

**REPORT ON ACTIVITIES
WITH
RYOHIN KEIKAKU CO.LTD**

May-September, 2011

TABLE OF CONTENTS

I.	Introduction.....	3
II.	Order details	
	• Order amount.....	3
	• Order completion deadlines.....	4
	• Producers.....	4-5
	• Product prices.....	6
III.	Trainings	
	• Tumar Art Group Training on making planets.....	7-8
	• Pre-meeting on planet and cases trainings.....	9
	• Training on Earth and Jupiter.....	9-10
	• Training on phone and glass cases.....	10
	• Additional trainings.....	10
IV.	Raw material and production instruments	
	• Raw material for planets.....	11-12
	• Raw material for phone and glass case.....	13-14
	• Wool carding and mixing.....	14-16
	• JICA expenses.....	16-17
V.	Monitoring and Checking.....	17-18
VI.	Exporting to Japan.....	18
VII.	Payment issue.....	18
VIII.	Lessons learnt.....	19

Annexes:

Annex #1: “Muji-JICA expenses”

Annex #2: “Payment for CBOs”

Annex #3: “Wool cleaning, washing & dyeing”

Annex \$3: “Photo report”

I. INTRODUCTION

Ryohin Keikaku Co. Ltd. is a Japanese retail company which sells a wide variety of household and consumer goods. It is distinguished by its design minimalism, emphasis on recycling, avoidance of waste in production and packaging, and no-logo or "no-brand" policy.

One Village One Product Association was established by the initiative of the producers of the Issyk-Kul Oblast with the goal of promotion of the One Village One Product Movement.




The members of the Association specialize in different production spheres such as craftsmanship, production of jam and juice from wild berries and dry fruits, beekeeping, dairy and felt products.

OVOP Association got an order from Ryohin Keikaku Co. Ltd. through JICA.



II. ORDER DETAILS

- Order amount

Photo	Product name	Ordered amount/pcs
	Felt planets set (Earth & Jupiter)	2060
	Felt phone case	4765
	Felt Glasses case	4525

- **Order completion deadlines**

Product	August 10	September 15	Total amount
Felt planet set	1410	650	2060
Felt phone case	1400	3125	4525
Felt glasses case	1640	3125	4765

- **Producers**

29 handicraft CBOs of the OVOP Association to be more precise **252 people** carried out this order which was the first experience for the OVOP Association. These CBOs were based in different villages of 5 Rayons of the Issyk-Kul Oblast:



For the efficiency reasons, the CBOs were divided into 3: those producing planets, phone case and glasses case. Ms. Aibasheva Sozul (Onor-Bulagy) was responsible for monitoring the production of cases and Ms. Guljamal Baibotoeva (Ak-Shoola) was responsible for planets.

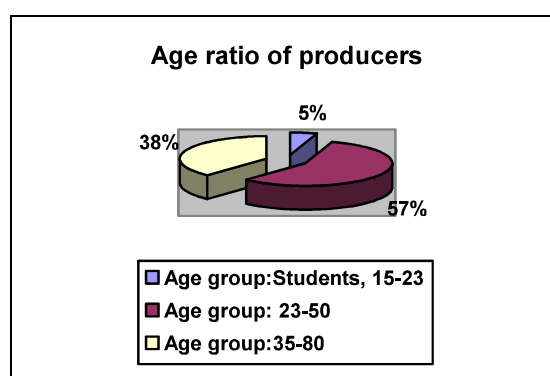
Below please see the list of producers in CBO wise:

Product	Village	CBOs
Glass case	Kajy-Sai	«Kut»
	Ak-Sai	«Demilge»
		«Syimykyk»
	Shor-Bulak	«Kasiet»
		«Dilgir»
Baltabai	«Shoola»	
Saruu	«Ajaiyp»	
Mobile case	Temirkanat	«Bekkul Ata»
	Bokonbaevo	«Onor kenchi»
		«Altyn-Oimok»
		«Felt Art Studio»
	Jety-Oguz	«Bereke»
«Ulan»		
Barskoon	«Onor-Bulagy»	

		«Rakysh-Ata»
		«Ak-Orgo»
		«Bakyt»
	Kairymaryk	«Elfiya»
Planets	Tasma	«Ak-Shoola»
	Nikolaevka	«Cheber»
	Jarkymbaevo	Kelechek
	Cholponata	Jamgyrchieva
	Kara-Oi	Sharsheeva
	Tamchy	Tash-Tookum
	Tamchy	Toktosunova
	Tamchy	Sabitova
	Tamchy	Sadybakasova
	Cholponata	Daerova
	Temirovka	Kyz-Jibek

But when there was necessity of help, CBOs helped each other. For instance, production of planets were completed first, therefore most of the CBOs who were making planets helped out to make phone cases. Some CBOs produced both phone case and glasses case as well.

Below please see age ratio of the producers:



- Young people between the age of 15-23 constituted 5% of all producers, most of them university and school students, who worked and helped to their families in a summer time and highly interested in quality improving.
- Ages 23-50 are women who do not have a permanent job, but very good felt producers.
- Age 50-80, most of them are pensioners and elderly people, financially unsecured, this project was a great opportunity for them as they are the keepers of unique Kyrgyz traditions.

JOCVs rendered great assistance to OVOP Association in completing Muji order by deadline.

- **Product prices**

Product	USD	KGS
Felt planet set	\$ 6.00	230
Felt phone case	\$ 4.90	210
Felt glasses case	\$ 4.40	180

Some CBOs did not make the ready product i.e. for instance they made only foundation of the planet or case, therefore OVOP Association members who were responsible for the production monitoring together with project assistance Ms. Cholpon Zhanadylova made the breakdown of prices as below:

Planets' price and time calculation

	Foundation	Decorative part	Continent location 1con=12som	Thread making/ AkShoola	Thread putting to the planets	Total
Earth	20som	30 som	60 som	8som	2	120 -8=112
Jupiter	30som	20som	Cream/white// orange 50 som	8som	2	110 -8=102
Time/ Earth	15m +15m	30min (15+15)	20min	2 hours- 57metres of ready thread	3min	73min
Time/ Jupiter	30min	15min	15min+10min	=//=	3min	73min

Glass and mobile case price and time calculation

	Putting wool	Wet technology	Petrogly phy	Button	Clean/ wash/ shave	Hole	Button sewing	ironing	TOTAL:
Mobile case	30som	155 som 185	10som	5 som	3som	2som	3som	2som	210
Glass case	38som	120som	10som		10som			2som	180
Time/ Mobile case	15min	2.10	15min	15min	15min	2.5min	2.5min	5min	2.5hours
Time/ Glass case	15min	1hour	15min		10min			5min	1.45min

III. TRAININGS

- **Tumar Art Group Training on making planets
May 25-26, 2011**

5 representatives of the OVOP Association were sent for training on felt planets making to Tumar Art Group in Bishkek on May 25-26. They were supposed to learn the skills and transfer to other members later on as trainers. The names of those representatives are shown below:

#	Name	CBO
1	Toichubekova Elnura	Altyn Oimok
2	Aibasheva Sozul	Onor-Bulagy
3	Asanakunova Kunduz	Felt Art Studio
4	Baibotoeva Guljamal	Ak-Shoola
5	Toktosunova Kenje	Toktosunova

Tumar Art Group is famous for its high quality felt products and its activity is directed to the preservation and development of material culture in Kyrgyzstan by the way of provision their customers with modern, functional, beautiful and qualitative craft products based on traditional and modern technologies.

Below are the training results and advices of the Tumar Art Group:

<i>Wool (leftovers) for the foundation</i>	<i>Leftovers or not high quality wool can be used for the foundation. No need to buy new wool. It will make the product cheaper.</i>
<i>High quality wool for decorative part</i>	<i>The wool for the decorative part should be of high quality. 1 kg of high quality wool can be purchased in Tokmok. The price for 1 kg is 500 som now. It is the high time to buy in May and June. If it missed, later the price per 1 kg will be increased for 50% or will not be available at all. To purchase wool, wash and clean the wool by OVOP Association will be much more expensive than buying the ready one. Besides, there is no guarantee that CBOs can do it very well. If high quality wool will be purchased, Tumar will dye wool for producing 6,000 pcs of planets. The price of dyeing will be confirmed.</i>
<i>Instruments</i>	<i>All instruments which are necessary for making planets are available in Kyrgyzstan. Only needles better to purchase from Japan. Tumar prepared size patterns and boards for making balls more effectively.</i>
<i>Making Jupiter</i>	<i>Participants learnt on practice how to make Jupiter. They made 2 planets during the training. Comments for improvement: orange-yellow part should go through the center, but should not be so distinctive; it must be a bit degraded.</i>
<i>Making Earth</i>	<i>Participants made 2 planets. The original sample of the Earth contained only 3 continents, that's why participants made Earths with 3 continents. There was a comment to show all the continents on the Earth. Participants tried, but could not make similar pcs. Tumar suggested drawing continents on cellophane and</i>

	<i>cutting together with the prepared felt. Then put each continent separately with needle technology. It took more time, but still the result was not similar. If this method is used the price will be increased according to the Tumar expert. Tumar commented that Muji chose the sample with 3 continents therefore it is ok to produce Earth with 3 continents, otherwise they advised to clarify it with Muji and think the procedure of production before the final production.</i>
<i>Fastening the loop</i>	<i>This process was shown to everybody. But because of the lack of the special needle, spindle and time, not each participant could make it. But the process is not so complicated.</i>
<i>Quality checking and analyses</i>	<i>14 planets were made as a result of the work of the first day. Only 5 planets passed the quality control. The mistakes were discussed with the trainer. Next day, each participant made several planets independently.</i>
<i>Basics of organizing production process</i>	<i>The trainer highlighted the importance of organization part of the work. She explained the direct and additional expenses of the production process etc.</i>
<i>Pure cost calculation</i>	<i>Tumar shared with their way of calculation pure cost and fixing the price.</i>
<i>Technological map</i>	<i>Tumar presented their format of the technological map. It is shown below:</i>

Technological map of the product

1. Diameter of the foundation:
2. Diameter of the ready product:
3. Weight of the wool for the foundation:
4. Weight of the dyed wool for the decorative part:

Sample of wool is glued here	Sample of wool is glued here	Sample of wool is glued here	Sample of wool is glued here	Sample of wool is glued here
weight	weight	weight	weight	weight

5. Description of the productions stages
6. Important production points should be mentioned here, for example continents must be centralized, threads must be fastened etc)
7. Remark:

The technological map was practical to use in order to keep the same quality standard of products and to follow all production stages appropriately.

- **Pre-meeting on planet and cases trainings**

June 7, 2011

5 trainers who attended Tumar training had a pre-meeting on June 7 in Karakol in order to prepare training plan on making Earth and Jupiter and also to make a training plan on phone case and glasses case making.

The followings were discussed, confirmed and finalized on this pre-meeting:

- Technological maps of the planets and cases were finalized.
- The form for quality control was made.
- Training dates, place, program and necessary materials were finalized.
- It was decided that Tup and Issyk-Kul Rayon CBOs will produce planets, Ak-Suu, Jety-Oguz and Tong Rayons will produce phone and glass cases.

- **Training on Earth and Jupiter**

June 13, 2011

The training on planet making was held at Toktosunova's workshop in Tamchy Village. The participants of the training were 13 CBOs from Tup and Issyk-Kul Rayons (22 people). The trainers were Baibotoeva Guljamal & Toktosunova Kenje.

Brief contents of the training:

#	Activities
1	Making foundations of Jupiter from left over felt and wool using wet technology
2	Making decorative surface of Jupiter with dyed wool
3	Preparing thread with the spindle and attaching to the planet
4	Lunch
5	Making foundations of the Earth from left over felt and wool using wet technology
6	Making cover by blue wool and decorative surface with 6 continents
7	Preparing thread with the spindle and attaching to the planet
8	Summing up the training and home task for the participants: practice making samples

Production schedule (plan) was made during the training:

Date	Activity	Responsible
June 14-20	Participants of the training will teach other members of their jamaats how to make the planets	Participants of the training
June 15-16	Purchasing wool	Ms. Toktosunova
June 16-21	Washing, carding and fluffing the wool	Ms. Toktosunova
June 20	Sample dyed wool for decorative parts	Ms. Toktosunova
June 21	Deliver the wool from Tamchy to Karakol	Cholpon – Assistant
June 23	Distribution of wool for planets foundations	OVOP Team & trainers
June 23-27	Production of 1990 Earth foundation & 1990 Jupiter foundation	13 jamaats
June 23	Discussion with trainers on dyed wool: the ratio of blue wool for the Earth	OVOP Team & Ms. Baibotoeva
June 25-27	Dyeing wool for the decorative part	Ms. Toktosunova
June 28	Distribution of the dyed wool for the decorative part	OVOP Team & trainers
June 29- July 10	Making decorative part of the Earth	4 jamaats
June 29-July 10	Making decorative part of Jupiter	9 jamaats

It was decided by mutual agreement of the trainers and participants that the following jamaats will make the Earth: “Toktosunova”, “Ak-Shoola“, “Tash-Tookum” and “Alymkojoeva” represented by Roza Daerova.

Other jamaats: “Sadybakasova”, “Cheber”, “Jarkymbaev-Kelechek”, “Kyz-Jibek”, “Jamgyrchieva”, “Sharshieva”, “Sabitova”, “Altyn- Iyne” will make planet Jupiter.

- **Training on phone and glasses cases**

16 June, 2011

The training on phone and glass cases was held at “Onor-Bulagy” workshop in Barskoon Village. The participants of the training were 20 CBOs from Ak-Suu, Jety-Oguz & Tong Rayons (27 people). But later on only 13 CBOs took part in the production process. The other 7 CBOs refused because of different reasons. For instance no time etc. The trainers were Aibasheva Sozul, Asanakunova Kunduz & Toichubekova Elnura

Brief contents of the training:

#	Activities
1	Making foundations of phone cases using layer –wet technology
2	Making mobile cases with rubbing technology
3	Drying mobile cases, re-checking and consulting
4	Lunch
5	Making foundations for glass cases using layer –wet technology
6	Making glass cases with rubbing technology
7	Making picture by needle technology on the mobile case;
8	Writing learned lessons on the technological map; Concluding remarks

Production plan

At the end of training, it was decided that 8 jamaats: “Ulan”, “Rakysh Ata”, “Bereke”, “Altyn Oimok”, Felt Art Studio”, “Onor Bulagy”, “Onor Kenchi” and “Elfiya” will make felt phone cases.

Other 8 jamaats: “Ajaiyp”, “Shoola”, “Uz”, “ Kasiet”, “Dilgir”, “Bekulata”, “Kut”, “ Demilge”, “Syimyky” will do glass cases.

- **Additional trainings**

Additional trainings on details of planet and cases production were held by the trainers during monitoring visits at each CBOs’s workshop. For instance, special training on thread putting into planets, making continents on Earth, making foundation of cases, making buttons and petroglyphs etc.

IV. RAW MATERIAL AND PRODUCTION INSTRUMENTS

- Raw material for planets

The following amount of raw materials and instruments were necessary for the production of planets:

<i>Raw material</i>	White leftover felt
	White wool
	Cream colored wool
	Yellow wool
	Orange wool
	Blue wool
	Turquoise wool
	Dark turquoise wool
	Green wool
	Thread "Iris"
<i>Instruments</i>	Boards
	Size patterns
	Scale
	Soap, shampoo
	Special needles
	Big ordinary needles
	Spindle
	Scissors
	Pliers
	Buckets, bowls
	Cellophane for tables
	Pattern for continents

Necessary amount of ready wool for Jupiter and Earth planets production:

Item	Foundation from left over felt	White wool	White wool	Cream-white wool	Orange wool	"Iris" thread	
For 1 Jupiter	2.5 g	2.5 g	4.6 g	0.3 x 0.3=0.6 g	0.01g	16cm	
For 2060	5150	5150	9476	1236	20.6	63 m.68cm	
					TOTAL:	21.032	
	Foundation from left over felt	White wool	Blue wool	dark motton blue	Light motton blue	green	"Iris" thread
For 1 Earth	1.5 g	1 g	1.3 g	0.3 g	0.3 g	0.2 g	15 cm
For 2060	3090	2060	2678	618	618	412	59.700
					TOTAL:	9.476	

In total 30.508 kg of ready wool was necessary for both planets. But a little bit more raw material was prepared since there were trainings and not good products to be remade.

There were two options to prepare raw material for planets:

Option 1: Toktosunova Kenje will prepare raw material for the Earth and Jupiter.

Below are expenses for purchasing, cleaning, washing and dyeing wool according Ms. Toktosunova:

46 kg wool x 130 s = 5980 som
9 pack of soda x 30 = 270 som
4 morning fresh x120 = 480 som
10 jars of vinegar x 25 = 250 som
Cleaning 42 kg of wool x 10 = 420 som
Washing and fluffing up 38 kg x 20 = 760 som
Coloring 26 kg of wool = 1664som
Wood = 500 som
Labor = 3000 som
TOTAL: 13,324

Option 2: To purchase ready dyed wool from Tumar Art Salon.

Option 2 was chosen i.e. dyed wool was purchased from Tumar (1 kg of wool – 500 som) because there was not enough time for getting dyeing materials and then dyeing wool.

Felt and wool for foundations of the planets were used from Ak-Shoola CBO. In total 16,140 som was spent for raw material of planets.

Tumar used dyeing materials from the following company:



Public Corporation “Pigment” – leading enterprise of Russia on production of organic pigments and dyeing materials. It is a member of the industrious group “KRATA”.

This enterprise was founded in 1949 and used to have the name: Tambov Dyeing Factory. They started to produce direct dyeing materials in 1951, after 10 years they started to produce materials for dyeing artificial fabric.

The factory was renamed in 1964 as “Tambov chemical Factory”. It became public corporation “Pigment” in 1992.

Its products go under the trade mark “KRATA”.

Industrious group “KRATA” was founded in 2002; “Pigment”, “НПО Technochem” are the members of “KRATA”.

Main products of “KRATA”:

- Pigments;
- Dyeing materials;
- Textile-additional substances;
- Optic bleach powdering;
- Acryl copolymers;
- Resin etc

Their products are used not only within Russia but in more than 18 countries of abroad as well.

Contact information of “KRATA”:

Address: 392681, Tambov Region, Tambov city, str. Montajnikov 1

Tel.: (4752) 79-50-80, 79-50-81

Fax: (4752) 72-51-06

- **Raw material for phone and glass cases:**

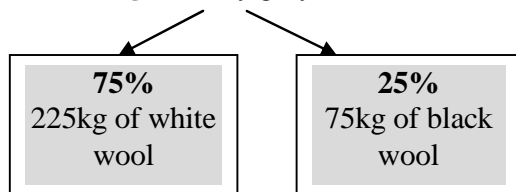
The following raw materials and instruments were necessary for the production of cases:

<i>Raw material</i>	White wool
	Black wool
Instruments	Inside size patterns
	Outside size patterns
	Scale
	Soap, shampoo
	Special needles
	Ordinary needles
	Thread
	Scissors, hole maker
	Iron
	Buckets, bowls
	Cellophane for tables
	Pattern for continents

The necessary amount of wool was calculated approximately as follows:

1. Mobile case = 30g x 4765 = 142,950kg
2. Glass case = 25g x 4525 = 113,125 kg

About **300kg** of ready grey wool is needed for mass production



There were 2 variants to buy the wool for mass production:

1. Tokmok version

- Mobile case: 1kg of clean wool = 500som x 142,950kg = 71,475
- Glass case: 1kg of clean wool = 500som x 113,125kg = 56,562

Total:
128,037 som

2. Kenje Toktosunva's version

- Black wool -1kg = 70 som x 75kg = 5,250som
- White wool -1kg = 130 som x 225kg = 29,250som

Wool
34,500 som

Costs for wool processing

- 60 packs soda x 30s = 1800s
- 30 liquid soap x 120 = 3600s
- 100 vinegar x 25s = 2500s
- 300kg x 10s cleaning = 3000s
- 285kg x 10s flowing up = 2850s
- 280kg x 10s washing = 2800s
- 265kg x 40 combing machine = 10600s
- 6000 som for the work
- Woods = 2500s

TOTAL: 35,650som (wool processing) + 34,500s (wool cost) =

Total:
70,150 som

More wool was prepared than in the above mentioned calculation since while mixing and production there would be production losses. Because of the lack of the time and experience in preparing big amount of raw materials, it was decided to purchase white wool from Tokmok. About 300 kg of white clean wool was purchased from Tokmok, factory “Kasiet”. And 81,96 kg of black wool was prepared by the following 4 CBOs:

1. CBO “Ak-Orgo”, Barskoon
2. CBO “Ak-Shoola”, Tasma
3. CBO “Onor-Bulagy”, Barskoon
4. PE “Toktosunova, Tamchy

214,198 som was spent for purchasing raw materials for phone case and glass case production.

There are about 80 kg of white wool left after completion of order and it is kept in “Onor-Bulagy” workshop now.

Information about “Kasiet”:

«KASIET» is one of the biggest spinning factories of the former Soviet Union and has been functioning since 1977. In 1994 it was transformed into Joint Stock Company. And now this enterprise is the monopolist in Central Asia on producing woolen yarn.

Besides, they sell ready washed and cleaned wool and give services of wool cleaning, washing, carding and chemical dyeing. The minimum amount of wool for washing and cleaning is between 600 kg and 1 ton. The prices can be confirmed upon necessity since it changes upon season.

Contacts information of “Kasiet”:

Tokmok, str. Frunze 1, tel.\fax-0(3138) 5-54-79,(312)60-72-10

• **Wool carding and mixing:**

After purchasing raw material, we had to card the wool and mix white and black wool in order to get grey color wool for phone case and glass case production. Only small Runo machine was appropriate for this process.

The process of wool carding and mixing took place in the below written places:

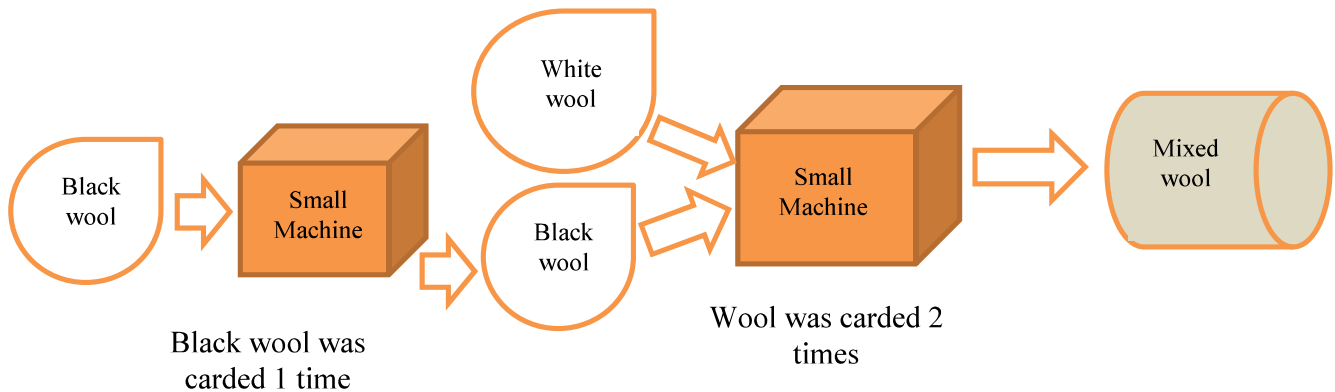
Rayon, Village	Jamaat	Type of machine
Ak Suu, Teplokluchenka	1. Talant Tel: 558 560286; 702 088820	Small
Tup, Tasma	2. Ak Shoola jamaat – Guljamal Tel: 777 098671	Small (RUNO)
Jety-Oguz, Barskoon	3. Onor Bulagy jamaat – Sozul Aibasheva Tel: 553 200854	Small (RUNO)
	4. Ak Orgo jamaat – Mekenbek Osmonaliev Tel: 779 308491	- Small (RUNO) - Big
	5. Bakyt LTD Tel:	Small
Issyk-Kul, Tamchy	6. Kenje Toktosunova Tel: 778 282687	Small (RUNO)

The process of wool mixing was one of the obstacles in production. There was only one “Onor-Bulagy” small machine which did not work properly. Besides, it was very time consuming activity. For efficiency reason, several machines were used for mixing.

1 kg wool mixing costs 30 som.

125 gr of white wool was mixed with 40 gr of black wool was in order to get the requested color. But the color of the black wool was not always the same; sometimes for instance it was dark brown color etc therefore the amount for mixing was mostly done by “eye” measuring.

In below picture you can see how the mixing process was done:

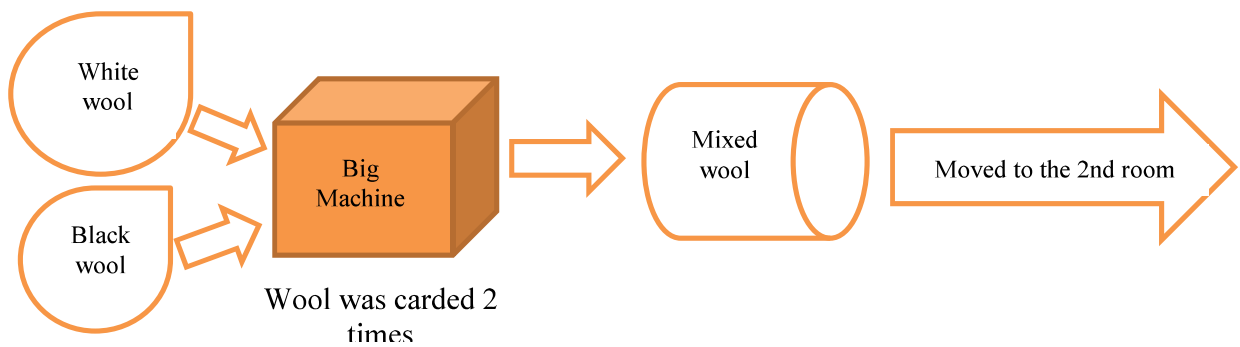


The ready white wool purchased from Tokmok was clean and carded. But black wool had to be carded before mixing it with the white wool. Then the black and white wool was carded two times. Thus, 1 kg of wool was carded 3 times.

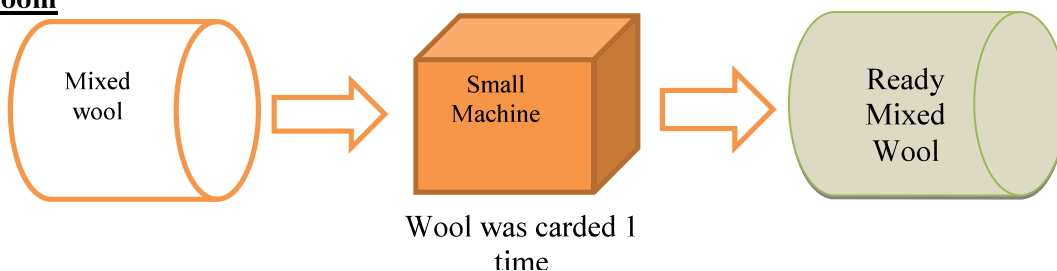
In the beginning all 3 times carding was done in a small wool carding machine. And the mixing capacity was not so big – only 4 kg of mixed wool in a day.

Further, it was tested and decided to use first big machine and then small machine for mixing. Mixing capacity increased – 11 kg of wool per day. The process of mixing is shown below:

1 room



2 room



Below is information on wool carding machines in Issyk-Kul Oblast. The quality of carding is better on small wool carding machines than the big ones. The big ones are usually used for wool of shyrdaks and carpets. :

Rayon	Village	Type of machine	Contacts
Karakol town		1. Big	Damira, Junush Tel: 550 707507; 555 156478
Ak Suu	Kaiyrma Aryk	2. Big	“El’fiya” jamaat - Beginur Tel: 553 22 78 57; 779 784777
	Boz Uchuk	3. Big	Ulan Tel: 777 517010
	Ak-Suu	4. Small	Talant Tel: 558 560286; 702 088820
Tup	Tasma	5. Small (RUNO)	Ak Shoola jamaat – Guljamal Tel: 777 098671
	Tup	6. Big	Nikolai
Jety-Oguz	Barskoon	7. Small (RUNO)	Onor Bulagy jamaat – Sozul Aibasheva Tel: 553 200854
	Barskoon	8. Small (RUNO) 9. Big	Ak Orgo jamaat – Mekenbek Osmonaliev Tel: 779 308491
	Barskoon	10. Small	Bakyt LTD Tel:
	Kyzyl Suu	11. Big	In the center
Issyk-Kul	Tamchy	12. Small (RUNO)	Kenje Toktosunova Tel: 778 282687

- Additionally in Chui oblast:

Rayon	Village	Type of machine	Contacts
Kemin	Chon-Kemin	13. Small	Altyn Tel: 556 611545

- **JICA expenses**

JICA provided raw material and covered production expenses such as instruments, trainings to improve the quality, production monitoring etc to support OVOP Association in fulfilling this order since it was very first experience for the Association. Please see below the expenses covered by JICA in completion of the order:

Expense item	Amount/KGS
Raw material	230338
Wool carding and mixing	24598
Tools and instruments	60287
Transportation	189060
Planet monitoring	4200
Case monitoring	67500
Exporting expenses	38671
Other expenses	47575
TOTAL:	662,229 KGS
	14,618 \$

For more details on expenses, please refer to *Annex #1* “Muji JICA expenses” which is attached to this report.

But not all expenses were covered by JICA; OVOP Association had to cover some expenses for black wool and wool carding and also final checking fee in Karakol.

V. MONITORING AND CHECKING

- Monitoring experts together with OVOP team and JOCVs held weekly production monitoring visits. The quality of products was checked and additional trainings were held during those visits.
- 31,913 km were travelled to CBOs to monitor production activities (or 72 round trip around Issyk-Kul Oblast).
- Raw material and instruments for production were also distributed during monitoring visits. But when there was necessity of raw material and no visit planned, then wool was given to CBOs through mini bus drivers for some payment. For instance, monitoring expert sends through the driver, takes his telephone and car numbers and pays for the service. Then she informs the CBO to whom it was sent. And they in their turn meet the driver and take the wool.
- Representatives of Ryohin Keikaku Co Ltd visited Kyrgyzstan on 20-23 July, 2011 with monitoring purposes. They visited CBO “Ak-Shoola” to see planet production process and CBO “Onor-Bulagy” and “Ak-Orgo” for phone case and glass case production process.
- The first dispatch was planned for August 10. Products of the first dispatch were not completed at each CBO. They were all collected to CBO “Onor-Bulagy” in Barskoon Village to be completed. The quality monitoring and checking of those products took place

in Bishkek for 5 days and nights by JICA officers, OVOP team, JOCVs and CBO representatives. There were a lot of defect in products. It was agreed that each CBO will complete the products at their workshops.

- The second dispatch was planned for September 15. The monitoring and checking of the quality of the products was held in Karakol for 3 days and nights by CBO representatives, JOCVs, NGO “Forward” and OVOP team. Although CBOs tried to complete the product at their CBOs, still there were imperfections to be improved in Karakol.

VI. EXPORTING TO JAPAN

- OVOP Association carried out this order through NGO Forward which dealt all exporting issues and documentation together with “Frontier Ltd” in the person of Mr. Duishenbiev Ernest (tel: 0555 488865).
- Conformance certificate and certificate of origin should be acquired from Industrial Trade Chamber in order to be able to send felt products abroad.
- Below you can see the exporting expenses:

Custom clearance of cargo (Felt souvenirs.)

Declaration of cargo (Main list)	1	pc	600,00 com	600,00 com
Custom fee	1	pc	1 580,00 com	1 580,00 com
Cargo and airbill fee (brutto weight 154.0kg)	1	kg	30 325,00 com	30 325,00 com
Certificate of origin	1	pc	2 052,00 com	2 052,00 com
Carton boxes	7	pcs	160,00 com	1 120,00 com
Packing necessities (paper, glue, plastic foam, etc)	1	pc	400,00 com	400,00 com
Copying	1	set	294,00 com	294,00 com
Custom clearance service cost	1	pc	2 300,00 com	2 300,00 com
TOTAL :				38 671,00 com

VII. PAYMENT ISSUE

- The total amount of the money from this order is **55,434 \$ (2,511,160 som)** (rate: 45.3) excluding bank service fees.
- Payment meeting was held in Karakol on October 28. Thus, **2,219,058 som** was paid to CBOs. It was decided by them that 5% from the income of each CBO will be collected as a fund of the OVOP Association and to pay some expenses left from production period. 5% of the received income money constituted **110,949 som**. For details on how much each CBO received please refer to Payment document which is attached to the report.
- **75,538 som** was paid for black wool and wool carding expenses. **33,815 som** was paid for CBOs who worked additionally in Karakol during the second dispatch.
- Thus, **293,698 som (6483\$)** is in the fund of the OVOP Association. Currently it is kept in NGO Forward’s bank account. OVOP Association is planning to hold board member meeting in order to discuss money issue, appoint accountant and open bank account.

VIII. LESSONS LEARNT

During the payment meeting OVOP Association CBOs discussed the followings as lessons learnt from Muji experience:

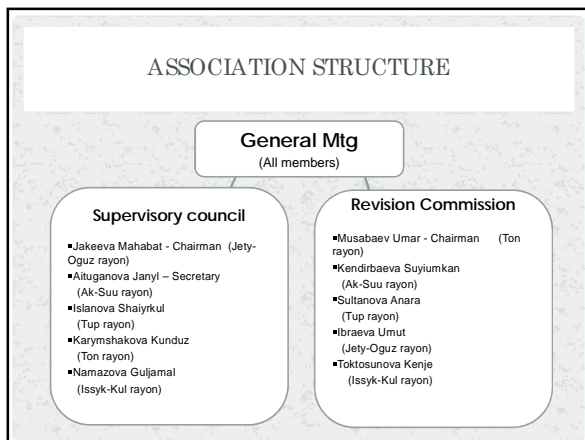
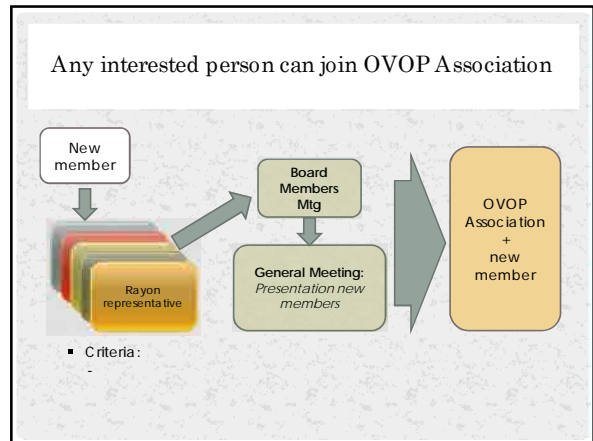
- This was a great opportunity for CBOs to understand the potential of the OVOP Association to carry out big orders. And strengthen the cooperation between the CBOs. They were able to understand that they are not rivals and that it is a common goal to fulfill the order.
- Raw material: We should think beforehand about the raw material. There was very short time for acquiring and preparing raw material in Muji project. Besides, we should consider cheaper way of preparing raw material. Some of the CBOs think that it is better to prepare wool i.e. clean, wash and dye wool by themselves as it is described in the *Annex # 3* as it would be cheaper according to them. But Tumar advised to purchase ready wool from Tokmok. Another option was to wash and clean wool in Tokmok; the only disadvantage is that there should be a certain amount of wool in this case. This issue will be considered more before the next big order according to CBOs.
- Raw material distribution: cheaper way of raw material distribution should be used such as through mini bus drivers instead of special visit to bring the raw material to the CBO.
- Quality of the product is of vital importance. It was highlighted by CBOs who participated in Bishkek and Karakol product checking that each CBO should take responsibility and complete product till the end. Only high quality finished packed products should be received from each CBO at their workshop. Otherwise, this time there were lots of confusions and misunderstandings; each CBO demanded that their product was the best.
There were lots of defect products during production. Even needle was found in the planet which is a big problem. Left products from this order is being kept in OVOP Karakol Office and some in Bishkek JICA Office.
- Time management: CBOs should learn to evaluate own production capacity and how to manage production in order to meet the deadlines.
- CBOs were more interested in quick cash, lots of partying hindered to meet the deadlines during the monitoring visits.
- To have more trainings and learn very well before the main production.
- Final monitoring and checking of products should be done in the workshop in order not to have monitoring expenses as Bishkek & Karakol checking during Muji project.
- Who will monitor and check the process of production? Maybe Issyk-Kul Brand Committee also can be involved. It means that it is necessary to organize a system of work for receiving and fulfilling big orders such as Muji. This issue will be discussed more and decided.

<OVAP 組合活動報告>



General Meeting decided to create OVOP Association on APRIL 19, 2011

- OVOP Association was officially registered on 24 June, 2011
- Stamp was received
- The logo was developed



REGULAR BOARD MEMBERS MEETING

Board members hold regular monthly meetings in Karakol. Further on, representative of each Rayon share the information and news with other CBOs. The protocols of meetings are prepared by the secretary of the board.

Food CBO's Achievements



- Technical assistance of ABCC specialist
May-October, 2011



Felt CBO's Achievements



- Muji project: TUMAR training
June-September, 2011



ASSOCIATION FUND

- ❑ Entrance fee – 200 som
- ❑ 5% from Muji project – 293,698 som (6483 US\$)
- ❑ Other financial recourses – investment etc.



Total amount
293,698 som

IK BRAND COMMITTEE

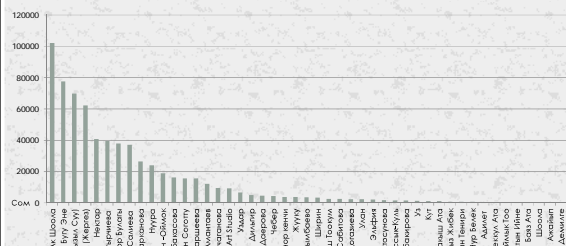


KARAKOL & CHOLPON-ATA OVOP SHOPS OPENINGS

200 kinds of OVOP products
from **48** producers



KARAKOL & CHOLPON-ATA OVOP SHOPS OPENINGS



COOPERATION WITH NGO "FORWARD" IN OVOP SHOP MANAGEMENT



EXPO/ FAIR

- Touristic Fair -2011 in Cholpon-Ata
- 20th Anniversary of CIS countries, international Expo, Moscow, Russia
- OVOP products EXPO in Tokyo, Japan
- Regular fairs, expos in Karakol, Bishkek



Thank you for your attention