



**MINUTES of the UNDP LPAC MEETING
on the Project Document
"Strengthening MSME Business Membership Organizations in Ukraine: Phase II"**

UN House
1, Klovisky uzviz, Kyiv, Ukraine

18 May 2020

Participants of the LPAC meeting:

Ministry of Economic Development, Trade and Agriculture of Ukraine:

Mr. Oleksandr Palazov, Head of Department for Entrepreneurship and Regulatory Policy

UNDP:

Ms. Manal Fouani, Deputy Resident Representative - Chair
Mr. Mustafa Sait-Ametov, Oblast SDGs Portfolio Manager
Ms. Robyn Lui, Innovation for Development Specialist
Mr. Oleksiy Moskalenko, Head of Solutions Mapping, Acceleration Lab
Ms. Maria Gutsman, Programme Analyst, IDRPP
Mr. Nazar Grom, Capacity Development Specialist, DG
Ms. Yuliya Petsyk, Monitoring and Evaluation Specialist
Ms. Tetiana Grytsenko, Gender Specialist, PSEA Focal Point
Mr. Vitalii Krysko, Programme Associate, IDRPP

LPAC agenda:

1. Project document
2. Project Quality Assurance Report
3. SESP
4. Risks
5. Composition of the Project Board

Purpose: To review, comment and appraise the Project Document "Strengthening MSME Business Membership Organizations in Ukraine: Phase II".

Introduction:

The Project Document "Strengthening MSME Business Membership Organizations in Ukraine: Phase II" was sent for the LPAC members' consideration on 6 May 2020. The Project "Strengthening MSME Business Membership Organizations in Ukraine: Phase II" (hereinafter the Project) will be implemented by UNDP in Ukraine during 2019-2023.

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 Business Membership Organizations. The Project aims at expanding BMOs coverage throughout Ukraine to consolidate the private sector while continuing strengthening their institutional, financial, partnerships and advocacy capacities to represent MSMEs interests.

The Project will operate at both national and local levels and will focus on three major building blocks:

- i) assistance to BMOs in strengthening their organizational development, improving governance and operational management;
- ii) facilitating access to and utilization of the Business Development Services by MSMEs;
- iii) facilitating professional public-private dialogue which would involve both BMOs and the government at all levels to improve the regulatory framework and overall business environment for MSMEs.

In particular, the Project will support around 20 newly selected BMOs representing different types of organizations, including up to eight industry-specific BMOs, the Ukrainian Chamber of Commerce and Industry and up to five regional chambers, six universal (inter-sectoral) BMOs (including two newly created BMOs and two women's business associations).

The project will also address two important cross-cutting challenges for economic development in Ukraine: women's economic empowerment and promoting green practices among MSMEs.

Issues Discussed and Agreed on:

- All members of the LPAC agreed that the second phase of the Project is very important to ensure the sustainability and scaling-up of positive results achieved during the first phase of the Project (2015-2018) and to continue promoting business enabling environment for enterprises, strengthen the position of micro- small and medium-sized enterprises (MSMEs) in the economy and sustain growth, employment and resilience in Ukraine;
- The Ministry informed that up to date, the Government of Ukraine has taken a number of significant measures to support small and medium enterprises, such as the state credit program "5-7-9%" (<https://sme.gov.ua/579start/>, <https://5-7-9.gov.ua/>), financial assistance for partial unemployment, the introduction of a moratorium on business inspections, and therefore the Project meets the Governmental priorities.
- The Project will be implemented under the framework of the UNDP Inclusive Development and Recovery and Peace Building Portfolio using Direct Implementation Modality (DIM);
- It was agreed to ensure multi-stakeholder partnerships throughout Project implementation to consolidate efforts and ensure implementation of the cross-cutting aspects related to the private sector development;

Conclusion:

1. The Project Document "Strengthening MSME Business Membership Organizations in Ukraine: Phase II" was unanimously approved by the LPAC members as of sufficient quality and recommended to move to the implementation stage.
2. The Project Board composition was approved as follows:
 - Permanent Members: representatives of UNDP, Embassy of Switzerland in Ukraine, representing SECO, Ministry of Economic Development, Trade and Agriculture of Ukraine, and SME Development Office.
 - Visiting Members: representatives of Business Membership Organizations which may be invited to Project Board meetings as observers.

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Ms. Robyn Lui

Mr. Oleksiy Moskalenko


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