

Country Name		<b>Community Empowerment Project in the Issyk-Kul Oblast</b>											
The Kyrgyz Republic													
<b>I. Project Outline</b>													
Background	<p>In Kyrgyz Republic, while the market-oriented economic reform, including land privatization were progressed, collapsed village communities or Community Based Organizations (CBOs), as a basic unit for local socio-economic activities, had remained in the process of economic reform. As a result, for example, lack of organized community or organized farmers group to implement effective and efficient collaborative work for production and distribution constrained vital economic activities despite of privatization of farm lands. Under this situation, the government of Kyrgyz Republic enacted “the Law on CBOs and its Associations” in order to reestablish CBOs. On the other hand, JICA supported regional development in Issyk-Kul Oblast with high potential of tourism and agriculture through technical cooperation. In particular, through the development study, the long-term development plan for Issyk-Kul targeting year of 2025 was prepared. One of the 4 programs in the development plan was “enhancement of community” which was recognized as the urgent issue to be addressed in Issyk-Kul Oblast. .</p>												
Objectives of the Project	<p>Through establishment of a unit and networks for promotion of the OVOP* Movement activities, development of the guidelines for the OVOP Movement as well as implementation of pilot projects of the OVOP Movement activities by the pilot CBOs, the project aimed at establishment of the sustainable system for the regional development through the OVOP Movement activities at central and oblast level, thereby contributing to socioeconomic revitalization in the Issyk-Kul Oblast through increases in the number of CBOs to be engaged in the OVOP Movement activities and their sales revenue from the activities. The project objectives are as follows: *OVOP: One Village One Product</p>												
	<ol style="list-style-type: none"> <li>1. Overall Goal: Socio-economic revitalization in the Issyk-Kul Oblast in harmony with environmental preservation</li> <li>2. Project Purpose: A sustainable system for the regional development through community empowerment is established with the OVOP Movement.</li> </ol>												
Activities of the project	<ol style="list-style-type: none"> <li>1. Project site: Issyk-Kul Oblast</li> <li>2. Main activities: <ol style="list-style-type: none"> <li>1) Establishment of units for the OVOP Movement, including Student Research Shop in Karakol and Antenna Shop in Bishkek, 2) Preparation of shortlist of potential OVOP products and action plans for OVOP production and capacity building in short-listed communities in Issyk-Kul Oblast, 3) Implementation of pilot project by the pilot CBOs in Issyk-Kul Oblast, 4) Development of a guideline for community empowerment with OVOP Movement</li> </ol> </li> <li>3. Inputs (to carry out above activities) <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Japanese Side</td> <td style="width: 50%;">Kyrgyz side</td> </tr> <tr> <td>1) Experts: 12 Experts</td> <td>1) Counterpart personnel: 3 persons</td> </tr> <tr> <td>2) Acceptance of trainees in Japan: 13person</td> <td>2) Land and facilities: Project office in the Oblast state government office, workshop for the pilot CBOs, etc.</td> </tr> <tr> <td>3) Provision of equipment: Herb dryer, PH meter, office equipment, etc.</td> <td>3) Local cost: Cost for Karakol Student Research Shop (KSRS), construction cost for workshop in Karasaev Alyl Okmotu (village)</td> </tr> </table> </li> </ol>					Japanese Side	Kyrgyz side	1) Experts: 12 Experts	1) Counterpart personnel: 3 persons	2) Acceptance of trainees in Japan: 13person	2) Land and facilities: Project office in the Oblast state government office, workshop for the pilot CBOs, etc.	3) Provision of equipment: Herb dryer, PH meter, office equipment, etc.	3) Local cost: Cost for Karakol Student Research Shop (KSRS), construction cost for workshop in Karasaev Alyl Okmotu (village)
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Ex-Ante Evaluation	2006	Project Period	January, 2007 – December, 2011(Extension Period: November, 2010 – December, 2011)	Project Cost	(Ex-Ante) 270 million yen (Actual) 322 million yen								
Implementing Agency	Issyk-Kul Oblast state government (at the time of project planning and implementation, currently the Plenipotentiary Representation of the Government of Kyrgyz Republic in Issyk-Kul Oblast)												
Cooperation Agency in Japan	KRI International Corporation												

**II. Result of the Evaluation**

<Special perspectives considered in the ex-post evaluation>

[Project Purpose and Verifiable Indicator]

Since the verifiable indicators for the Project Purpose are ambiguous without clear target, they are not adequate to verify the achievement of the narrative summary. Considering the analysis of the terminal evaluation and the actual output produced by the project, the Project Purpose can be clarified as follows:

- Establishment of sustainable organizational arrangement to support CBOs to be engaged in the OVOP Movement activities at central and oblast level.
- Establishment of sustainable and functional networks among CBOs, between KSRS and CBOs/local producers of IK-Brand (Issyk-Kul Brand) products/partner guesthouse/hotels to continue production and sales of IK-Brand products based on the OVOP Movement activities.

[Overall Goal and Verifiable Indicator]

The verifiable indicators for the Overall Goal are not clearly defined to verify “vitalization of communities in the Issyk-kul Oblast” and “the increase in income in Issyk-Kul Oblast”. Considering the logically possible contribution of the project, the achievement of the Overall Goal is verified by the following clarification:

- Indicator 1 (vitalization of communities in the Issyk-Kul Oblast): increase in the number of CBOs in the Issyk-Kul Oblast which have been engaged in the OVOP Movement activities, such as production and sales of “IK-Brand” products.
- Indicator 2 (increase in income in the Issyk-Kul Oblast): increase in sales of CBOs in the Issyk-Kul Oblast which have been engaged in the OVOP Movement activities.

**[Implementation of the Phase II Project after the completion of this project]**

Following the completion of this project, the Community Empowerment Project through Small Business Promotion One Village One Product (OVOP) Approach in Issyk-Kul region, as the Phase II of this project, has been implemented under the support of JICA from January, 2012 and will be ended in July, 2016 in order to promote the business activities by CBOs based on the OVOP approach in Issyk-Kul Oblast. Since the project activities of the Phase II have largely contributed to the promotion of activities by CBOs in the Oblast, this ex-post evaluation challenges to clearly mention contribution of the Phase II to effects and impacts of this project and their sustainability as much as possible despite of difficulty to clearly distinguish effects of this project and the Phase II quantitatively.

## 1 Relevance

<Consistency with Development Policy of Kyrgyz Government at the time of ex-ante evaluation and the project completion>

The project was consistent with the Kyrgyz Republic's development policy of "empowerment communities through forming CBOs at community level" by "prioritizing community revitalized program, industrial development program as set forth in the policy documents including the Law on CBOs (2006), National Poverty Reduction Strategy (NPRS-II) (2006).

<Consistency with Development Needs of Kyrgyz at the time of ex-ante evaluation and the project completion>

The project met the development needs of Kyrgyz Republic as well as the village communities to focus capacity development of community people through activities by CBOs.

<Consistency with Japan's ODA Policy for Kyrgyz Republic at the time of ex-ante evaluation >

The project was consistent with Japan's ODA policy to Kyrgyz Republic to support the transition to the market-oriented economy as one of the 4 priority areas.

<Appropriateness of the Project Approach>

The approach of OVOP was appropriate for community empowerment since the approach enable to mobilize the community people in the economic activities based on the local resources. At the beginning of the project implementation, the approach to establish a sustainable system for regional development aimed at establishment and capacity building of a specific unit at central level of the government and networks among CBOs and other related organizations. However, there were difficulties to conduct capacity development of the government organization because of the further weakened government institutions, including lack of staffing and budgeting, at central level due to the political turmoil after April, 2010 and the successive administrative reforms. Therefore, the project adequately focused on capacity building of the newly established special unit, the OVOP association, at the late period of the project in order to promote the OVOP Movement activities.

<Evaluation Results> In this light above, relevance of this project is high.

## 2 Effectiveness/Impact

<Status of Achievement of the Project Purpose at the time of project completion>

The Project Purpose was partially achieved by the project completion. As mentioned above, while the necessary organizational arrangements at central and oblast government, including establishment of a specific unit for the OVOP Movement, staffing and budgeting, were not made due to the administrative reform of the government as well as the political turmoil in 2010, the necessary network to sustain the OVOP Movement activities, including the OVOP Association, the Issyk-Kul Brand (IK-Brand) Committee and the Karakol Issyk-Kul Brand Shop<sup>1</sup>, were established by the end of the extension period of the project. All the 64 CBOs joining the OVOP Association started production, marketing and sales of different types of products, such as various kinds of jams, bags and felt accessories. In particular, the collaboration between JICA and a Japanese retail company, Ryohin Keikaku, so-called "the JICA-MUJI Joint Project (2010-2011)"<sup>2</sup> promoted the production activities of the CBOs by production and sales contract between Ryohin Keikaku, a Japanese retailer, and the 22 CBOs..

<Continuation Status of the Project Effects at the time of ex-post evaluation>

After the project completion, the OVOP Movement activities by the CBOs have been sustained and expanded because of the support of the OVOP Association as well as the Phase II aiming at the promotion of the OVOP approach in Issyk-kul Oblast. The number of CBOs participating in the OVOP Association increased from 64 in 2011 to 142 as of ex-post evaluation in 2015. The number of the OVOP producers for the Karakol Issyk-Kul Brand Shop also increased from 500 in 2011 to 1,500 in 2015 and the number of items of OVOP products traded at the Karakol Issyk-Kul Brand shop increased from 335 to around 900 for the same period. In addition, 4 (Bereke, Adilet, Ak-Shoola, Onor-Bulagy) out of 6 pilot CBOs established during the project have continued their production and sales of products, as they joined the OVOP Association in 2011 while the 2 CBOs (Shirin, Erbol) stopped their activities due to internal membership difficulties. Also, the number of items of IK-Brand products selected by the IK-Brand Committee increased from 9 to 99. Although the partnership with guesthouses for sales of the OVOP products was stopped after the project completion, it was reestablished during implementation of the Phase II. At the time of ex-post evaluation, 32 mini stands selling the OVOP products are located not only in guesthouses and hotels in Issyk-Kul Oblast but also in Bishkek, the capital of Kyrgyz Republic.

<Status of Achievement of the Overall Goal at the time of ex-post evaluation>

The Overall Goal has been achieved by the support of the Phase II as well as continuation of the business partnership between the OVOP Association and Ryohin Keikaku. Vitalization of communities (Indicator 1) has been realized by the increase in the number of CBOs engaged in the OVOP movement activities from 64 in 2011 to 142 in 2015. The total sales revenue of those CBOs (Indicator 2) has also increased from 70,860 USD in 2011 to 162,460 USD in 2014. The JICA-MUJI Gift Project contributed to sales promotion of the products produced by the CBOs participating in the OVOP Association. Ryohin Keikaku Co., Ltd has continuously placed order with the OVOP Association for handicraft products such as felt planets set, phone case, glasses case, etc.. The contract between Ryohin Keikaku and the



Karakol Issyk-Kul Brand Shop

<sup>1</sup> The Karakol Issyk-Kul Brand Shop was renamed from the Karakol Student Research Shop (KSRS) which had been originally located in the Issyk-kul State University. Since the new rector of the University did not have any plan to provide the place for the project, KSRS was relocated to other place in the center of Karakol town.

<sup>2</sup> The project was implemented under the collaboration with Ryohin Keikaku Co., Ltd., a Japanese retailer to produce and sell private brand products including food, clothing, home appliance, etc., in order to sell products to be produced by the CBOs participating in the OVOP Association.

OVOP Association has expanded from 29 CBOs in 2011 to 52 CBOs in 2014 and 45 CBOs plans to participate in the activities. The annual contract amount between CBOs and Ryohin Keikau has been around 48,000 USD to 78,000 USD each.

<Other Positive and Negative Impacts>

According to the OVOP Association and the Japanese experts engaged in the ongoing project (Phase II), the OVOP Movement activities contributed to increases in household incomes of those CBO members, in particular, the members of CBOs contracting with Ryohin Keikaku while the sales revenue of the CBOs implementing the OVOP Movement activities varies by types of products. Since more than 90% of the CBO members are women, the OVOP Movement activities have benefited to them.

No negative impact on natural environment was observed and no land acquisition and resettlement was occurred by the project.

<Evaluation Results>

The Project Purpose was partially achieved through the establishment of the OVOP Association by the end of the project and the Overall Goal has been achieved through the continuation of the OVOP Movement activities by the CBOs established in the Issyk-Kul Oblast, including the collaboration with Ryohin Keikaku, under the support of the OVOP Association and the implementation of the on-going project (Phase II). Therefore, Effectiveness/ Impact of the project is fair.

Achievement of project purpose and overall goal

Aim	Indicators	Results																		
(Project Purpose) Establishment of sustainable system for the regional development through community empowerment with the OVOP Movement.	(Indicator 1) Degree of vitalization of the pilot villages/ communities	<u>Status of Achievement: Partially achieved</u> (Project Completion: Extension Period) - Although all the indicators for the Project Purpose were not verifiable without specific target value, "Establishment of sustainable system for the regional development based on the OVOP Movement" was partially achieved by establishment of the OVOP Association to support the member CBOs. - CBOs started production, marketing and sales of marketable products using local resources.																		
	(Indicator 2) Achievement of the pilot project (contribution to the villages/communities)	-																		
	(Indicator 3) Accumulation of know-how and experiences regarding community empowerment in the Oblast	-																		
	(Supplemental Information 1) The necessary organizational arrangement to support CBOs implementing the OVOP Movement activities has been made by MoEDT and IS-OSA by the end of the project.	<u>Status of Achievement: Not achieved</u> (Terminal Evaluation/Project Completion: Original Period) - A unit in charge of the OVOP Movement at the central level was not established. - Full-time counterpart staffs at central and the oblast level were not assigned during the project period. - In-kind budget were allocated by Aiyil Okmotu (AO) (Local Self Government).																		
(Supplemental Information 2) The necessary networks to continue the OVOP Movement activities been established by the end of the project.	<u>Status of Achievement: Achieved</u> (Project Completion: Original Period) - Network among the pilot CBOs was established. - Marketing network between IK-Brand producers and partner guesthouses/hotels in Karakul started. (Project Completion: Extension Period) - IK-Brand Committee functioned to select 9 products/9 producers as "Issyk-Kul Brand" in 2011. - The OVOP Association was established in 2011 and 64 CBOs with 574 members in total joined the OVOP Association.																			
(Overall goal) Socio-economic revitalization in the Issyk-Kul Oblast in harmony with environmental preservation.	(Indicator 1) Vitalization of communities in the Issyk-Kul Oblast	(Project Completion: Extension Period) - The OVOP Association was composed of 64 CBOs, which represented different villages from the Issyk-Kul region. CBOs started vivid activities for production of different types of products.																		
	(Supplemental Information) Increase in the number of CBOs engaged in the OVOP Movement activities, including production and sales of IK-Brand products in Issyk-Kul Oblast.	<u>Status of Achievement: Achieved</u> (Ex-post Evaluation) [No. of CBOs in Issyk-Kul Oblast] <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>No. of CBOs Established after the project completion*</td> <td>87</td> <td>100</td> <td>107</td> <td>118</td> <td>119</td> </tr> <tr> <td>No. of CBOs implementing the OVOP activities**</td> <td>64</td> <td>85</td> <td>92</td> <td>136</td> <td>142</td> </tr> </tbody> </table> <p>Note: * CBOs officially registered. ** CBOs including ones not officially registered.</p>		2011	2012	2013	2014	2015	No. of CBOs Established after the project completion*	87	100	107	118	119	No. of CBOs implementing the OVOP activities**	64	85	92	136	142
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(Indicator 2) Increase in income in the Issyk-Kul Oblast	<u>Status of Achievement: Achieved</u> (Ex-post Evaluation) [Sales Revenue of CBOs]  (USD) <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td></td> <td>70,860</td> <td>93,224</td> <td>146,608</td> <td>162,460</td> <td>N.A.</td> </tr> </tbody> </table> <p>Note: The figure is total sales by the OVOP Movement.</p>		2011	2012	2013	2014	2015		70,860	93,224	146,608	162,460	N.A.							
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Source : Terminal Evaluation Report, Internal Documents of the project of the Phase II, interviews with the OVOP Association, Data provided by the National Statistic Committee of the Kyrgyz Republic.

Both the project cost and the project period exceeded the plan (the ratio against the plan: 119% and 122%, respectively) because of the additional project activities to sustain activities of the Karakol Issyk-Kul Brand Shop, dissemination and utilization of the Guidelines on the OVOP Movement activities, as well as establishment of a certification system for the “Issyk-Kul Brand”. Therefore, efficiency of this project is fair.

#### 4 Sustainability

##### <Policy Aspects>

There has been no change in the policies to promote the OVOP Movement activities at central and oblast level. Since the Ministry of Economic is preparing a detailed plan on introduction of the OVOP Movement to other regions in Kyrgyz Republic at the time of ex-post evaluation, it is expected that the promotion of the OVOP Movement activities will be supported by the central and the oblast governments.

##### <Institutional Aspects>

As mentioned above, the OVOP Association has been continuously functioning to promote the OVOP Movement activities. 142 member CBOs, including the 4 pilot CBOs established by the project, have been engaged in production and sales of handicraft products. The OVOP Association has managed the Karakol Issyk-Kul Brand Shop and the 1-2 shop sellers have been hired for the operation of the Shop. At the government level, the Ministry of Economy set up a working group consisting of 10 representatives from the related departments of the Ministry, but the OVOP Association considers that there is no significant support from the Ministry. The Plenipotentiary Representation of the Government of the Kyrgyz Republic in Issyk-Kul Oblast has assigned 2 staff for supporting the OVOP Movement which is sufficient for extension of the activities in other communities within the Oblast despite of no organizational arrangement to support the OVOP Movement activities. The certification system for the IK-Brand was established in the Phase II and has continuously operated by the IK-Brand Committee under the supervision of the Plenipotentiary Representation of Kyrgyz Republic.



Meeting of the OVOP Association

##### <Technical Aspects>

The staffs of the Ministry of Economy and the Plenipotentiary Representation of the Government in Issyk-Kul Oblast engaged in the support for the OVOP Movement have obtained the necessary skills and knowledge and have conducted activities to extend the OVOP Movement to other communities. The OVOP Guidelines developed by the project were distributed to the central and regional governments. However, it had not been fully utilized because of the limited support for the OVOP Movement without specific organizational arrangement at central and oblast level. The members of the pilot CBOs trained by the project have sustained the skills and knowledge and have continued the production and sales activities since the on-going project supported by JICA (Phase II) keeps on technical support for the CBOs.

##### <Financial Aspects>

The OVOP Association has ensured the necessary fund to continue the supporting activities for the CBOs implementing the OVOP Movement activities. While the activities of the OVOP Association have been supported by the Phase II, the OVOP Association has made efforts to enhance their revenue source, such as 10% commissions from every sales item of the members. The both revenue and expenditure of the OVOP Association increased from 2012 to 2014, the OVOP Association had surplus of 5,519 USD in 2012 and 16,184 USD in 2014. In addition, “OVOP + 1”, a NGO established for marketing, development goods, and logistics for the OVOP Association, has been generating revenue to partially cover payroll for 14 staffs of OVOP + 1 and it is expected that their revenue will cover 100% of personnel cost by the end of the Phase II. The Karakol Issyk-Kul Brand Shop has also secured financial sources to continue their marketing activities under the support by the Phase II. Despite of the shortfall amounting 4,410 USD in 2013, the Shop had surplus of 731 USD in 2012 and 6,167.65 USD in 2014. Although there is no available financial data of the CBOs, the CBOs continue their production and sales activities by their own financial resources and profit generated by their activities. On the other hand, the Ministry of Economy has not allocated regular budget to support the promotion of the OVOP Movement activities. Also, the Plenipotentiary Representation of the Government in Issyk-Kul has allocated no budget for the OVOP Movement activities because of the scarcity of the budget resources.

##### <Evaluation Results>

Some problems have been observed in policy, institutional, technical and financial aspects. Therefore sustainability of the project is fair.

#### 5 Summary of the Evaluation

This project achieved the Overall Goal of the socioeconomic revitalization in Issyk-Kul Oblast through the promotion of the OVOP Movement activities by the CBOs despite that the sustainable system for regional development based on the OVOP Movement was not established at the central and oblast level. While the OVOP Association has continuously supported the OVOP Movement activities by the CBOs under the support of the Phase II of this project and the CBOs continues their production and sales activities, no organizational arrangement in the central and oblast administrations has not been established and no budget from the government has not been allocated for the promotion of the OVOP Movement activities. The project cost and the project period slightly exceeded the plan due to the additional project activities.

In the light of above, this project is evaluated to be partially satisfactory.

### III. Recommendations & Lessons Learned

Recommendations for Kyrgyz side:

[Clear division of responsibilities and roles to promote the OVOP Movement activities in Kyrgyz Republic]

- The Ministry of Economy is recommended to clearly determine responsible organizational structure and allocate sufficient number of staff and secure budget for activities to promote and disseminate the OVOP Movement within Issyk-Kul Oblast. In particular, since the Government of the country does not have an extension system (to disseminate information/knowledge/skills for implementation of policy/projects), it is necessary to consider what organizations instead of central and regional governments could have such responsibilities and roles for promotion of the OVOP Movement activities on behalf of Government, or to set up an new extension system. Also, the Ministry of Economy is recommended, based on deep analysis and understanding of activities and achievements of OVOP Association, to work out a strategy for regional development of the country based on OVOP approach. It is recommended to study the project and convince the Government Office to have a political will to disseminate this approach. The Government Office in its turn, based on report from the Ministry of Economy and its own analysis, is recommended to take necessary measures to make regional

governments to study results of the project, and start activities in their respective regions for introduction of OVOP approach.

#### Lessons learned for JICA

##### [Realistic design of PDM with better effectiveness]

- At ex-post evaluation period, it is found that vague indicators set forth in the Project Design Matrix, defining a framework of project, and ambiguous verification means required to redefine what were the project effects/impacts and how to verify them. It may have affected a design of sustainable system for regional development based on the OVOP Movement to be established by the project as well as design and scale of specific activities to produce the planned outputs, including implementation of the pilot activities by the pilot CBOs. At the project planning stage, JICA needs to design a project including well defined measurable indicators with clear target based on detailed assessment on regional situation, including government system and their capacity and communities.

##### [Appropriate project approach and design based on stakeholder analysis]

- Although the project aimed at capacity building of the governmental organizations as a part of a support system for regional development based on the OVOP Movement, the project was not able to achieve it because of further weakening of institutional capacities of the counterpart organizations by the political turmoil and the administrative reform during the project implementation. Therefore, the project approach was modified to prioritize enhancement of alternative support system including the OVOP Association and their capacity development. Before designing the project, JICA should have more carefully conducted stakeholder analysis studying more about government's organizational structure including extension system as well as their capacity and design effective components of project for effective and efficient capacity development for adequate target organization. Also, it is inevitable to make the counterpart organization understand on their own roles and responsibilities in the project at the project planning stage as well as the implementation stage. In the case that it is found that the existing institution/organization cannot be sufficiently capable to implement the planned project activities, it is essential to consider alternatives to establish necessary system by the project, such as the OVOP Association, at the project planning stage. Also, it is inevitable to revise the PDM along with the changed project approach.

##### [Ex-post evaluation on all the phase of project to verify overall effects/impacts and their sustainability of the project]

- At ex-post evaluation period, complications in evaluation occurred due to the ongoing next phase of the project as distinguishing apart the results from the first stage to the current phase is difficult. It is suggested to consider possibilities of conduction of ex-post evaluation when all the phases of a project are completed. The evaluation should be done as a "one package" of all the phases in order to see overall effects/impacts of the project as well as overall sustainability of the project effects.