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PROJECT PROGRESS REPORT STRENGTHENING MSME BUSINESS MEMBERSHIP ORGANIZATIONS IN UKRAINE (PHASE II)

Reporting Period June 2022 – September 2023

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ACRONYMS

BDS – Business Development Services

BMO – Business Membership Organization

CCI – Chamber of Commerce and Industry

GPO – Group Purchasing Organization

MoU – Memorandum of Understanding

MSMEs – Micro-, Small and Medium Enterprises

PPD – Public-Private Dialogue

UNDP – United Nations Development Programme

CONTEXT OF THE PROJECT

The Project is a continuation of the Phase I implemented by UNDP in Ukraine in 2015-2018, incorporating relevant lessons learnt and introducing adjustments that will enhance overall positive influence on MSME sector.

The objective of the Project Phase II is to scale-up the support to MSME sector in Ukraine and improve its competitiveness through more professional, demand-driven and client-oriented BMOs. The objective will be achieved by strengthening organizational development, improving governance and operational management of BMOs, facilitating access to and utilization of the BDS by MSMEs, as well as facilitating professional PPD to improve the regulatory framework and overall business environment for MSMEs.

The Project envisages implementation of three Components:

Component 1: Improved organizational capacity of BMOs

Component 2: Better MSMEs' access to Business Development Services through BMOs

Component 3: Private sector and governmental side engaged in effective public-private dialogue.

The Project intends to achieve the following results:

- 1. MSME sector representativeness through professional BMOs has increased;
- 2. MSMEs increasingly benefit from BDS provided by BMOs to enhance their competitiveness;
- 3. Business environment for MSMEs is improved through an inclusive, representative and effective PPD

The Project has 27 partner BMOs including 7 BMOs engaged under the Project Phase I and 20 BMOs selected to join the Project during the Phase II. After the war breakout on 24 February 2022 the Project has adjusted its activities to the needs of partner BMOs in the crisis settings and rolled out the Immediate Response Small Grants Programme to support them.

MAIN HIGHLIGHTS OF THE REPORTING PERIOD

- ✓ A multilevel membership policy including informational membership introduced by the 24 partner BMOs resulted in a swift increase in the number of partner BMOs' members aggregate membership increased more than three times.
- ✓ New procurement regulations developed and approved by 23 partner BMOs allowed 10 of them to become implementing partners of various grant programmes for MSMEs supported by international donors and development agencies.
- ✓ CRM & LMS system "SendPuls" roll out includes annual licenses, training and individual installation services for 24 partner BMOs providing them access to individual profiles for different types of contacts, email, website and chatbot services and online knowledge products monetization.
- ✓ The V National SME Development Forum "Ukraine Recovery. The role of business associations" bringing together more than 200 participants from all regions of Ukraine and representatives of more than 10 international organizations was organized in Kyiv on 22 March 2023.
- ✓ Presentation of the umbrella brand for organic products "Organic Ukraine Business Hub" by the partner BMO Organic Ukraine took place at the Ukraine Recovery Conference 2023 Marketplace in London on 21-22 June 2023.
- ✓ A joint Declaration on development, implementation and advocacy of the Standard of Ukrainian Business Membership Organizations including a set of principles and criteria any MSME BMO is expected to comply with was signed by the representatives of all 27 partner BMOs.

PROJECT IMPLEMENTATION

OUTPUT 1: Improved Organizational Capacity of BMOs

Activity 1.1. Provide follow-up support to BMOs engaged under the Project Phase I is integrated with Activity 1.4. Implement BMO capacity development programme. Activity 1.2. Deliver in-depth research on BMO sector is completed and will be continued during the Project extension in 2024. Activity 1.3. Select partner BMOs is completed. Sub-activity 1.4.3. "BMO Confidence Building Campaign" is presented under the Output 3 "Private sector and governmental side engaged in effective public-private dialogue".

1.4. Implement BMO capacity development programme

1.4.1. BMOs Leadership Programme

Training component

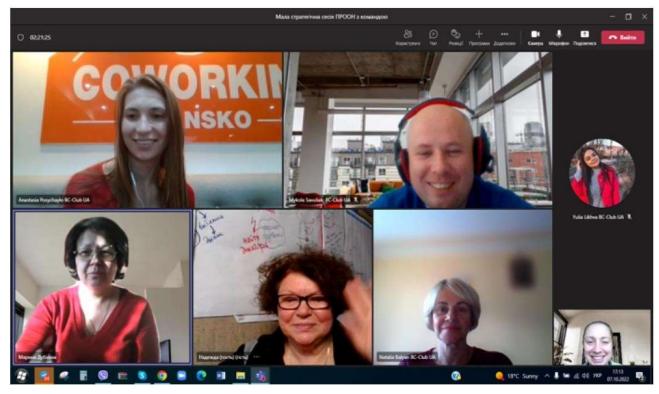


UNDP has launched a BMOs Leadership Programme in cooperation with Kyiv-Mohyla Business School (kmbs). It aimed at developing capacities of the 27 partner BMO leaders and teams to facilitate the quality transition of the organizations they represent to a well-governed and influential communities of MSMEs. After the breakout of the war in February 2022 training curriculum and approach were adjusted to ensure achieving programme objectives in the high-risk environment:

- The 6th module for the BMO leaders was conducted online and focused on helping to understand the new role and challenges for BMOs in the crisis settings.
- An additional module for the BMO leaders was combined with the 5th module for the BMO teams and focused on methodological approach to developing BMO strategies and their annual implementation plans.

• The 7th, 8th and 9th modules were conducted in the format of a business game and focused on presenting, defending and discussing BMO development strategies until 2025.

Advisory component



Group coaching sessions and strategic planning sessions were conducted for all 27 partner BMOs by six professional coaches provided by kmbs. The average time of group online counselling was 9.5 hours for each partner BMO. Strategic sessions were conducted as a one-day event for 12 BMOs in-person and for 15 BMOs online. These sessions involved BMOs' members and BMOs' Board members, partners from the public and private sector, experts and opinion leaders with the project representative joining each of the session. As a result, all 27 partner BMOs have prepared their development strategies until 2025 and presented them at the final modules of the Leadership programme. The current status of the BMO development strategies implementation is presented in the table below:

#	Partner BMO	Strategy drafted	Strategy finalized	Strategy approved	Annual plan drafted	Annual plan approved
	Chambers of Commerce	and Indu	stry			
1.	Ukrainian CCI	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
2.	Donetsk CCI	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
3.	Ivano-Frankivsk CCI	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc

4.	Kharkiv CCI	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
5.	Odessa CCI	\bigcirc	\otimes	\otimes	\otimes	\otimes
6.	Sumy CCI	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
7.	Zaporizhzhia CCI	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
	Industry-specific	BMO s				
8.	Association "Industrial Automation of Ukraine"	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
9.	Association of Milk Producers	\bigcirc	\otimes	\otimes	\otimes	\otimes
10.	Association of Housing Managers	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
11.	Interregional Union of Poultry Breeders and Fodder Producers of Ukraine	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
12.	Organic Ukraine	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
13.	Public Union "Carpathian Taste"	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
14.	Ukrainian Association of Enterprises of Light Industry	\bigcirc	\bigcirc	\otimes	\otimes	\otimes
15.	Ukrainian Association of Furniture Manufacturers	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
16.	Ukrainian Sign Industry Association	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
17.	Ukrainian Woodworking Machinery Association	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
18.	Union for Promotion of Rural Green Tourism Development in Ukraine	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
19.	Western Ukrainian Fashion Industry Cluster	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
	Universal BM	lOs .				
20.	Business Community Club Ukraine	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc

21. Business Women's Club MLT	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
22. League of Business and Professional Women of Ukraine	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
23. Poltava Business Association	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
24. Private Employers Association	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
25. Ukrainian platform "Women in business"	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
26. Union of Entrepreneurs "Stina"	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
27. Vzaimodiya-Plus	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc

Dissemination component

In order to extend the outreach of the Leadership programme and dissemination of the best practices of the partner BMOs to the entire sector of business membership organizations in Ukraine following knowledge products were developed:

- The manual <u>«Strengthening Business Membership Organizations»</u> a collection of best practices for BMOs' leaders and teams;
- <u>Guidelines for universities and business schools in Ukraine on how to train BMOs' leaders</u> were presented at an online workshop for 18 professors from 8 universities and business schools.

Related events:

#	Date	Title	Topics	Number of participants (incl. women)	Links
1.	16, 18, 23, 25 and 30 July 2022	Additional module for BMO leaders & Sub-module 5 for BMO teams (online)	 Methodological approach to developing BMO strategies and annual plans Group discussion on the elaboration pf BMO Standard 	32 (19)	n/a
2.	31 October – 2 November 2022	Module 7-8 for BMO leader (on-campus & online)	- Business Game – Part 1: BMO Strategies defence	24 (16) 13 online	Photos Press release (kmbs)

3.	14, 15 and 16 November 2022	Module 8 – 9 for BMO leader (on-campus with online broadcast)	- Business Game – Part 1: BMO Strategies defence	22 (17) 10 online	Photos Press release (kmbs)
4.	1 December 2022	Tele-bridge with a foreign BMO	- Meeting with European Clusters Alliance	48 (26)	Press release (kmbs)
5.	7 December 2022	Methodical workshop	- Lessons learned from the Leadership Programme	18 (12)	n/a
6.	14 December 2022	Tele-bridge with a foreign BMO	 Meeting with European Furniture Industries Confederation 	37 (8)	n/a
7.	16 December 2022	Tele-bridge with a foreign BMO	- Meeting with London Chamber of Commerce and Industry	61 (37)	Press release (kmbs)

1.4.2. Responsive Innovation Accelerator

Multilevel membership policy

Introduction of multilevel BMO membership allows for a swift increase in the number of members and the level of outreach to the business community. Development of individual membership policies for 24 interested partner BMOs involved BMO leaders and members, but also members of BMO boards and teams. For these BMOs existing membership models were analysed and new membership policies developed and adopted. The following levels of membership were added by some of the partner BMOs to the existing full membership:

Level of membership	Description	Adopted by
Informational	Declarative membership with no endorsement from the BMO required. Is usually obtained by online registration and confirmation of acceptance the BMO's Code of Ethics. Does not include a voting right. Membership fee is either absent or exists in the form of paid subscription.	24 BMOs
Initial	Temporary membership for a period of 3-6 months, which provides all the benefits of a full membership except the voting right but does not require payment of a membership fee.	12 BMOs
Leadership	Includes all rights and responsibilities of a full membership as well as additional duties such as membership in the Board and committees, mentoring other BMO members and sharing expertise with them.	10 BMOs
Honorary	Is offered to recognize an outstanding contribution of the organization or individual to the development of business	9 BMOs

	community and/or sector. Does not require payment of a membership fee and includes advisory voting right.	
Associate	Form of membership available for organizations and individuals not eligible for a full membership including companies from other sectors, media, educational and scientific institutions. Does not require payment of a membership fee and does not include voting right.	8 BMOs
Service	Allows BMO clients to join the organization by accepting its Code of Ethics. May provide discounts for BMO services and access to additional information products. Does not require payment of a membership fee and does not include voting right.	5 BMOs
Partner	Form of membership available for BMO stakeholders and partners such as other BMOs, NGOs, public organizations. Does not require payment of a membership fee and includes advisory voting right.	4 BMOs

The current status of the new membership policies rollout is presented in the table below:

#	Partner BMO	Informational	Initial	Leadership	Honorary	Associate	Service	Partner	Approved
	Chambers o	f Comn	nerce ar	nd Indus	try				
1.	Donetsk CCI	\bigcirc	\otimes	\otimes	\otimes	\otimes	\otimes	\otimes	\bigcirc
2.	Ivano-Frankivsk CCI	\bigcirc	\otimes	\bigcirc	\bigcirc	\bigcirc	\otimes	\otimes	\otimes
3.	Kharkiv CCI	\bigcirc	\bigcirc	\otimes	\bigcirc	\otimes	\otimes	\otimes	\otimes
4.	Odessa CCI	\bigcirc	\bigcirc	\otimes	\otimes	\otimes	\otimes	\otimes	\bigcirc
5.	Sumy CCI	\bigcirc	\bigcirc	\otimes	\otimes	\otimes	\otimes	\otimes	\otimes
6.	Zaporizhzhia CCI	\bigcirc	\otimes	\otimes	\otimes	\bigcirc	\otimes	\otimes	\otimes
	Indu	stry-spe	cific BI	MOs					
7.	Association "Industrial Automation of Ukraine"	\bigcirc	\otimes	\otimes	\otimes	\bigcirc	\otimes	\otimes	\bigcirc

8.	Association of Milk Producers	\bigcirc	\otimes	\otimes	\otimes	\bigcirc	\otimes	\otimes	\bigcirc
9.	Interregional Union of Poultry Breeders and Fodder Producers of Ukraine	\bigcirc	\bigcirc	\otimes	\otimes	\otimes	\bigcirc	\bigcirc	\bigcirc
10.	Organic Ukraine	\bigcirc	\otimes	\bigcirc	\bigcirc	\bigcirc	\otimes	\bigcirc	\bigcirc
11.	Public Union "Carpathian Taste"	\bigcirc	\bigcirc	\bigcirc	\otimes	\otimes	\bigcirc	\otimes	\bigcirc
12.	Ukrainian Association of Furniture Manufacturers	\bigcirc	\otimes	\otimes	\otimes	\otimes	\otimes	\otimes	\bigcirc
13.	Ukrainian Sign Industry Association	\bigcirc	\bigcirc	\otimes	\otimes	\otimes	\otimes	\bigcirc	\bigcirc
14.	Ukrainian Woodworking Machinery Association	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\otimes	\otimes	\bigcirc
15.	Union for Promotion of Rural Green Tourism Development in Ukraine	\bigcirc	\otimes	\bigcirc	\bigcirc	\bigcirc	\otimes	\bigcirc	
16.	Western Ukrainian Fashion Industry Cluster	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc	(\times)	\bigcirc	\bigcirc
	Cluster		_	_			_		
		Iniversa	ıl BMOs						
17.		Iniversa	al BMOs	\otimes	\otimes	\otimes	\bigcirc	\otimes	\bigcirc
17. 18.	U	Iniversa	al BMOs	\otimes	\otimes	\otimes	\otimes	\otimes	$ \bigcirc $
	Business Community Club Ukraine	Iniversal O	I BMOs	⊗✓✓	⊗⊘⊘	\otimes \otimes \otimes	\bigcirc	\otimes \otimes \otimes	
18.	Business Community Club Ukraine Business Women's Club MLT League of Business and Professional	Iniversal O	Al BMOS Al Company of the company o						
18.	Business Community Club Ukraine Business Women's Club MLT League of Business and Professional Women of Ukraine	Iniversal O O O O O O O O O	I BMOs I S						
18. 19. 20.	Business Community Club Ukraine Business Women's Club MLT League of Business and Professional Women of Ukraine Poltava Business Association	Iniversal O O O O O O O O O O O O O	I BMOs I S						
18. 19. 20. 21.	Business Community Club Ukraine Business Women's Club MLT League of Business and Professional Women of Ukraine Poltava Business Association Private Employers Association	Iniversal O O O O O O O O O O O O O	I BMOs I S I S I S I S I S I S I S I					\otimes	

Procurement policy

The experience of the Project suggests a clear correlation between the level of BMO's financial and procurement transparency and the level of members' trust resulting in capacity to retain and expand membership. The Project supported interested partner BMOs in development of the procurement regulations in line with best practices of financial transparency for the non-profit organizations, necessity to prevent possible conflicts of interest in procurement and requirements of the international donors and development agencies. 23 partner BMOs have developed and approved procurement regulations covering following types of procurement cases:

- Simplified procurement procedure;
- Procurement on the basis of price quotations competition;
- Procurement from a supplier included in the Register of regular suppliers;
- Procurement from a unique supplier;
- Procurement based on full competitive selection (tender).

New procurement regulations developed and adopted with the Project support allowed 10 partner BMOs to become implementing partners of various grant programmes for MSMEs supported by international donors and development agencies.

Related events:

#	Date	Title	Topic	Number of participants (incl. women)	Links
1.	20, 22 February 2023	Webinar on financial management	Development of a BMO financial policy	50 (29)	Part II

OUTPUT 2: Better MSMEs' access to Business Development Services through BMOs

Activity 2.1. Conduct BDS market assessment is completed. AWP 2022 sub-activity 2.2.1. "BMOs Leadership Programme" is presented under the Output 1 "Improved Organizational Capacity of BMOs". Activity 2.4. Promoting sustainable practices among MSMEs is presented under the Output 3 "Private sector and governmental side engaged in effective public-private dialogue".

2.2. Support development and rollout of general BDS

2.2.1. BMO Competitiveness Booster: technical support to BMOs' strategies implementation

Following adoption of the BMO development strategies and their annual implementation plans the Project has provided all partner BMOs with an opportunity to apply for a technical support to implement one of the development projects of their strategies. Two partner BMOs selected as winners of the strategy defence competition, namely Business Women's Club MLT and Organic Ukraine, were rewarded with an opportunity to apply for a technical support of two development projects each. Information on the individual development projects implemented by the partner BMOs with technical support from the Project is summarized in the table below:

#	Partner BMO	Development project	KPIs
Cho	ambers of Commerce and Industry	,	
1.	Ukrainian CCI	Participation in the World Chambers Congress 2023	 Investment and cooperation proposals of Ukrainian MSMEs presented; Partnership with potential investors and donors for the reconstruction and recovery projects established.
2.	Donetsk CCI	Thematic business podcasts	 Six 20-minute podcasts produced; Up to 80,000 views of the produced materials; At least 30% growth in the number of service users among members/clients.
3.	Ivano-Frankivsk CCI	Web-platform of business opportunities for SMEs	 New web-platform launched; At least 20 information products published.
4.	Kharkiv CCI	Series of thematic webinars on business development	 Six webinars created and conducted; At least 30% growth in the number of service users among members/clients.

5.	Sumy CCI	New online magazine "Business News"	 Four monthly issues of the online magazine published; Up to 50,000 views of the published materials; At least 10% growth in the number of service users among members/clients.
6.	Zaporizhzhia CCI	Draft Zaporizhzhia Oblast State Administration Programme on business environment and entrepreneurship support infrastructure development	 At least three meetings of the taskforce on Programme development conducted; Draft Programme approved by Zaporizhzhia Oblast State Administration.
Ind	ustry-specific BMOs		
7.	Association "Industrial Automation of Ukraine"	Conference Industry 5.0 in Ukraine	 At least 120 participants of the Conference; At least 20 relevant stakeholders joining the Manifesto on transition to Industry 5.0.
8.	Association of Housing Managers	International Workshop for Housing Managers	 Solutions for the development of rental and social housing market in Ukraine based on Polish experience identified.
9.	Interregional Union of Poultry Breeders and Fodder Producers of Ukraine	SEO of the BMO website	At least 100% website traffic increase.
10.	Organic Ukraine	Online catalogue of Ukrainian organic food products	 At least 100 companies registered in the catalogue; At least 50 companies sell their products through the catalogue.
		Presentation of the umbrella brand "Organic Ukraine Business Hub" at the URC Marketplace	At least 10 B2B meetings with potential partners.
11.	Public Union "Carpathian Taste"	Promoting of the webstore of craft food manufacturers	 At least 15% growth in sales of the webstore;

			 At least five new manufacturers and 20 new products added to the webstore; At least 1000 organic visitors of the webstore; At least 10% growth in the number of service users among members/clients.
12.	Ukrainian Association of Furniture Manufacturers	Business Conference "REFURNICATION"	At least 100 participants of the Forum.
13.	Ukrainian Sign Industry Association	National Annual Competition of the outdoor advertising and business facilities' decoration projects	 At least 10 new full members; At least 200 new informational members; At least 60 participants of the competition.
14.	Union for Promotion of Rural Green Tourism Development in Ukraine	Educational web-platform	 Platform for training and certification of members launched; At least 10 pilot certifications of the BMO members completed.
15.	Western Ukrainian Fashion Industry Cluster	"Sew For You" website with online booking system of the existing coworking spaces	 Online booking system for two coworking spaces launched; At least 75% of an average monthly equipment booking rate.
Uni	versal BMOs		
16.	Business Community Club Ukraine	Web-platform "Grant Market"	 New web-platform launched; At least 20 information products published.
17.	Business Women's Club MLT	MSME Survey on human capital challenges	At least 500 MSMEs representing at least 10 sectors surveyed.

18.	League of Business and Professional Women of Ukraine	National Forum "InterUAction. Positive Scenario of Recovery and Development of Ukraine"	 Recommendations generated during the event forwarded to Ukraine's local, legislative and executive authorities.
19.	Poltava Business Association	New BMO website	New website launched;At least 500 new unique visitors per month.
20.	Private Employers Association	Regional Forum for Economic Recovery and Development	 At least 100 participants of the Forum; At least 10 co-organizers of the Forum; At least 16 media publications.
21.	Ukrainian platform "Women in business"	Voluntary business standard of mentorship services	 At least 3 mentors and mentees involved in piloting of the standard.
22.	Union of Entrepreneurs "Stina"	A chatbot to support entrepreneurs during inspections of regulatory authorities	 At least five algorithms and process maps for interactions with representatives of regulatory authorities during inspections developed; A coordination centre to support entrepreneurs during inspections launched.
23.	Vzaimodiya-Plus	Modernization of the BMO website and two service websites	At least 200 new member accounts created.

2.2.2. Responsive Innovation Accelerator: **GPO market analysis**

The Project has supported market analysis for 10 pilot GPOs initiated by the interested partner BMOs and profile development for each of them. Based on the analysis results five GPOs were selected for further piloting. Additionally, a GPO creation manual was developed. GPO market analysis results are presented in the table below:

#	Partner BMO	GPO type and name	Potential participants	Expected results & estimated benefits	Selected for piloting
1.	Ivano- Frankivsk CCI	Consulting services GPO "Export Department"	5	 Aims at purchasing consulting services on export development; Approx. amount of estimated benefits is \$51,000 (a cost of establishing export development units by each of the potential participants). 	\otimes
2.	Zaporizhzhia CCI	Consulting services GPO "Partnership Hub"	5	 Aims at purchasing consulting services on export development and investment attraction; Approx. amount of estimated benefits is \$82,000 (a cost of establishing export development and investment attraction units by each of the potential participants). 	\bigcirc
3.	Organic Ukraine	Marketing & co- branding GPO "Organic Ukraine Export Hub"	4	 Aims at developing export strategy for the existing umbrella brand "Organic Ukraine Export Hub"; Approx. amount of estimated benefits is \$24,000 (a cost of developing export strategies for each of the potential participants). 	\otimes
4.	Ukrainian Association of Enterprises of Light Industry	Training services GPO "Lean Business School"	6	 Aims at purchasing training services on Lean approach; Approx. amount of estimated benefits is \$7,400 (a cost of Lean Black Belt training course from the Lean Institute Ukraine for two trainees from each of the potential 	\otimes

				participants).	
5.	Ukrainian Association of Furniture Manufacturers	Marketing & co- branding GPO "Furniture of Ukraine"	10	 Aims at developing export strategy for the existing umbrella brand "Furniture of Ukraine"; Approx. amount of estimated benefits is \$118,000 (a cost of developing export strategies for each of the potential participants). 	\otimes
6.	Western Ukrainian Fashion Industry Cluster	Marketing & co- branding GPO "Online hub Fashion Park Lviv"	4	 Aims at developing marketing and branding strategy for the existing umbrella brand "Fashion Park Lviv"; Approx. amount of estimated benefits is \$44,000 (a cost of developing marketing and branding strategies for each of the potential participants). 	
7.	League of Business and Professional Women of Ukraine	Consulting services GPO "Damage Assessment"	3	 Aims at purchasing consulting services on damage assessment; Approx. amount of estimated benefits is \$24,000 (a cost of conducting damage assessments for each of the potential participants). 	\bigcirc
8.	Ukrainian platform "Women in business"	Training services GPO "Women Business School"	4	 Aims at purchasing business training services for women; Approx. amount of estimated benefits is \$53,000 (a tuition fee for the Unit School of Business course for each of the potential participants separately). 	\bigcirc
9.	Union of Entrepreneurs	Consulting services GPO "Trade	5	Aims at purchasing consulting services on	\bigcirc

"Stina"	House"	business development;
		Approx. amount of estimated benefits is \$79,000 (a cost of establishing business development units by each of the potential participants).

2.2.3. Evidence-Based BMOs Transformer: model CRM solution "E-BMO"

Following the results and recommendations of IT management audit earlier performed for all 27 partner BMOs the Project is supporting them with obtaining annual licenses as well as training and individual installation services for the Ukrainian CRM & LMS system "SendPuls". It provides partner MBOs access to the following features:

- CRM system with individual profiles for each member, client, and potential lead;
- E-mail service allowing to track recipient's interactions with the message and sending a chain of e-mails;
- Built-in tool for websites/pages creation;
- Chatbots' creation in all popular messengers (Telegram, Viber, WhatsApp) with Al application;
- LMS system allowing for online knowledge products monetization.

Individual CRM & LMS system specifications for the interested partner BMOs are provided in the table below:

#	Partner BMO)	E-mailing (number of contacts)	Web-site creator CMS	Chatbot (number of users)	LMS (max. number of trainees)
	Chambers of Commerce and	Indu	stry			
1.	Ukrainian CCI)	9,000	\bigcirc	500	\otimes
2.	Donetsk CCI		6,000	\bigcirc	500	1,000
3.	Ivano-Frankivsk CCI)	5,000	\bigcirc	500	1,000
4.	Kharkiv CCI)	5,000	\bigcirc	500	1,000
5.	Sumy CCI)	3,000	\bigcirc	500	1,000
6.	Zaporizhzhia CCI)	5,000	\bigcirc	500	\otimes

	Industry-specific BMOs					
7.	Association "Industrial Automation of Ukraine"	\bigcirc	10,000	\bigcirc	500	\otimes
8.	Association of Milk Producers	\bigcirc	30,000	\bigcirc	500	1,000
9.	Association of Housing Managers	\bigcirc	500	\bigcirc	500	\otimes
10.	Interregional Union of Poultry Breeders and Fodder Producers of Ukraine	\bigcirc	500	\bigcirc	500	1,000
11.	Organic Ukraine	\bigcirc	14,000	\bigcirc	500	\otimes
12.	Public Union "Carpathian Taste"	\bigcirc	500	\bigcirc	500	\otimes
13.	Ukrainian Association of Furniture Manufacturers	\bigcirc	30,000	\bigcirc	500	1,000
14.	Ukrainian Sign Industry Association	\bigcirc	1,000	\bigcirc	500	1,000
15.	Union for Promotion of Rural Green Tourism Development in Ukraine	\bigcirc	1,000	\bigcirc	500	1,000
16.	Western Ukrainian Fashion Industry Cluster	\bigcirc	1,000	\bigcirc	500	\otimes
	Universal BI	10s				
17.	Business Community Club Ukraine	\bigcirc	30,000	\bigcirc	500	1,000
18.	Business Women's Club MLT	\bigcirc	1,000	\bigcirc	500	1,000
19.	League of Business and Professional Women of Ukraine	\bigcirc	3,000	\bigcirc	500	1,000
20.	Poltava Business Association	\bigcirc	1,000	\bigcirc	500	\otimes
21.	Private Employers Association	\bigcirc	3,000	\bigcirc	500	1,000
22.	Ukrainian platform "Women in business"	\bigcirc	5,000	\bigcirc	500	1,000

23. Union of Entrepreneurs "Stina"	\bigcirc	3,000	\bigcirc	500	1,000
24. Vzaimodiya-Plus	\bigcirc	10,000	\bigcirc	500	1,000

- 2.3. Facilitate MSMEs' access to BDS through small grants scheme to BMOs
- 2.3.1. BMO Competitiveness Booster: three low value grants for the BMO consortiums



Under the Immediate Response Small Grants Programme for the partner BMOs three low value grants were implemented by the BMO consortiums in July-December 2022 as described below.

I. United towards Recovery: Establishment of the Network of Business Support Coordination Centers

Implementation period	12.07.2022-30.11.2022
Funding	\$57,000
Consortium members	 Donetsk CCI (Leader) Zaporizhzhia CCI Ivano-Frankivsk CCI Odesa CCI Sumy CCI

	6) Ukrainian CCI7) Kharkiv CCI
Goal	Strengthen BMOs capacity and improve their organizational cooperation by establishing a Network of Business Support Coordination Centres aimed at supporting MSMEs under martial law.
Results	 Outcome 1: A pilot network of business support coordination centres created: Four pilot coordination centres were established: Business Relocation Centre (Donetsk CCI and Odesa RCCI); Business Recovery/Restart Centre (Zaporizhzhia CCI and Sumy CCI); Centre for Expansion/Intensification of Export-Import Operations (Kharkiv CCI and Ivano-Frankivsk CCI);
	 Coordination Centre (Chamber of Commerce and Industry of Ukraine). 477 consultations for MSME on relocation, restoration and restarting business, export-import operations provided; 14 specialized master classes for business conducted; The study of the MSME labour force market published. Outcome 2: Access of MSMEs from all regions of Ukraine to information and consulting support improved: United hotline created; 250 consultations for MSME provided.
Links	Outcome 3: Improved organizational, technical, and infrastructural capacity of BMOs – participants of the consortium: • Seven BMOs received software and computer equipment; • Warehouse premises in Ivano-Frankivsk for relocated enterprises leased. The knowledge base on: • relocation: https://wiki.ucci.org.ua/uk/proon/relocation • restart: https://wiki.ucci.org.ua/uk/proon/restart
	export: https://wiki.ucci.org.ua/uk/proon/export Links to project publications

II. Agri-Food Interaction Platform

Implementation period	12.07.2022 - 31.12.2022
Funding	\$62,500
Consortium members	1) Organic Ukraine (Leader)

	2) Interregional Union of Poultry and Feed Manufacturers of Ukraine			
	3) Business People Club of Ukraine			
	4) Carpathian Taste			
	5) Association of Milk Producers			
	6) Ukrainian Platform "Women in Business"			
	7) Sumy CCI			
	8) Association of Industrial Automation Enterprises of Ukraine			
	Association of Private Employers			
Goal	Establish a coordination logistics and information platform designed to consolidate the needs and capabilities of agri-food producers as well as to ensure food security under the martial law.			
Results	Outcome 1: The anti-crisis coordination logistics and information Agri-Food Interaction platform established:			
	A hotline for the Agri-Food Interaction platform set up;			
	The aggregator website created: http://agrifood-interaction.com.ua ;			
	100 information materials posted on the Agri-Food Platform website;			
	360 diagnostic interviews conducted;			
	147 consultations for MSMEs provided;			
	Three digests on grant opportunities prepared;			
	Nine webinars conducted.			
	Outcome 2: The family farms engaged in micro- farming with the aim of income generation and self-sufficiency:			
	Four webinars on basic skills of farming, food production, livestock, poultry breeding and beekeeping conducted;			
	Six training sessions within the "School of micro-farming" delivered;			
	100 informational materials on poultry breeding published.			
	Outcome 3: A pilot regional coordination centre in Lviv established:			
	Regional coordination centre web platform developed: https://laf.org.ua/;			
	Profiles of 35 agricultural producers populated on the web platform.			
Links	Links to Project information base			

III. BMOs Cooperation Platform

Implementation period	12.07.2022-31.12.2022
Funding	\$81,500

Consortium 1) members 2) 3) 4) 5) 6) 7) 8) 9) 10 11

- 1) League of Business and Professional Women (Leader)
- 2) Union of Entrepreneurs "Stina"
- 3) Business Women Club MLT
- 4) Ukrainian Association of Textile Industry Enterprises "Ukrlegprom"
- 5) Poltava Business Association
- 6) Ukrainian Association of Visual Industry
- 7) Western Ukrainian Fashion Industry Cluster
- B) Residential Property Managers and Operators Association
- 9) Ukrainian Association of Woodworking Equipment
- 10) Ukrainian Association of Furniture Manufacturers
- 11) Association of Industrial Automation Enterprises of Ukraine
- 12) Ukrainian Platform "Women in Business"
- 13) Organic Ukraine
- 14) Union for Promotion of Rural Green Tourism Development in Ukraine

Goal

Create a network for direct cooperation between BMOs and enterprises

Results

Outcomes 1: Concept and policies of the Interaction Platform developed:

- 15 policies developed: General operational guidebook, Rules of interaction and decision-making, Code of ethics, Values of Platform participants, Selection criteria for Platform participants, Financial and accounting policy, Procurement policy, Security policy, Privacy policy, Gender policy, HR policy, Service quality policy, Anti-corruption policy.
- Online platform <u>www.interuaction.org</u> developed and launched;
- 26 MSMEs were registered on the Interaction Platform.

Outcome 2: Improved communication between potential foreign buyers and Ukrainian producers:

- B2B online platform Ukrainian Brave Business https://uafm.com.ua/ubb/created and launched as a hub for receiving commercial export orders;
- 195 MSMEs registered on the B2B Platform.

Outcome 3: Improved technical capacity of BMOs – participants of the consortium:

• 11 BMOs received office and computer equipment.

Links

Links to project publications

OUTPUT 3: Private sector and governmental side engaged in effective public-private dialogue

AWP 2022 sub-activities 3.1.1./3.3.1. "BMOs Leadership Programme" are presented under the Output 1 "Improved Organizational Capacity of BMOs". Sub-activity 3.3.2. "BMOs Confidence Building Campaign" is presented under sub-activity 3.4.2. "BMOs Confidence Building Campaign".

3.1. Improve general advocacy strategy of BMOs

3.1.2. Responsive Innovation Accelerator: **communication strategies**

Informed by the <u>Assessment</u> of communication and PR tools used by 27 partner BMOs and the provision of individual recommendations to each organization, the Project has provided additional support to 19 interested partner BMOs in developing new communication strategies. Additionally, the Project has completed an assessment of communication and PR tools used by the National SME Platform, a coalition of MSME BMOs aiming at facilitating dialogue between the private sector and the government, and also supported development of the communication strategy for the Platform. Thus, 20 communication strategies were supported by the Project for the following partners:

- 1. Donetsk CCI
- 2. Ivano-Frankivsk CCI
- 3. Kharkiv CCI
- 4. Sumy CCI
- 5. Zaporizhzhia CCI
- 6. Association of Milk Producers
- 7. Association of Housing Managers
- 8. <u>Interregional Union of Poultry Breeders and Fodder Producers of Ukraine</u>
- 9. Organic Ukraine
- 10. Ukrainian Association of Enterprises of Light Industry
- 11. Ukrainian Sign Industry Association
- 12. <u>Union for Promotion of Rural Green Tourism Development in Ukraine</u>
- 13. Business Community Club Ukraine
- 14. League of Business and Professional Women of Ukraine
- 15. Poltava Business Association
- 16. Private Employers Association
- 17. Ukrainian platform "Women in business"
- 18. <u>Union of Entrepreneurs "Stina"</u>
- 19. Vzaimodiya-Plus
- 20. National SME Platform

3.2. Support partnerships for advocacy and dialogue

3.2.1. Responsive Innovation Accelerator: support for BMO coalitions



Based on the mapping of active MSME coalitions (including the National SME Platform, Ukrainian Business Council, National Business Coalition, #SaveFOP Movement, Alliance ROMB, "FORTETSIA", Ukrainian Cluster Alliance, Coalition of Business Communities for the Modernization of Ukraine), the National SME Platform was identified by the Project as a potential platform for the public-private dialogue at the national level. To coordinate its efforts in this area two-year operation plan was developed with the Project support and endorsed by the Coordination Council of the Platform.

The Project has also supported the National SME Platform in developing a service package for its members including following seven services:

- 1. Express analyses and assessment of local business climate;
- 2. Communications support of projects and advocacy campaigns;
- 3. Conducting "Projects' Fairs";
- 4. Project support office;
- 5. Capacity building for BMOs' members and teams;
- 6. Regulatory expertise;
- 7. Outsourcing of project coordination.

Related events:

#	Date	Title	Topic	Number of participan ts (incl. women)	Links
1.	11 May 2023	Fair of BMOs' Projects	Presentation of the support opportunities available for Ukrainian BMOs and MSMEs	125	Press release, photos & video

3.3. Strengthen BMO capacity to develop industry standards

3.3.2. Responsive Innovation Accelerator: support for industry standards

The Project has supported interested partner BMOs, mostly sectoral, in developing, establishing, and maintaining the voluntary industry and business conduct standards. Establishment of seven standards by the partner BMOs is facilitated through developing standards' requirements and streamlining accreditation procedures as presented in the table below:

#	Partner BMO	Name of the standard	Format	Status	
1.	Association of Housing Managers	Best practice code for housing managers	Guidelines for the standard implementation	Approved by the Board and presented for the reference of members	
2.	Organic Ukraine	Umbrella brand "Organic Ukraine Business Hub"	Guidelines for the standard implementation	Presented for the reference of members	
3.	Ukrainian Association of Furniture Manufacturers	Umbrella brand "Furniture of Ukraine"	Best practice code for the brand implemented; procedures and mechanism of complains resolution developed	Presented for the reference of the Board and members	
4.	Union for Promotion of Rural Green Tourism Development in	Standard of rural guesthouses categorization	Guidelines for the standard including compliance	Approved by the Board and to be launched on the updated website	
5.	Ukraine	Best practice code for rural accommodation	requirements and procedures		
6.	League of Business and Professional Women of	B2B Code of Ethics and Business Conduct	Two Codes of Ethics and complain	Presented to members and partners, an Ethical committee is being established	
7.	Ukraine	B2C Code of Ethics and Business Conduct	resolution mechanism		

3.4. Promoting PPD at the local and national level

3.4.1. Responsive Innovation Accelerator: support for regulatory platforms



The Project has established partnership with the State Regulatory Service of Ukraine aiming at developing and launching the open regulatory platforms based on public-private dialogue mechanisms at the national, oblast and municipal level. Seven training sessions on regulatory audit were delivered to representatives of local authorities from eight regions and interested partner BMOs. As a result, open regulatory platforms are launched in Chernihiv, Vinnytsia and Lviv cities, in Chernihiv oblast, and at the national level with the State Regulatory Service of Ukraine. Detailed information on the regulatory audit training sessions and open regulatory platforms supported by the Project is provided in the table below:

#	Date	Trainees	Number of participants (incl. women)	Regulator y platform establishe d
1.	1-4 Nov 2022	Chernihiv oblast and city (online)	97	\bigcirc
2.	30 Nov – 2 Dec 2022	Rivne oblast (online)	47	\otimes
3.	14-16 Dec 2022	Lviv and Ternopil oblasts (online)	142	\otimes

4.	19-20 Dec 2022	Kyiv (in-person)	70	\otimes
5.	24-26 Jan 2023	Vinnytsia oblast and city, Zakarpattia, Poltava, Chernivtsi oblasts (online)	171	\bigcirc
6.	27 Feb – 1 Mar 2023	BMOs from Chernihiv, Vinnytsia, Lviv and other oblasts	42	\otimes
7.	27-28 Jul 2023	Lviv city (in-person)	30	\bigcirc

3.4.2. BMO Confidence Building Campaign

V National SME Development Forum "Ukraine Recovery. The role of business associations"



The V National SME Development Forum "Ukraine Recovery. The role of business associations" taking place in Kyiv on 22 March 2023 brought together more than 200 participants from all regions of Ukraine and representatives of more than 10 international organizations. It aimed at raising the awareness of the role and significance of business associations in supporting and adapting to adverse business conditions in Ukraine, strengthening the country's economy, developing international relations, attracting investments, and promoting exports as well as discussing the role of the business community, including MSMEs, in implementing Ukraine's reconstruction and modernization plan.

First National Forum "Relocation"



The First National Forum "Relocation" took place on 15 December 2022. It was organized by the partner BMO Union of Entrepreneurs "Stina" and supported by the Project. The event was focused on integration of relocated enterprises into the business environment of Vinnytsia region. More than 100 representatives of MSMEs relocated from Kyiv, Donetsk, Kharkiv, Luhansk, Dnipropetrovsk, Zaporizhzhia, Kherson and other regions, as well as BMOs and NGOs, national and local authorities have joined the Forum.

Regional Forum for Economic Recovery and Development



The Regional Forum for Economic Recovery and Development took place in Kharkiv on 21 June 2023. It was organized by the partner BMO Association of Private Employers and supported by the Project. The event was focused on the problems of economic recovery in the Kharkiv region. It brought together representatives of local authorities and business community and resulted in initiating oblast programmes aiming to improve regional business climate and restore the economy of local communities.

Presentation of the umbrella brand "Organic Ukraine Business Hub" at the URC Marketplace



The Project has supported presentation of the umbrella brand for organic products Organic Ukraine Business Hub at the Ukraine Recovery Conference 2023 which was co-chaired by the UK and Ukraine in London on 21-22 June 2023. The partner BMO Organic Ukraine has presented it at the booth during the URC Marketplace.

Conference Industry 5.0 in Ukraine



A Conference Industry 5.0 in Ukraine took place in Kyiv on 14 July 2023. The event was organized by the partner BMO Association of Industrial Automation Enterprises of Ukraine and supported by the Project. Roadmap for the dual digital and green transition was presented and discussed with the representatives of Verkhovna Rada of Ukraine, Ministry of Economy, Ministry of Defence of Ukraine, the Ministry of Education and Science of Ukraine, academia, business and expert community. The Conference has resulted in 36 organizations including 25 clusters, 5 universities, regional development agencies and public organizations signing of the Manifesto on transition to Industry 5.0.

International Workshop for Housing Managers



An International Workshop for Housing Managers was conducted in Lviv on 14-15 July 2023 bringing together Ukrainian and Polish experts in housing management, thermo-modernization, and renewable energy. The event was co-organized by the partner BMO Association of Housing Managers and the Krakow Association of Residential Property Managers and supported by the Project. It aimed at exploring solutions for the development of rental and social housing market in Ukraine based on Polish experience.

Business Conference "REFURNICATION"



A Business Conference "REFURNICATION" organized by the partner BMO Ukrainian Association of Furniture Manufacturers and supported by the Project took place in Kyiv on 26 July 2023. The event was focused on various tools for optimizing and improving the furniture and door business to increase its competitiveness on the local and foreign markets.

National Forum "InterUAction. Positive Scenario of Recovery and Development of Ukraine"



The National Forum "InterUAction. Positive Scenario of Recovery and Development of Ukraine" organized by the partner women BMOs League of Business and Professional Women of Ukraine and Business Women's Club MLT and supported by the Project took place in Kyiv on 8 September 2023. It brought together more than 80 representatives of business, business membership organizations, national and regional authorities, experts, NGOs, donors and volunteers. The event was focused on discussing the strategy for the recovery and development of war-affected regions and communities.

Related events:

#	Date	Title	Topic	Number of participants (incl. women)	Links
1.	15 December 2022	1 st National Conference "Relocation"	Integration of relocated enterprises into the business environment of Vinnytsia region	115	<u>Landing</u> <u>webpage</u>
2.	22 March 2023	V National SME Development Forum	The role of business associations in recovery of Ukraine	212	<u>Photos</u>
3.	21 June 2023	Regional Forum for Economic Recovery and Development	Economic recovery in the Kharkiv region	94	<u>Video</u>
4.	21-22 June 2023	Ukraine Recovery Conference	Presentation of the umbrella brand for organic products "Organic Ukraine Business Hub"	n/a	<u>Materials</u>
5.	14 July 2023	Conference Industry 5.0 in Ukraine	Presentation of the Roadmap for the dual digital and green transition	130 (49)	<u>Photos</u>
6.	14 -15 July 2023	International Workshop for Housing Managers	Substandard housing for repairs and adaptation to affordable rent for IDPs	20 (6)	<u>Photos</u>
7.	26 July 2023	Business Conference "REFURNICATION"	New approaches and solutions in furniture business	60 (27)	<u>Photos</u> <u>Video</u>
8.	8 September 2023	National Forum "InterUAction"	Positive scenario of recovery and development of Ukraine	93 (49)	Press release (UNDP)

Project Management

Project Board

The second Project Board meeting took place on 25 November 2021. It was conducted in a hybrid format. The Board has reviewed and approved its extension, updated functions and composition as well key results achieved by the Project and plans for the next project period.

Related events:

#	Date	Title	Topic	Number of participants (incl. women)	Links
1.	25 November 2021	2 nd Project Board meeting of the Project	 Extension of the Project Board: review and approval of updated functions and composition; Presentation of the key results achieved and plans for the next project period. 	16 (8)	<u>Minutes</u>

Monitoring and Evaluation

A midterm external Project evaluation was conducted in November 2022 – January 2023. Evaluation results are summarized in the table below:

Evaluation criteria	Key findings
Relevance	 Highly relevant and important for the current country context; Substantial progress made but not yet critical mass to pursue the process without support – hence third phase recommended.
Coherence	 Aligned to needs and its approach does not overlap with other initiatives; Both internal and external coherence: aligned with SECO and UNDP priorities as well as Government needs.
Efficiency	 Undertake relevant expenditures that bring the value for money; BMOs supported the project management style, procedures and decisions made; Uneven workload, lack of participatory approach in selection of consultants/contractors; Project management was efficient and showed adaptive management capacity.
Effectiveness	 Largely reaching its expected results, but some targets may not be achieved given the current situation; Recognized value of the professional training provided in supporting capacity development of BMOs; Qualitative appreciation of BMOs generally high, the project is found to be focused and supportive; PPD on-going but efforts may be affected by martial law and changing priorities; Low direct involvement of the Ministry of Economy but good partnership

	 with EEPO; More intensive communication efforts needed with project stakeholders; Expected project extension beyond 2023 on track to reach outcomes.
Sustainability	 Mechanisms are being created to develop sustainability, but it is necessary to consolidate progress; The scaling up of the project would have a positive effect on MSME development.

Budget and Delivery

The approved annual budget for 2022 was USD 860,950 with the actual expenses of USD 785,455. The total actual expenditure and full asset cost as of the end of 2022 amount to 71% of the approved project budget. For more details, please see Annex 1: Financial report.

Lessons Learned

- During the Project implementation partner BMOs have demonstrated different development patterns and needs. The Project has attempted to address this diversity by applying individual approaches to the partners BMOs to the extent that was possible and maximizing flexibility of support provided to them.
- The added value of networking for leaders and teams of the partner BMOs during the Leadership programme and implementation of the low value grants by the consortiums of the partner BMOs resulted in sustainable partnerships between them and is highly demanded to be further supported by the Project.
- The underlying assumptions regarding the implementation environment and overall situation in Ukraine
 for the new development strategies of the most of partners BMOs appeared to be excessively optimistic
 and thus not entirely realistic. Therefore, BMOs' development strategies may require substantial revision
 and adjustments to the ongoing crisis settings.
- A global trend of "membership fee crisis" combined with severe economic recession hitting Ukraine after
 the breakout of the war has undermined the viability of the traditional MSME BMO fee-based business
 model. Some of the partner BMOs have eliminated membership fees thus completing transition to the
 value-based membership.
- After the breakout of the war a demand for BMO services has shifted from individual business development services to supporting communities of MSMEs. Several partner BMOs are currently assisting their members and constituencies in establishing clusters and cooperation platforms.
- Although the Government has introduced several initiatives aiming to support MSMEs there is a clear lack
 of entrepreneurship development policy as a coherent and inclusive process with clear goals and relevant
 measures. Subsequently public private dialogue on improving business enabling environment does not
 lead to informing and shaping policy decisions.
- There is an increasing trend of donors and development agencies seeing BMOs as effective intermediaries
 and implementing partners for the MSME support interventions due to their outreach to the business
 community, direct access to the beneficiaries and practical expertise.

LIST OF ANNEXES

Annex 1. Financial report for 2022

Annex 2. Status of activities against the Results Framework

Annex 3. Risk Log

Annex 4. Project Annual Workplan for 2022

Annex 5. Project Annual Workplan for 2023

Annex 2. "Strengthening MSME BMOs in Ukraine" Project Logical Framework Updates

Strategy of Intervention	Key Performance Indicators / Targets	Status of Achievement
		Impact
Increased growth	1.1. The share of the added value (by cost of production) of MSMEs in total added value Baseline (2018): 64.3% Progress (2020): 70.2% (19%) Progress (2023): N/A Target (2024): 70.0% (15.7%)	Source: State Statistical Service of Ukraine (2021) Due to martial law in Ukraine in 2022 - 2023, the data on added value (by cost of production) of MSMEs in 2021, 2022 is delayed (according to the State Statistic Service of Ukraine).
and competitiveness of the Ukrainian SMEs contribute to economic development in Ukraine	1.2. Number of people employed by MSME-members of partner BMOs Baseline (2020): 153,000 Progress (2021): 155,000 (†1%) Progress (2023): N/A Target (2024): 160,000 (†4.5%)	Baseline and progress data was collected through BMOs members' survey in Sep-Nov 2021 and reflects the results for 26 partner BMOs not accounting for Ukrainian CCI. The next MSME-members survey round will be conducted in 2024.
	1.3. Number of laws and sub-laws, consulted with partner BMOs (laws/sub-laws), submitted to respective authorities review and adopted Baseline (2019): 0/5 Progress (2023): 12/26 Target (2024): 5/15	Baseline data reflects the results of Phase I. Progress data include those laws and sub-laws consulted with the partner BMOs, which were adopted.
		Outcomes
	1.1. Organizational capacity of partner BMOs [as per index of organizational capacity] Baseline (2020): 2.48 Progress (2023): N/A Target (2024): 3.47 (†40%)	The baseline value reflects the average index for 27 partner BMOs selected at the inception stage. The next organizational capacity assessment will be conducted in 2024.
SME sector representativeness	1.2. Aggregate membership of partner BMOs¹ Baseline (Jun 2020): 5,026 Progress (2023): 20,881 (↑308%) Target (2024): 6,530 (↑30%)	The baseline data as of Jun 2020 is verified through BMO survey in Jul-Aug 2021. Significant progress achieved due to introduction of multilevel membership policy by partner BMOs.
through professional BMOs has increased	1.3. Share of women-led MSMEs among the members of partner BMOs, excluding BMOs representing exclusively women entrepreneurs Baseline (Jun 2020): 27% Progress (Jun 2022): 29% (†7%) Progress (2023): N/A Target (2024): 35% (†30%)	Baseline data was collected as part of the BMO survey in Jul-Aug 2021. Progress data is collected through BMO survey in Sept-Oct 2022. The results include 24 partner BMOs excluding BMOs representing exclusively women entrepreneurs, namely Women in Business and Business Women Club MLT. The League of Business and Professional Women included not only men-led businesses accounting for 94% of women-led enterprises in 2022. The progress as of Jun 2022 reflects the data provided by 19 BMOs; 7 BMOs do not keep track of such statistics. Tracing the progress will be continued after the introduction of digital applications (CRM system). The next MSME-members survey round will be conducted in 2024.

¹ The results at the outcome level presented as aggregated or average figures do not include the performance of Ukrainian CCI since it comprises regional CCIs

	1.4. Share of members paying fees in partner BMOs Baseline (Jun 2020): 60% Progress (Jun 2022): 41% (132%) Progress (2023): N/A Target (2024): 77% (128%)	The results reflect the performance of those partner BMOs that require payment of membership fees. Baseline is built on the data provided by 25 BMOs (excluding Business Community Club). Progress data is collected through BMO survey in Sept-Oct 2022. Due to martial law in Ukraine in 2022 – 2023, most members stopped collecting fees. After membership fees resume (2024), the next MSME-members survey round will be conducted to obtain further progress data.
	2.1. Share of members acquiring BDS from partner BMOs Baseline (Jun 2020): 54% Progress (Jun 2022): 51% (16%) Progress (2023): N/A Target (2024): 72% (133%)	Baseline data was collected as part of the BMO survey in Jul-Aug 2021. Progress data as of June 2022 is collected through BMO survey in Sept-Oct 2022. The progress as of Jun 2022 reflects the data provided by 17 BMOs; 9 BMOs do not keep track of such statistics. The missing data will be obtained during the next round of MSME-members survey in 2024.
SMEs increasingly benefit from BDS provided by BMOs to enhance their competitiveness	2.2. Share of MSMEs-members satisfied with BDS provided/facilitated by partner BMOs Baseline (2020): 61% Progress (2021): 66% (†8%) Progress (2023): N/A Target (2024): 78% (†28%)	Baseline data for 2020 and progress for 2021 were collected through BMOs members' survey in Sep-Nov 2021. The share of MSMEs satisfied with BDS provided/facilitated by BMOs reflects perceptions of those MSME-members that assessed services as satisfactory among the total number of BMO members. The next MSME-members survey round will be conducted in 2024.
	2.3. Share of BDS customers among women-led MSMEs-members Baseline (2020): 76% Progress (2021): 81% (†7%) Progress (2023): N/A Target (2024): 89% (†17%)	Baseline data for 2020 and progress for 2021 were collected as part BMOs members' survey in Sep-Nov 2021. The next MSME-members survey round will be conducted in 2024.
Representative and effective PPD contributes to improvement of business	3.1. Number of industry-based standards developed by partner BMOs on the principles of self-regulation and implemented by industry-based MSMEs Baseline (2018): 1 Progress (2023): 8 Target (2024): 8	Baseline reflects the results of Phase I, namely "Ukrainian Hospitable Estate" system of standards introduced by the Union for Promotion of Rural Green Tourism Development in Ukraine. Progress includes voluntary industry and business conduct standards: the Standard for visual industry businesses (Ukrainian Association of Visual Industry); Unified Voluntary Standard development (National MSME Platform); sectoral ("Basic code"/ voluntary badge system (Trustmark) for real estate managers (Association of Housing Managers); Codes of Business to Client and Business to Business Conduct for companies (League of Business and Professional Women); An Industry code establishing rules for marketing communications (Organic Ukraine); Complaints resolution scheme for Code of Ethics (Ukrainian Association of Furniture Manufacturers).
environment for SMEs	3.2. Share of full members of partner BMOs satisfied with the quality of Public-Private-Dialogue Baseline (2020): 34% Progress (2021): 35% (†3%) Progress (2023): N/A Target (2024): 50% (†47%)	Baseline data for 2020 and progress data for 2021 were collected as part of the BMOs members' survey in Sep-Nov 2021. The share of members satisfied with PPD reflects those members who assessed services as satisfactory among the total number of full BMO members. The next BMOs-members survey round will be conducted in 2024.
		Outputs

Partner BMOs strengthened governance and organizational	1.1. Number of partner BMOs with improved governance, management and optimized internal processes able to maintain adequate organizational structure and processes Baseline (2018): 7 Progress (2023): 27 Target (2024): 25	Baseline data reflects the results of Phase I. The progress data is reflected after the work of the National consultant to train, and coach selected BMOs on Financial Management and National Consultant to develop Membership Policy for selected MSME Business Membership Organizations.
capacity to better represent the interests of SMEs	1.2. Number of hubs/platforms established or developed for BMO cooperation Baseline (2020): 0 Progress (2023): 6 Target (2024): 6	According to carried out surveys, the progress data includes: 3 platforms (Kupuimo Razom Platform, re-launch of the National SME Platform and Industry 4.0 Platform). Additionally, progress data collected through BMO survey, includes 3 centres for informational support for businesses established within the Network of the Private Sector Coordination Centers (based on the CCI system), namely for relocated businesses, export-oriented business and business recovery.
		The next BMO survey round will be conducted in 2024.
	2.1. Number of BDS on cost-recovery basis implemented by partner BMOs Baseline (2018): 35 Progress (2023): 85 Target (2024): 80	Baseline reflects the results of Phase I. Progress data was collected through BMO survey in Sept 2023 and reflects 50 new services. The next BMO survey round will be conducted in 2024.
MSMEs have better access to BDS through BMOs	2.2. Number of Group Purchasing Organizations established or facilitated by partner BMOs Baseline (2018): 1 Progress (2023): 6 Target (2024): 5	Baseline reflects the results of Phase I, namely established consortium and groups of joint supply of goods for export by Ukrainian Association of Furniture Manufacturers. Progress data includes organizational and consulting support of the joint store and procurement of expert services for the implementation of HACCP in catering and food production enterprises by Vzayemodiya-Plus and initiation of five (5) pilot GPOs with selected partner BMOs: Zaporizhzhia Chamber of Commerce and Industry, Western Ukrainian Fashion Industry Cluster, Vinnytsia Regional Organization "Union of Entrepreneurs "Stina", "Ukrainian platform "Women in business", League of Business and Professional Women of Ukraine.
	3.1. Number of laws and sub-laws, consulted with partner BMOs, that have been submitted to respective authorities for adoption (laws/sub-laws) Baseline (2018): 5/4 Progress (2023): 32/28 Target (2024): 10/20	Baseline data reflects the results of Phase I. The data collected with the survey, reflects laws and sub-laws consulted with the partner BMOs submitted to respective authorities for adoption. The next organizational capacity assessment will be conducted in 2024.
Private sector and governmental side engaged in effective PPD	3.2. Number of partner BMOs that established partnerships linkages and created networks and coalitions with other relevant organizations Baseline (2018): 7 Progress (2023): 27 Target (2024): 27	Baseline reflects the results of Phase I. Progress data reflects partner BMOs, which were engaged in establishing the 3 partner BMO consortia, namely Network of the Private Sector Coordination Centers, Agri-Food Private Sector Hub and Non-Food Items Private Sector Hub.
	3.3. Number of dialogue platforms established to improve national or local regulations Baseline (2018): 1 Progress (2023): 6 Target (2024): 6	Baseline reflects the results of Phase I, namely the Open Regulatory Platform in Vinnytsia in cooperation with BMO Stina. Further progress data include 1 national and 4 local platforms: the national Open Regulatory Platform based on Regulatory Service of Ukraine; 4 local (oblast and/or municipal) platforms (Vinnytsia, Lviv, Chernihiv).
	3.4. Number of partner BMOs that established effective cooperation and partnerships to advocate for quality standards and/or certification, and/or	Baseline reflects the results of Phase I. The data covers number of designed partnerships, projects and standards: 1) "Regional hospitality standards in Vinnytsia" (BMO Stina); 2) Methodology "On the procedure for determining the country of origin of goods /

lead the process of such standards development Baseline (2018): 4 Progress (2023): 27 Target (2024): 16 services, registration and certification of certificates of the relevant forms"; 3) Methodology "Conducting commodity expertise by experts of chambers of commerce and industry in Ukraine") by the Ukrainian CCI, 4) National Classifier of Industrial Occupations and Status National Manufacturer) by Ukrlegprom, etc.

The progress for 27 BMO includes coalition creation for signing a joint Declaration of Unified Voluntary Standard development (National MSME Platform).

ANNEX 3.
Risk Management

#	Primary & Secondary Category	Event (Description of the risk)	Causes	Impacts (I); Likelihood (L)	Risk valid from Risk valid to	Risk Owner	Activities for treatment (countermeasures) and time plan	Expected effect from treatment	Status and Comm ents
1	Political/ Strategic	A change in the country's MSME sector development path	Changes of Government policy and strategic priorities leading to de- prioritization of MSME development	Improvement of business environment and deregulation may slow down or stall; new regulations or tax provisions may be imposed hindering MSME growth. I = 3 L = 3	Throughout the project life	Project Manager	The Project will support BMO advocacy activities to keep MSMEs on the policy agenda and as a strategic priority for country's economic development; At local level, the project will leverage the process of decentralization and will work to capacitate local authorities to enable MSME growth through better local regulations, as well as empower BMOs to deliver services to facilitate MSME growth.	The incumbent national government and local authorities continue to prioritize MSME development;	NA
2	Strategic/ Organisational	Low motivation of BMOs to develop their membership base as well as their service portfolio. Low motivation of BMOs to engage in advocacy and dialogue	Lack of strategic vision for organizational development; Low motivation of SMEs to become members of BMOs Low motivation to engage in advocacy and dialogue may be linked to BMOs' reluctance to provide non-excludable services, i.e. those that benefit the whole community and nomembers but are only paid by members of specific BMOs. Inefficient advocacy process and PPD also decreases motivation of BMOs and BMO members.	Limited effects of the project for MSME community (as the ultimate recipients). I = 3 L = 2	Throughout the project life	Project Manager	At the project start and throughout its duration, the Project will prepare a carefully designed information and motivational events for BMOs, ensuring that these organizations fully understand their development perspectives and their role towards MSMEs; The Project will offer services to develop/improve financial sustainability of the BMOs to enable them to render advocacy and contribute to PPD including leveraging collective power of joint actions; Partner BMOs may be replaced in the course of project implementation if no positive changes are observed following the capacity development services provided by the Project. The Project will closely work with MSMEs, providing necessary	BMOs are highly motivated to benefit from the support of the Project;	NA

							information, showing successful experiences of other regions or countries, to ensure that these enterprises understand the membership benefits.		
3	Strategic	Challenging macroeconomic situation in Ukraine	MSMEs are highly dependent on domestic market. Therefore, their performance depends heavily on macroeconomic situation.	Unfavourable economic conditions may diminish the impact of the project (MSME growth and # of jobs) I = 5 L = 4	Throughout the project life	UNDP CO Senior Management Project Manager	UNDP will closely cooperate with the national authorities of Ukraine to monitor the economic situation; The project will implement activities aimed at improving PPD for better business climate and expanding BMO's capacity to provide quality BDS on demand-driven basis, which may have significant impact on improvement of SME performance, including SME internationalization.	Project is implemented smoothly and efficiently;	NA
4	Financial/ Regulatory	Changes in government policies/approach to VAT (or other taxes) within the development projects implemented by UNDP	Throughout 2016- 2018 the State Fiscal Service rejected the VAT reimbursement to UN as well as series of other donors due to changes in interpretation of provisions governing the VAT reimbursement	The project may incur additional expenses when procuring services/goods (costs will include full VAT)	Throughout the project life	UNDP CO Operations	The Project will hold continuous consultations with responsible authorities and negotiate vendor contracts with 'zero VAT' clause.	Project is implemented smoothly in a costeffective manner;	NA
5	Strategic/ Operational	Security situation and escalation of conflict	The on-going conflict in Ukraine	The conflict affects business development in conflict-affected areas as well as overall economic situation; Deteriorated security may have effect on existing and potential partner organisations from the conflict-affected area. Any deterioration of security situation may impede the operation of BMO as well as any project activities. I=5 L=5	Throughout the project life	UNDP CO Senior Management UNDSS Project Manager	UNDP and UNDSS will closely monitor security situation; The Project will coordinate with the UN Recovery and Peacebuilding Programme to deliver necessary project activities; The Project will provide tailored assistance if the operation of the BMOs is disrupted (i.e. advice on strategy changes, organisational changes, modalities of service delivery etc).	Project is implemented smoothly in a safe environment;	NA

ANNEX 4. AWP 2022

ANNUAL WORK PLAN

Strengthening MSME Business Membership Organisations in Ukraine

Proejct ID: 00110134 | 00109217

у 2022								
Year: 2022	PLANNED ACTIVITIES	Q1	Q2	Q3	Q4	Total USD		
OUTPUT 1: Partner BMOs strengthened governance	Activity 1.1. Provide follow-up support to BMOs engaged under Project Phase I							
and organizational capacity to better represent the interests of MSMEs	1.1.1. BMOs Leadership Programme (joint with pp 1.4.1.)							
	1.1.2. Responsive Innovation Accelerator (joint with pp 1.4.2.)							
	Activity 1.4. Implement BMO capacity development programme							
	1.4.1. BMOs Leadership Programme: modules on governance, legal issues, financial management, HR, etc.					60 000,00		
	1.4.2. Responsive Innovation Accelerator: expert support for financial management and multilevel membership					30 000,00		
	Component 1 management					45 000,00		
	Sub-Total for Output 1							
	Activity 2.2. Support development and rollout of general BDS							
	2.2.1. BMOs Leadership Programme: modules on BDS					30 000,00		
	2.2.2. Responsive Innovation Accelerator: expert support for purchasing groups					15 000,00		
	2.2.3. Evidence-Based BMOs Transformer: BMO and BDS market analysis and reengineering					55 000,00		
	Activity 2.3. Facilitate MSMEs' access to BDS through small grants scheme to BMOs							

	2.3.1. BMO Competitivness Booster: three low value grants for the BMO consortiums		200 000,00		
	Activity 2.4. Promoting sustainable practices among MSMEs				
	2.4.1. Responsive Innovation Accelerator: expert support for sustanable industry standards		10 000,00		
	Component 2 management		45 000,00		
	Sub-Total for Output 2		355 000,00		
OUTPUT 3: Private sector and governmental side engaged in effective public-	Activity 3.1. Improve general advocacy strategy of BMOs				
private dialogue	3.1.1. BMOs Leadership Programme: module on advocacy		25 000,00		
	Activity 3.2. Support partnerships for advocacy and dialogue				
	3.2.1. Responsive Innovation Accelerator: expert support for BMO coalitions		10 000,00		
	Activity 3.3. Strengthen BMO capacity to develop industry standards				
	3.3.1. BMOs Leadership Programme: module on developing industry standards		25 000,00		
	3.3.2. Responsive Innovation Accelerator: expert support for industry standards		10 000,00		
	Activity 3.4. Promoting public-private dialogue (PPD) at local and national level				
	3.4.1. Responsive Innovation Accelerator: expert support for regulatory platforms		20 000,00		
	Component 3 management		45 000,00		
	Sub-Total for Output 3		135 000,00		
Project management and evaluation	Project management (incl. office rent and supplies)		120 000,00		
	Project evaluation		25 000,00		
	Sub-Total for Project Management		145 000,00		
	TOTAL CO Common Security (1%)		6 250,00		

TOTAL Support services (IT, HR, Fin, Procur.) (3%)			23 100,00
TOTAL Facilities & Administration (8%)			61 600,00
TOTAL AWP			860 950,00

ANNEX 5.
AWP 2023

ANNUAL WORK PLAN Strengthening MSME Business Membership Organisations in Ukraine

Proejct ID: 00110134 | 00109217

Year: 2023						
PLANNED ACTIVITIES (Q1	Q2	Q3	Q4	Total USD
OUTPUT 1: Partner BMOs strengthened governance and organizational capacity to better represent the interests of MSMEs	Activity 1.1. Provide follow-up support to BMOs engaged under Project Phase I					
	1.1.1. BMO Competitivness Booster (joint with pp 1.4.1.)					
	1.1.2. Responsive Innovation Accelerator (joint with pp 1.4.2.)					
	1.1.3. BMOs Confidence Building Campaign (joint with pp 1.4.3.)					
	Activity 1.4. Implement BMO capacity development programme					
	1.4.1. BMO Competitivness Booster : technical support to BMOs' strategies implementation in the area of organizational development, final capacity assessment of the partner BMOs					55 000,00
	1.4.2. Responsive Innovation Accelerator: expert support for multilevel membership and organizational policies					20 000,00
	1.4.3. BMOs Confidence Building Campaign: promoting innovative solutions in organizational development (multiple, multilevel, infromational membership, etc.)					10 000,00
	Component 1 management					45 000,00
	Sub-Total for Output 1	130 000,00				
OUTPUT 2: MSMEs have better access to Business Development Services through BMOs	Activity 2.2. Support development and rollout of general BDS					
	2.2.1. BMO Competitivness Booster : technical support to BMOs' strategies implementation in the area of BDS					45 000,00

	2.2.2. Evidence-Based BMOs Transformer: model CRM solution "E-BMO"			50 000,00
	2.2.3. BMOs Confidence Building Campaign: promoting role of BMOs as BDS providers and innovative solutions in BDS (digital services, purchasing groups, etc.)			10 000,00
	Activity 2.4. Promoting sustainable practices among MSMEs			
	2.4.1. Responsive Innovation Accelerator: expert support for sustanable industry standards			10 000,00
	2.4.2. BMOs Confidence Building Campaign: promoting innovative solutions in sustaniable practices (voluntary standards, certification and accreditation, etc.)			10 000,00
	Component 2 management			45 000,00
	Sub-Total for Output 2	170 000,00		
OUTPUT 3: Private sector and governmental side engaged in effective public-private dialogue	Activity 3.1. Improve general advocacy strategy of BMOs			
	3.1.1. BMO Competitivness Booster : technical support to BMOs' strategies implementation in the area of advocacy and PPD			45 000,00
	Activity 3.2. Support partnerships for advocacy and dialogue			
	3.2.1. Responsive Innovation Accelerator: expert support for BMO coalitions			30 000,00
	Activity 3.3. Strengthen BMO capacity to develop industry standards			
	3.3.1. Responsive Innovation Accelerator: expert support for industry standards			30 000,00
	3.3.2. BMOs Confidence Building Campaign: promoting innovative solutions in developing industry standards			10 000,00
	Activity 3.4. Promoting public-private dialogue (PPD) at local and national level			
	3.4.1. Responsive Innovation Accelerator: expert support for regulatory platforms			10 000,00
	3.4.2. BMOs Confidence Building Campaign: promoting role of BMOs and innovative solutions in PPD (regulatory platforms, etc.)			10 000,00
	Component 3 management			45 000,00

	Sub-Total for Output 3					180 000,00
Project management and evaluation	Project management (incl. office rent and supplies)					120 000,00
	Sub-Total for Project Management					120 000,00
	TOTAL CO Common Security (1%)					4 800,00
	TOTAL Support services (IT, HR, Fin, Procur.) (3%)					18 000,00
	TOTAL Facilities & Administration (8%)					48 000,00
	TOTAL AWP					670 800,00