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08.03.2018

Note to file

Phase IV AfT project original LPAC minutes, project number 00105653.

Original minutes of the virtual LPAC for the Aid for Trade project phase IV, signed by Danièle Gelz, George Bouma, Ekaterina Paniklova and Gerd Trogemann were transferred by Danièle Gelz to Pelin Kihtir on 08.03.2018 for filing in the PSU archives. Attached to the NTF is a copy of the document.

Danièle Gelz
AfT Project Manager

Pelin Kihtir
Programme Associate

UNDP
Istanbul Regional Hub

Minutes of the Virtual Local Project Appraisal Committee Meeting

Date: 31st January- 6th February 2018

Subject: Aid for Trade project (phase IV)

1. Attendance

Name	Title
Gerd Trogemann	Istanbul Regional Hub Manager, Pre-LPAC Chair
Ekaterina Paniklova	Senior Programme Coordinator / Team Leader, Coordination and Quality Assurance Team, UNDP IRH
George Bouma	Team Leader, Sustainable Development Team, UNDP IRH
Bharati Sadasivam	Team Leader, Gender Equality and Women's Empowerment, UNDP IRH
Andrey Pogrebnyak	Operations Advisor, UNDP IRH
Aliona Niculita	Deputy Resident Representative, UNDP Kyrgyzstan
Farid Garakhanov	Deputy Resident Representative, UNDP Uzbekistan
Sanja Bojanic	Deputy Country Director, UNDP Tajikistan
Armen Grigoryan	Team Leader, DRR
Zarina Mavlyanova	Programme Analyst, UNDP IRH
Danièle Gelz	Project Manager, UNDP IRH

2. Secretary of the meeting: Danièle Gelz, Project Manager

3. Project Proposal is presented by: Danièle Gelz, Project Manager

4. Background information on the project:

Estimated project budget: EUR 6 014 676 (est. US\$7 102 360)
Total requested from UNDP (specify source of fund): US\$ 0
Expected donor(s) funding: EUR 4 800 000 Government of Finland (est. US\$5 642 690)
Planned project starting date & duration: 1 July 2018 – 30 June 2022
Geographic Coverage: Tajikistan, Kyrgyzstan and Uzbekistan
Major counterparts of the project: UNECE, GIZ, MFA Finland
Project implementation modality: DIM

5. Summary of the Aid for Trade project

The project will provide support to building productive and export capacities for niche products, which will be identified in the agricultural, agro-industrial, but also in other employment-rich and potentially green sectors, to contribute to more economically, socially and environmentally sustainable growth patterns. A special focus will be put on integrating gender equality issues throughout all activities and at least 15% of the budget will be targeting specific activities on gender equality.

The overall emphasis will be on identifying green marketable products, the production of which can lead to an increase in decent employment, particularly for young people and women in rural areas, via measures to raise productivity in small and medium enterprises and farms, while simultaneously improving export market access and reducing trading costs. Only products which contribute to greening economies and are employment rich will be



considered. For this, the project will build on the green product space methodology used during phase III to identify products with the highest comparative advantage in terms of export potential, that are green and employment rich.

The project will address the development challenge through two sub-components:

Supporting an enabling environment for job-rich growth through:

- 1.1 Enabling policies and regulations for inclusive and trade oriented private sector development (macro level);
- 1.2 Trade support institutions that provide efficient services to the private sector (meso level).

Supporting market opportunities for all through more efficient and competitive producers and processors

2. More efficient and competitive producers and processors contributing to sustainable human development (micro level).

The project will use overarching indicators to measure the progress.

- Total number of jobs created, (female/male)
- Number of micro and small enterprises supported
- Number of women-owned enterprises supported
- Number of new enterprises in non-traditional sectors
- Number of participants in value chain networks/cooperation

Target clientele

The project will focus on employment and income generation using sustainable production methods (green niche products). The project will therefore work with:

- Small companies, producers, processors, cooperatives and associations. Jobs and income generated should benefit rural populations that have limited access to income or employment opportunities;
- Special focus will be given on women entrepreneurs and in certain instances youth;
- Local government and national/local ministries/agencies.

The project will focus on Kyrgyzstan, Tajikistan and Uzbekistan. EUR 4 800 000 mln provided by the Government of Finland are earmarked exclusively for implementation in Kyrgyzstan (EUR 2,050,000), Tajikistan (EUR 2,049,000) and the regional output (EUR 700,160). While funding for activities in Uzbekistan (EUR 1,214,676) remains to be mobilised. Activities in the multi-year working plan identifies respective donor, as well as resources to be mobilised (TBM) per activity and geographically.

6. Summary of pre-LPAC member comments

Comments were received on the 2ⁿ of February by Armen Grigoryan, Team Leader, DRR. Prior clearance was made with all involved country offices (before pre-PAC stage).

- The project is fully supported by PAC members with some comments to be addressed in the final project document.
- A project document integrating the comments was submitted to the quality assurance team and approved on the 15 September 2017

Detailed comments log is annexed to this document.


7. Final LPAC recommendation:

LPAC recommends to approve the project which is of sufficient quality to continue as planned. The list of recommendations is incorporated as an annex in the project document is attached to the minutes.

Prepared by:


Danièle Gelz, Project Manager

Cleared by:


George Bouma, Cluster Leader

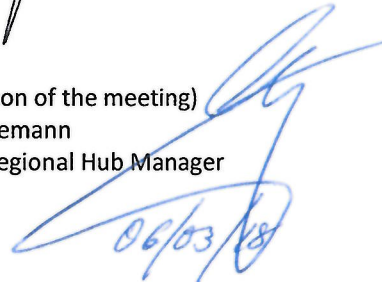
Cleared by:

Ekaterina Paniklova, Senior Programme Coordinator

04.03.18

LPAC recommendation is approved by:

(Chairperson of the meeting)
Gerd Trogemann
Istanbul Regional Hub Manager


06/03/18



Annex 1. Comments Log pre-LPAC Review

Aid for Trade (phase IV)	Response
<p>Comments from Armen Grigoryan</p> <ol style="list-style-type: none"> 1. Overall, an interesting initiative and well-developed project. 2. Central Asian region and countries within the scope of this project are disaster prone and vulnerable to risks originating from natural hazards. One of the strongly impacted sectors is usually the agriculture. It would be important if the project addresses specific issues of increased resilience of the beneficiaries by providing advice on risk-informed business development and possibly training on de-risking investments for target SMEs. 3. At institutional and policy level, project's contribution could be to elevating the issues of risk informed development, de-risking investments and protecting public/private investments from the negative impact of disasters, to the institutional and most importantly to the policy level. More resilient SMEs will provide for more economic sustainability. This would also ensure better scalability of the approach. 4. In Kyrgyzstan, while supporting credit facilities, experience of Green Loans from other countries could be studied, adjusted and applied. 5. I suggest adding major natural disaster/s to the risk log of the project. 6. When relevant, the project could link to the on-going DRR projects managed by respective COs to obtain de-risking expertise and practice. 	<ol style="list-style-type: none"> 2. The project makes explicit reference to compliance to the SES on page 13, with a link to the relevant section of the SES. One of the requirements is that all proposed activities are screened and assessed for climate change-related risks and impacts of and to projects. An integral part of this is that UNDP is required to ensure that preventive measures are established. The project therefore ensures to address risk, and ensure that investments are de-risked 3. The following is proposed as additional text to the project document: The AfT project throughout its activities will ensure that it integrates a risk informed approach, p.13 under principle 3. 4. Noted. 5. Natural disasters were included in the risk analysis of the project document p.68. In the risk assumption section of the prodoc (p.19), the project specifically highlights increased frequency of natural disasters (mud slides) as a specific concern. Natural disasters are also featured in the Theory of Change diagramme. 6. The project being part of the area based programme and the communities programme in COs and has regular joint activities with relevant projects and interventions and ensures good collaboration with UNDP projects. (p. 24)

Daniele Gelz

From: Ekaterina Paniklova
Sent: Monday, March 05, 2018 10:17 AM
To: Daniele Gelz
Cc: Zarina Mavlyanova; Pelin Kihdir
Subject: RE: Virtual Pre-LPAC: Aid For Trade Project, Phase IV

Thank you very much, Daniele, this is fine with me.
Apologies for the delay in response.

Best
Ekaterina



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Ekaterina Paniklova
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From: Daniele Gelz
Sent: Monday, February 19, 2018 2:56 PM
To: Ekaterina Paniklova <ekaterina.paniklova@undp.org>; Zarina Mavlyanova <zarina.mavlyanova@undp.org>; Pelin Kihdir <pelin.kihdir@undp.org>
Subject: FW: Virtual Pre-LPAC: Aid For Trade Project, Phase IV

Dear colleagues,

Gentle reminder on the below. Zarina has been so kind and also had a look at the Q&A we developed and provided comments. I uploaded it in the system. Please let me know whether I can proceed with the signature.

Thanks
Daniele

From: Daniele Gelz
Sent: Friday, February 09, 2018 11:13 AM
To: Ekaterina Paniklova <ekaterina.paniklova@undp.org>; Zarina Mavlyanova <zarina.mavlyanova@undp.org>
Subject: FW: Virtual Pre-LPAC: Aid For Trade Project, Phase IV

Dear colleagues,

Armen has approved the responses to his comments. No other comments were submitted. Can you please let me know whether the attached is ok and we can proceed with the signature.

Kind regards,
Danièle

A handwritten signature in blue ink, consisting of a stylized, cursive 'D' followed by a flourish.

From: Daniele Gelz
Sent: Tuesday, February 06, 2018 5:44 PM
To: Armen Grigoryan <armen.grigoryan@undp.org>
Cc: Ekaterina Paniklova <ekaterina.paniklova@undp.org>; Zarina Mavlyanova <zarina.mavlyanova@undp.org>
Subject: RE: Virtual Pre-LPAC: Aid For Trade Project, Phase IV

Dear Armen,

Let me thank you very much for your comments which have provided me with some food for thought. Please find attached response to each of them and let me know whether this would be satisfactory to you (p.4).

Thank you very much for taking the time to give us input.

Danièle

From: Armen Grigoryan
Sent: Friday, February 02, 2018 11:58 AM
To: Daniele Gelz <daniele.gelz@undp.org>
Cc: Ekaterina Paniklova <ekaterina.paniklova@undp.org>; Zarina Mavlyanova <zarina.mavlyanova@undp.org>
Subject: FW: Virtual Pre-LPAC: Aid For Trade Project, Phase IV

Dear Daniele, Colleagues,

Thank you for sharing the ProDoc.
Please see below few suggestions from my side:

1. Overall, an interesting initiative and well developed project.
2. Central Asian region and countries within the scope of this project are disaster prone and vulnerable to risks originating from natural hazards. One of the strongly impacted sectors is usually the agriculture. It would be important if the project addresses specific issues of increased resilience of the beneficiaries by providing advice on risk-informed business development and possibly training on de-risking investments for target SMEs.
3. At institutional and policy level, project's contribution could be to elevating the issues of risk informed development, de-risking investments and protecting public/private investments from the negative impact of disasters, to the institutional and most importantly to the policy level. More resilient SMEs will provide for more economic sustainability. This would also ensure better scalability of the approach.
4. In Kyrgyzstan, while supporting credit facilities, experience of Green Loans from other countries could be studied, adjusted and applied.
5. I suggest adding major natural disaster/s to the risk log of the project.
6. When relevant, the project could link to the on-going DRR projects managed by respective COs to obtain de-risking expertise and practice.

Hope this is useful and best regards.
Armen



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From: Ekaterina Paniklova
Sent: Wednesday, January 31, 2018 11:57 AM
To: Gerd Trogemann <gerd.trogemann@undp.org>; Andrey Pogrebnyak <andrey.pogrebnyak@undp.org>; Aliona Niculita <aliona.niculita@undp.org>; Farid Garakhanov <farid.garakhanov@undp.org>; Sanja Bojanic <sanja.bojanic@undp.org>; Bharati Sadasivam <bharati.sadasivam@undp.org>; Armen Grigoryan <armen.grigoryan@undp.org>
Cc: George Bouma <george.bouma@undp.org>; Jan Harfst <jan.harfst@undp.org>; Daniele Gelz <daniele.gelz@undp.org>; Zarina Mavlyanova <zarina.mavlyanova@undp.org>; Marina Ten <marina.ten@undp.org>
Subject: Virtual Pre-LPAC: Aid For Trade Project, Phase IV

Dear Colleagues,

I would like to invite you to the virtual PAC review and endorsement of the project document *Aid for Trade in Central Asia, phase IV*.

The planned duration of the project is 2018-2022, and the amount of the resources requested from the Government of Finland is Euro 4.8 million.

The project was approved during our virtual pre-LPAC process in August-September 2017 (minutes attached). The MFA of Finland, the donor, then accepted the prodoc as is.

The project will focus on supporting Central Asian countries in promoting inclusive and sustainable growth patterns in rural areas and within green productive sectors.

The project will work on the macro (policy), meso (institutions) and micro (SMEs & producers) levels ensuring that interventions at the three levels are mutually supportive to ensure a focused impact level. The output levels will target the following:

- Supporting an enabling environment for job-rich sustainable growth;
- Supporting market opportunities for all through more efficient and competitive producers and processors.

Two cross-cutting themes will be gender equality and environmental sustainability.

I therefore appreciate if you could kindly review the attached project document for any last minute suggestion and changes, and I ask you to kindly support this important initiative.

If you have any questions regarding the draft project document, please let us know anytime.

Please send your feedback by **6 February 2018, Tuesday, COB**, to daniele.gelz@undp.org (Ex-officio of this LPAC review) with copy to me ekaterina.paniklova@undp.org and Zarina Mavlyanova zarina.mavlyanova@undp.org.

Many thanks for your usual support and cooperation.

Best regards

Ekaterina



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