



USAID | **AgroInvest Project**
FROM THE AMERICAN PEOPLE

AGROINVEST

ANNUAL WORK PLAN – YEAR 4

OCTOBER 1, 2013 – SEPTEMBER 30, 2014

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ACRONYMS

AJLEP	USAID Access to Justice and Legal Empowerment Project
AMDI	Agrarian Markets Development Institute
CDCS	USAID Ukraine's Country Development Cooperation Strategy
CIDA	Canadian International Development Agency
COR	Contracting Officer's Representative
CPOM	Communications and Public Outreach Manager
CU	Credit Union
DCOP	Deputy Chief of Party
EU	European Union
FAIR	USAID Fair, Accountable, Independent and Responsible Judiciary Program
FAO	Food and Agriculture Organization of the United Nations
FINREP-II	USAID Financial Sector Development Program
GoU	Government of Ukraine
JEEG	Judicial Education for Economic Growth
LOP	Life of Project
MAPF	Ministry of Agrarian Policy and Food of Ukraine
NGO	Non-government organization
OCA	Organizational Capacity Assessments
PO	Producer organization
PPD	Public-private dialogue
PMP	Performance Monitoring Plan
PPP	Public-private partnership
RFA	Request for Applications
RFP	Request for Proposals
SOW	Scope of Work
SMP	Small and medium-sized producer
UAH	Ukrainian hryvna
U-Media	USAID Ukrainian Media Project
UNASCU	National Association of Credit Unions of Ukraine
U of M	University of Missouri
USAID	United States Agency for International Development
VAKS	All-Ukrainian Credit Union Association
VAT	Value-added tax
VCA	Value Chain Actors
WTO	World Trade Organization

SECTION I

Introduction to AgroInvest

A. Contract Background

AgroInvest is a five-year project (2011-2016) funded by USAID/Ukraine. The purpose of the Project is to provide technical assistance to accelerate and broaden economic recovery in Ukraine through support to the agriculture sector and increase the country's contribution to global food security efforts. The contract is a Cost Plus Fixed Fee Term-type, Level-of-Effort contract with a ceiling of \$18,755,641.

B. Project Scope of Work

AgroInvest will accelerate broad-based economic recovery through a more inclusive and competitive agricultural industry. AgroInvest is designed around three separate but interrelated component objectives, each supported by specific expected results under each component as illustrated below in the Results Framework.

Component 1 activities involve both a supply- and demand-side approach to supporting a stable, market-oriented policy environment. From the supply side, AgroInvest will promote the implementation of less volatile, more market-oriented policies that stimulate increased production and investments in the agricultural sector. On the demand side, Component 1 activities will strengthen the capacity of industry associations to shape agricultural policies and provide public education on land rights among rural landowners. Under Component 2, AgroInvest will stimulate access to finance by strengthening partnerships between financial service providers and value chain actors, including input suppliers and buyers, to increase sustainable access to financial services for small and medium producers (SMPs). Finally, Component 3 activities will create a more effective market infrastructure for SMPs and increase the profitability of farming through better access to markets, the development of wholesale and regional markets, and capacity building for producer organizations (POs).

C. Project Results Framework

The USAID Ukraine Country Development Cooperation Strategy (CDCS) has set the Mission's goal for the period from 2012 through 2016 as A More Stable, Democratic, and Prosperous Ukraine. AgroInvest is contributing to achievement of that overarching goal and more specifically supports CDCS Development Objective (DO) 2 formulated as "Broad-Based, Resilient Economic Development as a Means to Sustain Ukrainian Democracy." In particular, the Project supports this DO by contributing to achieving IR 2.1: "Increased Investment Availability to the Emerging Middle Class" and IR 2.2 "Strengthened Private Sector Advocacy and Support Institutions." Attainment of component objectives will allow AgroInvest to contribute to achieving both the Mission's goal and the AgroInvest Project's defined purpose of accelerating broad-based economic recovery in Ukraine through support to the agricultural sector.

Broad-based economic growth is dependent upon creating physical and managerial infrastructures and institutions that encourage business activity creation and development, attract investment, and create employment opportunities. AgroInvest is

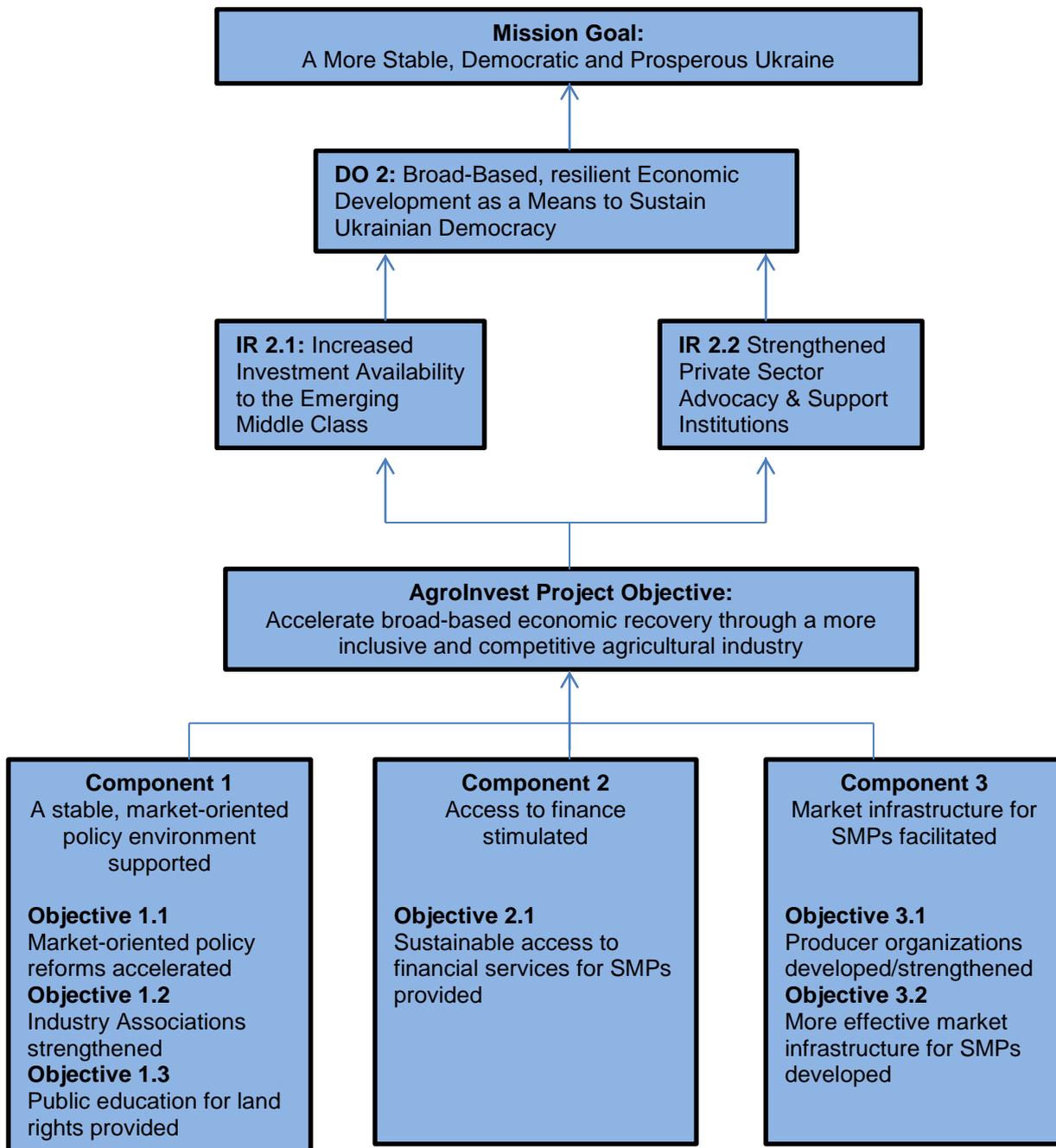
focusing on this growth through working closely with local small and medium sized producers (SMPs) and producer organizations to develop their capacities in the areas of business planning and application of modern agro technological methods that increase productivity as well as the quality and quantity of produce. Additionally to this, the Project works closely with financial institutions to stimulate access to finance so that the SMPs can acquire the funding they require for their agricultural activities.

In addition to economically focused activities, AgroInvest focuses on activities that build citizen and civil society capacity to meaningfully influence the development and monitoring of government policies at the national and local levels. As better governance can only be achieved through active participation of a broad range of diverse Ukrainian citizens, AgroInvest works with non-governmental organizations to build their capacities to be able to better advocate for their and their constituents' interests. The industry associations with which the Project partners with play a critical role in counterbalancing the influence of elite economic and political forces. Through AgroInvest's national public education and outreach campaign, even the most rural of citizens are being provided valuable information that allows them to protect and understand their property rights.

Furthermore, to ensure that inclusive development approaches are practiced across all of its activities, AgroInvest continues to engage marginalized groups to the fullest extent possible. This includes but is not limited to working with partner credit unions in the Autonomous Republic of Crimea to focus on increasing financing opportunities for ethnic minority Tatar farmers, conducting targeted trainings for rural female farmers to increase their business acumen and agricultural skill sets, and ensuring that the wholesale and retail markets we are supporting the development of include design elements that accommodate persons with disabilities.

The Project's monitoring and evaluation (M&E) system, included in the Performance Monitoring Plan (PMP), is designed to measure and report on progress against these objectives and expected results using 35 indicators. These indicators and their associated annual and life-of-project targets are listed in the table shown in the PMP chart (Annex A). It is noted that the Project's PMP plan was updated in Year 3 in response to the Office of the Inspector General (OIG) performance audit the Project underwent in September/October 2012.

AgroInvest Results Framework



SECTION II

Annual Work Plan – Year 4

WORK PLAN

This annual work plan covers the period from October 1, 2013 to September 30, 2014 and outlines planned activities and expected results for each Project component. This section represents AgroInvest’s proposed work plan for Year 4 of the Project, organized by Project components and tasks. It is comprised of a narrative that elaborates on our approach followed by a Gantt chart detailing our activities for Year 4 of the Project for each component. The Project’s PMP is included as Annex A.

Technical Activities

A. Component 1 – Support a Stable, Market-Oriented Policy Environment

The main objective of Component 1 activities is to promote agricultural policies that are less volatile and more market-oriented, leading to increased investments and sustainable development and growth of the agricultural sector in Ukraine. Project activities under this Component are also aimed at strengthening the capacity of agricultural industry associations for policy analysis and advocacy and raising their sustainability for promoting market-oriented reforms and for demanding more transparent and participatory governance in the sector. In addition, Component 1 is also helping land owners in rural areas to understand their land rights and is supporting them with legal assistance in target communities so that the land owners can better defend these rights. The section below outlines the AgroInvest Project’s strategy and implementation activities for Component 1 during Year 4 of the Project.

General Approach to Component 1, Tasks A and B

Agricultural policy activities of the Project during Year 4 will focus on issues which have been identified as priorities in consultations with USAID and also with key project partners and stakeholders. Year 4 activities take into account recommendations outlined in the “Review and Update of the AgroInvest Project’s Agriculture Policy Priorities” prepared by the Project in June 2013 in response to an OIG audit recommendation. This update identified the following three broad areas of focus for policy work of the AgroInvest Project:

- Improving market-based incentives for small and medium primary agricultural producers (“farmers”) to survive and prosper by increasing profitable production and sales;
- Guaranteeing farmers’ and land owners property rights; and
- In partnership with sector NGOs and associations promote the shift from governance suited to a command economy to that appropriate for a market one.

The update of the policy priorities also proposed a revision of the criteria applied by the Project in order to determine specific activities of focus for agricultural policy work. The revised criteria are as follows:

- Is the policy issue already being dealt with by some other party? If so, is the anticipated resolution in accord with AgroInvest's vision of a market-oriented, prosperous agricultural sector?
- Is the matter really a policy issue? Is it intrinsically important and is its resolution likely to have general applicability, either directly or as a precedent?
- Does the policy issue relate to one of the three strategic priorities for AgroInvest Ukraine?
- Is there a reasonable likelihood the policy proposal will be adopted?
- Do AgroInvest Ukraine and its partners have the capacity to deal with the policy issue?

These criteria (filters) were appropriately applied to prioritize policy issues and develop Component 1 activities for Year 4 of the Project. In addition, adequate attention was given to continuity of Project activities since many policy issues require time for analysis, engagement with partners, public consultations and/or legislative drafting.

The following issues were identified as priority areas for agricultural policy activities of the Project during Year 4:

- Land market reform: a range of issues related to agricultural land market reform remain one of the core policy issues of AgroInvest Project;
- Contribution to the development of a strategy and medium-term development program for the agricultural sector;
- Legislation and implementation mechanisms for domestic food security;
- Policies and legislation dealing with development of producer organizations and market infrastructure;
- Improved policy/regulations for SMP access to finance.

Specific activities and tasks to be undertaken under each of these policy areas are detailed in the next section below (Activities for Task A to be undertaken During Year 4). The priority issues will allow AgroInvest to engage in active dialogue and interact with government agencies and a broad range of stakeholders in the sector. To implement the policy agenda during Year 4, AgroInvest will work closely with the Ministry of Agricultural Policy and Food (MAPF) to ensure better coordination of its work with ongoing activities of the MAPF and its departments. The Project will also closely collaborate with the State Land Agency, State Agency for Investments and National Projects, Parliamentary Committee for Land and Agriculture and other relevant government agencies.

Flexibility will remain an important feature of AgroInvest policy work. The AgroInvest team will continue reviewing its policy priorities and make adjustments as

needed in order to focus on those initiatives that promise to ensure greater success and the most impact on the development of the sector. From this perspective, the Project will be open to new ideas and opportunities, and flexible to engage in new policy issues as they emerge, provided they fit within the policy priority criteria outlined above and sufficient resources are available.

Local capacity-building and development of public private dialogue (PPD) mechanisms are a vital element in AgroInvest's work to improve the policy environment and undertake agricultural policy activities. The Project will continue working closely with industry associations and agricultural sector NGOs, engaging them in policy discussions and/or working groups as appropriate for each specific situation. Part of the policy work will be done in close collaboration with those associations which became AgroInvest partners through the capacity building and advocacy grant program during Years 2 and 3 of the Project. To the extent possible, AgroInvest will also engage these industry associations and groups which are not participating in the grant program. The Project will also provide grants, awarded on a competitive basis, for capacity building and policy advocacy to a new group of industry associations to improve their ability to formulate and advocate policy recommendations that promote market reforms in the sector.

Several of the policy priority issues for Year 4 of AgroInvest allow for cross-cutting synergies and close interaction between Component 1 and other components of the Project. The AgroInvest team will utilize these synergies in order to build on its comparative advantages, contacts with key partners and knowledge and experience accumulated by the Project team and its partners.

In implementing its policy agenda, AgroInvest will continue collaborating with relevant donors and their projects active on the same or similar policy issues. In particular, the Project will coordinate with:

- The Agrarian Markets Development Institute (AMDI) on development of PPD mechanisms, in particular on collaboration with the Public Council of the MAPF supported by AMDI;
- World Bank and Food and Agriculture Organization of the United Nations (FAO) on agricultural land reform issues as well as World Trade Organization (WTO) requirements and frameworks;
- Activities to improve policy/regulations for SMP access to finance will be appropriately coordinated with the work of AMDI on pre- and post-harvest financing instruments;
- World Bank and the International Monetary Fund on the sector strategy/program and food security legislation and mechanisms;
- USAID's UNITER Project and its partners on capacity building for agriculture sector industry associations;
- USAID's Financial Sector Development Program (FINREP II) Project on issues related to commodity markets to ensure there is no overlap in activities;
- USAID's Access to Justice and Legal Empowerment Project (AJLEP) on public awareness for farmers and land owners;

- USAID’s Ukrainian Media Project (U-Media) on land related issues and advancing the skill-sets of journalists to cover land and agriculture stories;
- Canadian International Development Agency (CIDA) on policies related to development of producer organizations;
- USAID’s Fair, Accountable, Independent and Responsible (FAIR) Judiciary Program on land related curriculum for a judicial training program;
- European Union (EU) Commission and its projects in the sector on any issues related to the Association Agreement/Free Trade Agreement between Ukraine and the EU.

In its policy activities during Year 4, AgroInvest will utilize subcontracts with local organizations that have necessary expertise, allocate grants to industry associations, and engage local and international short-term experts as appropriate in each specific situation.

Component 1, Task A Activities to be Undertaken During Year 4

Land market reform. Land market reform remains one of the key policy issues in the agricultural policy agenda in Ukraine. Development of the sector has been significantly hindered by a moratorium on sale and other forms of alienation of agricultural land since 2002. While a significant share of agricultural land has been privatized, land owners lack options other than renting their land to larger farming enterprises or

engaging in land cultivation on their own. While the moratorium on sale of farm land has been extended until 2016, the Government of Ukraine (GoU) continues to prepare legislation which will open the market for transactions and remove the moratorium. In particular, a draft

LOP Expected Results	Year 4 Targets
<ul style="list-style-type: none"> ▪ A clearer and more stable policy environment that has led to increased agricultural investment; ▪ Formal sustainable and transparent public private dialogue mechanisms established and engaged in promoting investment and the advancement of agricultural industry in line with WTO rules; ▪ Private-public dialogue is more effective and regular; ▪ Laws, regulations and policies outlined in the agriculture policy strategy adopted and implemented. 	<ul style="list-style-type: none"> ▪ Number of policies/regulations/administrative procedures analyzed as a result of USG assistance: <u>10</u> ▪ Number of policy reforms/regulations/administrative procedures drafted and presented for public/stakeholder consultation as a result of USG assistance: <u>6</u> ▪ Number of policies rejected/vetoed/removed that are inconsistent with WTO, or inconsistent with agricultural market-friendly/investment-friendly procedures: <u>2</u> ▪ Number of policies, regulations, and administrative procedures passed: <u>3</u> ▪ Number of public-private dialogue mechanisms utilized as a result of USG assistance: <u>8</u>

Law "On Agricultural Land Circulation", which is a precondition for opening the agricultural land market, was opened for public discussion in April 2013 and is expected to be registered for approval in the Verkhovna Rada in fall 2013. It is likely that many important issues related to land reform will be put on the agenda for discussion and approval in the context of this draft Law.

In October 2013-September 2014, the AgroInvest Project will continue focusing on all important issues related to agricultural land reform. Activities of AgroInvest on land reform issues will remain diverse, and their timing will be significantly influenced by the pace with which the government proceeds with approval and implementation of the proposed new legislation.

During Year 4 the Project will focus its policy efforts on the following land-related activities:

Ensuring public discussion of the draft Law "On Agricultural Land Circulation". The first draft of this law developed by the State Land Agency in early 2013 raised significant concerns among experts and the agricultural business community. While the declared objective of the law was the creation of the viable and transparent land market, the mechanisms and procedures proposed in the draft Law relied too heavily on government controls rather than market processes. This resulted in the government having to slow down the approval of the draft and engage in consultations with key stakeholders to redraft the legislation. This process is likely to continue until the draft is registered in Verkhovna Rada in fall 2013.

The AgroInvest Project will ensure that open public discussion of the draft legislation takes place involving all relevant partners: GoU representatives, industry associations, agricultural businesses and small farmers, experts, and other donors. AgroInvest will ensure an open and professional discussion of key provisions of the law before this important legislation is finalized. The timing of these activities will depend on the dynamics of the draft laws movement prior to its registration with the Verkhovna Rada as well as the review and approval process in the Verkhovna Rada once it is submitted.

Before the draft law "On Agricultural Land Circulation" is registered in the Parliament, the Project will monitor developments with the draft to stay up-to-date on the progress and be aware of revisions introduced to the text. The AgroInvest team also will work with its contacts at the MAPF and with other stakeholders to influence any such revisions so that the draft law is improved before its submission to the Verkhovna Rada. The Project will keep discussing the draft law, highlight its main drawbacks and propose alternative approaches in meetings and during public events organized together with key partners and stakeholders. Through its partners the Project will establish contacts with members of the Parliament who demonstrate interest in land-related issues.

Once the draft law is registered with the Verkhovna Rada, the Project team will: (i) update its analysis of the draft law and send comments and any alternative version(s) to the parliamentary committee on Agriculture and Land Issues where the draft law will be discussed. AgroInvest will also send this analysis of the draft law to leaders of all main factions of Verkhovna Rada and to the lawyers of the Scientific and Expert Department of the parliament. The Project will also promote its position on the draft law through the expert group under the parliamentary committee on Agriculture and Land Issues where senior legal advisor of AgroInvest Project is a member. The Project will establish contact with selected individual members of the committee on Agriculture and Land Issues who demonstrate interest to work with AgroInvest and prepare for them proposals on how to improve the draft law. To the extent possible,

AgroInvest will also directly participate in discussions of the draft law in the parliamentary committee on Agriculture and Land Issues. AgroInvest will also share its analysis and proposals for alternative approaches with Project partners, in particular with industry associations so that they are able to advocate alternative approaches to the proposed draft law.

In addition, the Project will also organize a series of public events (workshops, seminars, public discussions) to share its analysis with key stakeholders and create a public platform where main players on the land market can express their position and communicate it to the public. With the help of the Press Club on Agricultural and Land Issues supported by AgroInvest, the Project will facilitate publication of press interviews and articles of AgroInvest staff and Project partners with the analysis of the draft law and proposals to improve it.

Once the draft law is approved in the first reading and before it is approved (or rejected), the following activities are planned: (i) implementation of steps which proved most productive/effective during preparation to the first reading of the draft law; (ii) monitoring developments with the draft law and participation in discussions in the parliamentary committee on Agriculture and Land Issues; (iii) initiating public discussion of the draft approved in the first reading; (iv) interaction and cooperation with those members of the parliamentary committee on Agriculture and Land Issues and other MPs who show support to proposals of AgroInvest Project.

Preparing legal and economic analysis of new draft legislation on land. In addition to legislation which intends to remove the moratorium on sale of agricultural land, Ukraine continues to amend its land-related legislation. The Cabinet of Ministers, President's office and individual members of the Verkhovna Rada regularly prepare and submit for parliamentary review and approval multiple draft laws that deal with agricultural land issues. They are related to a diversified range of issues and have various degrees of detail and depth of preparation. Together with its partners, AgroInvest will analyze the most important draft laws that deal with agricultural land and present the results of these analyses for discussion with the government and other key partners during Year 4 of the Project. To the extent possible, these analyses will not only raise issues identified, but will also provide recommendations and, in certain situations, alternative draft laws, on the most efficient ways to address issues and problems. The Project will focus on those draft laws which have direct and significant impact on development of agriculture and protection of rights of farmers and rural land owners. The decision(s) regarding which laws AgroInvest will engage in will be discussed with the Project's COR prior to any allocation of Project resources.

Providing assistance to the government with development of by-laws and regulations to existing laws. AgroInvest will also continue providing assistance to the government in preparing by-laws and regulations for existing legislation on agricultural land issues. The Project will monitor application of legislation on issues related to the rights of farmers and rural land owners and cooperate with government agencies including the Cabinet of Ministers, State Land Agency, and the State Registration Service in developing and improving regulatory documents that deal with the rights of farmers and land owners.

Promoting more efficient and balanced land lease relations. Agricultural land in Ukraine is mainly used for commercial farming based on lease agreements. A survey of land share owners conducted by AgroInvest in November-December 2012 demonstrated that 79.3% of agricultural land owners lease out their land plots to larger agricultural enterprises. Irrespective of whether, and how quickly, the land market for agricultural land will be opened for transactions, lease arrangements will continue to be an important element of the agricultural land market in Ukraine. In addition, according to the results of the survey, there are structural problems in the land lease market that have led to lessee/lessor imbalances and high costs related to lease transactions. Land share owners have little negotiating power in lease arrangements and often have minimal ability to monitor the use of their property and ensure lessees are in compliance with the terms of the lease. Taking actions to address this lessee/lessor imbalance will better facilitate people's participation in the decision making process regarding their property and community development, and it will have a positive impact on incomes of the rural population.

During Year 4, AgroInvest will execute the following activities pertaining to agricultural lease arrangements:

- Finalizing the land leases study:
 - complete the collection of 500 lease agreements;
 - hold interviews and expert discussions, in particular, with providers of legal services to rural landowners;
 - analyze lease agreements and develop practical advice for land share owners regarding how to better utilize land lease legislation and regulations for better protecting their rights and interests. As needed, AgroInvest will develop relevant recommendations to amend land lease legislation to improve protection of small land owners based the findings of the lease study;
 - Upon development of the recommendations the Project will provide assistance to the GoU in amending the Land Lease Law and/or relevant by-laws and regulations.
 - AgroInvest will work with the Land Union of Ukraine in drafting any required amendments to existing legislation as well as the Association of Village Councils and the Association of Advisory Services in presenting advice and recommendations to the general public.
- Explore the concept of master lease agreements as an alternative approach to addressing current agricultural land lease issues:
 - finalize the master lease agreement concept;
 - present the concept and subsequent recommendations to the GoU;
 - should GoU demonstrate an interest in pursuing the Master Lease Concept, aid the GoU developing implementation mechanisms, given that sufficient resources are available.

The concept of master lease agreements has replaced the Owners Association Concept as an instrument to address the imbalance of power and potential conflicts of interest between single farmers who cultivate land and multiple landowners, and to lower transaction costs. The legal analysis of the Owners Association Concept undertaken

by AgroInvest during Year 3 demonstrated that the mandatory nature of owners associations would run contrary to the provisions of the Ukrainian Constitution on the voluntary nature of peoples' associations and freedom of individual membership in public organizations. Based on the results of the legal analysis, the Project has discontinued its work towards the development of mandatory owners associations and will explore the concept of voluntary "master leases" as an alternative approach and present it to the MAPF. If, and only if, there is strong interest expressed from the side of the MAPF will the "master leases" approach be pursued. It is noted that due to limited resources, it will be made clear to the MAPF that the Project will not be able to support the "master leases" approach's implementation, only its development to a limited extent, and only with USAID concurrence.

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. The GoU and land owners are increasingly concerned with issues of soil quality and potential degradation due to inappropriate farming practices on leased land. To address this issue, the government has introduced regulations that require all farming enterprises to develop and have approved, by the state land authority, mandatory crop rotation schemes. In addition to being costly, these regulations have the very real potential to hinder the development of better technologies in the sector by mandating the farmers to use pre-approved crop rotation schemes/technologies. Agricultural producers and industry associations have increasingly been raising concerns regarding the complexity and high costs associated with adhering to the established requirements and the topic is even gaining momentum in international media.

AgroInvest will develop recommendations to preserving soil quality that decrease the role of mandatory government regulations and allows for following the regulations by agricultural producers to be less expensive. To achieve this, the AgroInvest Policy Coordinator and Senior Legal Advisor will conduct a legal analysis of all current Ukrainian legislation pertaining to the preservation of soil quality. In parallel, the University of Missouri will conduct an analysis of soil quality preservation practices and policies in other relevant countries. Upon completion of these two activities, two regional discussions will be held comprised of agricultural producers, AgroInvest partners, state bodies, and local authorities to present the information. These analysis and discussions will help to shape proposals and recommendations to amend relevant legislation that AgroInvest will prepare and present to the GoU. The Land Union of Ukraine and the Agrarian Union have already stated their respective commitment to this timely and pressing issue. They will be involved in each step and will also be used as a means of disseminating and advocating any and all resulting information.

Organizing an international study tour on land market issues to learn about successful international experience. In order to increase the knowledge of GoU officials and key counterparts about experience of other countries with successful implementation of land reform, AgroInvest will organize a study tour for a selected group of officials and experts to another country with proven experience and success in structuring its land market. This study tour was initially planned in Year 3 but was postponed to a later period due to the new electronic land cadaster system and new land registration procedures and requirements coming into effect in January, 2013.

Certain issues with the system and procedures rendered the targeted participants of the study tour unavailable until late 2013. The Project will proceed with identifying participants and arranging the study tour during Year 4. Appropriate attention will be given to follow-up activities of the study tour to ensure dissemination of information and application of the knowledge obtained during the visit.

Developing land related curriculum for Ukrainian Judges. In Year 4, AgroInvest will collaborate with the USAID FAIR Project to develop curriculum for the judicial training component of the CIDA funded Judicial Education for Economic Growth (JEEG) Project. JEEG focuses on enhancing the capacity of the Academy of Judges of Ukraine and its regional branches to plan, design, and deliver relevant judicial educational programs. USAID FAIR is partnering with the implementer of JEEG, the Canadian National Judicial Institute, to develop modules to be used in the trainings. Specifically, AgroInvest will provide its expertise and engage relevant Project partners such as the Land Union of Ukraine and other legal service providers knowledgeable of the relevant issues to develop a module focused on land related issues. A deficiency of knowledge pertaining to land issues and procedures exists amongst Ukrainian judges. With the pending lifting of the moratorium, as well as the newly revised land cadaster registration system, judges are hearing an increased number of land related cases.

Contribution to the development of a strategy and medium-term development program for the agricultural sector. In early 2013 the MAPF initiated the drafting of a new sector strategy for 2015-2020. As a first step in the process, the MAPF developed a concept paper which outlined the main issues to be addressed in the strategy. The proposed overall objective of the strategy is the creation of appropriate conditions for efficient and sustainable development of the Ukrainian agricultural sector and the harmonization of economic, social and ecological interests of the society. AgroInvest provided assistance to the MAPF with updating and revising the first draft of the concept paper for the new strategy. The draft concept is being finalized and its approval by the Cabinet of Ministers is expected by November 2013.

Once the concept for the sector strategy is finalized, the MAPF plans to initiate the process of drafting a new medium-term program for agricultural development. It will cover the period of 2015 to 2020. AgroInvest will assist the MAPF with developing the first draft of the sector program. Given the magnitude of the task and also the focus of AgroInvest's policy priorities, the assistance will focus on support to drafting selected areas of the strategy rather than the entire document. The details of this work will be agreed with the MAPF in September 2013. AgroInvest will engage the expertise of the University of Missouri to implement this activity and we will ensure that partner industry associations are engaged in the discussions of the sector strategy.

Development of mechanisms for domestic food security. The government of Ukraine considers food security as one of the main issues of the agricultural policy in the country. Food security considerations are taken into account in designing and implementing national programs for the agricultural sector and drafting any new legislation that deals with key issues in the sector.

While this issue is undisputedly important for agricultural policy in Ukraine, the country does not have any document which establishes the main principles of how

the government policy will ensure food security for its population. References to food security are made in various pieces of legislation but there is no single document which explains what the government is supposed to do to meet this objective. This creates significant uncertainty on the government policy on food security and enables ad hoc export restrictions rather than targeted assistance and support to vulnerable groups as an instrument to mitigate domestic food price increases.

To address this, the GoU decided to develop separate legislation on food security. A law On Food Security was drafted and approved by the Verkhovna Rada in 2011. It was, however, vetoed by the President on the grounds that it did not sufficiently address the issue and did not provide for efficient mechanisms to ensure food security of the population.

In 2013, the GoU decided to prepare and submit to the Parliament a new draft law On Fundamentals of Food Security. The MAPF is tasked with preparing the first draft and submitting it to the Cabinet for approval. The MAPF has requested the AgroInvest Project to assist with drafting this legislation. The Project has started this activity during Year 3 through engaging the University of Missouri to provide expatriate technical assistance in developing this legislation. The basic concept advocated by the Project is that consumer food subsidies are a more cost-effective tool to ensure affordability of food to poor and vulnerable groups of the population instead of government interventions in markets, export quotas and other restrictive steps which discourage agricultural sector growth and investment and prove counter-productive in the long run.

Once the legislation is approved, the GoU will proceed with developing implementation mechanisms to ensure food security for the population. The AgroInvest Project intends to work jointly with its key partners in assisting the MAPF with an implementation plan for development and application of a system for domestic food security in Ukraine.

Support to activities of an Analytical Group on Issues of Foreign Economic Activities. During Year 3 of the Project, AgroInvest initiated activities of an analytical and advisory group which supports the MAPF in increasing the efficiency and capacity of the Ministry in issues of foreign economic relations. 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. With the help of the materials produced by the Analytical Group, the government will be able to make more strategic decisions in the area of foreign economic relations. The Project will continue supporting the activities of this group and closely liaise on this work with the MAPF during Year 4.

Engagement with government policies on export of key agricultural commodities. In collaboration with leading industry associations and other partners, AgroInvest will continue monitoring government policies and practices related to trade in agricultural commodities. The Project will closely work with its partner industry associations in promoting the policy of free trade in agricultural and food commodities. When needed, the Project shall review proposals and assess likely impacts of policy actions so as to assist the government in avoiding any restrictive

measures and practices which have negative impact on revenues of farmers or investments in the sector. This will be done in close collaboration with sector industry associations. As FINREP II is also working on commodity markets, AgroInvest will coordinate with this project's staff to ensure there is no duplication of efforts and we can link them with Project partners when feasible.

Drafting legislation to further develop agricultural service cooperatives (with Component 3). During previous years, in collaboration with the MAPF, the AgroInvest Project made significant progress in preparing amendments to legislation which promotes further development of agricultural service cooperatives. This, in particular, included drafting and approval of the Law of Ukraine on Agricultural Cooperation, development and approval of Model Charters and Model Rules of Internal Activities of agricultural service cooperatives, and preparation of Methodological Recommendations for a record-keeping system and analysis of activities of agricultural service cooperatives.

The Project will continue these activities during Year 4. The following activities have been identified as priorities in this area:

- Undertaking economic analysis and development of a feasibility study for modification and amendments to the Tax Code of Ukraine regarding VAT (this work started during Year 3);
- Drafting amendments to the Tax Code of Ukraine to address the issue of VAT payments for agriculture service cooperatives.

Together with its partners, the Project will also assist the MAPF with implementation of the Law of Ukraine on Agricultural Cooperation, Model Charters and Model Rules of Internal Activities, and Methodological Recommendations for a record-keeping system and analysis of activities of agricultural service cooperatives. AgroInvest Component 3 staff will take the lead in technical issues and contacts with partners in this area. AgroInvest staff will engage the Union of Members of Agricultural Service Cooperatives and the Association of Village Councils in disseminating the regulations and recommendations and arranging for training and public events to ensure smooth and efficient implementation of the law and by-laws.

Support the development and promote approval of legislation on agricultural markets (with Component 3). Since 2009, Ukraine has a legal framework which governs the activities and operation of agricultural wholesale markets. There is a growing recognition that there is a need to update this legislation and also design and implement a legal framework regulating activities of the smaller markets (regional and farmers' markets). During Year 4, AgroInvest will develop and present for public discussion a draft Law of Ukraine "On Agriculture Produce Markets" which will amend the existing legislation on larger wholesale markets, a set of regulations governing activities of the second-tier markets for agricultural produce, and also activities of slaughter houses. The Project, in coordination with the MAPF, will develop and present such legislation for public discussion during Year 4. This activity will be closely coordinated with the Association of Agricultural Wholesale Markets which is a partner of AgroInvest. Additional details on this work are described under Component 3 of the work plan.

Update of Project policy priorities. Based on policy developments in Year 4 and further experience with implementation of the policy activities, AgroInvest will review and update its policy priority agenda three months before the end of Year 4. This work will be done in close consultation with AgroInvest's partners and stakeholders, and will inform the policy activities to be included in Year 5 work plan.

Support to GoU public-private dialogue mechanisms. During Year 4, the AgroInvest Project will continue supporting public-private dialogue mechanisms on agricultural reform issues. This will include assistance to industry associations with their active engagement in activities of the Public Council under the MAPF (in coordination with AMDI) and support to other formal policy discussion platforms (e.g., a working group on grain market under the MAPF). It is expected that resources for these activities will be mainly provided through the capacity building and advocacy grant programs to agricultural sector industry associations.

Other policy issues as needed. AgroInvest will remain open to respond to new policy issues and initiatives, provided the regulatory/policy issues fall within the framework of AgroInvest's key goals and objectives and resources are available. Requests to engage in new policy issues will be discussed with the COR and vetted against the policy framework filters which were updated during the policy priority review in June 2013.

Work Plan Activities	2013 Y4Q1			2014 Y4Q2			2014 Y4Q3			2014 Y4Q4			Milestone	Responsible	
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep			
COMPONENT 1. Support a stable, market-oriented policy environment															
TASK A: ACCELERATE MARKET-ORIENTED REFORMS															
1. Land market reform															
1.1. Ensure public discussion of draft Law "On Agricultural Land Circulation" or subsequent versions (as needed)														Formalized public discussions are held	DCOP, Policy Coord., Sr. Legal Advisor
1.2. Prepare legal and economic analysis of new draft legislation on land														Analysis developed & shared/discussed with stakeholders	DCOP, Policy Coord., Sr. Legal Advisor
1.3. Provide assistance to the government with development of new by-laws and regulations														By-laws, regulations, and/or critiques submitted to GoU for review	Sr. Legal Advisor
1.4. Promote more efficient and balanced land lease relations														Messages/activities are prepared and disseminated utilizing Comp 1C	DCOP, Policy Coord., Sr. Legal Advisor, CPOM
1.4.1.Land leases study															
1.4.1.a. Complete collecting lease agreements														500 Lease agreements collected	DCOP, Policy Coord.
1.4.1.b. Hold interviews and expert discussions														Interviews/discussions conducted	DCOP, Policy Coord., Sr. Legal Advisor
1.4.1.c. Analyze lease agreements and develop recommendations														Recommendations developed	Policy Coord., Sr. Legal Advisor

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3.1. Analyze issues to be covered by the draft law On Fundamentals of Food Security and analyze why past version of the law was vetoed.		Issues paper shared with MAPF	U of M
3.2. Draft legislation is developed		Draft legislation is finalized and provided to the MAPF	DCOP, U of M
4. Analytical Group provides ongoing support to the MAPF within the terms of its mandate on Issues of Foreign Economic Activities		The Analytical Group is functioning and meeting the reporting agreements agreed to with the MAPF	DCOP, Analytical Group
5. Draft legislation to further develop agricultural service cooperatives (with Component 3)			
5.1. Undertake economic analysis and development of a feasibility study for modification and amendments to the Tax Code of Ukraine regarding VAT		Analysis is finalized	Sr. Legal Advisor, Market Infrastructure Expert
5.2. Draft amendments to the Tax Code of Ukraine to address the issue of VAT payments for agriculture service cooperatives		Draft law is developed	Sr. Legal Advisor, Component 3 team
6. Support the development of legislation on agricultural markets (with Component 3)		As needed, legislative analysis and drafting is executed.	Sr. Legal Advisor, Component 3 team
7. Improved policy/regulations for SMP access to finance (with Component 2)		As needed, legislative analysis and drafting is executed.	Sr. Legal Advisor, Component 2 team
8. Update of Project policy priorities		Priorities analyzed and updated	DCOP, Policy Coord.
9. Provide assistance to additional policy work as needed		Reports, analysis, and support executed as needed based on the legislative and political climate of Ukraine.	DCOP, Policy Coord., Sr. Legal Advisor

Component 1, Task B: Strengthen Industry Associations

Building the capacity of local industry associations will remain a priority activity of Component 1 of the AgroInvest Project during Year 4. The Project will continue providing assistance to partner industry associations to build their skills

LOP Expected Results	Year 4 Targets
<ul style="list-style-type: none"> ▪ A clearer and more stable policy environment that has led to increased agricultural investment; ▪ Private-public dialogue is more effective and regular; ▪ Partner industry organizations are well established and engaged in promoting investment, trade, and other priorities under the aforementioned agriculture policy strategy; ▪ Partner industry organizations demonstrating enhanced sustainability and effectiveness; ▪ Capacities of industry associations are built, leading to sustainable improvements in policy 	<ul style="list-style-type: none"> ▪ Number of regional-level working groups engaged by partner industry associations: <u>5</u> ▪ Number of institutions/organizations undertaking capacity/competency strengthening as a result of USG assistance: <u>4</u> ▪ Aggregated increase in self-financing for targeted industry associations: <u>8</u> ▪ Number of new members in partner industry associations: <u>10</u>

and capacity in policy analysis and advocacy. As a result, partner industry associations will be able to take the lead on certain policy priorities, prepare the analysis needed to formulate policy recommendations, more effectively engage in dialogue with the government, and provide better services to their members.

Component 1, Task B Activities to be Undertaken During Year 4

Completion of the current (third) round of solicitation of proposals from industry associations for capacity building/policy analysis grants. Evaluation of proposals submitted for the third round of the capacity building grants was completed in August 2013. Grants are being provided on a competitive basis to those industry associations whose proposals support the objectives of AgroInvest and merit support for usefulness of proposed activities and importance of issues raised. It is expected that 5 new grants agreements will be signed early during Year 4 through the third round.

Monitoring the performance of grantees and providing them with help and guidance as needed. Throughout the year, AgroInvest will closely monitor the implementation of activities under the grant programs and provide support and assistance to partner industry associations if/when needed.

Capacity building program for agricultural industry associations. As the Project's Industry Association grant program has now been operational for over a year, the Project has had the opportunity to identify the strongest and the most able to potentially receive a direct USAID award. As such AgroInvest will execute a standalone capacity building program which will address tailored issues in which the Project's partner industry associations are identified to need the most support. In order to do this, the Project will select a subcontractor to execute organizational capacity assessments (OCA) of partner industry associations. Based on the OCA's, AgroInvest will link selected Industry Associations with organizations able to provide the tailored capacity building areas defined/identified through the assessments. AgroInvest will strive to link the Industry Associations with the capacity building

organizations which make up the Market Place group that was developed by the USAID UNITER program.

Increase the participation of agricultural industry associations in policy dialogue discussions. The Project will continue to work closely with partner industry associations to ensure that opportunities and avenues for them to participate in public-policy councils, working groups and other PPD discussions are capitalized to the fullest extent possible.

COMPONENT 1. Support a stable, market-oriented policy environment															
TASK B: STRENGTHEN INDUSTRY ASSOCIATIONS															
1. Completion of the third round of solicitation of proposals for industry associations grants														Five grant agreements signed	DCOP, Policy Coord., SAF director
2. Design and implement a separate capacity building program for agricultural industry associations															
2.1. Select provider to implement and execute the OSAs														OSAs finalized	DCOP, Policy Coord., SAF director
2.2. Link selected Industry Associations to capacity building organizations with expertise in the areas of their specific needs and capacity building activities implemented														Tailored capacity building activities executed	DCOP, Policy Coord., SAF director
2.3. Evaluate the results of the capacity building program to measure increased capacity														Industry Associations undergoing this capacity building are better able to receive a positive responsibility determination in-line with ADS 303.3.9.	DCOP, Policy Coord., SAF director
3. Monitor the activities of all Industry Association grantees and providing them with help and guidance as needed														Industry Association grantees are compliant with all aspects of their respective program descriptions.	DCOP, Policy Coord., SAF director, SAF Accountant

USAID AgroInvest's Integrated Approach to Delivering Land Rights Services and Education

Land Rights Resource Center- This Center is the “brain” of the integrated approach. It is tasked with analyzing the issues arising during land interactions and developing materials to help landowners and farmers protect their rights, including a specialized web-portal containing roadmaps (step-by-step instructions on how the various land issues can be addressed) and templates of documents instrumental in resolving land issues. The roadmaps and materials developed by the Resource Center are published in the form of posters or booklets and are also available to the public on the Resource Center's Land Web-Portal (www.zem.ua).

Law Centers comprise the outreach element of the approach, or its “hands and feet”. The Law Centers interact directly with rural landowners through regular meetings to discuss problems, analyze their documents, and provide information, consultations, and legal advice on a wide range of land-related issue. They also prepare claims and represent the landowners on a *pro bono* basis in the courts, if needed, or help resolve the issues through mediation when possible.

In addition, The Law Centers train local authorities, including village mayors, to provide land consultations. In turn, these authorities use the roadmaps and other materials from the Land Web-Portal; they also refer their community members to the Law Centers when they need professional legal services.

“My Land, My Right” National Information Campaign- All of the integrated approach's activities are supported by the, “My Land, My Right” campaign which is the “life blood” of the program. The national information campaign utilizes various media outlets to ensure that the program's messages are spread to as large of an audience as possible.

Component 1, Task C: Provide Public Education for Land Rights

Given the frequently changing land legislation in Ukraine and lack of knowledge among land owners about their property rights, the need continues for the provision of information, consultations, and training on land issues, land laws and registration procedures for landowners. Through Project implementation to date, AgroInvest has also identified the need for information and training for organizations and individuals who are expected to help landowners understand land related legislation and procedures, such as village mayors, village secretaries, land surveyors, state registrars, and notaries.

To address these needs, USAID AgroInvest is providing public education for land rights, which consists of two closely interlinked sets of activities, the *Land Rights Public Education and Outreach Campaign* and the *Legal Land Rights Services Program* in order to help all Ukrainians better understand and protect their land rights.

General Approach to Component 1, Task C Activities

In order to achieve the goal of Ukrainians better understanding and protecting their land rights, in Year 4 AgroInvest will continue implementing its integrated approach consisting of the *Land Rights Public Education and Outreach Campaign* and the *Strategy for Delivering Sustainable Legal Land Rights Services*. In Year 4, AgroInvest will apply lessons learned to-date through the implementation of this integrated approach.

By mid-2013, all elements of this integrated approach have been launched, including: the Land Rights Resource Center; the Land Rights Web-Portal; the Legal Land Services Program (Law Centers); and the Information campaign “My Land, My Right.” These elements and their integration are described in the text box to the left.

Areas that have proven successful will be continued and replicated in the second half of the Project. Those areas that have proven successful include:

- Linking and ensuring close coordination between the Law Centers supported by the AgroInvest grants program with the Land Rights Resource Center;
- Conducting training events for village mayors and

other local authorities as they have proven to be some of the strongest (and most trusted) providers of legal services and information to their community members;

- Training providers of primary land
- rights services such as Advisory Services, Association of Farmers, state registrars, and notaries;
- Engaging with the USAID AJLEP’s Property Rights Coalition;
- The Information Campaign “My Land, My Right” which has been extremely instrumental in reaching large numbers of land owners and the general public regarding key issues related to land and agrarian issues.

In November and December of 2012, AgroInvest executed a baseline survey to better understand the current knowledge of land rights amongst Ukrainian landowners and farmers so as to help shape subsequent AgroInvest activities and provide a platform to measure impact in subsequent years of the Project. The survey was the largest of its kind to-date in Ukraine covering 13 oblasts and surveying 5200 respondents.

The results of the baseline survey confirmed that the integrated approach AgroInvest developed, and the direction and activities being implemented, are in-line with Ukraine’s needs and are achieving tangible results. Furthermore, AgroInvest is using information obtained through the baseline survey to help develop draft legislation related to land policy.

LOP Expected Results	Year 4 Targets
<ul style="list-style-type: none"> ▪ Greater understanding for individual rights among rural land owners in targeted areas; ▪ Property right protection improved for rural land owners; ▪ Rural population in targeted regions is more supportive of an open, and better functioning land market; ▪ State administrators held more accountable for efficient issuance of state acts; ▪ Legal aid services are delivered sustainably for rural land owners. 	<ul style="list-style-type: none"> ▪ Number of media appearances on land issues: <u>100</u> ▪ Awareness of land rights among target communities: <u>45%</u> ▪ Number of land deeds issued in target communities: <u>3000</u> ▪ Number of land conflicts resolved as a result of project assistance: <u>300</u> ▪ Percentage of legal aid service costs covered by non-project sources: <u>75%</u>

Component 1, Task C Activities to be Undertaken During Year 4

Land Rights Public Education and Outreach Campaign

In Year 4 the Project will continue to implement the *Land Rights Public Education and Outreach Campaign* (hereafter the Campaign). The specific objectives of the Campaign remain as follows:

- Increasing private plot holders’ awareness of current land rights, including possible options of establishing field groups to negotiate better lease conditions to better protect their interests;
- Increasing private plot holders’ awareness of how to adequately plan for the land market so that they can make informed decisions about land sales and purchases;

- Increasing farmers' awareness on how to protect their farm holdings in the event of a land market (e.g. including ways to access credit or use of owner-financed sales for potential land purchases, farm restructuring, etc.);
- Educating target groups on the new legislation (once adopted) and its implications for their land rights, risks, and opportunities; and
- Providing information to all target groups on locally available and trustworthy legal assistance.

The Campaign will continue to target the following audiences:

Primary

- Vulnerable landowners (pensioners), rural residents, and individuals who are technically termed "private plot holders";

Secondary

- Farmers, defined by the law *On Farmer Enterprise*;
- Households, those who have a small plot of land that is not clearly designated;
- Producer associations;
- Local government officials, including village rada (council) heads, land engineers and surveyors, rayon administrative officials and oblast officials; and
- Journalists, industry associations, and national policy makers.

To achieve the objectives of the Campaign, AgroInvest will implement the following activities:

Radio Programs

The campaign will continue to include a series of 10-minute educational radio programs aired twice per month on national radio channel, Era FM. As shown by the baseline survey, radio continues to be an effective way to communicate with the target audiences in the rural areas. Listeners will be encouraged to ask questions seeking on-the-air answers.

TV Programs

The campaign will continue to include a series of 10-minute educational TV programs aired bimonthly on a national TV channel. As shown by the baseline survey, TV is an excellent way to deliver information to rural residents in a consistent and credible manner. The programs will be a mix of information on the legal aspects of agricultural land issues and promoting the successes of real people in real places. In Year 4, a special emphasis will be put on success stories and best practices implemented with the help of AgroInvest.

National Agrarian and Land Press Club

In Year 3, the National Agrarian and Land Press Club (NALPC) was established and became an instrumental platform for journalists interested in the topics of land and agriculture to take part in joint activities, such as training, knowledge sharing, press tours, study tours, press conferences, roundtables and other events. The NALPC has built a core of journalists who provide objective, unbiased, and well-informed media coverage on a variety of subject matters dealing with land reform and helping vulnerable land owners protect their rights.

The Press Club will continue to meet on a monthly basis in Kyiv in Year 4. Also, journalist will continuously prepare information materials and disseminate them among media outlets so that they can be re-printed and/or used by local journalists as a starting point for their own publications. This approach proved to be very efficient as a tool to: (i) raise interest to the topics in focus for the campaign; (ii) disseminate messages which are verified by AgroInvest; (iii) increase the quality of publications of local journalists. In addition to the national press club meetings, for Year 4, a series of regional meetings will be conducted to cover more diverse areas and issues.

AgroInvest will collaborate with the USAID U-Media Project to link the organizers of the National Agrarian and Land Press Club, as well as the members of the Club, to other regional press clubs and media outlets. AgroInvest will meet with U-Media on a regular basis to discuss issues where U-Media's partners can be linked with experts on land and other relevant agrarian topics. It is planned to jointly organize a pool of U-Media journalists on land issues to expose them to AgroInvest's messages. This will allow for AgroInvest to reach increased numbers with its messages as well as improve the media enabling environment, create opportunities for new and innovative approaches by Ukrainian media outlets to cover land and agriculturally focused issues/topics, and strengthen the capacity of media civil society organizations' leaders to effectively represent their constituencies and geographic areas.

Press tours

The campaign will be supplemented by media tours for the national and regional press to see with their own eyes how legal land rights services are delivered and what kinds of problems are resolved through the Legal Land Rights Services Program. The press tours highlight typical problems dealing with land relations in various regions of Ukraine and activities of various offices of local governments, village mayors, land surveyors, and extension services to vulnerable land owners, including those who are partners of USAID AgroInvest. It is expected that at least two press tours will be conducted in Year 4.

Delivery of legal land rights services program

The Sustainable Delivery of Legal Land Rights Services Program is implemented through a series of grants provided to partners selected on a competitive basis. These grants were provided to local NGOs and designed as capacity-building grants, an ultimate goal of which is to strengthen the partner NGOs and help them become active leaders in advocating for policy changes and a sustainable source of knowledge and expertise available to rural citizens who need help to protect their land rights. The first year of the program has demonstrated that the grants have strengthened the capacity of partner NGOs. Their services continue to be in great demand as evidenced by the constant stream of requests from rural citizens to partner NGOs, local authorities, and directly to AgroInvest staff members for detailed informational material and consultations. Oftentimes, an intervention of a Law Center helps resolve land issues of a whole village, especially if the problem is in the domain of land lease relationships. In such cases, hundreds of rural landowners benefit from it at one shot. AgroInvest's local partners have cooperation agreements with village mayors who are very interested in them coming and providing consultations to both themselves (as primary legal services providers) and villagers at community meetings. They also serve an active role in the information campaign and

use every opportunity to share their knowledge and provide advice to rural landowners.

The grants provided in Year 3 are instrumental in increasing civil society activism in Ukraine. It should also be noted that this program contributes to the development of democracy and good governance in Ukraine. The Program helps improve legislation that regulates land relations, increase public accountability due to public events with involvement of decision makers and officials, helps local governments upgrade services they provide due to focused training programs and handy posters and other materials disseminated through the program, and increase outreach to citizens. The Program also contributed to the rule of law in Ukraine by increasing judicial transparency, accountability and access to justice through support for legal clinics and advocacy organizations.

Resource Center, including a web-portal

The project has partnered with the Land Union of Ukraine – a national NGO selected through a competitive process. The Land Union established the Land Rights Resource Center in July 2012. The Resource Center coordinates a dedicated web-portal used mainly for purposes of delivering land rights information and resources. The experts working in the resource center are also engaged in training and coaching Project partners engaged in the delivery of primary legal land rights services and members of the Property Rights Coalition coordinated by the USAID AJLEP project.

The Land Rights Resource Center will continue to implement the following tasks in Year 4:

- analyze land-related issues, group them into broader categories, identify typical issues which can be addressed through creating “roadmaps”; i.e. step-by-step algorithms, templates of documents, which a rural citizen/farmer can effectively use to resolve such “typical problems”;
- prepare such “roadmaps” in a plain language and user friendly format which is suitable for downloading from a web-portal;
- prepare methodological materials for providers of primary legal land rights services and conduct at least 18 trainings for them;
- prepare brochures, booklets, and posters for the information campaign;
- ensure continuous monitoring of legislation/regulations to update the roadmaps as appropriate;
- conduct training of trainers for providers of primary and secondary legal land rights services, including members of the Property Rights Coalition coordinated by the USAID AJLEP project;
- ensure continuous monitoring of land-related problems in order to:
 - summarize them for decision-makers (i.e. government officials, parliament members and others) and assist in developing new laws and regulations to improve land legislation and resolve the problems identified as well as to ensure advocacy for changes aiming to streamline overly complicated procedures, close loops for corruption and increase transparency in regulation and implementation of land relations;
 - refer to providers of secondary legal land rights services for interventions;

- maintain continuous liaison with USAID AgroInvest and other project partners at the national and regional levels; and
- maintaining the interactive web-portal.

Provision of secondary legal land rights services

In mid-2012, the project signed grant agreements with three Ukrainian NGOs to provide secondary legal land rights services and in late 2012 one more partner was added, thus increasing the coverage to eight oblasts.

As with the Resource Center, these are capacity building grants designed to help local NGOs develop their capacity of providing legal services to vulnerable landowners so that they are able provide such services after the project ends.

Towards the end of the grant agreements, the Project has reviewed the grantees performance and made preliminary decisions on approaches to be used in Year 4. The grants of the three strongest recipients, namely, the Kherson Regional Organization of the Committee of Voters of Ukraine, the First Agrarian Cluster, and the Civic Platform for Implementation of Land Reform in Dnepropetrovsk Oblast are planned to be extended. They showed very creative approaches and excellent performance. During the negotiation process and signing the new grant agreements, these grantees will be asked to extend or re-focus their activities and cover at least one additional oblast each.

Providers of secondary legal land right services provide individual and group consultations, help vulnerable land owners register their land rights and resolve conflicts. Once the moratorium on sales of agricultural land is lifted, they will provide consultations dealing with various aspects of selling land, including such issues as establishing a good price and so on.

In Year 4, the project will continue to support and monitor the operation of the established centers for provision of secondary legal land rights services. These legal centers will also continue to receive ongoing support and coaching through the Resource Center. The project will organize coordination meetings for all partners engaged in the Sustainable Delivery of Legal Land Rights Services Program to share experience and discuss best practices which then can be implemented in other centers.

The first year into these grant programs helped the partners develop significantly both in terms of expertise (due to trainings from the Resource Center) and operationally.

Provision of primary legal land rights services

Primary legal land right services are such types of services which entail providing information to a person about his/her rights and freedoms, procedures for executing thereof and restore in case they are violated and for appealing against decisions, actions or inaction of state authorities, local government officers and employees.

As an overall approach, for the Legal Land Rights Services Program, the Project has partnered with relevant stakeholders whose mandate is fully or partially aligned with the objective of provision of land right services with a special focus on low-income

and vulnerable landowners, and have potential to become a reliable and sustainable provider of legal land rights services. These partners will continue to receive profound methodological help, guiding and coaching by Project/Resource Center experts as well as capacity building.

For Year 4, AgroInvest activities will continue to provide training and support to the following providers of primary legal land rights services, specifically: state registrars and notaries; advisory services; and local farmers associations.

The training program for providers of primary legal land rights services will be implemented according to the following plan:

- Assess the training needs of partners for primary legal services;
- Develop a toolkit (training modules and take-away materials) for providers of primary legal rights services. The toolkit will be updated regularly as new issues are added and/or new legislation passed;
- Conduct training events for local partners (village administrations, extension services, local farmer associations, land surveyors, etc.) taking into account the most up-to-date legislation and land related procedures; and
- Support local partners (through the Resource Center) to use the materials and provide primary legal assistance.

Work Plan Activities	2013 Y4Q1			2014 Y4Q2			2014 Y4Q3			2014 Y4Q4			Milestone	Responsible
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
COMPONENT 1. Support a stable, market-oriented policy environment														
TASK C: Public education for land rights provided														
1. Awareness building and outreach campaign														
1.1. Program evaluation and planning for future														CPOM, DCOP
1.1.1. Evaluate the program and draw lessons learned	■	■											Evaluation completed and solicitation for follow-on activities released	CPOM, SAF Director
1.1.2. Prepare the next subcontract for information campaign as needed		■	■										New contract signed	CPOM, SAF Director
1.2. Production of Radio/TV programs	■	■	■	■	■	■	■	■	■	■	■	■	Radio and TV programs aired	CPOM, Project Partners
1.3. Media relations														
1.3.1. Support the operation of the Ag&Land Press Club	■	■	■	■	■	■	■	■	■	■	■	■	Press Club meets/communicates regularly	CPOM, Project Partners
1.3.2. Monitoring of publications of the Ag&Land Press Club	■	■	■	■	■	■	■	■	■	■	■	■	Materials & articles produced by press club members are regularly in the media and logged	CPOM, Program Assistant
1.4. Publications														
1.4.1. Identify most pressing issues	■	■	■	■	■	■	■	■	■	■	■	■	Issues identified and agreed to for further action	CPOM, Component Experts, Project Partners

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1.4.2. Prepare information materials and distributed them for reprinting													Materials are produced	CPOM, Component Experts, Partners
1.4.3. Monitoring of re-print of information materials													Articles/information are visible in the media and logged	CPOM, Project Partners
2. Sustainable delivery of legal land rights services program														
2.1. Resource Center & Web-portal														
2.1.1. Analyze the most burning issues of landowners (typical cases) and develop corresponding roadmaps and other guidance materials and publications													Guidance materials prepared	CPOM, Resource Center
2.1.2. Provide training and coaching to providers of primary legal rights services. The training modules will be updated once new issues are added and/or new legislation passed													Training conducted	CPOM, Resource Center
2.1.3. Maintain the web-portal and populate it with land rights information and some basic advice on land rights related issues													Web-portal is functioning and content is up-to-date	CPOM, Resource Center
2.1.4. Organize training for state registrars and notaries in cooperation with the Ministry of Justice													Trainings conducted	CPOM, Resource Center
2.1.5. Support the awareness campaign with expert opinions and other materials to inform the contents													Awareness campaign messages are up-to-date	CPOM, Resource Center
2.2. Maintain a framework for provision of primary and secondary legal land rights services														
2.2.1. Support and monitor of the operation of the established Law Centers													Grantees are compliant with all aspects of their respective program descriptions	CPOM, Project Partners
2.2.2. Provide ongoing guidance, support and coaching through the resource center													Resource center is in regular contact with the primary and secondary legal providers and provides support as needed	CPOM, Resource Center, Project Partners

B. Component 2 – Stimulate Access to Finance

The unmet demand for financing in Ukraine’s agricultural sector continues to persist, and mechanisms to meet this demand remain underdeveloped. The goal of Component 2, therefore, is to develop and support funding and lending mechanisms that stimulate access to finance for Ukrainian SMPs to secure the necessary resources to become more competitive and profitable, and overcome the challenges they face in the unstable and worsening Ukrainian financial and economic environment.

General Approach to Component 2

LOP Expected Results	Year 4 Targets
<ul style="list-style-type: none"> ▪ By year five, 10,000 credit transactions through USAID partner organizations; ▪ Portfolio at risk for average agriculture lending is no more than 10% at 90 days for partner financial institutions; ▪ New financial products operating in the market providing greater access to credit for SMPs 	<ul style="list-style-type: none"> ▪ Value of agriculture finance facilitated: <u>\$15 million</u> ▪ Number of credit transactions facilitated: <u>300</u> ▪ New Loan portfolio at risk at 90 days: <u>10%</u> ▪ Number of innovative financial products developed and introduced into the market as result of project assistance: <u>1</u> ▪ Number of SMPs trained in financial competencies pertaining to increasing access to finance: <u>500</u> (of which 30% are female).

During Year 3, Component 2 Project activities focused on developing partnerships with three groups of financial partners (banks, credit unions and value chain actors) on the basis of action plans specified for each partner.

During Year 4, Component 2 activities will be aimed at strengthening and further developing these partnerships with financial institutions that have already been established and establishing new partnerships among VCAs. Specifically, Component 2 activities will be focused on the following:

- Agrotechnological trainings for financial specialists of partner funding institutions;
- Capacity building initiatives for credit unions to ensure increases in agrilending to SMPs;
- Developing lending products and instruments developed and implemented for various applications and partnerships between financial institutions and VCAs;
- Capacity building programs developed and implemented for SMP-customers of financial institutions;
- Support of legislative developments targeted for improving the agrilending capacity of credit unions;

Component 2 Activities to be Undertaken During Year 4

Agrotechnological training for financial specialists of partner financial institutions. AgroInvest will conduct twelve trainings in oblast centers, according to the specific requirements of the marketing strategies of the financial partners, which will be focused on field crop production, vegetables, orchards, intensive horticulture,

dairy farming, and pig breeding. All trainings will be 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 (or lending officers in the case of credit unions) will acquire in-depth knowledge of agronomic and other technological aspects which will enable them to make more informed and less risky loans to SMPs.

Capacity building and training program for credit unions. During Year 4, AgroInvest will pay special attention to the development of credit union marketing practices that help inform their current and prospective members (farmers) about opportunities in accessing financing. The program will include a practicum on the development and implementation of marketing tools and trainings for rural credit inspectors on effective communication with their customers.

The percentage of non-performing loans is a critical issue for credit unions. The credit portfolio quality improvement program which was initiated in Year 3 will be continued through the execution of on-site internal pilot audits to the credit unions which specialize in agrilending as well as the training program for the credit unions' internal auditors. The internal audits are producing increased transparency amongst the credit union institutions and improving the quality of services they provide to SMPs. AgroInvest is working closely with its subcontractors who are leading the internal audit activities to evaluate and analyze the results so as to strengthen UNASCUs and VAK's audit programs which will continue after the AgroInvest Project ends.

Best practice and experience sharing. As some credit unions have demonstrated better progress implementing AgroInvest tools and recommendations than others, sharing their experience with other partner credit unions from both Task Forces will be very effective in stimulating other credit unions to improve their agrilending practices according to the best examples of their colleagues. Thus, during Year 4 at least four internal demonstration site visits to the credit unions to promote best practices in agrilending among other partner credit unions will be organized. These site visits will be strategically located so as to allow for all credit unions from both Task Forces to be able to attend.

Facilitation of agrilending concepts through linking partner financial institutions and VCAs. As experience demonstrated in Years 2 and 3 of Project implementation, cooperation of funding institutions with agrotechnological partners (VCAs) is one of the largest drivers of increasing agrilending to SMPs. The effectiveness of such cooperation is demonstrated through the financing pilot project developed between Kredobank (a financial institution) and Monsanto (a VCA). Through this pilot project, Kredobank and Monsanto work together to develop attractive loan terms for SMPs to acquire critical agricultural inputs. As a result, increased and affordable agricultural lending is provided to SMPs who in turn apply modern technologies that increase their production abilities. External entities witness these benefits and thus the demand for agrilending increases.

The benefits of such cooperation include:

- Financial institutions gain increased access to the VCA's customers (SMPs) and suppliers
- Risk is decreased which enables the financial institutions to offer more affordable and attractive lending packages and options to SMPs
- VCAs optimize their working capital as their regular commercial lending (delayed payments to VCAs for agricultural inputs, prepayment to SMPs for services or products supplier to VCAs, etc.) becomes shared with financial institutions

Similar projects will be developed with a wider range of VCAs in Year 4, including agrotechnological partners of producer organizations supported by Component 3 activities. The same concept of equitable risk sharing will be paramount in all cases. Each specific cooperation project developed will generate new credit products for SMPs. The credit products will include the concept of a new product and the required documentation/templates for processing, monitoring, and marketing.

Development of longer-term financing options for SMPs. Based on relationships developed with Agro Capital Management and Oikocredit Ukraine, activities will be implemented to support longer-term financing which, at present, are not common place in Ukraine for SMPs. Specifically, in Year 4 AgroInvest will develop and implement at least two pilot projects focused on creating long-term financing options for agricultural producers – members of partner credit unions. SMPs will receive long-term financing for capital expenditures (such as farming implements) from Agro Capital Management and/or Oikocredit Ukraine, whereas the SMPs' short-term needs will be financed by partner credit unions. Such a combined approach is required because credit unions do not have sufficient resources to provide long-term financing whereas there is huge demand from numerous rural SMPs for financing of capital expenditures, and such financing can be rendered as a mid- or long-term lending only. The "Market Survey of the Current Status of Agrilending to SMPs in Ukraine" (conducted by AgroInvest in 2012) confirmed that there is and continues to be an unsatisfied and constantly increasing demand for financing capital expenditures.. Implementation of such pilot projects will substantiate the new model of combined business funding whereby SMPs receive access to affordable long- and short-term financing. Through this model SMPs will receive much needed financing, the credit unions support their customers' base, and VCAs increase their sales.

These two pilot projects will be used as a practical sample for further replication of the model of joint financing for SMPs by providers of short- and long-term loans. The model will be applied to the customer bases of Agro Capital Management, Oikocredit and corresponding credit unions which are located in the oblasts where Agro Capital Management and Oikocredit have SMPs customer demand both for short- and long-term financing.

Development of new agrilending products and instruments for SMPs. Capitalizing on successes demonstrated by the seven credit products developed by AgroInvest to-date, the Project will continue to develop specialized credit products which benefit rural SMPs during Year 4. All credit products developed by AgroInvest are turn-key mechanisms that credit unions and their loan officers use to streamline

loan processes. At least two new credit product will be developed according to the market demand identified in Year 3: one for orchards (working capital for the financing of apple and/or peach orchards), and one for rabbit and/or chicken livestock breeding. These products enable credit unions to make smarter financing decisions for the benefit of both the financial institution and the SMP using the product. These loan products include all required supporting materials such as informational cards for mapping loan procedures, forms to help assess the creditworthiness of potential loan recipients, product promotion materials, templates for cooperation agreements with equipment manufacturers/input suppliers, and reference materials on relevant types of agricultural production.

Along with direct increases in agrilending to SMPs engaged in utilizing these specialized credit products, the products also require credit unions to study and understand specifics of agricultural production, develop corresponding credit programs adapted for the SMPs' needs, and apply marketing techniques to inform prospective clients about their opportunities in access to finance. These all feed into the capacity building support AgroInvest provides to its partner financial institutions.

Development and facilitation of a literacy campaign for SMP-borrowers. During Year 4, a financial and business literacy educational program for SMPs will be launched. Through the dissemination of informational materials and trainings, a minimum of 1000 SMPs will receive basic knowledge on cash flow calculation principles and easy to use and understand instruments for cash flow planning. The Project will conduct formal trainings in Crimea, Kherson, Lviv, Kharkiv, Cherkasy, Zaporizhzhya, Lugansk, and Ternopil utilizing a mix of partner financial institutions, the Farmers Associations and when/where applicable area agricultural extension services. AgroInvest will also coordinate with USAID FINREP-II as they will be scaling up their financial literacy program in the 2013/2014 fiscal year. While the two projects target different audiences (AgroInvest targets agricultural SMPs whereas FINREP-II's financial literacy program targets youth), synergies and linkages between the programs will prove beneficial in reaching larger numbers and to avoid overlap.

It is noted by AgroInvest partner financial institutions that a significant portion of loan applications are declined because of inconsistent and erroneous financial reporting statements submitted by small and medium-sized agricultural enterprises as support to their loan requests. Typical mistakes in the applicants' statements (balance sheets, income statements and others) are related to erroneous accounting of assets, including unclear records of accounts receivable and payable. Such reporting does not allow bank officers to consider the statements and often times, results in the entire application being declined without further inquiry.

Partner banks and credit unions confirmed that there is a critical need for the development of short manuals for SMPs to help them increase their financial literacy and serve as an effective tool in increasing the quality of loan applications they submit. It is expected, that the manual will cover the following typical accounting and reporting aspects:

- Accounting of attribution of fixed assets;
- Currency evaluation;

- Accounting of accounts receivable and payable;
- Evaluation of collateral;
- Accounting of wastes;
- Classification of livestock for accounting and tax purposes.

Moreover, the manuals will be developed in collaboration with the Danish funded AgroLviv Project will contain practical and professional advice on how SMPs (the potential applicants of partner financial institutions) can identify, correct, and rectify erroneous and incomplete records to increase their attractiveness to potential lenders. The increased knowledge the SMPs will receive will also allow them to better understand and protect their rights in terms of utilizing financing.

The developed materials will be disseminated at the trainings in the locations defined above as well as posted on AgroInvest and partners' websites. The materials will also be available at partner financial institutions where SMPs will have access to them and the financial officers can walk them through the materials and help them to understand the information. AgroInvest will also work with the USAID Bibliomist Project so that the materials are available in village libraries through their newly installed internet resources.

Participation and facilitation of public dialog regarding legislative initiatives that could impact credit unions' agrilending abilities. During Year 3, the GoU and the National Bank of Ukraine began signaling the likelihood that legislative initiatives (some positive and some negative) will be forthcoming that may impact Ukrainian credit unions. While the draft legislation is not yet published, there are indications that changes to the current legislation in Year 4 could be adopted which might:

- Expand the range of credit unions' services and enable them to provide services to the farms – legal entities (positive);
- Preclude credit unions from accepting deposits (savings) of their members, thus forcing them to either fund loans from share contributions of their members or transform themselves into cooperative banks (negative); and/or
- Terminate the not-for-profit status of credit unions (negative).

As credit unions are the only source of financing for rural households and small farmers, AgroInvest will be actively monitoring this situation in Year 4 and will engage in public dialog and policy development as required. Activities related to this policy issue will be conducted in close cooperation with Component 1. As the specific details of the legislation is still not known, AgroInvest will work closely with USAID to analyze events pertaining to this situation as they unfold and determine next steps accordingly.

If new legislation is adopted, and it noticeably affects the ability of partner credit unions to provide expanded agrilending to SMPs, AgroInvest will provide targeted technical assistance in cooperation with UNAKSU and VAKS to help credit unions that specialize in agrilending to understand and comply with the new requirements. AgroInvest will only focus on issues that could impact the quantity and quality of agriculturally focused loans provided to SMPs by credit unions, all other aspects of the potential modifications to legislation that impacts credit unions will be covered by UNAKSU and VAKS.

Study the current practice of regional programs of the agricultural interest rates subsidies from the local budgets and their prospects, and support public dialog on expanding the programs to other regions of Ukraine. During Year 4 AgroInvest will analyze the experiences of regional programs that are subsidizing loan costs for SMPs. Such programs were recently launched by regional state administrations in a several oblasts of Ukraine. AgroInvest Component 2 experts will internally survey the following: 1) the concept and mechanisms of agricultural loan cost subsidizing utilizing regional budgets; 2) the legislation that supports regional financial programs for agricultural producers using the mechanism of loan cost subsidizing; 3) current status and results of the programs for agricultural producers in these oblasts and; 4) substantiating the possibility and need to introduce similar programs in other oblasts of Ukraine.

The Project will conduct a round table with participation of the Ministry of Agrarian Policy and Food of Ukraine and agricultural producers to provide the opportunity for the exchange of experiences and ideas for such a loan cost subsidizing program in other regions of Ukraine. If the MAPF confirms its interest in expanding the subsidizing program to other oblasts of Ukraine, AgroInvest will develop a set of template documents for oblast administrations that introduce this financial support program for agricultural producers through the mechanism of loan cost subsidizing.

The documents will include a general description of the program, its terms and references, templates for application, and other relevant information. To support the sharing of positive experiences which are designed for increasing agricultural lending to SMPs in other oblasts of Ukraine, this package of recommended template documentation will be disseminated by the MAPF among other oblast state administrations as a ready-made recommendation tool for launch of the subsidies mechanism for SMPs in corresponding oblasts as soon as possible in order to maximize its effect.

Work Plan Activities	2013 Y4Q1			2014 Y4Q2			2014 Y4Q3			2014 Y4Q4			Milestone	Responsible
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
COMPONENT 2. Stimulate Access to Finance														
1. Agrotechnological training for financial specialists of partner financial institutions														
1.1. Development of training modules	■	■	■										Six training modules on agrotechnologies for financial specialists developed	Ag. Finance Comp Leader, Project Partner
1.2. Trainings are implemented				■	■	■	■	■	■	■	■	■	12 trainings in oblast centers conducted	Ag. Finance Comp Leader, Project Partner
2. Capacity building and training program for credit unions														
2.1. Trainings on loan portfolio management, marketing and sales	■	■	■	■	■	■	■	■	■				10 Training conducted	Ag. Finance Specialist, Project Partner
2.2. Agrotechnological trainings with packages of lending offers developed/enclosed	■	■	■	■	■	■	■	■	■				10 trainings conducted	Ag. Finance Specialist, Project Partner
3. Best practice and knowledge sharing among partner credit unions														
3.1. Internal sites visits to successful credit unions	■	■	■	■	■	■	■	■	■	■	■	■	At least one site visit conducted per quarter	Ag. Finance Expert, Ag. Finance Specialist
3.2. Combined SMPs, Credit Unions, POs visits demo-sites (in Coordination with Comp 3).	■	■	■	■	■	■	■	■	■	■	■	■	Six demonstration site visits are organized and conducted	Ag. Finance Expert, Ag. Finance Specialist, PO Specialist
4. Facilitation of agrilending concepts through linking partner financial institutions and VCAs														
4.1. Development of special lending offers of financial partners to SMP-segments of VCAs customers				■	■	■	■	■	■	■	■	■	At least two innovative lending products are developed and offered by financial partner to SMP-clients of VCA(s)	Ag. Finance Specialist, Project Partner
4.2. Joint financing of irrigation equipment installation for SMPs-seed growers	■	■	■	■	■	■	■	■	■				Lending for irrigation equipment for seed growers is developed and offered	Ag. Finance Comp Leader

C. Component 3: Facilitate Market Infrastructure for SMPs

Market infrastructure development continues to be one of the most difficult and unresolved issues the Ukrainian agrarian sector is facing. Specifically, limited and poorly formulated transparent and cost-effective distribution channels exist for agricultural produce grown by SMPs. According to the State Statistic Service of Ukraine, in 2012, 97% of potatoes, 93% of melons, 86% of vegetables, and 82% of berries and fruit produced in Ukraine were grown by individual household farms. Lack of access to effective distribution channels, postharvest processing, and storage systems to these farmers and the POs they belong to results in large losses of produce, and therefore revenue. Current estimates demonstrate that Ukraine is annually losing up to five million tons of fruits and vegetables which are worth approximately UAH 8 billion. This results in the need to import a large amount of expensive fruits and vegetables so as to offset such losses and meet domestic demand.

This situation results in serious price fluctuations that lead to the ineffective use of resources, narrows the possibilities to provide the population with a wide range of high-quality agricultural products at affordable prices, and results in additional costs for producers, processors, consumers and losses in the national and local budgets.

Based on Project experience to-date, core activities of Component 3 for Year 4 will continue to be directed towards the implementation of capacity building activities to coordinate and improve the operations of POs, the development of wholesale, regional and local market systems, and the creation of market infrastructure based on SMP, PO, and market needs.

Component 3, Task A: Producer Organization Development

Studies of trends in producer organization development and their ability to enter the organized food market, as being accomplished within the implementation of Task A under Component 3, provide the grounds to assert that during Year 3 of the Project, in comparison

LOP Expected Results	Year 4 Targets
<ul style="list-style-type: none"> ▪ Local projects implemented that increase member services, market access, and productivity; ▪ Investment facilitated through producer group projects; ▪ Strengthened capacity of farmer organizations to provide better services to their members; ▪ Increased productivity of farms in targeted producer organizations; ▪ Increased profitability of farming in targeted producer organizations 	<ul style="list-style-type: none"> ▪ Number of producer organizations identified, assessed, and selected for assistance: <u>6</u> ▪ Value of investment (in kind or otherwise) facilitated through producer group projects: <u>\$625,000</u> ▪ Perceived improvement in the quality of services provided to members by producer organizations: <u>10%</u> ▪ Number of producer organizations, water users associations, trade and business associations, and community-based organizations receiving USG assistance: <u>40</u> ▪ Number of participants in USG supported trade and investment capacity building trainings: <u>150</u>

with Year 2, there was gradual improvement in PO development in Ukraine, especially in the area of sales and marketing of fruit and vegetables.

This is due in large part to adoption of the revised Law of Ukraine on Agricultural Cooperation, which for the first time allowed cooperatives and their activities to be defined as not-for-profit resulting in recognition and tax benefits to which they were previously not entitled.

Improvement in PO development over the past year was also accelerated by the MAPF's emphasis on the development of agricultural cooperatives as well as its "Native Village" initiative. The MAPF's Native Village is aimed at strengthening household farms and supporting agricultural cooperation as an effective way to increase competitiveness of small and medium-sized agricultural producers. There are currently 851 registered agricultural producer organizations in Ukraine, 90 more than compared to last year. Despite this growth, they are still underdeveloped and unite not more than five percent of all existing SMPs (overall, there are 4.3 million individual homesteads and 41,500 farms in Ukraine). Considering the existing situation, there remain large opportunities for the growth and support of producer organizations in Ukraine, and the work AgroInvest has established in Year 3 will be continued and more focused in Year 4.

A considerable portion of agricultural production of vegetables, fruit, milk, and meat produced by SMPs is ultimately fed to cattle or wasted due to an absence of organized POs with developed trade channels for the systematic marketing of manufactured products. This is especially true in villages that are far from urban areas. According to experts, individual homesteads produce 52.7 percent of all agriculture produce in Ukraine, whereas farmers produce only 5 percent)¹. At the same time, up to 50 percent of fresh fruit and vegetable produce does not reach the consumer. At best, such produce reaches the consumers through unorganized intermediaries, or is sold in ad hoc markets and city streets outside of the larger and more organized markets with non-transparent selling and buying conditions, and it is a major cause of financial losses borne by SMPs and the industry as a whole.

At the same time, through the establishment of defined and structured trade channels, development support of building and increasing the capacity of POs, SMPs have the ability to compete with the large enterprises in the sphere of agricultural production and processing and to promptly react to the market demand and supply for required agricultural products.

According to the research and analysis conducted by AgroInvest experts during previous years, the largest need of POs and SMPs in all regions is assistance in creating local cooperative and individual storehouses with the capacity of 5-10 thousand tons that include the equipment for washing, sorting, packaging, cooling, and storing fruit and vegetables.

It has also been identified that there is a very real need for the development of cooperative service centers focused on animal slaughtering, freezing, and the processing and packaging of meat products, as well as collection centers for cooling, initial processing, and manufacturing of soft cheeses and other dairy products. This problem is of particular concern considering the forthcoming January 1, 2015 ban on

¹ <http://www.ukrstat.gov.ua/>

selling meat which has been slaughtered outside of specialized slaughtering centers as well as milk produced/collected by non-mechanized means. This means that those farmers who process their own meat and dairy products at home will no longer have the ability to legally sell their products at/through local markets.

General Approach to Component 3, Task A

In cooperation with the MAPF, non-government organizations and associations, and other donor projects, AgroInvest will continue activities focused particularly on enhancing the legislative, regulatory, and methodological frameworks of agricultural service cooperatives and marketing groups. The AgroInvest Project will support activities associated with adoption of model internal policies and procedures of operation for agricultural service cooperatives, methodological recommendations for accounting in cooperatives, and development of amendments to the Tax Code of Ukraine with regard to value added taxation of produce supplied through cooperatives by its member individuals. Additionally, the Project will continue to build the capacity of partner cooperatives and producer organizations in order to: improve their internal management and governance procedures and rules for joint action; develop short, medium, and long term business plans/activities; apply modern agriculture techniques (planting, harvesting, post-harvest processing, etc.); and increase their abilities to access markets. Also, the Project will contribute to their capacity development through disseminating the scientific and practical commentary to the Law of Ukraine on Agricultural Cooperation and related legislative texts. This activity will be implemented in partnership with the Union of Agricultural Service Cooperatives.

In Year 4, AgroInvest will continue supporting the implementation of development programs of 13 producer organizations which were selected during the previous years. The Project will continue administering the grant program whereby grants up to \$25,000 are awarded to producer organizations on a competitive basis for the purpose of increasing their capacity through increasing the volume and quality of agriculture produce manufactured by their members. AgroInvest will award grants to selected POs based on a number of objective evaluation criteria and in a transparent manner.

Component 3, Task A Activities to be Undertaken During Year 4

AgroInvest will organize and conduct at least six training sessions aimed at teaching the basics of management, financial operations (including marketing and demand and supply forecasting), the concept of value chain development, financial and tax reporting, and land rights. The trainings will also cover long-term and short-term business planning, drafting development strategies (programs), and preparing business plans for the implementation of concrete projects pertaining to the improvement in sales of agricultural products. Additionally, the Project will finalize, publish and disseminate a detailed commentary to the Law of Ukraine on Agricultural Cooperation and related legislative texts which will serve as a reference for cooperatives in knowing their rights and navigating the complex legal framework in which they operate. This will be the first such comprehensive commentary pertaining to cooperatives in Ukraine.

Under Component 3 Task A, the Project will conduct in-country demonstration site visits based to model POs who have received grants from the Project and have, or are

developing, strong value chains for their agricultural produce. Year 3 experience has demonstrated the effectiveness of similar activities and the benefits for representatives of agricultural cooperatives, marketing groups, and local authorities. These site visits will be closely coordinated with Component 2 so as to link the Project's access to finance activities and financial institution partners with the POs' members.

The Project, through coordination between Component 2 and 3 and together with local authorities and financial institutions, will conduct a minimum of two regional investment forums/round tables where it will present the programs of PO/SMP capacity building and the basics and opportunities for regional investment policies in this sphere.

Additionally, AgroInvest, in cooperation with other donor projects, will develop training materials on the development of service cooperatives to be incorporated into education programs of agrarian higher education establishments. These materials will be transferred to the MAPF and the Scientific Methodological Center "Ahroosvita" at the MAPF which will use them during training courses and also in professional development trainings for village heads, local administrations, agricultural companies, and farmers.

Component 3, Task B: Develop Wholesale Markets

The current market situation in Ukraine is still not focused on rapid marketing of agricultural produce manufactured by SMPs to consumers. As a result, SMPs are forced to use unorganized distribution channels with non-transparent and/or non-

LOP Expected Results	Year 4 Targets
<ul style="list-style-type: none"> ▪ At least two wholesale and five local/regional markets are established which provide greater access to markets for SMPs; ▪ SMPs have better access to services such as cold storage, grading and storage, and other market infrastructure that enhances their ability to market their produce; ▪ Private sector financing leveraged for the establishment of wholesale markets. 	<ul style="list-style-type: none"> ▪ Number of wholesale markets formed (through at least Stage 4): <u>1</u> ▪ Number of local/regional markets or market infrastructure (e.g. storage/cold storage, packing/processing/sorting facilities) formed with project assistance: <u>4</u> ▪ Number of micro enterprises linked to larger-scale firms as a result of USG assistance to the value chain: <u>400</u> (17% of which are female owned/managed) ▪ Value of investment facilitated in market infrastructure: <u>USD \$10.25 million</u>

regulated selling and buying conditions. This results in intermediaries being able to dictate market conditions resulting in farmers receiving lower prices for their produce and consumers having access to products of poorer quality and higher prices.

At the same time, development of wholesale, interregional and local agricultural markets are constrained by legislation and normative acts that are not well structured, not based on international experience/best practices, and do not focus on networking of such markets. This inhibits the ability for the proper establishment and operation of the markets. Another limiting factor that continues to face the development of such markets in Ukraine is the difficulties regarding allocation of land plots. AgroInvest is

working to address and correct these limiting factors through legislative action in cooperation with Component 1 and the MAPF.

To further address the constraints outlined above, the Cabinet of Ministers of Ukraine adopted a program for the development and implementation of a national project entitled “Green Markets” - Creation of Wholesale Food Markets’ Network” by Decree #661 dated June 11, 2012. The development of a feasibility study for the National Project “Green Markets” is included in Ukraine’s National Action Plan for 2013 on the Implementation of Economic Reform Program for 2010-2014 entitled “Prosperous Society, Competitive Economy, Effective State” as an efficient way to enhance competitiveness for small and medium-sized agricultural producers. In Year 3, AgroInvest became involved with the National Project “Green Markets” at the request of the MAPF. The “Green Markets” project is a national initiative focused on creating a network of wholesale food networks across Ukraine that relies on a well-developed network of local wholesale and wholesale-and-retail markets in rural areas. In this activity, AgroInvest collaborates with the Association of Wholesale Markets of Ukraine, which is also one of the co-developers of the "Green Markets" project. Furthermore, the Association of Wholesale Markets of Ukraine is an essential player in this initiative as they consolidate information and disseminate it to regional stakeholders (including other AgroInvest partners such as Farmers’ Associations, the Association of Village Mayors, extension services, etc.) and government officials so as to increase more localized interest and buy-in into the project.

AgroInvest will continue to support the “Green Markets” initiative through executing a pre-feasibility study that will be used by the GoU as a basis for decision-making regarding the terms of public-private partnerships, the location of the markets, support and investment attraction, and improvement in the legislative framework pertaining to market infrastructure development in Ukraine.

The Project will also continue to be engaged in expanding the network of service-slaughter-houses by promoting a slaughter-house model based on agricultural service cooperatives and compliant with EU and Ukrainian standards. In Year 3 the Project developed a feasibility study for such a slaughter-house based on agricultural service cooperative “Molochnyi Dnister.” This experience will be disseminated amongst interested parties around the country to serve as a model project that can be replicated by other cooperatives.

General Approach to Implementation of Component 3, Task B

The AgroInvest Project’s general approach applied to the development of market infrastructure development can be summarized as three tiered. The first tier focuses on the development of local production through SMPs and POs. The produce from these SMPs and POs is then routed to the second tier which consists of local wholesale-and-retail farmers markets that have both the capacity and capability to sell the produce onsite and have the logistics components to move the produce to the third tier. The third tier consists of regional and interregional wholesale agricultural markets. This approach is focused on moving produce through these tiers in a transparent and efficient manner.

Based on this approach, during Year 4, AgroInvest will continue providing technical assistance and work towards the development of markets which it has initiated to-date. These include two interregional wholesale agriculture markets (one in Rivne oblast and one in Odessa oblast) and 14 local/interregional markets and other market infrastructure facilities (for example, cold storage facilities, packaging, processing, and sorting facilities, etc.).

The key approaches and tools to be used to provide the technical assistance to support the establishment and organization of market infrastructure will continue to focus on:

- Consultation on the identification of where to locate the markets and other logistics facilities;
- Technical assistance to organizers of agricultural markets/logistics centers and to local authorities in development of projects, feasibility studies and organization of operations for such facilities
- Organization and conducting of the events (round tables, forums, press conferences, etc.) intended to disseminate information on investment projects and attract investment resources for their implementation (with Component 2 collaboration);
- Assistance in drafting internal operational procedures and normative documents to organize the business activities of such facilities;
- The dissemination and introduction of best practices (experience sharing site visits) in implementation of projects on the establishment of agrarian market facilities in Ukraine.

The Project will also continue to support the improvement of marketing channels for SMPs/POs access to wholesale agricultural markets through conducting in-country demonstration site visits, training sessions and providing relevant information and extension assistance that will improve the integration of market activities, agricultural producers and agricultural produce consumers.

The technical assistance will also include organizational support in the establishment and operation of the existing/operating coordination groups which operate as PPPs and are responsible for implementing agro-logistic projects at the local level. During Year 3, the practical activities of such groups have proven to be effective bodies in addressing and resolving problems such projects and initiatives face. For example, in Kherson oblast, efforts of such a group supported the resolution of conflict situations pertaining to land allocation for the wholesale-and-retail market in Hola Prystan rayon.

Component 3, Task B Activities to be Undertaken During Year 4

- Training of SMPs and POs with regard to improved access to wholesale markets;
- Applying the findings and recommendations of the feasibility reports on the creation and organization of activity of the regional markets, logistical centers, and other infrastructure components in certain regions;
- Investments and credit resource attraction for the development of food market infrastructure (with Component 2 collaboration);

- Supporting the development and implementation of programs for cooperative logistics centers;
- Developing a package of training materials and training the staff of markets and logistics centers in organization of efficient operations;
- Organizing and conducting internal demonstration site visits for staff members of markets and logistics centers to expose them to best practices for organizing production operations in Ukraine;
- Developing recommendations concerning identification of potential partners and organizational/legal mechanisms for the establishment of the public - private partnerships in the course of creation of the wholesale markets and logistical centers.

Component 3 will collaborate closely with Component 1 with regard to improving the legal and regulatory framework in which SMPs and POs must function. Additionally, Component 3 will work closely with Component 2 to support the Project's current and new financing initiatives for the development of POs, wholesale markets and other agricultural market infrastructure development programs.

Fourth Annual Work Plan
October 2013 - September 2014

Work Plan Activities	2013 Y4 Q1			2014 Y4 Q2			2014 Y4 Q3			2014 Y4Q4			Milestone	Responsible	
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep			
COMPONENT 3. Facilitate Market Infrastructure for SMPs															
1. Monitoring the activities of PO grantees and providing them with help and guidance as needed	■	■	■	■	■	■	■	■	■	■	■	■	■	6 new partner POs selected	PO Specialist, Grants Manager
2. Specialized trainings for POs on institutional development and operational activities' improvement developed and conducted						■			■				■	Six training sessions conducted	PO Specialist
3. Demonstration site visits for SMPs/POs representatives organized and held (some of which will be coordinated with Comp 2 to include partner financial institution participants).	■	■	■	■	■	■	■	■	■	■	■	■	■	At least six internal demonstration site visits conducted	PO Specialist, Program Assistant
5. Analysis and finalization of methodological recommendations to the MAPF for a record-keeping system and analysis of activities of agricultural service cooperatives	■	■	■											Recommendations developed and distributed to the MAPF	Component 3 in cooperation with Component 1
6. Development of the economic feasibility study for the modification and amendments to the Tax Code of Ukraine. Supporting Law drafting process "On Amending the Tax Code of Ukraine"	■	■	■	■	■	■	■	■						Draft legislation developed	Component 3 in cooperation with Component 1
7. Finalization of the draft of Model Rules of internal activities for agricultural service cooperative	■	■	■											Booklet finalized and printed	PO Specialist, Market Infrastructure Specialist
8. Compendium of laws and regulations on agriculture cooperation	■	■	■	■										Booklet finalized and printed	Component 3 in cooperation with Component 1
9. Development of training and methodological materials on cooperative development for universities (in cooperation with the CIDA-funded grain project)					■	■	■	■	■	■				Trainings materials developed, university courses launched	PO Specialist

TASK B: Development of wholesale markets															
1. Continue to support market infrastructure facilities selected in Years 2 & 3: regional wholesale market and wholesale-and-retail markets	■	■	■	■	■	■	■	■	■	■	■	■	■	Construction is started (stage 4) and/or construction is finished and market is operational (stage 5)	Market Infrastructure Specialist
2. Sites to create market infrastructure facilities selected: regional wholesale market and wholesale-and-retail markets	■	■	■	■	■	■	■	■	■	■	■	■	■	Construction is started (stage 4)	Market Infrastructure Specialist
3. Development of/support to local coordination group (Work Group) responsible for developing strategies and coordinating the markets' implementation	■	■	■	■	■	■	■	■	■	■	■	■	■	Local WGs created	Market Infrastructure Specialist
4. Final feasibility studies for selected market infrastructure facilities defined and executed (these will be on a much smaller scale than all other feasibility studies to-date)	■	■	■	■	■	■	■	■	■	■	■	■	■	Feasibility studies finalized	Market Infrastructure Specialist, Subcontracts Manager
5. Investment forums, roundtables and presentations organized and conducted	■	■	■	■	■	■	■	■	■	■	■	■	■	At least two events organized and conducted	Component 3 in Cooperation with Component 2
6. Technical support to development of Informational-and-Marketing Agrarian Center in Kherson Oblast	■	■	■	■	■	■	■	■	■	■	■	■	■	Infrastructure facilities supported	Market Infrastructure Specialist
7. Pre-feasibility study for the National Project "Green Markets" - Creation of Wholesale Food Markets' Network" (initiated in Year 3)	■	■	■	■	■	■	■	■	■	■	■	■	■	Pre-feasibility study completed and approved by green markets coordination council	Market Infrastructure Specialist in cooperation with Component 1
8. Development of model internal policies and procedures for agricultural markets	■	■	■	■	■	■	■	■	■	■	■	■	■	Procedural Booklet Developed and Printed	Market Infrastructure Specialist

D. Project Communications

General Approach to Project Communications

The USAID AgroInvest Project will continue to consistently deliver its messages specified in the Communications Strategy to all target audiences. The Communications and Public Outreach Manager (CPOM) will support all components in terms of communications and help the Project create visibility of its progress towards attaining the goal of accelerating and broadening economic recovery in Ukraine through support to the agriculture sector and increase the country's contribution to global food security vis-à-vis USAID, other donors, Government of Ukraine, other stakeholders and partners, and the public. Specific activities to support this are listed below, grouped under wider headings.

Project Communications Activities to be Undertaken During Year 4

Media relations. The USAID AgroInvest Project will continue to establish and nourish good working relations with selected industry and mainstream media outlets. In Year 3, the Project established the National Land and Agrarian Press Club as part of the Information Campaign. The press club will continue to meet regularly to discuss issues dealing with recent developments in agriculture and land relations. It is noted that the press club proved to be very instrumental in delivering USAID AgroInvest's messages and disseminating information about the Project's role as a catalyst for an inclusive and competitive Ukrainian agricultural sector, as well as provide information on current land legislation and developments in this and other related areas. Therefore, the Project will continue to support the press club as a very important and useful communications tool.

The Project will also continue to provide journalists with first-hand materials and invitations to press club meetings and other media events. To this end AgroInvest will coordinate with the U-Media Project as applicable.

AgroInvest will also prepare articles/information materials for industry press and Internet-media on best practices, interviews with beneficiaries, etc., which will be distributed among interested printed and online media with a special emphasis on our press club members.

Presence on the Internet. To share the latest Project news, reference material, and grant opportunities, the Project's bilingual web site will be kept up-to-date. So that visitors can disseminate interesting articles to their social sites, the Project site has the ability to link viewers to their preferred social media sites or send the link via their emails, thereby increasing the distribution of site contents to a wider audience. The CPOM will continue to maintain and monitor the web site and promote the web site among stakeholders.

The Project will also continue to use social networks to disseminate information about project activities, progress, and successes. The Project currently utilizes Facebook which has proven to be very instrumental.

Events. The Project will organize events, press conferences, briefings, public hearings, etc. to discuss legislative gaps, effects of the lack of access to finance and underdeveloped market infrastructure and the Project's approaches to remove these constraints and on other issues as deemed appropriate. Such events will continue to be coordinated with all three components as well as Project partners.

Small-scale, focused information campaign on topical issues In Year 3, the Project launched a new communications tool which proved to be very efficient. This tool can be described as small-scale, focused information campaigns. These campaigns are launched once a technical issue, which requires the attention/action of wide circles of the expert community, decision makers, and the public at large, is identified. A typical campaign entails the following steps:

- Identification of an issue and discussion with AgroInvest technical experts of the issue and ways AgroInvest considers appropriate to approach it;
- Preparing information material (in the form of an interview with the technical expert or an analytical article);
- Dissemination of the informational material about the issue and AgroInvest's suggested approach to addressing it among members of the Agrarian & Land Press Club and other interested media;
- Conducting a press club meeting in the format of a round table or press-conference to present AgroInvest's position on the issue and discuss it with other interested parties; and
- Preparing and disseminating new informational material reflecting different opinions of participants to the round table.

Each one of these steps builds up to the next step and increases interest and discussion on the issue. As a result of such campaigns, the issue identified by AgroInvest becomes a hot topic. In the past, several such campaigns resulted in very important decisions made by government bodies to the benefit of the development of the agricultural sector of Ukraine. This innovative communications tool will continuously be employed in Year 4, as appropriate.

Publications The Project will continue to prepare and disseminate the Weekly Highlights (in English) covering all important and/or newsworthy developments that have happened over the course of the week. This publication will be submitted to the USAID mission on a weekly basis.

The Project will continue to prepare and disseminate the Monthly Highlights (in Ukrainian) covering all important and/or newsworthy developments that have happened over the course of the month. This publication will be disseminated among project stakeholders and posted on the project web-site on a monthly basis.

The Project team will prepare success stories in order to make sure that important Project successes are properly reported and presented to the target audiences to encourage further successes and increase USAID AgroInvest's visibility.

Fourth Annual Work Plan
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Work Plan Activities	2013 Y4Q1			2014 Y4Q2			2014 Y4Q3			2014 Y4Q4			Milestone	Responsible
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
1. Prepare mission <i>Weekly Highlights</i> and submit to the USAID on a weekly basis	/	/	/	/	/	/	/	/	/	/	/	/	Weekly Highlights delivered on a regular basis	Component Leaders, with CPOM
2. Update project and component one-pagers			/			/			/			/	Project one-pager always up-to-date & available	Component Leaders, CPOM
3. Maintain the project website and Facebook page	/	/	/	/	/	/	/	/	/	/	/	/	Website and Facebook page are always up-to-date	CPOM, IT administrator
4. Organize overall Project media events	/	/	/	/	/	/	/	/	/	/	/	/	Media events conducted	CPOM, Office Manager, Component Leaders
5. Prepare and disseminate success stories			/			/			/			/	Four Success Stories reviewed and approved by USAID per quarter	CPOM, Component Leaders
6. Prepare articles for industry press and Internet- media on best practices, interviews with beneficiaries, etc.	/	/	/	/	/	/	/	/	/	/	/	/	Articles prepared and disseminated	CPOM, Component Leaders
7. Prepare and disseminate Monthly Bulletin	/	/	/	/	/	/	/	/	/	/	/	/	Monthly Bulletin Distributed	COP, Component Leaders, CPOM
8. Prepare issue "briefs"			/			/			/			/	Issue Briefs are prepared and disseminated	CPOM, COP, Component Leaders
9. Provide support to information/communications activities of the project's partners, ensure proper branding/markings	/	/	/	/	/	/	/	/	/	/	/	/	Support provided (ongoing)	CPOM, COP, Component Leaders

E. Gender Integration

Gender equality and women empowerment are listed among key development objectives for USAID. Gender integration is an important cross-cutting activity of the AgroInvest Project and is included into all components of the Project according to the USAID Gender Equality and Female Empowerment Policy and current policies of Ukraine. The main focus of the Project's activities in terms of gender equality and women empowerment is the facilitation of equal access for all interested producers to the resources and services they require through the activities in the components of the Project.

While it is widely recognized that addressing gender gaps and inequalities will have a beneficial impact in the economic sphere and will contribute to increased social stability and a more inclusive society in Ukraine, disparities between men and women in access to production resources and financing within the rural agriculture sector are regularly observed. To understand the depth of the disparities, the Project is conducting an in-depth gender analysis of rural development in Ukraine which will be finalized at the beginning of Year 4.

Gender Integration Activities to be Undertaken During Year 4

Gender Integration into Project activities since the middle of Year 3 is accounted not only through sex-disaggregated data within Components, but also through a specific indicator GNDR-3. With continued emphasis on gender based results, the Project will undertake the following activities:

- Finalize the gender analysis of rural development in Ukraine. The information obtained through the analysis will be used to shape not only AgroInvest activities, but will also be used to inform gender components of GoU policy initiatives. AgroInvest has been asked by the Ministry of Agrarian Development and Food of Ukraine to support the development of the Ministry's Sustainable Rural Development Plan. Particular sections of this analysis will be integrated into this plan;
- Strengthen the capacity of competitively selected gender-focused NGOs in developing and delivering gender-related training programs with a specific emphasis on gender in rural areas;
- Continue the capacity building training sessions initiated in Year 3 for agriculturally focused organizations (project partners, public authorities, small and medium agriculture producers, agriculture-related NGOs, and other interested parties) in selected regions of Ukraine focused on gender equality, women empowerment and development of gender strategies of community development;
- AgroInvest, in collaboration with the NGO "Ukrainian Women's Fund" will support a knowledge-sharing platform. The platform will be located on the web-site of the "Ukrainian Women's Fund" and it will be an interactive tool to provide information about upcoming events, reports on past events and share best examples of community development gender strategies;
- The Project will continue its activities across all Project components to increase the self-efficacy of women in terms of access to better knowledge and best practices in agriculture. Such activities will include site visits for women-

farmers and managers (owners) of small/medium production facilities inside of Ukraine and broad coverage of women-farmers with the trainings delivered by the Project.

- AgroInvest will coordinate closely with the FINREP-II Project which recently received additional funding to launch a new women-owned micro, small, and medium enterprise access to finance program within their project. It is envisioned that this program will have a large financial literacy component built into it. AgroInvest will work to develop synergies and ensure broad dissemination of information when and where possible.

ANNEX A

Performance Monitoring Plan Chart

PMP Performance Indicator Chart

	Unit measure	Data Source	Baseline	Yr1 Target	Yr2 Target	Yr3 Target	Yr4 Target	Yr5 Target	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	#	Partners, GOU documents	0	5	10	10	10	6	41
1.1.2	Number of policy reforms/regulations/administrative procedures drafted and presented for public/stakeholder consultation as a result of USG assistance	#	Partners, GOU documents	0	2	5	5	6	3	21
1.1.3	Number of policies rejected/vetoed/removed that are inconsistent with WTO, or inconsistent with agricultural market-friendly/investment-friendly procedures	#	Partners, GOU documents	0	0	3	3	2	1	9
1.1.4	Number of policies, regulations, and administrative procedures passed	#	Partners, GOU documents	0	0	3	3	3	1	10
1.1.5	Number of public-private dialogue mechanisms utilized as a result of USG assistance	#	Partners, project data	0	4	8	8	8	4	32
Project Objective 1.2: Industry associations strengthened										
Indicator										
1.2.1	Number of regional-level working groups engaged by partner industry associations	#	Partners, project data	0	2	5	5	5	3	20
1.2.2	Number of institutions/organizations undertaking capacity/competency strengthening as a result of USG assistance	#	Partners, project data	0	0	8	8	4	0	20
1.2.3	Aggregated increase in self-financing for targeted industry associations	%	Partners, project data	0	0	3	6	8	9	26
1.2.4	Number of new members in partner industry associations	#	Partners, project data	0	0	5	10	10	10	35
Project Objective 1.3: Public education for land rights provided										
Indicator										
1.3.1	Number of media appearances on land issues	#	Partners, project data	0	50	100	100	100	100	450
1.3.2	Awareness of land rights among target communities	%	Survey results, project data	0	25%	30%	35%	45%	55%	55%
1.3.2a	Share of female rural citizens in target communities	%	Partners, project data	0	50%	50%	50%	50%	50%	50%

1.3.3	Number of land deeds issued in target communities	#	GOU documents	0	0	2,000	6,000	3,000	1,500	12,500
1.3.4	Number of land conflicts resolved as a result of project assistance	#	Partners, GOU documents	0	0	150	350	300	200	1,000
1.3.5	Percentage of legal aid service costs covered by non-project sources	%	Survey results, partners, project data	0	0	5%	40%	75%	100%	100%
Project Objective 2.1: Sustainable access to financial services for SMPs provided										
Indicator										
2.1.1	Value of agriculture finance facilitated	\$	Partners, project data	0	\$0	\$4 M	\$7 M	\$15 M	\$34 M	\$60 M
2.1.2	Number of credit transactions facilitated	#	Partners, project data	0	0	1,000	2,000	3,000	4,000	10,000
2.1.3	New Loan portfolio at risk at 90 days	%	Partners, project data	0	0	10%	10%	10%	10%	10%
2.1.4	Number of innovative financial products developed and introduced into the market as result of project assistance	#	Partners, project data	0	0	3	2	1	0	6
2.1.5	Number of SMPs trained in financial competencies pertaining to increasing access to finance	#	Partners, project data	0	0	1,000	460	500	540	2500
2.1.5a	Share of Women SMPs trained in financial competencies pertaining to increasing access to finance	%	Partners, project data	0	0	25%	25%	30%	30%	30%
Project Objective 3.1: Producer organizations developed/strengthened										
Indicator										
3.1.1	Number of producer organizations identified, assessed, and selected for assistance	#	Partners, project data	0	5	8	7	0	0	20
3.1.2	Value of investment (in kind or otherwise) facilitated through producer group projects	\$	Partners, project data	0	0	\$ 450,000	\$ 500,000	\$ 625,000	\$ 650,000	\$ 2,225,000
3.1.3	Perceived improvement in the quality of services provided to members by producer organizations	%	Partners, project data	0	0	5%	10%	10%	10%	35%
3.1.3a	<i>Share of female members reported improvement of services provided by producer organizations</i>	%	Partners, project data	0	0	16%	16%	17%	18%	18%
3.1.4	Number of producer organizations, water users associations, trade and business associations, and community-based organizations receiving USG assistance	#	Partners, project data	0	5	40	35	40	40	160
3.1.5	Number of participants in USG supported trade and investment capacity building trainings	#	Partners, project	0	125	400	350	150	150	1,175

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		data							
3.1.5a	%	Partners, project data	0	50%	50%	50%	50%	50%	50%
		<i>Share of female training participants</i>							
Project Objective 3.2: More effective market infrastructure for SMPs developed									
		Indicator							
3.2.1	#	Partners, project data	0	0	0	1	1	0	2
		Number of wholesale markets formed (through at least Stage 4)							
3.2.2	#	Partners, project data	0	0	4	6	4	0	14
		Number of local/regional markets or market infrastructure (e.g. storage/cold storage, packing/ processing/sorting facilities) formed with project assistance							
3.2.3	#	Partners, project data	0	0	500	1,000	2,000	1,500	5,000
		Number of trading/market places established							
3.2.4	#	Partners, project data	0	0	100	200	400	300	1000
		Number of micro enterprises linked to larger-scale firms as a result of USG assistance to the value chain							
3.2.4a	%	Partners, project data	0	0	16%	16%	17%	18%	18%
		<i>Share of female-owned/managed micro enterprise</i>							
3.2.5	\$	Partners, project data	0	\$0	\$400,000	\$10.6 M	\$10.25 M	\$0	\$21.25 M
		Value of investment facilitated in market infrastructure							
Cross-Cutting		Gender Integration							
		Indicator							
	%	Partners, project data	N/A	N/A	20%	35%	60%	60%	
		Proportion of females who report increased self-efficacy at the conclusion of USG supported training/programming							