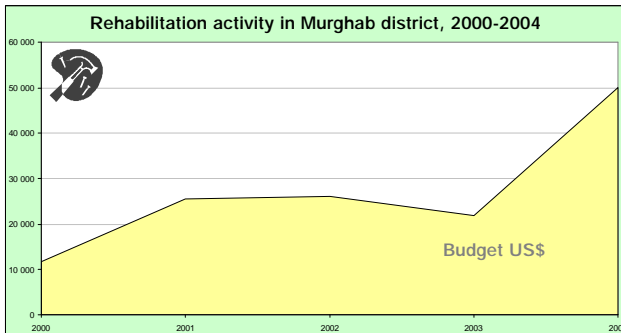


PHIP is an integrated development project implemented in the Eastern Pamirs by the INGO ACTED. It is funded since 1999 by the Swiss Agency for Development and Cooperation (SDC) and since 2002 by UNESCO. It started operating in 1999 and aims at improving the livelihood of the local population by opening up sustainable economic options. Support to the emerging civil society and capacity building, are part of all interventions.

----- Reports by Department -----

Winter in Murghab is the time for review and planning. The report will give an overview of quantifiable results of 2004 and the last three years.

Rehabilitation

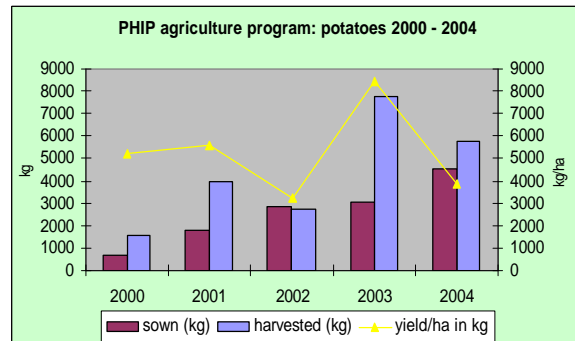
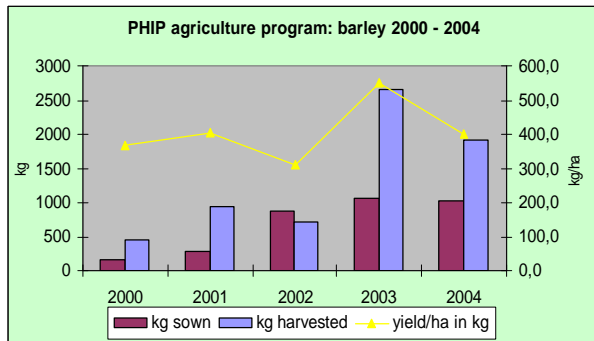


Rehabilitation has rehabilitated or built 14 buildings in the last 4 years. In total, some 3500 people, mainly students benefit from up-graded buildings. Since 2003, energy efficiency has become an additional aspect of reconstruction. The focus of rehabilitation were schools and since last year medical points. Rehabilitation work is done with a 25% community contribution.

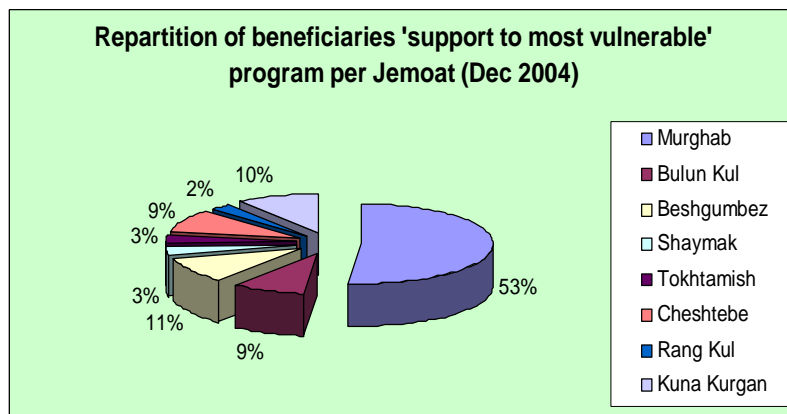
In 2004, 57 rehabilitation workers brought home an average monthly income of 80 Somoni on the 7 sites the PHIP engaged in.

Agriculture

The results of 2004 showed that agriculture in Murghab with reasonable results is only possible in few prime areas. In order to contribute to nutrition of the rayon, a small scale greenhouse (plastic sheet tunnel) scheme will be scaled up in the coming phase.



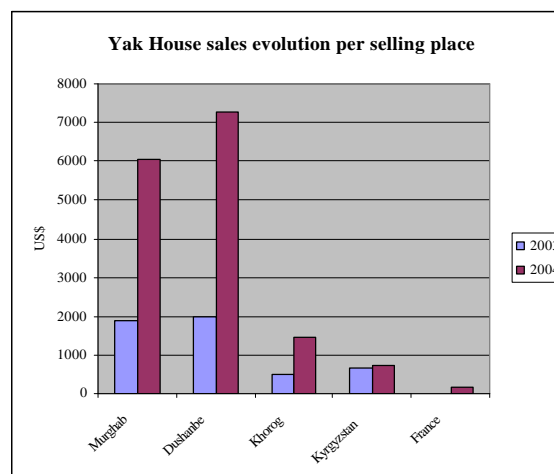
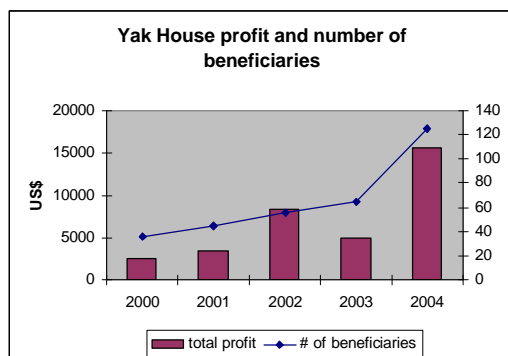
Support to most vulnerable families



The 'most vulnerable' program has scaled up its activities in 2004 and is now interacting with 87 beneficiaries in Murghab and the villages of the rayon. The objective for the coming phase is to scale up activities in flour trade and goat breeding (turned into a combined goat/sheep breeding by involving more people and by increasing the benefit made by the beneficiaries. A grant component to the in-kind credits has been recommended.

The Yak House

The Yak House had a record sales year with 15668 US\$ total profit. The number of women actively involved in the project has grown to 125. Dushanbe holds the first place as best selling place, closely followed by Murghab which has benefited from the growing number of visitors and sold products for over 6000 US\$ in 2004. The objective for the coming phase is to consolidate production and sales channels to permit the Yak House to become a fully independent structure and to increase the impact per individual household.



Micro Finance Project

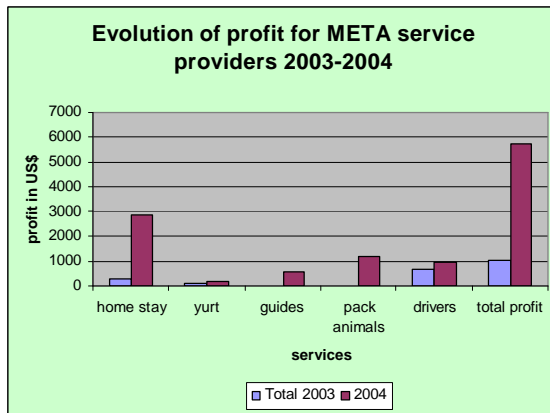
Since 1999 the number of clients and the outstanding loan balance of the Micro Finance Project have steadily increased. Reimbursement rate is generally high, but the loans given out in 2003 showed declining reimbursements. Rotating Credit Groups (RCSA) were started in and have proven successful loan schemes, targeting more vulnerable families and showing a very good loan reimbursement. In the coming phase an increasing amount of loans will be disbursed through these small rotating credit groups.

In 2003, the overall loan amount increased considerably, from 30.600 US\$ to nearly 55.000 US\$. The number of clients increased nearly by 100. Client selection proved less accurate than in the previous years, thus loans were disbursed to households which did not prove reliable partners. In late 2004, when reimbursements should have been accomplished, the project therefore froze its assets in order to concentrate on collecting the outstanding amount of money. New loans are being disbursed from January 2005, starting in the Jemoats were all debts have been reimbursed.

PHIP Micro Finance Project Outstanding loan balance (OLB) and clients development 1999 - 2004												
year	livestock			small business			RCSA (tontine/tontone)			total		
	OLB	# of clients	reimbursement rate	OLB	# of clients	reimbursement rate	OLB	# of clients	reimbursement rate	OLB	# of clients	reimbursement rate
1999	1 331	3	100%							1 331	3	100%
2000	9 900	42	100%							9 900	42	100%
2001	17 000	69	100%	1 950	13	100%				18 950	82	100%
2002	26 600	120	99%	4 000	20	100%				30 600	140	100%
2003	46 000	189	98%	8 500	43	96%				54 500	232	97%
2004	2 400	12		10 300	46		1 750	18	100%	14 450	76	100%
2005 (plan)	46 800	156		11 200	45		10 400	156		68 400	357	

Eco-tourism

The season of 2004 can be qualified as the take off season for tourism: 257 visitors used META services (as opposed to 36 in 2003), allowing the 25 service providers to make a total net profit of 5700 US\$. 6 complete products were developed ranging from trekking over archaeological jeep tours to camel treks, the bulk is being promoted through regional tour operators keen on discovering new opportunities. Nature conservancy awareness



seminars were held which, jointly with economical valorisation of living nature aim at a long term impact on the conservation of the unique nature and culture of the Eastern Pamirs.

Besides legal and administrative questions the main obstacles for the years to come will be increasing the outreach and impact of the benefits from the program. That implies community based product development and strengthening of marketing channels in order to lead META to structural and financial independence within three years.

Culture and education support

The department provided the 14 Murghab schools with a total of 2360 Kyrgyz language schools books on a credit base. It also provided Murghab youth and overall population with musical equipment (29 items), sports inventory and sports events and support to the theatre landscape (costumes, rehabilitation of the culture house). The department interacted with the culture commission, a mixed platform with Hukumat and Civil Society representatives and merged into the 'Dostuk fund' which is supporting local culture and managing a slowly increasing culture fund. In 2003 a compilation of oral Kyrgyz heritage of the Eastern Pamirs was published and discussed within the population. Challenges for the future are to support local culture by mobilising to events which will, in cooperation with the tourism department, serve to the further development and valorisation of the local cultures in all its aspects.

special report - special report – special report - special reports - special report – special report– special report

Murghab links to the world

Murghab International Airport: Murghab airport was in the past years not known for long queues at its check-in counter. Since the end of the Soviet Union it served once as the landing field for the visit of HH the Aga Khan, an event which took place some 8 or 9 years ago.

In December 2004, a plane flew over Murghab. One day later, the plane came back and actually landed on the airstrip. Excitement was great in Murghab, and many rumours toured town. It turned out to be a plane of the Tajik military supplying the Murghab army garrison.

On the 22nd of January, a second plane landed in Murghab. It now seems that there will be one flight monthly in AN 24 freight planes. They will take passengers at 100 TJS a trip, which will constitute an extremely interesting alternative to two days in a bumpy car. The challenge will be to know when the flights go.

View from Vichkut Fortress on the Hindu Kush.



Ishkashim – Chitral Highway: In Murghab travellers still have the function of telling one what is happening in the world outside. The third tourist who made it to Murghab in January (an increase of 300% compared to 2004, that's a promising start of the year!!) reported that a contract had been signed between Pakistan and Tajikistan to directly link the two countries through a road from Ishkashim/Lianganr to the Baroghil Pass in NWFP. If that news is more than a rumour it might become one of the interesting itineraries for the intrepid tourist.

Landline telephone: From January 2005 it will be possible to phone Murghab directly from Tajikistan and even abroad. To call out from Murghab one will

either pass through the operator or can book a 'channel' to a specific destination which he/she will be able to dial directly. The ACTED office can be joined by dialling 21 (for Murghab) and 453 for our phone.