



# True strength lies in calmness

## Dr. Willmar Schwabe and GIZ promote valerian cropping in Kyrgyzstan



### The challenge

Kyrgyzstan is one of the poorest countries in the world. 25 years after the collapse of the Soviet Union, economic growth in this small country remains subdued. Today, agriculture still accounts for more than one third of all economic output. However, the agrarian sector lacks appropriate mechanisms and strategies to market the goods it produces – agricultural produce is therefore mostly destined for consumption by the rural population.

The country is also finding it difficult to meet Europe's growing demand for medicinal plants and herbs. The farmers lack the skills and infrastructure they need to produce raw plant materials to internationally accepted standards. And yet, Kyrgyzstan's geographical and climatically favourable situation with its unpoluted soils offers the best conditions for growing the raw materials needed for plant-based medicines.

---

*'With GIZ's know-how and infrastructure on site and with Galenpharm as a partner, we felt stronger and secure enough to branch out into the Kyrgyz market.'*

Daniel Fraas, Procurement Manager for plant-based raw materials and extracts at Dr. Willmar Schwabe

### The solution

This potential has come to the attention of the phytopharmaceuticals manufacturer Dr. Willmar Schwabe. Needing 100 tonnes of top-quality valerian each year for the production of its herbal medicines, this Karlsruhe-based company aims to develop Kyrgyzstan as a source of valerian – and thereby give local farmers access to the European market.

To get things moving, the develoPPP.de programme provided Schwabe with specialist and financial support. With develoPPP.de, Germany's Federal Ministry for Economic Cooperation and Development (BMZ) promotes private-sector involvement at the point where business opportunities and development-policy initiatives intersect. As part of the programme, Dr. Willmar Schwabe entered into a development partnership with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in the period from 2012 to 2016. Also on board was Galenpharm, a local company that specialises in plant extracts that was striving to expand its capacities to meet the needs of the European market.

The partners' goal in the mountainous project region located round Lake Issyk-Kul was to empower local smallholding families to farm good quality valerian on a professional and sustainable basis. Together, Schwabe, Galenpharm and GIZ launched a comprehensive training programme designed to communicate the necessary skills. This resulted in an increase in production capacity and optimised further processing and international distribution.



## Contact Information

Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH  
Volker Hennes  
T + 49 (0) 61 96 79-34 40  
E [develoPPP@giz.de](mailto:develoPPP@giz.de)  
I [www.develoPPP.de](http://www.develoPPP.de)

Dr. Willmar Schwabe GmbH & Co. KG  
Daniel Fraas  
T + 49 (0) 721 40 06-435  
E [daniel.fraas@schwabe.de](mailto:daniel.fraas@schwabe.de)  
I [www.schwabe.de](http://www.schwabe.de)

## Our services

The project partners' first step involved formulating a training plan for valerian farming. Here the specialist know-how of the two herbal medicine companies was complemented by GIZ's long-standing development-policy expertise. Well-networked on site, the partner Galenpharm subsequently mobilised around 1,000 small farmers to take part in the specially designed training programme. Furthermore, 14 individuals were trained as agricultural extension officers so as to mainstream this specialist know-how over the long term. Schwabe provided seed for the training programme and advised on cropping and processing. Driven by its desire to promote its customers welfare, Schwabe's prime objective was to buy in raw materials of flawless quality. 'Our customers are also patients,' explains Daniel Fraas who is in charge of the procurement of plant-based raw materials and extracts at Schwabe. 'Pesticide residues and other contaminants in the raw materials are therefore something we cannot accept under any circumstances.'

To optimise local value added, Galenpharm has set up a collection point for the valerian harvest. From here, the roots are taken to a processing centre – also newly built for this purpose – where the partners have installed machines to wash and dry the valerian. Given that until now production was mainly done manually, these measures all make for faster and more efficient further processing. Finally, Galenpharm sees to the international distribution of the roots.

## Impacts and results

'Through their experience in cropping and processing and via their distribution channels, the companies have opened up new doors for Kyrgyz-grown valerian root,' says Volker Hennes, Project Manager for [develoPPP.de](http://develoPPP.de) at GIZ. Thus, in the longer term, the development partnership ensures the smallholders have a better competitive edge and more income. A major factor here are the long-term supply contracts with Galenpharm and Schwabe. GIZ helped promote and anchor a corresponding system of contract

farming in the region that requires producers and buyers to agree in advance on quality criteria, delivery schedules and payment modalities for valerian production – thus giving both sides greater security.

By the end of the project, around 400 farmers had concluded long-term supply contracts with Galenpharm, which in turn sells the produce to its German partner. These measures have secured an impeccable standard of valerian product – a major criterion, especially in the pharmaceutical industry. Dr. Willmar Schwabe is satisfied: The company already sources around 20 tonnes of top quality processed valerian root per harvest cycle from Kyrgyzstan, and is planning further investments in the field of mechanisation and pesticide-free weed control in a bid to move closer to achieving its annual target of 100 tonnes of good quality valerian per year.

### At a glance

<b>Duration</b>	1 May 2012 – 31 March 2016
<b>Country</b>	Kyrgyzstan
<b>Objective</b>	To improve the qualitative and quantitative parameters for valerian cultivation for pharmaceutical purposes in the Issyk-Kul region while enabling local smallholding families to access the European market.
<b>Partner</b>	Dr. Willmar Schwabe, Galenpharm and GIZ
<b>Results</b>	<ul style="list-style-type: none"><li>• For Dr. Willmar Schwabe having long-term supply contracts secures access to valerian of a reliably high quality, while ensuring a substantially higher level of income for smallholding families.</li><li>• Around 20 tonnes of quality valerian are exported to Schwabe each year; the local partner Galenpharm is now delivering to the European market for the first time.</li><li>• 1,000 farmers took part in the training programme; by the end of the project 400 of them were contract partners.</li><li>• 14 individuals were trained as agricultural extension officers.</li></ul>

Published by Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH  
Registered Offices: Bonn and Eschborn, Germany  
Sector project on Cooperation with the Private Sector/  
Corporate Responsibility for Development  
Dag-Hammarskjöld-Weg 1–5  
65760 Eschborn, Germany  
T +49 (0) 61 96 79-0  
F +49 (0) 61 96 79-11 15  
E [info@develoPPP.de](mailto:info@develoPPP.de)  
I [www.giz.de](http://www.giz.de)

As at October 2016

GIZ is responsible for the content of this publication.

A project of

[develoPPP.de](http://develoPPP.de)



Implemented by

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

On behalf of

Federal Ministry for Economic Cooperation  
and Development (BMZ)

Division

Cooperation with the Private Sector;  
Sustainable Economic Policy