Agricultural Advisory Service;</p> <p>Serhiy FROLOV, Director of the Agricultural Development Department of Poltava Oblast State Administration;</p> <p>Serhiy SUSHKO, Chairman of Kozelshchyna Raion State Administration;</p>	<p>2 TV programs, 2 radio programs and 20 publications: 2 newspapers, 1 magazine, 1 information agency, and 9 online materials of periodicals such as: UNIAN, PhotoUkrInform, Turmir, Propozytsia magazine</p>

Title, date	Main issues discussed	Speakers	Statistics
	<p>engaged in a dairy cattle farming (currently having 120 heads of livestock) and produces only the highest quality milk;</p> <ul style="list-style-type: none"> • Greenhouse Farm (Maly Kobylyachok village), where local entrepreneur from scratch has established a powerful business in cultivating greenhouse vegetables (tomatoes, cucumbers, cabbages), which quality is close to organic one 	<p>Yevhen DUBYNA, Head of Pryharivka Village Council Serhiy SHOVKOPLYAS, Chairman of Novosanzhary Raion State Administration; Volodymyr LEVYTSKY, Head of Novosandzhary Raion Council Alexander KALIBERDA, Deputy chief of party of USAID AgroInvest; Roman KORINETS, President of the National Association of Agricultural Advisory Services</p>	
<p>Press Club meeting entitled: "Four Leading All-Ukrainian Associations Combine their Efforts to enable the socio-economic development of rural territories and the implementation of reforms in the agrarian sector"</p> <p>December 17, 2013</p>	<p>- During the meeting, four leading national sector associations - Ukrainian Association of Village and Town Councils, Union of Participants of Agricultural Service Cooperatives of Ukraine, Association of Farmers and Private Landowners of Ukraine and the National Association of Advisory Services of Ukraine – signed a Cooperation Agreement on joint activities in socio-economic development of rural areas and the implementation of reforms in the agricultural sector</p>	<p>Mykola FURSENKO, Head of the All-Ukrainian Association of Village and Town Councils; Ivan TOMYCH, Head of Union of Participants of Agricultural Service Cooperatives of Ukraine; Andriy MITYAHIN, Director of department of the National Association of Advisory Services; Alexander KALIBERDA, Deputy chief of party of USAID AgroInvest</p>	<p>Monitoring in progress</p>

List of publications in press highlighting USAID AgroInvest

October 1 – December 31, 2013

1.  [Yevgen Polianov, Lawyer of the Civic Platform, held a group consultation on Land Legislation Update to the residents of the village Druzhba of Krynychanskyi rayon](#)
2.  [Civic Platform held a workshop for surveyors, rural and town councils of 12 oblast raions](#)
3.  [Yevgen Bolshakov, Lawyer of the Civic Platform, held a group consultation on Land Legislation Update to the residents of the village Slavgorod of Synelnyky rayon](#)
4.  [Olga Shevchuk, Lawyer of the Civic Platform, held a group consultation on Land Legislation Update to the residents of the village Demyryne of Mezhivskyi rayon](#)
5.  [Heads of Prykarpattia registration services together with farmers discussed the registration of land](#)
6.  [State Land Bank is being established taking into account the world experience](#)
7.  [Seminar entitled "State registration of land plots and rights to land plots. Local governments' authorities with regard to land disposal", Ivano-Frankivsk](#)
8.  [Examination of land documents](#)
9.  [Four leading All-Ukrainian Associations Join their efforts](#)
10.  [How to ensure the development of rural areas and to implement reforms in the agricultural sector?](#)
11.  [Working Group at the Ministry of Agriculture has identified areas of modernization of pig production](#)
12.  [PHENOMENON OF UKRAINIAN FARMER, OR WHETHER FOOD SECURITY CAN BE ENSURED WITH SHOVEL AND RAKE](#)
13.  [THE FUTURE OF UKRAINIAN AGRICULTURAL SECTOR BELONGS TO FARMS](#)
14.  [The AgroInvest Project conducted training for villagers of Prykarpattia and promised assistance in writing applications](#)
15.  [AgroInvest conducted training for farmers in Lviv region](#)
16.  [Four Major Agrarian Associations Unite to Reform the Agrarian Sector](#)
17.  [How to cancel the state registration of land in the state land cadastre?](#)
18.  [Newsletter of the Independent Public Expert Council on the price situation in the agricultural market](#)
19.  [AgroInvest conducts training on the basics of internal audit in the credit union](#)
20.  [Almost one in four land owners now living at a great distance from their land](#)

21.  [Accelerate reforms in the agricultural sector by combining efforts of four Ukrainian associations](#)
22.  [State strengthened support to farmers in the livestock](#)
23.  [The state registration of land plots and rights to them was discussed in Chernigiv](#)
24.  [The largest in western Ukraine agricultural market "Shelen" will be opened next year](#)
25.  [Civic Platform shared their experiences of collaboration between government and community](#)
26.  [The National Project "Green Markets": UKRAINIAN FARMERS open the way to foreign markets](#)
27.  [The base of the rural settlements development](#)
28.  [Farms provide food security in Ukraine - Opinion](#)
29.  [State strengthened support to farmers in animal husbandry - Opinion](#)
30.  [Industry reload](#)
31.  [Ukrainian farms must register their activities - expert](#)
32.  [Quarterly meeting #12](#)
33.  [USAID AgroInvest Project's newsletter for November 2013](#)
34.  [The Dimension of Life Talk show's topic "The peasant and the land: when does the legislative harmony come?"](#)
35.  [Day in the Village: "Pokrovsky Fair"](#)
36.  [Press tour entitled "Advisory services - reliable assistant to small and medium farmers" in Poltava region](#)
37.  [What to do in case you have found a mistake in the State Land Cadastre?](#)
38.  [Is it possible to ensure food security by shovel and a rake?](#)
39.  [Roundtable on exchange of experience about conducting financial literacy programs for small and medium farmers, Simferopol](#)
40.  [AgroInvest held a training "Agrotechnological knowledge of finance professionals"](#)
41.  [Tatiana Romanenko \(Chairman of Credit Union "Yukon" and representative of All Ukrainian Association of Credit Unions\) at the Forum for women - business owners](#)
42.  [It is time to develop family farms in Ukraine!](#)
43.  [Rural women talked about the integration of gender approach to rural development](#)
44.  [GREEN MARKETS NATIONAL PROJECT WILL ALLOW TO REDUCE LOSSES OF THE FRUIT AND VEGETABLE HARVEST OF UKRAINE UP TO50%](#)
45.  [Agricultural Advisory Service paves the way for Ukraine to Europe](#)
46.  [Farms reforming](#)
47.  [Solving problems with the disposal of fruit and vegetable products](#)

48.  [Huge wholesale market for agricultural products to build in Kharkiv. National Project presented in Kyiv](#)
49.  [Press tour to Poltava - getting acquainted with the work of Extension Service](#)
50.  [Newsletter of Independent Advisory Council on public price situation in the agricultural market](#)
51.  [AgroInvest conducted a training on Effective promotion of credit products to farmers](#)
52.  [AgroInvest and credit union "Credyt Soyuz" conducted a training for farmers](#)
53.  [Aleksander Kaliberda: excessive regulation of land market will lead to lower prices and lack of demand](#)
54.  [Future of Ukrainian agrarian sector is with farmers](#)
55.  [Ukrainian vegetables and fruits will not deteriorate](#)
56.  [It's time to bet on the development of family farms](#)
57.  [How many farms there are in Zakarpattia?](#)
58.  [Role of Advisory Services in the Development of small and medium farmers](#)
59.  [Press tour to Poltava - getting acquainted with the work of Extension Service](#)
60.  [Novosanzharovskyi and Kozelshchynskyi rayons supported land reform with a press-tour](#)
61.  [V International Congress «Agrarian Olympus»](#)
62.  [Why in Ukraine rushed to revive family farming?](#)
63.  [Best business plan competition](#)
64.  [Land legislation issues were covered during the seminar in Kamianets-Podilsky](#)
65.  [AgroInvest conducted trainings for Credit Unions of Western, Central and Southern regions](#)
66.  [Time for family farms came](#)
67.  [The role of Extension Advisory services in Rural Development](#)
68.  [Land indifference](#)
69.  [Green Markets National Project will allow a 50% reduction in losses of horticultural crops in Ukraine](#)
70.  [Green Markets National Project will reduce the loss of half of the crop](#)
71.  [Carpathians soon will be able to organize family farms](#)
72.  [USAID AgroInvest training for representatives of agricultural service cooperatives took place in Ivano-Frankivsk](#)
73.  [Farmers may soon be divided](#)
74.  [The preliminary feasibility study on Green Markets National Project is presented today](#)
75.  [On November 19 AgroInvest project conducted two trainings for farmers](#)
76.  [Third of owners of land shares in Ukraine never seen their land](#)

77.  The preliminary feasibility study on Green Markets National Project will be presented on November 21
78.  Who will get the "no man's" land
79.  NEWS - ANNOUNCEMENT: V International Congress called Agrarian Olympus
80.  Almost one in four land owner lives remotely from their land
81.  Farmers borrowed UAH 13 billion this year
82.  Lack of agricultural policies
83.  More than 42% of owners of land parcels never stood on their land - expert
84.  My Land - My Right, Radio Program No.23
85.  Radio Kolos on no one's land problem
86.  "No one's" land in Ukraine. Who and on what grounds uses it?
87.  Price for milling wheat UAH 10-30/tons up - experts
88.  Implementation of the national projects "Green Markets" and "Energy of Biomass"
89.  Why owners are moving away from their land?
90.  Minister of Agricultural Policy and Food Mykola Prysiaznyuk congratulated students who are winners of the competition for the best business plan for the creation of agricultural service cooperatives
91.  28 million hectares of agricultural land don't have an owner - Association of Agricultural Producers
92.  USAID AgroInvest held two trainings for farmers
93.  Two documents on the implementation of the national projects "Green Markets" and "Energy of Biomass" have been signed
94.  Ukrainian investment agency, USAID agree on joint work on Green Markets Project
95.  V.Kaskiv signed two documents for the implementation of the national projects on Green Markets and Biomass
96.  USAID will participate in the implementation of the national project "Green Markets"
97.  Land Battle
98.  Svitlana Kharchenko: "Hetman provides loans"
99.  Waif two million hectares of land is a result of the demographic crisis
100.  People' Deputies may extend the moratorium on land sales by 2030
101.  Development of agricultural service cooperatives is a priority for the Government
102.  Ukrainian investment agency, USAID agree on joint work on Green Markets Project
103.  Agricultural co-operatives: the problem of taxation
104.  Protection of land rights of farmers of south Odessa region continues

105.  Training seminar entitled "State registration of land plots and rights to land plots" is scheduled to take place in Lugansk
106.  Removing the moratorium on land exclusively for the State Land Bank creates numerous risks
107.  A regional center of human and scientific support for the development of agro-industrial complex has been opened in Lugansk National Agrarian University
108.  Seminar on Green Rural Tourism
109.  Risky land-abandoned heritage
110.  National Press Club on the topic: Who and on what grounds uses "no man's" land?
111.  Seminar State Registration of Land Plots and Rights to Land Plots for the representatives from registration services of justice departments in Ternopil oblast
112.  State Land Bank offers cheap loans
113.  Ukrainian model envisages the creation of a land bank monopoly on the land market - expert
114.  Lviv hosts the seminar on land state registration
115.  Who will get millions of acres of "no man's" land in Ukraine?
116.  Upcoming round table "Who and on what grounds is using the "no man's" land?"
117.  Lease relationships need to be reformed
118.  Ukraine has accumulated more than two million acres of "no man's" land
119.  Announcement of the seminar
120.  Ukraine needs knowledgeable farmers
121.  Round Table of USAID projects in cooperation with the Ministry of Justice of Ukraine
122.  Lawyers of Civic Platform NGO held a group consultation for the residents of Hubiniha village of Novomoskovsk rayon
123.  Who will get the so-called "no man's" land?
124.  The problem of financing agribusiness was discussed by bankers and international organizations
125.  International Forum on Agrilogistics
126.  Cooperation needs a favorable taxation
127.  The Institute of expert consultants on categorization and eco labeling in rural tourism has been launched
128.  An open session on issues of land lease relations took place in Dnipropetrovsk State University of Internal Affairs on October 17, 2013
129.  How to sell part of the land plot?
130.  The number of cooperatives in the region increases

131.  Thanks to the cooperative in rural areas, people have where to take milk
132.  A Seminar on State Land Rights Registration was conducted
133.  Presentation of the activities of the Civic Platform on implementation of land reform in the Dnipropetrovsk region" NGO...
134.  Meeting of the Expert Round table on "State Land Bank: for or against?"
135.  With regards to the scientific-practical conference "Agricultural Extension: Challenges, Strategies and Ways of Development"
136.  This year Credit Unions-member of the AACUs issued more credits and introduced new credit products
137.  Lease relations in rural areas are in need of reform
138.  Agricultural Advisers gathered
139.  Land owners and tenants
140.  USAID AgroInvest and USAID/FINREP-II Projects join their efforts
141.  Lease relationships need to be reformed
142.  15 theses of State Agricultural Development Strategy until 2020
143.  Land legislation was talked over in Poltava
144.  Pending the reorganization of credit unions: changes ripe
145.  The system of legal awareness of citizens is being improving in Ukraine
146.  Establishment and operation of agricultural service cooperatives
147.  15 October - International Day of Rural Women
148.  Food security ... deferred
149.  Round Table "Discussion of the amendments proposed to the Tax Code of Ukraine regarding the value added tax (VAT) on agricultural produce distributed by agricultural service cooperatives"
150.  III International Forum of agrilogistics in Rivne
151.  Working meeting to discuss the problems and prospects for the creation and development of small family farms
152.  Presentation on the All-Ukrainian Conference of Women Farmers
153.  Conference "Community Development through Cooperation, natural production and the organization of fairs and festivals"
154.  Maryna Zarytska: There is enough examples of good work of credit unions, there is a lack of persistence to make them become public domain
155.  Farmers of Pryluky rely on their "Hetman"
156.  Waiting for the reorganization of credit unions: change ripe
157.  Land legislation: access of agribusiness to land

158.  [Agricultural Ministry congratulated rural women](#)
159.  [Hopes of Crimean farmers grow with durum wheat](#)
160.  [Information about Seminar on 18 October 2013 in Poltava](#)
161.  [Group consultation for rural mayors, secretaries and surveyors in Apostolovsk rayon took place](#)
162.  [2 million hectares of land in Ukraine do not officially have owners](#)
163.  [There are 2 million acres of waif land in Ukraine](#)
164.  [Igor Sabiy took part in the round table on problems of taxation of agricultural products](#)
165.  [How to revitalize abandoned heritage?](#)
166.  [More than 2 million hectares in Ukraine are officially considered as waif](#)
167.  [Who will get the so-called "waif" land?](#)
168.  [Igor Sabiy took part in the discussion of ways to support the development of agricultural service cooperatives](#)
169.  [Work has begun on the development of the sheep farming industry in the Kherson oblast](#)
170.  [Distribution channel for wool are available, sheep are now needed](#)
171.  [Work has begun on the development of sheep breeding industry in the Kherson region](#)
172.  [Phase III of the preliminary feasibility study of the National Project "Green Market" completed](#)
173.  [3rd stage of the pre-feasibility report of national project "Green Markets" completed](#)
174.  [Program of the exhibition](#)
175.  [Vegetable matrix](#)
176.  [Newsletter of the Independent Expert Council on the price situation in the agricultural market as of October 10, 2013](#)
177.  [USAID AgroInvest Project](#)
178.  [During the celebration of the Day of the City of Zaporozhye in the "USAID Village"](#)
179.  [USAID AgroInvest in Zaporizhya](#)
180.  [Stage III of the preliminary feasibility study of national project "Green Markets" completed](#)
181.  [Phase III of the preliminary feasibility study of the national project "Green Markets" completed](#)
182.  [Investment Forum "Elisavetgrad Investment Day"](#)
183.  [3rd Investment Forum of Kirovohrad Oblast "ELISAVETFRAD"](#)
184.  [The conflict between land owners and tenants deepens](#)

185.  Phase III of the preliminary feasibility study of the National Project "Green Markets" completed
186.  "My Land My Right", TV №2
187.  Investments to the agrarian sector of Ukraine will be discussed on October 3 in Kirovograd
188.  How a joint work can not only save the village, but also go international



USAID | AgroInvest Project
FROM THE AMERICAN PEOPLE

Environmental Mitigation and Monitoring Report

October 1, 2013-December 31, 2013

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

January 2014

This publication was produced for review by the United States Agency for International Development. It was prepared Chemonics International Inc. The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Introduction

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

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

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

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

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

USAID Environmental Procedures and Policy

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

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

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

AgroInvest Activities

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

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

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

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

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

Annex 1: Component 3A Producer Organization Grantees

	Grantee	Program/Project Name	Grant Agreement Number	Start/End date	Date EMMP approved	Notes
1	ASC Krymekoprodut	Creation of Rendering Service System to Collect, Remove and Processing of Straw from the Fields by Producing Fuel Briquettes	AGRO-GA11-3A-04/2	10/22/12-10/17/13 *It is noted that this grant was terminated on 10/17/13	10/1/12	The grant with ASC Krymekoprodut was officially terminated on October 17, 2013 based on the grantees failure to make progress with the timeframe agreed to regarding its responsibility in renovating the facility where the briquette making equipment would be placed.
2	ASC Gospodar Pidgirya	Development of Dairy Industry in Pidgirya Region	AGRO-GA11-3A-04/1	10/22/12-11/22/14	10/4/12	As of the end of the reporting period, ASC Gospodar Pidgirya is currently compliant with its EMMP. Of note this quarter: On November 21, 2013, during an AgroInvest site visit, plant access book, written procedures for accident prevention and equipment maintenance, and waste management plan were reviewed. Produce samples were submitted in December to the sanitary and health authorities for annual quality certification and sanitary permits (the permits will be

						received in January 2014)
3	ASC Khayal-2009	Creation of a cool storage chamber to organize strawberry and strawberry seedling storage	AGRO-GA12-3A-06/01	12/18/12-12/18/14	12/7/12	As of the end of the reporting period, ASC Khayal-2009 is currently compliant with its EMMP.
4	ASC Boodjak	Developing of a milk processing facility	AGRO-GA11-3A-04/3	01/03/13-12/30/14	12/20/12	As of the end of the reporting period, ASC Boodjak is currently compliant with its EMMP.
5	ASC Zakhidnyi	Improving the Quality of Compound Feed through Implementation of Extrusion and Granulation Technologies	AGRO-GA12-3A-06/02	12/28/12-12/28/14	12/20/12	As of the end of the reporting period, ASC Zakhidnyi is currently compliant with its EMMP. Of note this quarter: ASC Zakhidnyi conducted trainings for all staff in the proper use of equipment and corresponding safety procedures.
6	ASC Ivankivetskyi Svitnok	Establishment of a milk processing facility	AGRO-GA12-3A-06/04	04/16/13-4/16/15	3/28/13	As of the end of the reporting period, ASC Ivankivetskyi Svitnok is currently compliant with its EMMP. Of note this quarter: Ivankivetskyi Svitnok staff competitively selected a properly certified company to perform electric installation

						works. Additionally the cooperative developed its incoming and outgoing traffic flow management plan to reduce pollution.
7	ASC Severyn	Construction of a cool chamber for fruits and berries storage	AGRO-GA12-3A-06/03	04/16/13-4/16/15	3/29/13	<p>As of the end of the reporting period, ASC Severyn is currently compliant with its EMMP.</p> <p>Of note this quarter: The cooperative conducted training in accident prevention and safety procedures and appointed the staff members responsible for operation of the cool storage chamber.</p> <p>On December 2013, AgroInvest staff conducted a site visit and personally reviewed and confirmed EMMP compliance.</p>
8	ASC Umyut	Phytoindustry development in the Crimea	AGRO-GA12-3A-06	05/21/13-5/21/15	Original EMMP approved 4/29/13 Revised EMMP approved 8/30/13	<p>As of the end of the reporting period, ASC Umyut is currently compliant with its EMMP.</p> <p>Of note this quarter: New drying chamber was installed, waste management plan was developed.</p>

						On November 12, 2013, AgroInvest staff conducted a site visit and personally reviewed and confirmed EMMP compliance.
9	ASC Losyatynske Molochne Dzherelo	Establishment of a cool storage chamber for berries	AGRO-GA12-3A-08/1	07/30/13-7/30/15	7/9/13	<p>As of the end of the reporting period, ASC Losyatynske Molochne Dzherelo is currently compliant with its EMMP.</p> <p>Of note this quarter: Training in accident prevention and labor safety was conducted; responsible person for the cool chamber is appointed.</p> <p>Wastes log book and accident prevention and labor safety briefing log were developed and maintained checked.</p>
10	ASC Shyroke	Establishment of a Cool Storage Facility for Vegetables and Melons	AGRO-GA12-3A-06/6	07/31/13-7/31/15	7/13/13	<p>As of the end of the reporting period, ASC Shyroke is currently compliant with its EMMP.</p> <p>Of note this quarter: equipment was installed and tested by the vendor's certified technicians; staff was trained in the operation and safety procedures of the new cool</p>

						storage chamber; the cooperatives waste management plan was developed.
11	ASC Lypivsky	Establishment of Facility for processing potatoes and crops	AGRO-GA12-3A-08/2	08/12/13-8/13/15	8/8/13	<p>As of the end of the reporting period, ASC Lypivsky is currently compliant with its EMMP.</p> <p>Of note this quarter: Tender to procure equipment and its installation were conducted in-line with EMMP requirements and staff was trained in the new equipment operation and safety procedures.</p>
12	ASC Fruits of Crimea	Development of a modernized fresh fruit and vegetable logistics/processing facility	AGRO-GA12-3A-08/3	8/29/13-8/29/15	8/13/13	<p>As of the end of the reporting period, ASC Fruits of Crimea is currently compliant with its EMMP.</p> <p>Of note this quarter: ASC Staff were trained in proper operation of the newly installed vegetable sorting equipment.</p> <p>On October 2 and on November 21, 2013, AgroInvest staff conducted site visits and personally</p>

						reviewed and confirmed EMMP compliance.
13	ASC Dzhylek	Establishment of a Cool Storage Facility for Vegetables and Fruits	AGRO-GA13-3A-12/1	11/11/13-5/11/13	MEO approved streamlined EMMP 11/19/13	<p>As of the end of the reporting period, ASC Dzhylek is currently compliant with its EMMP.</p> <p>Of note this quarter: Dzhylek completed the tender to procure equipment in-line with EMMP requirements (equipment will be installed and tested in early January 2014).</p>
14	ASC "Start M"	Development of a modernized fresh vegetable logistics/processing facility	AGRO-GA13-3A-12/2	11/15/13-5/15/13	MEO approved streamlined EMMP 11/19/13	<p>As of the end of the reporting period, ASC Start M is currently compliant with its EMMP.</p> <p>Of note this quarter: Start M finalized the tendering process to procure equipment in-line with EMMP requirements (equipment will be delivered in early January 2014).</p>
15	ASC Rivnopravnist	Development of Pasture Based Dairying and Milk Collection Points	AGRO-GA12-3A-08/4	1/3/14-7/3/15	12/23/13	As of the end of the reporting period, ASC Rivnopravnist is currently compliant with its EMMP.

						Of note this quarter: Rivnopravnist initiated the tendering process for selection and procurement of equipment in-line with EMMP requirements.
16	ASC Golden Bee	Establishment of modernized honey processing and packaging facility	AGRO-GA13-3A-12/3	12/10/13-6/10/15	MEO approved streamlined EMMP 12/3/13	<p>As of the end of the reporting period, ASC Golden Bee is currently compliant with its EMMP.</p> <p>Of note this quarter: Tender to procure equipment was started in-line with EMMP requirements.</p>
17	ASC Snovyanka	Improving the Quality of Compound Feed through Implementation of Extrusion and Granulation Technologies			Streamlined EMMP submitted to USAID on 12/24/13	As of the end of the reporting AgroInvest was awaiting feedback on the MEO regarding ASC Snovyanka's streamlined EMMP.
18	ASC Chysta Flora	Establishment of a Cool Storage Facility for Fresh Fruits and Berries			Streamlined EMMP submitted to USAID on 12/24/13	As of the end of the reporting AgroInvest was awaiting feedback on the MEO regarding ASC Chysta Flora's streamlined EMMP.



SUCCESS STORY

Ukrainian Land Registrars and Public Notaries Build Essential Skillsets

USAID AgroInvest's training program is helping to ensure that Ukraine's new land registration procedures are properly implemented



A registrar from the State Registration Service helps a client register their land after attending the training program developed by USAID AgroInvest in cooperation with the Ministry of Justice of Ukraine.

On January 1, 2013, the new laws “On State Land Cadastre” and “State Registration of Immovable Property” went into effect. This new legislation dramatically altered the way in which land must be registered in Ukraine and established a brand new government authority – the State Registration Service of Ukraine, tasked with the registration of rights to all land in Ukraine. Due to a lack of understanding of the new legislation and newly introduced land registration procedures amongst the Ukrainian state registrars and public notaries tasked with implementing these new procedures, a critical need for a nationwide training campaign was identified in order to avoid major delays, or worse, an overall breakdown in the new land registration system.

At the request of the Ministry of Justice of Ukraine, USAID AgroInvest developed a national training program in cooperation with the State Registration Service of Ukraine and the Land Union of Ukraine (an AgroInvest grantee) for the state registrars and public notaries that focused on clarifying and explaining the legislative changes and the processes and procedures that now dictate land registration in Ukraine.

This activity is part of USAID AgroInvest’s larger efforts focused on land reform in Ukraine and guaranteeing farmers’ and land owners’ property rights. Without a functioning and transparent land registration system in place, producers are unable to execute essential land transactions, such as leases, essential for their agrarian livelihoods.

As of December 2013, USAID AgroInvest conducted 18 trainings across Ukraine and trained over 2,700 registrars and public notaries. Through the training program, a sustainable cadre of specialists trained in the complex procedures pertaining to land registration and the new electronic land cadastre system has been established. To ensure those being trained have access to updated information pertaining to all subsequent changes in the land registration system and procedures, the registrars and public notaries have regular access to the Land Union of Ukraine as a resource to ask questions and seek guidance, as well as to the Land Union’s online platform (www.zem.ua) which provides regular updates on Ukrainian legislation pertaining to land related issues.

U.S. Agency for International Development
www.usaid.gov



SUCCESS STORY

One Website; Infinite Land Information

USAID AgroInvest is bringing comprehensive land information to the fingertips of those who need it most



A land owner uses the ZEM.UA land web-portal at an e-terminal of the Kharkiv, Ukraine branch of the State Registration Service. The State Registration Service is recommending ZEM.UA to users at all of its local branches.

Until recently, Ukrainians with land questions and concerns had few places to turn to find detailed, unbiased, and up-to-date information. Based on this lack of information, land owners were often forced to make less than ideal decisions regarding how they managed their land, which in many cases negatively impacted their livelihoods because they did not know how to use their land efficiently. To fill this void, the USAID AgroInvest Project worked closely with the Land Union of Ukraine to develop a web-portal that serves as a comprehensive tool that land owners and others can use to educate themselves and protect their land rights based on regularly updated information and legislation. The land web-portal, www.zem.ua, contains such information as:

- User Friendly Land Cadastre Maps
- A downloadable legislation database
- Weekly reviews of new land legislation
- Roadmaps that explain the process and procedures of land registration
- Templates and forms related to various land transactions
- Protection of land rights information
- Practical information for farmers on the establishment of a farm and taxation issues
- Video about land issues
- A Frequently Asked Questions Section

The development of this land web-portal is part of USAID AgroInvest's larger efforts focused on land reform in Ukraine and guaranteeing farmers' and land owners' property rights. From September 2012 through September 2013, more than 232,000 unique visitors have used the web-portal.

"Due to roadmaps developed by the Land Union and approved by the Ministry of Justice, every landowner knows exactly how to proceed with land registration and other issues. This information closes a gap for misuses and corruption because landowners have clear step-by-step guidelines how to proceed", commented Natalia Zheleznyak, Department Head of the Ministry of Justice of Ukraine.

Based on the fact that the web-portal has become such a success and remains the only comprehensive online platform of its kind specifically focused on land issues in Ukraine, the Land Union of Ukraine has already committed to ensuring that ZEM.UA remains running after the USAID AgroInvest Project ends.

U.S. Agency for International Development
www.usaid.gov

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4			Cumulative Project		Notes and Explanations	
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result	LOP Target		
Project objective 1.1: Market-oriented policy reforms accelerated										
Indicator										
1.1.1- Number of policies/regulations/administrative procedures analyzed as a result of USG assistance	4/5	14/10	13/10	5	5	10	36	41	1) Agrarian Union provided recommendations to the "Strategy for the Development of the Agrarian Sector through 2020". 2) Agrarian Union analyzed and provided recommendations on the draft law #3538 On Amendments to the Tax Code and Budget Code of Ukraine 3) Association of Village Councils provided its comments and recommendations to the draft Cabinet of Ministers' Resolution On Amendments to CabMin Resolution #101 dated 16.10.2010 "On Managing Taxes, Obligatory Payments and other Budget Incomes". 4) Ukrainian Agribusiness Club analyzed draft of Cabinet of Ministers	

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4			Cumulative Project		Notes and Explanations
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result	LOP Target	
									Resolution "On Approval of the Lists of Goods Subject to Licensing and Quotas for 2014 and Amendments to resolution of the Cabinet No.312 of April, 22 2013"
1.1.2- Number of policy reforms/regulations/administrative procedures drafted and presented for public/stakeholder consultation as a result of USG assistance	1/2	7/5	11/5	1	1	6	20	21	5)AgroInvest Project partner business associations in December 2013 analyzed draft Cabinet of Ministers Resolution "On Certain Issues of Movement of Grain Processing"

PERFORMANCE INDICATOR	Year 1		Year 2		Year 3		Year 4		Cumulative Project		Notes and Explanations
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result	LOP Target			
1.1.3- Number of policies rejected/vetoed/removed that are inconsistent with agricultural market-friendly/investment-friendly procedures	0/0	0/3	1/3	0	0	2	1	9	No policies rejected/removed during the reporting period		
1.1.4- Number of policies, regulations and administrative procedures passed	0/0	0/3	6/3	1	1	3	7	10	Ministry of Agrarian Policy and Food approved "Sample Rules of Internal Economic Activities of Agricultural Service Cooperative" (order No.643 dated October 30, 2013). These Rules were developed with the Project's assistance.		
1.1.5- Number of public-private dialogue mechanisms utilized as a result of USG assistance	2/4	3/8	5/8	3	3	8	13	32	1) The MAPF working group on "Development and Deregulation of Pig Breeding" was established in November 2013. The creation of the working group was a result of AgroInvest grantee, the Pig Breeders Association. 2) A new working group on transfer pricing created with participation of the Ukrainian Agrarian Confederation.		

PERFORMANCE INDICATOR	Year 1		Year 2		Year 3		Year 4		Cumulative Project		Notes and Explanations
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result	LOP Target		
										3) New working group on improvement of legislative regulation of plant protection created with participation of the Agrarian Union and Ukrainian Agribusiness Club	
Project objective 1.2: Industry associations strengthened											
Indicator											
1.2.1- Number of regional-level working groups engaged by partner industry associations	NA	NA	0/5	0	0	5	0	20	No regional working groups engaged during the reporting period		
1.2.2- Number of institutions/organization undertaking capacity/competency strengthening as a result of USG assistance	2/0	6/8	4/8	1	1	4	13	20	1) The Ukrainian AgriBusiness Club started implementation of capacity strengthening supported through an AgroInvest grant.		
1.2.3- Aggregated increase in self-financing for target industry associations	0/0	0/3	3.8%/6%	NA at this time	NA at this time	8%	3,8%	26%	This indicator will be reported at the end of Yr4.		
1.2.4- Number of new members in partner industry associations	0/0	0/5	115/10	31	31	10	146	35	21 new members joined the Association of Village Mayors; 4 new members joined the Agrarian Union of Ukraine; and 2 new members joined the		

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4			Cumulative Project		Notes and Explanations
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result	LOP Target	
									Ukrainian Agrarian Confederation; 4 new members joined Ukrainian Agribusiness Club
Project objective 1.3: Public education for land rights provided									
Indicator									
1.3.1- Number of media appearances on land issues	0/0	0/0	814/100	93	99	100	907	500	The number of media appearances includes media publications produced by local partners and those produced where the Legal Land Rights Services Program and the Land Rights Public Education and Outreach Campaign operate.
1.3.2- Awareness of land rights among target communities	0/25%	NA/30%	20.32%/35%	NA at this time	NA at this time	45%	20.32%	55%	No updated information is available at the moment. The required surveys required have been delayed due to the ongoing political and social situation in Ukraine.
1.3.2a- Share of female rural citizens in target communities	0/50%	NA/50%	50%/50%	63%	63%	50%	50%	50%	Same as above.
1.3.3- Number of land deeds issued in target communities	0/0	340/2,000	10,207/6000	26,891	26,891	3,000	37,438	12,500	The number of land deeds is reported based on official reporting

Performance Indicator	Year 1		Year 2		Year 3		Year 4		Cumulative Project		Notes and Explanations	
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result	LOP Target			
									numbers of the State Land Agency.			
1.3.4- Number of land conflicts resolved as a result of project assistance	0/0	24/150	229/350	212	212	300	465	1,000	The number of conflicts resolved in the reporting period increased due to improved reporting by the local providers of secondary legal land rights services.			
1.3.5- Percentage of legal aid service cost covered by non-project sources	0/0	0%/5%	17.37%/40%	12.49%	12.49%	40%	17.37%-Indicator calculated on annual basis as average of quarterly figures. Will be updated at the end of Yr4.	100%	The percentage of legal aid service cost covered by non-project sources is calculated based on financial reporting provided by the grantee. The data for the current quarter pertains to the only grantee that was active this quarter.			
Project objective 2.1: Sustainable access to financial services for SMPs provided												
Indicator	\$0/\$0	\$13.14M/\$ 4M	\$33.4M/\$7M	\$9.7M	\$9.7M	\$15M	\$56.2M	\$60M	During this period Project partners reported \$ 9.7 million of their agrilending value was attributed to AgroInvest technical support.			
2.1.1- Value of agriculture finance facilitated	NA	7052/1000	8027/2000	1934	1934	3,000	17,013	10000	Project partners reported that the value of ag. finance facilitated has been executed through 1,934 transactions			
2.1.2- Number of credit transactions facilitated												

PERFORMANCE INDICATOR	Year 1		Year 2		Year 3		Year 4		Cumulative Project		Notes and Explanations	
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result	LOP Target				
2.1.3- New loan portfolio at risk at 90 days	0/0	10%/10%	4%/10%	4.2%	4.2%	10%	4%	10%	Indicator calculated on annual basis as average of quarterly figures. Will be updated at the end of Yr4.			
2.1.4- Number of innovative financial products developed and introduced into the market as result of project assistance	0/0	3/3	2/2	0	0	1	5	6	No new financial lending products were introduced this period. Several are under development and will be launched in the coming quarters. Past products continue to be utilized by project partners as reflected in the high numbers of credit transactions and value of ag. finance facilitated.			
2.1.5- Number of SMPs trained in financial competencies pertaining to increasing access to finance	NA	NA/NA	404/460	189	189	500	593	2500	189 SMPs participated in AgroInvest access to finance trainings this quarter.			
2.1.5a- Share of women SMPs trained in financial competencies pertaining to increasing access to finance	NA	NA/NA	29%/25%	44%	44%	30%	29%	30%	Indicator calculated on annual basis as average of			
									Of the 189 SMPs trained in access to finance this quarter, 82 were female.			

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4			Cumulative Project		Notes and Explanations
	Annual Actual/A ⁿ ual Target	Annual Actual/A ⁿ ual Target	Annual Actual/A ⁿ ual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result	LOP Target	
Project objective 3.1: Producer organizations developed/strengthened									quarterly figures. Will be updated at the end of Yr4.
Indicator									
3.1.1- Number of producer organizations identified, assessed and selected for assistance	0/5	9/8	10/7	-1	-1	0	18	20	No new POs were identified, assessed or selected for assistance this quarter. During the reporting period, new grant agreements were signed with 4 of the 6 POs that were selected for assistance during the previous quarter. Additionally, one grant agreement (Krymecoprod) was cancelled in October based on the grantee's failure to make progress with the timeframe agreed to regarding its responsibility in renovating the facility where the procured equipment would be placed. Despite the cancellation of the grant, AgroInvest will continue to work with the grantee to help build its capacity.

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4			Cumulative Project		Notes and Explanations
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result	LOP Target	
3.1.2- Value of investment (in kind or otherwise) facilitated through producer group projects	\$0/\$0	\$0/\$450,000	\$847,454/\$500,000	\$56,380	\$56,380	\$625,000	\$903,834	\$2,225,000	\$56,380 was invested to producer organizations through cost-shares included in AgroInvest grants during this quarter.
3.1.3- Perceived improvement in the quality of services provided to members by producer organizations	0/0	5%/5%	17.6%/10%	NA at this time	NA at this time	10%	18%	35%	This indicator is based on annual PO surveys. The next round of such surveys is planned for July/August 2014.
3.1.3a- Share of female members reported improvement of services provided by producer organizations	0/0	21%/16%	46%/16%	NA at this time	NA at this time	17%	43%	18%	Procedure is same as for 3.1.3
3.1.4- Number of producer organizations, water users associations, trade and business associations and community-based organizations receiving USG assistance	51/5	48/40	98/35	35	35	40	232	160	During the reporting period, representatives of 35 organizations participated in trainings conducted by the Project.
3.1.5- Number of participants in USG supported trade and investment capacity building trainings	137/125	392/400	365/350	163	163	150	1057	1175	163 people have been trained in investment capacity building development this quarter.
3.1.5a- Share of female training participants	23%/50%	55%50%	48%/50%	49%	49%	50%	48%	50%	The share of females participating in trainings according to the Lists of Participants was 49% this quarter.

PERFORMANCE INDICATOR	Year 1	Year 2	Year 3	Year 4			Cumulative Project		Notes and Explanations	
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result	LOP Target		
Project objective 3.2: more effective market infrastructure for SMPs developed										
Indicator										
3.2.1- Number of wholesale markets formed (through at least Stage 4)	0/0	0/0	1/1	0	0	1	1	2	The Project continued to work with the State Investment Agency of Ukraine to identify the 2 nd wholesale market AgroInvest will assist in forming. It is noted that progress on the initial wholesale market (Shelen in Rivne) continued to progress this reporting period.	
3.2.2- Number of local/regional markets of market infrastructure (e.g. storage/cold storage, packing/processing/sorting facilities) formed with project assistance	0/0	3/44	6/6	0	0	4	9	14	This quarter technical and economic justification (feasibility studies) has started for Chernyanka market, ASC Beryslav Agro (fruit storage), ASC Ovochivnyk Plus (vegetable storage)	
3.2.3- Number of trading/market places established	0/0	300/500	201/1000	0	0	2,000	501	5000	Increased trading/market places will occur in the coming quarters as several markets are expected to officially open in spring of 2014.	
3.2.4- Number of micro enterprises linked to larger firms as a result of USG assistance to the value chain	0/0	119/100	216/200	212	212	400	547	1000	212 micro enterprises were linked to larger firms this quarter.	
3.2.4a- Share of female-	0/0	17%16%	46%16%	45%	45%	17%	46%	18%	The share of female	

PERFORMANCE INDICATOR	Year 1		Year 2		Year 3		Year 4		Cumulative Project		Notes and Explanations
	Annual Actual/Annual Target	Annual Actual/Annual Target	Annual Actual/Annual Target	Actual this Quarter	Actual Annual	Annual Target	Actual result	LOP Target			
owned micro enterprise											owned micro enterprises is 45% according to the Lists based on 3.2.4
3.2.5- Value of investment facilitated in market infrastructure	\$2,170,673/ \$400,000	\$3.67M/ \$10,6M	\$531,500	\$531,500	\$10,25M	\$6,372,173	\$21.25M	\$531,500 invested in Shelen market and Noviy Rynok (Gola Pristan, Kherson oblast) during past quarter.			
Cross-Cutting Indicator Proportion of females who report increased self-efficacy at the conclusion of USG supported training/programming	0/0	0/0	31%/20%	48%	48%	60%	31%	Indicator calculated on annual basis as average of quarterly figures. Will be updated at the end of Yr4.	60%	60%	This quarter, 48% of the women who participated in the gender integration training program implemented by the Ukrainian Women's Fund through an AgroInvest grant reported an increase in self-efficacy.