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Project Title: Promotion of employment and self-employment of the population in small and medium-sized towns in the Republic of Belarus

Project Number:

Implementing Partner: Ministry of Economy, Republic of Belarus

Start Date: July 2016 **End Date:** June 2019

Срок реализации: 08.02.2017 - 07.02.2020

Brief Description

Main development challenges of small and medium-sized towns in Belarus are low living standards and lack of decent jobs due to low competitiveness of the local economy and high proportion of loss-making enterprises; increasing need to upgrade and reconstruct social and engineering infrastructure paired with the local budget deficit; challenged demographic situation, outflow of young and working age population to capital cities; disparity in male/female employment.

The project focuses on the promotion of employment/self-employment of the population in small and medium-sized towns through strengthening the external economic integration within the Eurasian Economic Union (EAEU) and promoting the socially-responsible approach in development of small businesses in small and medium towns of Belarus.

UNDAF Outcome: Outcome 2.1: By 2020, the economy's competitiveness will have been improved through structural reforms, accelerated development of the private sector and integration in the world economy. CPD Outputs: Output 2.1: National and subnational systems and institutions are able to achieve structural transformation of productive capacities that are sustainable and geared towards enhancement of employment and livelihoods. Output 2.2: Inclusive and sustainable socio-economic policies developed and implemented in selected sectors.	Total resources required:	USD 2,000,000	
		UNDP:	
		Donor (UNDP - Russia Trust Fund):	\$1,000,000
	Additional Finance (Development Bank of the Republic of Belarus):	\$1,000,000	

Agreed by:

Name Title

United Nations Development Programme (UNDP)

Sanaka Samarasinha, Resident Representative

Signature Date

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Ministry of Economy, Republic of Belarus

Vladimir I. Zinovskiy, Minister

10.07.2016

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I. DEVELOPMENT CHALLENGE

Belarus is a country of small towns¹ which account for over 80% of all settlements. Approximately one fifth of the population lives in these towns, which are the link between rural settlements, large cities and agglomerations.

Main development challenges of small and medium-sized towns are as follows: low living standards and lack of decent jobs due to low competitiveness of the local economy and high proportion of loss-making enterprises; increasing need to upgrade and reconstruct social and engineering infrastructure paired with the local budget deficit; challenged demographic situation, outflow of young and working age population to capital cities; disparity in male/female employment.

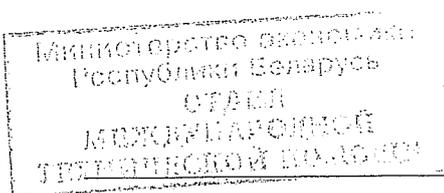
Low level of unemployment registered in the country (1% as of late 2015)² cannot fully reflect the employment situation in the oblasts of the country, including small and medium-sized towns. In some rayons, unemployment is much higher than the national average. Many signs of hidden unemployment, like low wages, shortened working week, or requests to take voluntary unpaid leaves are quite common in many enterprises in regional Belarus.

The industrial landscape of small and medium-sized towns, inherited from the Soviet period, has remained practically unchanged. The economy of the oblasts is based on a narrow group of town-forming enterprises (mainly state-owned enterprises (SOE)), which account for over 50% of the gross regional product (GRP). Over 40 towns are considered to be mono-industrial and their town-forming enterprises play the core role in the labor market and, thus, provide jobs for the vast majority of citizens (up to 70% of the economically active population in some towns), generate the town budget, and they often support social, housing and utilities infrastructure. A significant portion of the town-forming enterprises are low-return or loss-making, and they have an excessive number of employees.

The present slow-down in the economic growth in Belarus has promulgated the Government's position to adopt a range of structural reforms in the country, which will potentially lead to the increased exposure of the socially vulnerable population groups, including residents of small and medium-sized towns. Modernization of industrial enterprises and structural changes in the economy objectively require the improvement of the enterprises competitiveness, including through the labor force optimization. This stimulates the enterprises located in mono-industrial towns to lay off a significant number of personnel. Mass scale redundancies in small and medium-sized towns and transformation of hidden unemployment into its open form can cause significant economic and social consequences. In this situation, the population of small towns belongs to the category that has the highest risk of growing unemployment and social tension.

The development challenge aligned with the current structural transformation of Belarusian economy is twofold. On the one hand, enterprises have to be competitive and they shall contribute to improving the national wealth and the well-being of the population through added value, taxes, employment opportunities, inflow of foreign investments, etc. On the other hand, there is a need to minimize social costs that inevitably accompany dramatic changes in the structure of the economy, which affect not only the employees and employers, but virtually everyone who has anything to do with the enterprise.

Small business sector, which has the capabilities to create efficient jobs and to absorb the excessive number of employees of town-forming enterprises, is still underdeveloped in regional Belarus. The largest share of the products and service produced by small and medium-sized enterprises (SME) is consumed by the capital city and regional centers. Around one third of small companies and individual entrepreneurs in the country work in small-scale retailing, food services and automotive repair sector. Small businesses are hardly involved in manufacturing.



¹ Towns with the population of up to 100,000 people are considered to be medium-sized, towns with the population of up to 50,000 people are considered to be small.

² The National Statistics Committee of the Republic of Belarus.

II. STRATEGY

The main objective of the project: promotion of effective employment and self-employment of the population in small and medium-sized towns of Belarus. The project aims to support the employment and self-employment of the population through the development of small and medium enterprises (SME), applying the socially responsible approach, and also through strengthening the integration and investment potential of small and medium-sized towns within EAEU. The support of SME will be focused on three major sectors: i) transport and communication; ii) manufacturing; iii) financial services and business support services, as well as other sectors of economy.

The social and economic welfare of small towns and improvement of the population's quality of life irrespective of the place of residence are the main priorities of the National Socio-Economic Development Programme in Belarus for 2016-2020, as well as the priorities of socio-economic development as defined in the National Sustainable Development Strategy - 2020 and refined in the Concept of the National Sustainable Development Strategy - 2030.

The project should contribute to the development of employment in small towns by stimulating entrepreneurship initiative in small and medium business, promoting socially-responsible approach to prevent negative social effects of restructuring and/or modernization of the town-forming enterprises followed by optimization and release of excessive personnel. The project should also help create conditions for the development of the real sector of economy of small towns and enhance its competitiveness, including through the introduction of various forms of production cooperation and integration into technological and distribution chains. In general, this should contribute to creating new jobs and improving the well-being of the population in small and medium-sized towns of the Republic of Belarus. UNDP intends to support Belarusian Government in its efforts to ensure the effective employment approaches, boost self-employment trend, and to maintain the social protection of the population.

The project will be implemented at three levels:

1. **The central (national) level** ensures: (a) coordination of the State authorities in charge of particular functions (social care, services to the unemployed, entrepreneurship development, provision of financial and credit resources, attraction of investments, etc.) as well as their cooperation with local government agencies and institutions, which support businesses in solving issues and developing small and medium-sized towns; (b) necessary conditions to introduce innovative approaches and to implement experimental measures at the oblast/local level; improvement of legal and economic conditions for entrepreneurship development in oblasts; (c) wide replication of the project results; (d) data exchange, consolidation of efforts and coordination of activities with the Eurasian Economic Union (EAEU) bodies.
2. **Information level** - a number of research, information and education activities focusing on entrepreneurship development training, introduction of different types of production cooperation and building into technological and trade chains (within the EAEU among other things) will be held to create favourable conditions for developing entrepreneurship **in small and medium-sized towns**. Selected small enterprises in small and medium-sized towns will be provided assistance in creating the development plans. Small and medium-sized enterprises will be actively involved in cooperation processes by expanding the possibilities of outsourcing, subcontracting and franchising. The national subcontracting system in Belarus will be restored and integrated with those of the Russian Federation and other EAEU member states.
3. **At the pilot level**, town-forming SOEs (in five selected towns in the Vitebsk and Mogilev Oblasts³ shortlisted based on the results of the Regional Competitiveness Index of the Republic of Belarus in 2015⁴), subject to restructuring and/or modernization, will go through the complete cycle of development and implementation of SME incubation and support plans with one of the

³ East of Belarus, bordering the Russian Federation

⁴ UNDP, National Human Development Report 2015, "Regional Competitiveness in the Republic of Belarus".
http://www.by.undp.org/content/belarus/en/home/library/human_development/national-human-development-report-2015.html

main objectives – to support the employment of released employees with specific targets of job places creation. In pilot small/medium-sized towns, the project will assist to “match” the potential opportunities of small towns with the interests of large businesses and foreign investors as well as contribute to cooperation between small and large enterprises, domestic and foreign businesses, entrepreneurs, government and public structures. The project envisages the use of the premises of the SOEs that undergo restructuring to establish **production and service platforms / incubators** for small businesses set up by the released employees. A part of financing is allocated for establishment and development of the common infrastructure and fit-out of the Industrial Service Platforms (ISP) / incubators, which will significantly reduce the costs to start up a business. The national financing will be provided for those who wish to start a small business, including the released employees of the town-forming enterprises. The project will mobilize additional financing of the national partner — The Development Bank of the Republic of Belarus. The additional financing will be a targeted credit line to support small and medium-sized businesses and women entrepreneurs in small and medium-sized towns; and the co-financing budget will exceed \$1,000,000. Criteria and mechanisms for allocation of loans will be approved by the Project Board based on the existing instruments to finance SMEs through the Development Bank of the Republic of Belarus (DBRB) JSC.

It is expected that the project will closely work with the international financial institutions present in Belarus, such as the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD).

Although Belarus has the system of social protection of the population and assistance to the unemployed in promoting employment and supporting business development, systematic efforts to prevent negative social risks caused by the planned structural reforms and the modernization and/or privatization of GDP-generating town-forming SOEs have to be increased. This can be done by introducing the mechanism of socially responsible approach in supporting the SME development, primarily, in the country’s mono-industrial towns with the stressful situation in the labour market.

The following main steps will be considered to promote the introduction of the socially responsible approach:

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- Increase level of awareness of the Government and business sector about the role, functions and significance of socially responsible approach in supporting the SME development in terms of preventing the social risks of SOEs’ modernization and development of the business sector;
 - Development of contingency plans aimed at the support and promotion of SMEs to alleviate the negative socio-economic consequences of SOE restructuring, applying tools and mechanisms contributing to the comprehensive solutions to the problems of a town-forming SOE, which needs to optimize the number of its employees.
 - Improve cooperation between the government agencies while restructuring SOEs; improve involvement of other parties concerned in the discussion of methods and consequences of the modernization, especially in case of town-forming SOEs;
 - Develop specialized publications and train consultants to provide a high-level support to restructuring processes using socially responsible approach in supporting the SME development.

Currently, the national program on “Small and Medium-sized Business in Belarus, 2016-2020” is being implemented by the Government of Belarus, where an important role in the sustainable social and economic growth is allocated to small and medium-sized enterprises. To achieve this goal the following tasks are planned: improve the business environment; promote the development of small and medium-sized enterprises; improve the infrastructure of small and medium-sized enterprises support; foster the positive attitude towards entrepreneurial initiative of citizens. This program targets the increase of the share of the SMEs in the GDP added value from the current 28.7% to 32% in 2020.

The existing entrepreneurship support centers are mainly concentrated in large cities. The project will promote the development of a network of business incubators in small towns, where there is a

need for up-to-date information on employment and retraining opportunities, for mediation in finding employment and in starting up a small business.

Efficient production cooperation between large and small businesses (outsourcing, subcontracting and franchising) will be developed in the selected regions for boosting entrepreneurship in small towns and creating new jobs.

The restructuring of domestic enterprises and transition to outsourcing intensify demand for subcontracting services both from large and small enterprises who need information about partners, production facilities, and equipment. The development of the Subcontracting Centre will establish a fertile ground for restructuring large enterprises by reducing the cost price for the end products, by growing small business in industry and services, and by absorbing released employees.

Deepening foreign economic integration within the EAEU imposes new activity obligations on the Subcontracting Centre. It is expected to synchronize its operations with the similar centers in the EAEU member states, to unify the way how information is presented, and to standardize the way how to search for information within the EAEU.

A theory of change has been developed to align the project approach with the issues of the socio-economic development in regional Belarus.

The theory of change represents the analytical flow from the development impact level (Sustainable Development Goals) to outcome level (UN Development Assistance Framework / UNDP Country Programme) as identified in a participatory manner between the Government and UNDP. It reflects different levels of priorities that have been identified in consultation with relevant national partners. It also contains the project level results and planned interventions for addressing the problem and its causes (top to bottom). The theory of change will be regularly reviewed and approved through the Project Board mechanism.

Immediate causes impeding the development of small business in small and medium towns:

- Lack of employment opportunities in small towns of Belarus
- Excessive labour force in town-forming SOEs in small and medium towns of Belarus, contributing to production inefficiency and insufficient competitiveness of the SOEs.
- Limited number of small businesses capable to integrate in the value creation chains on the national and international levels.

Underlying causes/root causes

- Low knowledge and understanding of the procedures and opportunities to open an SME in small and medium-sized towns of Belarus;
- Complicated regulatory framework and insufficient confidence of potential small business owners;
- Limited institutional support for production cooperation improvement;
- Limited investment in SME support and development infrastructure by the Government;
- Insufficient availability and accessibility of investment funding for SME development.

The above causes point to the need to: i) promote of the concept of socially responsible approach to SME support in small and medium-sized towns of Belarus; ii) develop the infrastructure to support the emerging small businesses; iii) create favourable conditions for the development of production cooperation between large enterprises and SMEs in small and medium-sized towns.

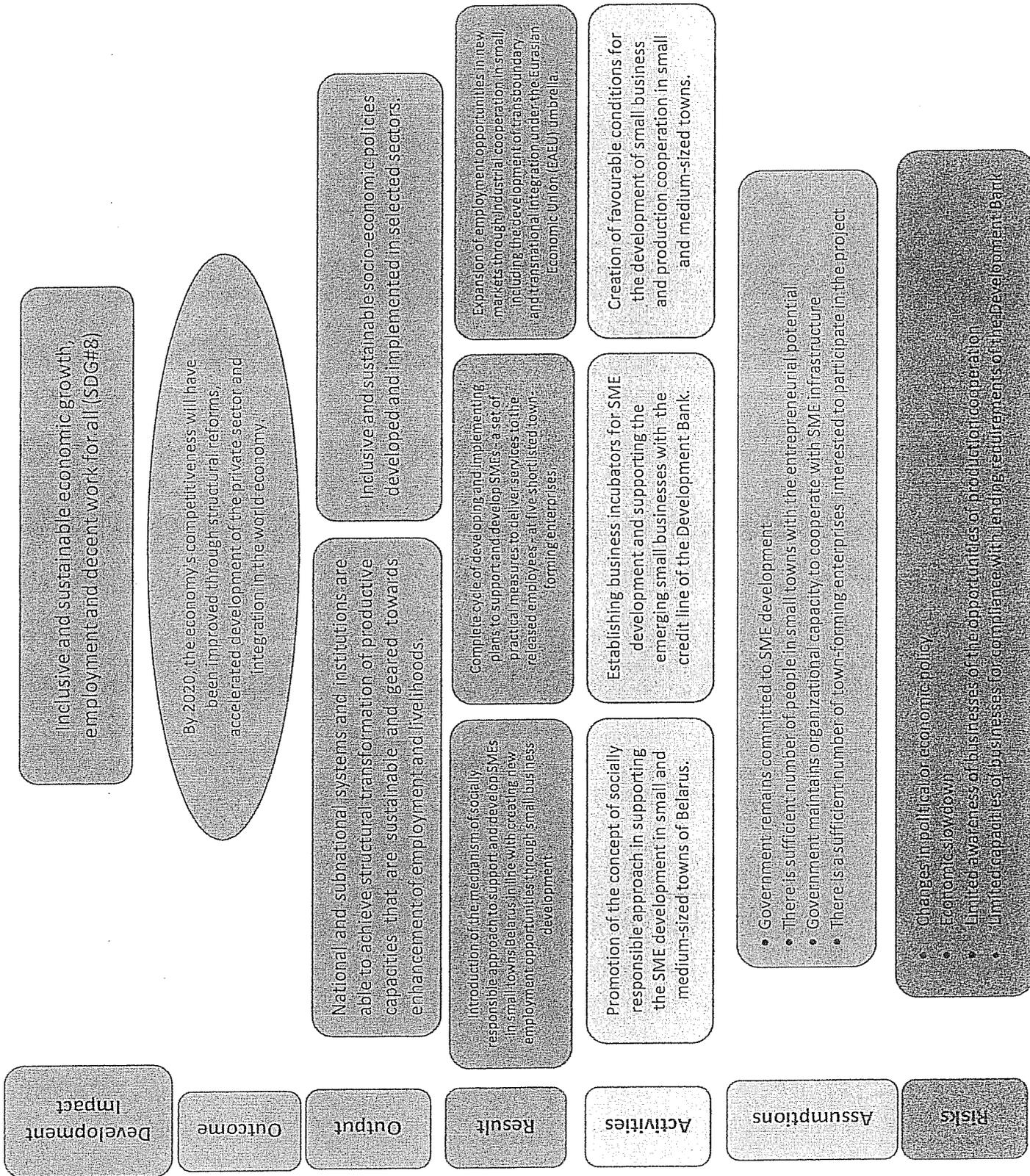
All of these challenges will be addressed during the project implementation and will lead to expected positive change. In addition, the project will work on creating an enabling environment to support the impact effectiveness, by facilitating dialogue between the Government and private sector, simplifying and streamlining regulations that affect SMEs support as well as promote the capacities of Belarusian businesses in regional markets.

Gender considerations: The project will preferentially support productive activities with potential to generate particular benefits for women. For each project activity, equal women participation will be required and close monitoring of any unintended negative consequences of social or economic importance to women will be conducted and such risks avoided. In addition, the income generating nature of the project will have a direct impact on regional household which will also benefit women.

Social and environmental standards: the project has been assessed as low risk impact against social and environmental standards (Annex 1).

The innovative character of the project lies in the combination of the social aspect of production reforming, economic measures to improve the production efficiency and innovative organizational measures to develop production cooperation, which in this project goes beyond the borders of one state and works for the benefit of the EAEU. The project contributes to strengthening the trade and economic cooperation among the EAEU member states by establishing better conditions to build subcontracting and franchising relations and cluster structures.

Министерство экономики
Республики Беларусь
ОТДЕЛ
МЕЖДУНАРОДНОЙ
ТЕХНИЧЕСКОЙ ПОМОЩИ



III. RESULTS AND PARTNERSHIPS

Expected Project Outcomes:

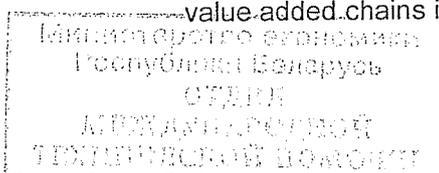
The main mid-term project outcomes will be: the decrease of social risks of structural reforming of the industrial complex due to a wide application of socially responsible approach in supporting the SME development and establishment of business incubators; enhancement of efficient employment and self-employment of the population in small towns and medium-size towns through the development of industrial cooperation; strengthening the integration potential of small towns in the context of development and implementation of (inter-)regional strategies in the context of the EAEU.

In a long-term perspective, the project will lay the foundation for sustainable social and economic development of small and medium-sized towns and improve the well-being of their populations.

The project facilitates coordination between the state authorities in charge of particular functions (entrepreneurship development, provision of financial and credit resources, attraction of investments, etc.) and local government agencies and institutes, which support businesses in solving issues and developing small and medium-sized towns.

Expected immediate project outputs:

1. High level of awareness about socially responsible approach and production cooperation methods in the government, public and business sectors; at least 1,000 people participated in the project activities;
2. Involvement of all stakeholders in discussing the processes and effects of restructuring of the town-forming enterprises, in working out the set of preventive measures to promote employment and self-employment of the released personnel;
3. A complete cycle of development and implementation of the SME support and development plans of business incubators tested at five town-forming SOEs;
4. A group of national experts trained to teach small business entrepreneurship to the those released from the SOEs;
5. More than 200 representatives of local governments (committees on economy) and the staff of the small and medium-sized towns from the selected oblasts of Belarus trained to work in the socially responsible approach in supporting the SME development framework.
6. Employment and business development conditions improved in small and medium-size towns: the Government adopts the measures to improve outsourcing and subcontracting conditions; the National Subcontracting Centre (NSC) established; five pilot towns pilot using the premises of the restructured SOEs to set up the Industrial Service Platforms (ISP) – incubators - to accommodate small businesses employing the released personnel.
7. Expanded cooperation in the EAEU: 6 business matchmaking sessions (BMS) held in all oblasts of the country, and at least 10 cooperation agreements signed, including businesses from the Russian Federation and the Republic of Kazakhstan;
8. At least 20 small and medium-sized enterprises established and over 250 jobs created due to adoption of the package of measures to reduce barriers to entrepreneurship and industrial cooperation in pilot towns.
9. Collaboration between Government, NGOs and businesses intensified to address the challenges of small towns;
10. The capacity of developing, integrating and attracting investments to small and medium-sized towns in Belarus studied; the potential of the small and medium-sized towns to be a part of the value-added chains identified;



11. The International Conference on Small Towns held to exchange experience between the Eurasian Economic Union (EAEU) member states;
12. The professional capacity in the field of industrial cooperation and investment attraction improved: experts trained to analyse value chains/clusters (15 people), to apply international best practices (Russia) in the social and economic development of small towns and to enhance competitiveness of the selected regions (30 people);

The following activities will be implemented within the project:

1. Development and promotion of the concept of socially responsible approach in supporting the SME development in small and medium-sized towns of Belarus.

Enhancing the opportunities for the creation of new jobs and small business' growth directly in small and medium-sized towns is deemed possible through the integration in value chains, strengthening production cooperation with large domestic and foreign companies, including the ones in the Russian Federation; participation in regional cooperation initiatives. Thus, the project activities will be relevant both for the economic and trade integration within the EAEU.

1.1 Study on "Small Towns: Potential for SME Development, Integration and Attraction of Investments"

The study will be carried out in the rayons of the Vitebsk and Mogilev Oblasts. The National Human Development Report 2015 "Regional Competitiveness in the Republic of Belarus" and Regional Competitiveness Index (RCI) developed in the report have been selected as a tool to shortlist Vitebsk and Mogilev Oblasts to organize the study. According to the study, these oblasts include the largest number of administrative-territorial units with the lowest competitiveness index.

The study will focus on: (1) identifying the challenges and capacity of the labour markets in small and medium-sized towns in these oblasts; (2) identifying market niches for the development of business initiatives; (3) analysing the potential of small and medium-sized business for cooperation with large enterprises and participating in production and delivery chains as well as in oblast (innovative and production) clusters; (4) evaluating the innovation and integration capacity; and (5) developing proposals for investors based on competitive advantages of an oblast or a town.

The study will summarize the existing data about small and medium-sized towns in two oblasts, including those with town-forming SOEs, with high potential for development and investment attraction, and will study the situation in five selected (pilot) towns in details.

The results of the study in five pilot towns will be used as a basis to identify the opportunities and potential projects for the interaction of businesses within the framework of production cooperation and foreign economic activities as well as to identify the cluster potential and specific production opportunities, and to establish the SME incubators in these towns.

Recommendations based on the findings of the study will be used to establish an integral approach to the introduction of the modernized economy of a certain town into the national and supranational (Eurasian Economic Union) economies.

The findings of the study and the National Human Development Report 2015 will be provided to the Ministry of Economy of Belarus for further use in drafting program and strategic documents including the following areas: (i) development of small and medium-sized towns and competitive growth of oblasts from the global perspective; (2) specification of the foreign economic strategy of the Republic of Belarus and the Russian Federation in terms of interregional and cross-border connections; and (iii) consideration of regional component of the Eurasian integration (supranational EAEU bodies). Local government and self-government agencies in small and medium-sized towns will be able to use the findings of the study to update



their oblast sustainable development plans and to implement their integration and investment potential.

1.2. A study tour to the Russian Federation, Moscow (No. 1) will be organized to learn the practice of implementing federal and regional employment and self-employment programs. The participants will also get acquainted with the federal target program for economic development and life quality improvement in small towns of the Russian Federation for 2015 – 2020; understand linkages and interaction between the state, business and NGOs in terms of supporting small towns (social contracting mechanism, social enterprises, investment programs, work with investors, the activities of the Union of Small Towns of the Russian Federation). The delegation will consist of at least 10 people from national and oblast level.

1.3 Identification of issues and improvement of legal and economic conditions for boosting business activities in the regions. The activity will focus on providing recommendations to large SOEs on the reduction of non-core functions and their transfer to small and medium-sized businesses (outsourcing) within the framework of subcontracting relations. This will create the necessary conditions to use the premises of enterprises, which undergo the upgrade to establish production and service platforms (incubators) and to accommodate small businesses.

This envisages cooperation with the Council for Entrepreneurship Development under the President of the Republic of Belarus and Entrepreneurship Department of the Ministry of Economy, which have law-making initiatives, and are authorized to improve the business climate in Belarus.

1.4 Training on fundamentals of entrepreneurship including drafting of SME support plans to work with the potentially released personnel at pilot SOEs: the training will target representatives of local authorities, employment agencies' personnel from small and medium-sized towns, management and personnel departments of town-forming enterprises, instructors on entrepreneurship, employees of the incubators established under the project. Training will be organized in the selected towns with mono-industrial structure (at least 200 people).

1.5 Promotion of the socially responsible approach.

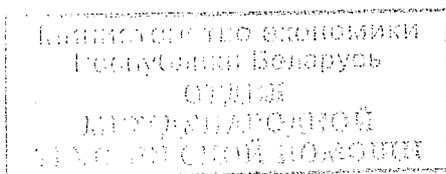
Active promotion of the socially responsible approach as well as extensive information and education activities in the sphere of employment and self-employment will draw the attention of the Government and public authorities to the issues of small and medium-sized towns in the light of the industrial complex restructuring. It will also encourage the involvement of the private sector and foreign investors in solving the social and economic issues of the regions, and will focus the efforts and state investments on the verified directions of interregional and country cooperation within the EAEU.

Over 1,000 people are supposed to take part in the information and education project activities, which will significantly increase the level of awareness about the new approaches and fundamentals of entrepreneurship, socially responsible approach and production cooperation methods in the government, public and business sectors.

A national-level meeting to discuss the practice and the issues of implementing the socially responsible approach in supporting the SME development will be organised with the participation of government agencies, trade and business unions, local government agencies and relevant parties from the EAEU member states.

1.6 Drafting and publication of a popular handbook on the basics of small and medium-sized business for information and training activities of the project; shooting instructional videos on the basics of entrepreneurship and establishment of small and medium-sized business. These popular teaching aids on fundamentals of entrepreneurship will describe how to establish and run a business in the Republic of Belarus. The brochure will be widely used for information and education project activities.

1.7 Development of SME support and development plans at pilot SOEs including the following main activities:



- (a) Multilateral discussion with participation of all parties concerned (representatives of local government agencies, employment agencies, management of the SOE, its personnel and production departments, trade union organizations as well as organizations supporting entrepreneurship and professional training/ advanced training, etc.);
- (b) Evaluation of the scale of employee release and the costs of SME support programs;
- (c) Development of the socially responsible approach strategy/program;
- (d) Studying the situation in the local labour market and development of a set of services for potentially released employees according to developed and approved social plans;
- (e) Provision of services to released employees – training and retraining, business counselling, courses of psychological support; assistance in finding a job, and help in setting up an SME, etc.

2. Establishing incubators for small and medium businesses (SME) / training centers and supporting the qualifying small businesses through the credit line provided by the Development Bank of the Republic of Belarus (DBRB).

2.1 Selection of towns and enterprises to establish and host incubators/training centers is based on the analysis of the social and economic situation, industrial, investment and innovation potential (predominantly in the oblasts bordering on the Russian Federation), and based on the results of the study under Component 1; this is to be approved by the Project Board.

2.2. Study tour to the Russian Federation (No. 2)

The second trip is intended to study the activities of incubators / training centers developing small and medium-sized businesses. The tour will be organized for the executives/leading specialists of the State economic agencies, high-ranking representatives of the oblast and local governments involved in decision-making on the establishment of incubators, specialists of leading business-associations and national experts. A total of at least 15 people will go on the tour, which will last for up to six days; they will visit certain operating and successful incubators/training centers (as agreed with the host party).

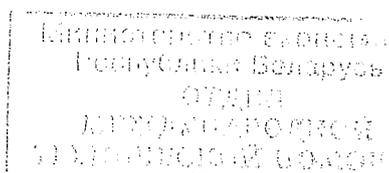
2.3. Training of national experts/instructors on the new approaches and fundamentals of entrepreneurship for released employees and for the established incubators/training centers (at least 15 people, at least 40 hours of training with final testing/certification).

2.4. Introductory workshops on establishment of incubators/training centers for small and medium-sized businesses

A one-day workshop is planned to review the principles of organizing and operating business incubators, the issues of funding the SMEs established at the incubators through the credit resources of the Development Bank (DBRB); the mechanisms and principles of the national policy to support small and medium-sized businesses; the examples of successfully operating incubators / training centers in the Russian regions.

2.5. Establishment of production and service platforms (incubators) in each pilot town, which employ the released and ineffectively used premises (production facilities, administrative or auxiliary buildings) to host small enterprises and individual entrepreneurs, including fit-out, zoning, necessary service lines, establishment and maintenance of public access routes, etc.). The required list of works and equipment will be identified and discussed while developing SME support plans at the pilot enterprises and will be approved by the Project Board.

As the restructuring of town-forming SOEs involves the outsourcing of non-core functions, the project will facilitate the assistance in transferring the relevant functions to small businesses; if necessary, the project will involve the National Subcontracting Centre to expand the borders of subcontracting relations.



At least five production and service platforms (incubators) with fill rate of at least 70% will be established, equipped and launched.

2.6. Assistance to employees in organizing small businesses with the dedicated credit funding from the Development Bank of the Republic of Belarus.

The released employees who decided to start up their own business and have completed necessary training on the fundamentals of entrepreneurship will be pre-selected and encouraged to apply for funding from the dedicated credit lines of the Development Bank of the Republic of Belarus. For this purpose, they will have to prepare a simplified version of their business plans and apply to one of 11 partner banks, who are participating in the SME financial support program, initiated by the Development Bank. Businesses focused on manufacturing and provision of services to enterprises and population will have preferential treatment. It is expected that the credits will be used for purchase of (reconstruction, modernization, construction, overhaul) of fixed assets (buildings, machinery, including motor vehicles, equipment) for their production activities or services.

2.7 Expansion of the opportunities of the members of the incubators to get financial support from the Development Bank (DBRB): 1) identifying the potential members to get support (created start-ups, small and medium-sized enterprises); 2) allocation of the credit resources to the registered members of the incubators in accordance with the existing financial instruments of the Development Bank of the Republic of Belarus (DBRB). At least 20 small and medium-sized enterprises of 250 jobs are expected to be created.

3. Creation of favourable conditions for the development of small business and production cooperation in small and medium-sized towns.

3.1. Establishment of the National Subcontracting Centre (NSC)

The NSC will be established under the aegis of the Belarusian Fund of Financial Support to Entrepreneurs: the NSC development strategy will be created, software will be updated and serviced (DB and system administration, tech support, virtual server leasing), databases will be updated to expand the activities in the Eurasian Economic Union). The NSC's operation will be organized (administration, maintenance, virtual server lease); cooperation with similar structures in the EAEU member states will be arranged (participation in meetings/joint activities); assistance to set up the structure and staff of the centre will be provided. NSC will take direct part in organization of business matchmaking sessions, ensuring the accumulation and promotion of contacts as well as professional counselling while preparing agreements and deals/contracts.

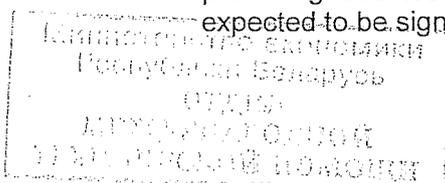
3.2. Organization of business matchmaking sessions (BMS) for SMEs and large enterprises in the selected regions with the participation of Russian and Kazakh businesses.

Preliminary activities will include:

- (a) identification of small businesses' interests (information sharing, surveys); identification of priority areas for searching subcontractors;
- (b) identification of subcontractors both in Belarus and abroad;
- (c) selection of potential subcontractors according to specific technological requirements of customers (preliminary evaluation of small businesses' potential);
- (d) assistance provided to prepare a set of documents requested by a contractor.

Business matchmaking sessions as a dialog platform for large and small businesses envisage some logistics (space and equipment lease, translation and interpretation services), moderation of negotiations and support services (e.g. legal assistance in setting up the SME, etc.).

Business matchmaking sessions will boost the trade and economic cooperation and establish promising business contacts within the EAEU. At least 10 cooperation agreements are expected to be signed, joint projects implemented.



3.3. Participation of Belarusian representatives of small business in inter-regional business matchmaking sessions in the Russian Federation and the Republic of Kazakhstan to expand cooperation within the EAEU (at least 30 participants).

3.4. Development and publication of practical guidelines on different forms of production cooperation (subcontracting, franchising, regional clusters).

3.5. Creation of investment and partnership projects with multilateral participation in pilot small towns; the project areas will be identified through finding mutual interests of business, local government agencies and local communities in the context of solving the issues of productive employment; organization of joint discussions and attraction of investments; assistance while drafting project proposals and involvement of business in solving the issues related to the development of small towns. At least 10 meetings of the parties concerned and development of at least 5 multilateral participation projects are expected.

3.6. Holding International Conference on Small Towns

The Conference will cover the issues relevant for the EAEU countries with participation of the experts and representatives from Russia and Kazakhstan (at least 100 participants). The results of this project both in terms of supporting SMEs and expanding the opportunities of integration of small towns in the economic development of the EAEU will be presented at the conference.

Partnerships

This project proposal has become the result of a joint preparatory work made by the United Nations Development Program (UNDP) and the Ministry of Economy of the Republic of Belarus.

The project objectives are closely aligned with the new national program on "Small and Medium-sized Business in Belarus, 2016-2020", which is being implemented by the Government of Belarus, where an important role in the sustainable social and economic growth is allocated to small and medium-sized enterprises.

The Ministry of Economy of the Republic of Belarus has expressed its interest in seeking technical assistance (TA) for promoting employment and self-employment of the population in small and medium-sized towns. The Entrepreneurship Development Department of the Ministry of Economy of the Republic of Belarus, the Belarusian Fund of Financial Support to Entrepreneurship, and the Development Bank of the Republic of Belarus (DBRB) will become active UNDP partners during the project implementation.

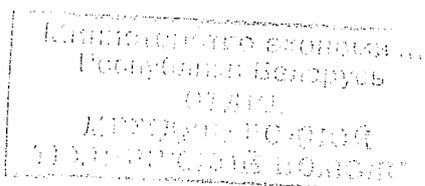
Interaction between the Government of Belarus, business and non-governmental organizations (NGOs) will be further developed in providing support to small towns using domestic and foreign experience of the EAEU member states (social contracting mechanism, social enterprises, investment programs, implementation of investment attractiveness standards in small towns).

Stakeholder Engagement

Target groups:

- ✓ *Employees of town-forming enterprises;*
- ✓ *Population of small and medium-sized towns, including towns with mono-industrial structure of the economy;*
- ✓ *Local executive authorities and employment agencies in small and medium-sized towns;*
- ✓ *Business sector in small and medium-sized towns.*

National partners of the project:



- *Government: The Ministry of Economy, which play the leading role in the development and implementation of the state policy on SME development;*
- *The dedicated agency of the Ministry of Economy, the Belarusian Fund of Financial Support to Entrepreneurship;*
- *Belarusian Bank for Reconstruction and Development, providing the parallel funding for the project in the form of the dedicated credit line to SMEs in the small and medium towns;*
- *Oblast and town authorities who are interested in reducing the social risks of restructuring processes and boosting business activities in their territory;*
- *Scientific and research institutes, which work in the sphere of regional development, employment, and sector planning;*
- *Leading economic higher educational establishments and institutions for advanced training of senior executives;*
- *Entrepreneurship Development Council (EDC), leading Unions of Entrepreneurs and Employers (UEE);*
- *Commercial banks and development financial institutions;*
- *Institutes for development: oblast centers providing support to entrepreneurs; Belfranchising NGO*
- *Trade unions, NGOs focusing on sustainable development.*

East-East Cooperation and Experience of the Russian Federation

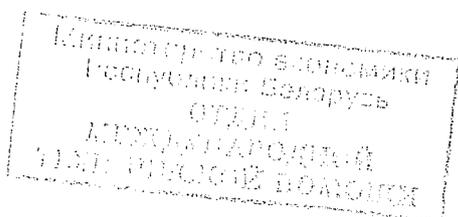
The establishment of the Eurasian Economic Union (EAEU) provides new opportunities for strengthening the economies of the member states and “converging with each other”, for the upgrade and competitive growth of the countries in the global market. The economic integration of the countries is based on the use of the advantages of the international labour differentiation and production specialization, free movement of capital, goods, services and workforce. In this respect, small and medium-sized Belarusian and Russian towns have to make significant contribution to the development of regional integration, ensure the increase in the employment in import-substituting / export-oriented enterprises, facilitate the GDP increase in the EAEU countries.

All the Eurasian Economic Union member states face the issue of social welfare in small/medium-sized towns and remote settlements. The study and application of the experience of the Russian Federation and the Republic of Kazakhstan, the exchange of views and search for common solutions within the scope of this project will become a good interaction practice between our countries.

Study tours of Belarusian small business representatives will facilitate the dissemination of best practices of implementing federal and regional employment and self-employment programs in the Russian Federation. Project beneficiaries will have the opportunity to study and apply of approaches of the federal target program for economic development and life quality improvement in small towns of the Russian Federation for 2015 – 2020 and better understand the interaction between the government, business and NGOs in terms of supporting small towns (social contracting mechanism, social enterprises, investment programs, work with investors, the activities of the Union of Small Towns of the Russian Federation) and introducing the standards of investment attractiveness for small towns.

The project will support the participation of Belarusian representatives of small business in the inter-regional business matchmaking sessions in the Russian Federation and the Republic of Kazakhstan to expand cooperation within the EAEU (at least 30 participants).

The project envisages involving Russian experts to introduce “the standard of investment attractiveness”, to implement social innovations and to support business initiatives; to attract



domestic and foreign investments by small and medium-sized towns and to involve them in industrial specialization and cooperation, integration initiatives and regional clusters. The activities of the Union of Small Towns of the Russian Federation and the Association of Innovative Regions will be studied; these organizations promote the national public and the State program to upgrade and develop small cities innovatively and technologically.

Building subcontracting relations and business contacts with companies from the Russian Federation, development of cross-border cooperation and expansion of the Russian franchising network are also of great interest; they contribute to self-employment and entrepreneurship development in small and medium-sized towns of Belarus.

In turn, the project will enhance visualization and acknowledgement of the role of the Russian Federation as a partner that expands its activities for further development of Belarus.

Knowledge dissemination

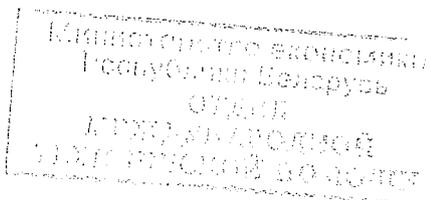
The following reports and publications will be produced as the result of the project:

- *Report: "Small Towns: Local Labor Market, Potential for Development, Integration and Attraction of Investments"*
- *Booklet on the goals, tasks, and expected project outputs;*
- *A popular teaching aid on fundamentals of entrepreneurship for small and medium-sized businesses (for information and training activities of the project);*
- *Video series on fundamentals of entrepreneurship;*
- *Review of the socially responsible approach application practice and its impact on employment in the regions*
- *Practical guides on subcontracting, franchising;*
- *Rationale for selecting pilot towns and enterprises (analytical note);*
- *A package of documents on subcontracting (for making a database query to the National Subcontracting Center (NSC) and/or for participating in the business matchmaking sessions (BMS));*
- *Description of multilateral projects involving private business in pilot small towns; feasibility of investment proposals;*
- *A report-presentation of the results of the project on introduction of SRER and expanding the capacity of integrating small towns of Belarus into the EAEU economic space;*
- *Articles on the project implementation, results of the study tours.*

Project outcome sustainability and exit strategy

Once the external support terminates, sustainability of the project outcomes will be ensured by: 1) high interest of the Ministry of Economy of the Republic of Belarus to ensure employment in the oblasts; and 2) high motivation of the local governments to prevent social tensions in small towns and settlements and to improve the well-being of their citizens.

The project should result in creating a stable platform for wide introduction of the socially-responsible approach to modernization and restructuring of the town-forming SOEs. It is expected that the concept of the socially responsible approach to SME development will be popularized; the representatives of local governments and employment services of almost all small towns will be trained to apply the methods of the socially responsible approach to SME development; and the personnel departments of all concerned town-forming enterprises in mono-industrial towns will increase their capacity in developing social plans to work with the released personnel. The package of materials on socially responsible approach will become a



methodological basis for accelerating the implementation of this approach in all oblasts of the country. In general, this will ensure irreversibility of the process of applying the socially responsible approach when preparing for restructuring of the enterprises.

The project will contribute to the improvement of business environment for small businesses to develop in small and medium-sized towns by using the advanced methods of interaction and cooperation utilized between small and large enterprises. The Subcontracting Centre will be the successor of the project activities in part of training, consulting, and appraisal of the subcontracting projects.

Local network of UN Global Compact participants, functioning since 2007, will continue to involve domestic business in creating jobs in the regions. The project will bridge the knowledge gap in the field of industrial cooperation and added value chains. Thereby, it will lay the foundation of a professional approach to applying these innovations in the life of the regions.

The Industrial Service Platform (ISP) - incubators - established in the framework of the project will ensure sustainability of the business development process; they will involve oblast and local governments in experimenting the efficient use of the production facilities and in applying the efficient methods of cooperation between businesses of various forms.

Active promotion of the socially responsible approach to SME development as well as extensive information and education activities in the field of employment and self-employment will draw the attention of the government authorities to the issues of small and medium-sized towns in the light of the industrial complex restructuring. It will also encourage the involvement of the private sector and foreign investors in solving the social and economic issues of the oblasts, and will focus the efforts and state investments on the verified directions of inter-regional and country cooperation within the EAEU.

Министерство
Промышленности
и Торговли
Республики Беларусь
Минск

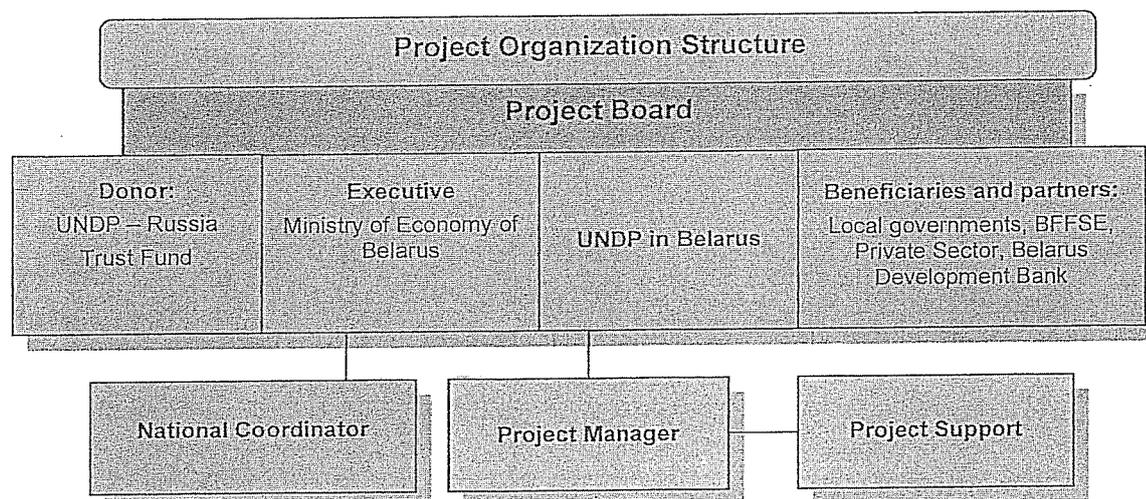
IV. PROJECT MANAGEMENT

The project will be implemented in the national implementation modality in accordance with the UNDP rules and procedures. The Ministry of Economy of the Republic of Belarus will act as the Executing Entity for the project. Coordination of the project activities will be the responsibility of the National Project Coordinator who will be appointed by the senior management of the Ministry.

Acting as the National Executing Entity, the Ministry of Economy of the Republic of Belarus will be responsible for general management of the project progress, effective utilization of the project resources and achievement of the intended project results. UNDP is the Implementing Entity in this Project. UNDP guarantees that the resources entrusted to it by the donor for implementation of this Project are disbursed in accordance with the conditions of Contribution Agreement, as well as that the Project activities work towards the delivery of the intended project outcomes and contribute to achievement of the targets set forth in the UNDP Country Programme for Belarus for 2016 – 2020.

To achieve the aforementioned project outputs, UNDP will ensure necessary support and conditions for the implementation of the project by the Executing Entity. In order to achieve these outputs, UNDP may propose alternative or complementary project activities to those identified in this Project Document subject to the approval of the Executing Entity.

The Project Board will be set up. The Project Board is responsible for making management decisions for the project and providing guidance to the Project Manager in case of significant deviations in the delivery of project outputs from established time and budget limits. During the running of the project, the Project Board will meet at least twice a year to assess the project's progress against planned outputs, give strategic directions to the implementation of the project and identify any corrective action to be taken, and to assess how well the outputs were achieved.



The Project Board includes representatives:

With the voting power:

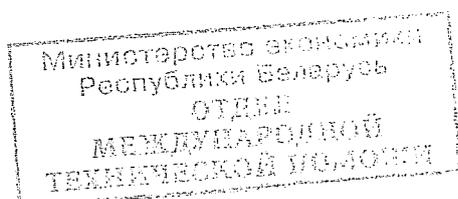
- Chairperson – the Ministry of Economy
- UNDP through Deputy Resident Representative (or Programme Officer)
- The Donor

As observers:

- Beneficiaries - local governments; the Belarusian Fund of Financial Support to Entrepreneurship; management of town-forming SOEs from small and medium towns
- The Provider of additional funding: The Development Bank of the Republic of Belarus

The role of Project assurance, including project control and oversight functions, is assumed by the Project Board while UNDP Project Manager/Administrative & Financial Assistant carry out daily project oversight and monitoring functions. Terms of Reference for the Project Board is provided in Annex 3.

To support the Implementing Partners in the project realization, a Project Manager will be recruited. The Terms of Reference are attached in Annex 3. The Project Manager is responsible for day-to-day management and decision-making for the project, within the his/her responsibilities specified in the Terms of Reference. The Project Manager's primary responsibility is to ensure that the project produces the outputs specified in the project document, to the required standard of quality and within the specified constraints of time and costs, in which regard the tolerance levels will be 3 weeks deviation in implementation of project activities and up to 10% beyond the approved project budget amount. Project Manager will be supported by Administrative and Financial Assistant (Terms of Reference is available in Annex 3).



V. RESULTS FRAMEWORK

UNDAF Outcome:

Outcome 2.1: By 2020, the economy's competitiveness will have been improved through structural reforms, accelerated development of the private sector and integration in the world economy.

CPD Outputs:

Output 2.1: National and subnational systems and institutions are able to achieve structural transformation of productive capacities that are sustainable and geared towards enhancement of employment and livelihoods.

Output 2.2: Inclusive and sustainable socio-economic policies developed and implemented in selected sectors.

Applicable Output(s) from the UNDP Strategic Plan:

Project title and Atlas Project Number: Promotion of employment and self-employment of the population in small and medium-sized towns in the Republic of Belarus

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE			TARGETS (by frequency of data collection)			DATA COLLECTION METHODS & RISKS
			Value	Year	Year	Year	Year	Year	
Output 1 Development and promotion of the concept of socially responsible approach to SME development in small and medium-sized towns of Belarus.	1.1 People taking part in the information and education project activities, which will significantly increase the level of awareness about the fundamentals of entrepreneurship, SRER and production cooperation methods in the government, public and business sectors.	<i>Project progress reports</i>	0	2016	300	400	300	1,000	Questionnaires to participants
			0	2016	50	150	200		
			0	2016	5	5	5		
Output 2 Establishing business incubators /	2.1 Pilot Industrial Service Platforms (ISP) - incubators - set up using the premises of the restructured SOEs to accommodate small businesses employing the released personnel.	<i>Project progress reports</i>	0	2016					Official legal documents Contracts

training centers for small and medium businesses (SME) at the selected town-forming enterprises and supporting the qualifying small businesses, including through the credit line provided by the Development Bank of the Republic of Belarus (DBRB).	2.2 A group of national experts trained to teach small business entrepreneurship to the those released from the SOEs	0	2016	30				30	Feedback questionnaires Assessments
	2.3 Small and medium-sized enterprises established due to the measures to support entrepreneurship and industrial cooperation in pilot towns.	0	2016			20			Registration statistics
	2.4 Total value (USD) of dedicated loans issued to SMEs established with the support of the project	0	2016		300,000	700,000			Belarusian Development Bank official reports
Output 3 Creation of favourable conditions for the development of small business and production cooperation in small and medium-sized towns.	3.1 National Subcontracting Centre (NSC) established	0	2016			1		1	Official legal documents Contracts
	3.2 Business matchmaking sessions (BMS) held to expand the cooperation in the EAEU	0	2016		3	3		6	Feedback questionnaires Assessments
	3.3 Cooperation agreements signed, including businesses from the Russian Federation and the Republic of Kazakhstan.	0	2016			5		10	Official legal documents Contracts
	3.4 Multi-stakeholder projects developed in the pilot towns to facilitate the collaboration between Government, NGOs and businesses	0	2016			5		5	Project agreements
	3.5 The International Conference on Small Towns held to exchange experience between the Eurasian Economic Union (EAEU) member states	0	2016			1		1	Questionnaires to participants
	3.6 The professional capacity in the field of industrial cooperation and investment attraction improved: experts trained to analyse value chains, to apply international best practices in the social and economic development of small towns and to enhance competitiveness of the selected regions.	0	2016		15	15		30	Feedback questionnaires Assessments
		<i>Project progress reports</i>							

ОТРИМ
 АНХУУГААР ОЙНОГ
 ТЭГНЭГЭЭХ ҮНЭ
 НИЙСЭГЭЭТЭЭ ЭХЭДЭЭНИЙ
 ПЕРСОНАЛЫН ИСЭЛЭЙГ

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.		
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.		

At least annually discussed by the project board and used to make course corrections.

МОНІТОРИНГОВА КОМПАНІЯ
ТЕХНОЛОГІЇ І ІНФОРМАЦІЯ

<p>Project Report</p>	<p>A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.</p>	<p>Annually, and at the end of the project (final report)</p>			
<p>Project Review (Project Board)</p>	<p>The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of-project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.</p>	<p>Specify frequency (i.e., at least annually)</p>	<p>Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.</p>		

Evaluation Plans⁵

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Final project evaluation	All project partners	Improved business performance through enhanced market mechanisms	Output 2.1: National and subnational systems and institutions are able to achieve structural transformation of productive capacities that are sustainable and geared towards enhancement of employment and livelihoods. Output 2.2: Inclusive and sustainable socio-economic policies developed and implemented in selected sectors.	March 2018	All listed under the Stakeholders and Management Arrangements section	USD 10,000 (project budget)

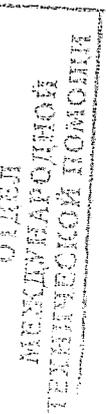
⁵ Optional, if needed

VII. MULTI-YEAR WORK PLAN ⁶⁷

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		2016	2017	2018	2019		Funding Source	Budget Description	Amount
Output 1 Development and promotion of the concept of socially responsible approach in SME development) in small and medium-sized towns of Belarus.	1.1 Study on "Small Towns: Potential for SME Development, Integration and Attraction of Investments"	Delivered by the project team and the national partner				UNDP	TFD		
	1.2 Study tour No. 1 to Russian Federation to learn the practice of implementing federal and regional employment and self-employment programs	35,000				UNDP	TFD	71600 Travel	35,000
	1.3 Identification of issues and improvement of legal and economic conditions for boosting business activities in selected regions.	5,000	5,000	5,000	5,000	UNDP	TFD	71300 Local Consultants 72100 Contractual Services-Companies 74500 Miscellaneous Expenses	20,000

⁶ Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

⁷ Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.


 Исполнительный совет
 ПРОГРАММЫ РАЗВИТИЯ
 НЕЗАВИСИМАЯ ГРУППА
 10/10/2010

1.4 Training on fundamentals of entrepreneurship including drafting of SME support plans to work with the potentially released personnel at pilot enterprises		12,000	12,000	UNDP	TFD	71300 Local Consultants 72100 Contractual Services-Companies 74200 Printing and publications 74500 Miscellaneous Expenses	24,000
1.5 Promotion of the socially responsible approach to SME development and extensive information and education campaign in the sphere of employment and self-employment.	1,000	1,000	1,000	UNDP	TFD	71300 Local Consultants 71200 International Consultants 72100 Contractual Services-Companies	4,000
1.6 Drafting and publication of a popular handbook on the basics of small and medium-sized business for information and training activities of the project			6,500	UNDP	TFD	71800 IT Equipment 74200 Printing and publications 74500 Miscellaneous Expenses	6,500
1.7 Development of SME support and development plans at pilot enterprises.		15,140				71300 Local Consultants 71200 International Consultants 74200 Printing and publications	15,140
1.8 Management & Monitoring	4,000	8,400	8,400	UNDP	TFD	64398 DPC Staff 74598 DPC GOE	26,000
Sub-Total for Output 1						<div style="border: 1px solid black; padding: 5px; text-align: center;"> МИНИСТЕРСТВО ЭКОНОМИКИ Республики Беларусь ОТДЕЛ МЕЖДУНАРОДНОЙ ТЕХНИЧЕСКОЙ ПОМОЩИ </div>	129,640

Output 2 Establishing business incubators / training centers for small and medium businesses (SME) at the selected town-forming enterprises and supporting the qualifying small businesses, including through the credit line provided by the Development Bank of the Republic of Belarus (DBRB).	2.1	Selection of towns and enterprises to establish and host incubators / training centers	3,000					UNDP	TFD	71300 Local Consultants 71600 Travel	3,000
	2.2	Study tour No.2 to Russian Federation to learn the activities of incubators / training centers for small and medium business.		38,000				UNDP	TFD	71600 Travel	38,000
	2.3	Training of national experts / instructors on the fundamentals of entrepreneurship for redundant employees and for the established incubators / training centers		3,500	3,500			UNDP	TFD	71300 Local Consultants 71200 International Consultants 72100 Contractual Services-Companies 71600 Travel 74500 Miscellaneous Expenses	7,000
	2.4	Introductory workshops on establishment of incubators/training centers for small and medium-sized businesses		12,500				UNDP	TFD	71300 Local Consultants 71200 International Consultants 72100 Contractual Services-Companies 71600 Travel 74200 Printing and publications 74500 Miscellaneous Expenses	12,500

НАЧАЛО КОМЕРЦІАЛІЗАЦЫІ
 АДМІНІСТРАЦЫІ
 РЭСПУБЛІКІ БЕЛАРУСЬ
 МІНІСТАРСТВО АЭС
 МІНІСТАРСТВО АЭС

2.5	Establishment of production and service platforms (incubators) in each pilot town employing the released and ineffectively used premises (production facilities, administrative or auxiliary buildings) to host small enterprises and individual entrepreneurs.	10,000	184,000	54,000	14,000	UNDP	TFD	71300 Local Consultants 71200 International Consultants 72100 Contractual Services- 71600 Travel 71800 IT Equipment 74200 Printing and publications 74500 Miscellaneous Expenses	262,000 <i>491,800?</i>	
2.6	Assistance to employees in organizing small businesses with the dedicated credit funding from the Development Bank of the Republic of Belarus.		300,000	500,000	200,000	Development Bank of Republic of Belarus	National co-finance	Co-finance budget	1,000,000	
2.7	Expansion of the opportunities of the members of the incubators to get financial support from the Development Bank (DBRB) and the Belarusian Fund for the Financial Support of Entrepreneurship (BFFSE)	8,000	20,000			UNDP	TFD	71300 Local Consultants 71200 International Consultants 72100 Contractual Services- 74500 Miscellaneous Expenses	28,000	
2.8	Management & Monitoring	4,000	8,400	8,400	4,200	UNDP	TFD	64398 DPC Staff 74598 DPC GOE	25,000	
Sub-Total for Output 2										1,404,800

НАМНІСТРАДЖО БКАМОНАМ
 РЕСПУБЛІКІ БЕЛАРУСЬ
 АТЭС
 МЕНАВАРДЖАМОНАМ
 ТЭХНІЧЭСКАМ НАЧАЛАМ

2.5 Establishment of production and service platforms (incubators) in each pilot town employing the released and ineffectively used premises (production facilities, administrative or auxiliary buildings) to host small enterprises and individual entrepreneurs.	39,300	184,000	54,000	14,000	UNDP	TFD	71300 Local Consultants 71200 International Consultants 72100 Contractual Services-Companies 71600 Travel 71800 IT Equipment 74200 Printing and publications 74500 Miscellaneous Expenses	291,300
2.6 Assistance to employees in organizing small businesses with the dedicated credit funding from the Development Bank of the Republic of Belarus.		300,000	500,000	200,000	Development Bank of Republic of Belarus	National co-finance	Co-finance budget	1,000,000
2.7 Expansion of the opportunities of the members of the incubators to get financial support from the Development Bank (DBRB) and the Belarussian Fund for the Financial Support of Entrepreneurship (BFFSE)	8,000	20,000			UNDP	TFD	71300 Local Consultants 71200 International Consultants 72100 Contractual Services-Companies 74500 Miscellaneous Expenses	28,000
2.8 Management & Monitoring	4,000	8,400	8,400	4,200	UNDP	TFD	64398 DPC Staff 74598 DPC GOE	25,000
Sub-Total for Output 2								1,404,800

РУБЛ. НА ЧАСТИ
 РЕСПУБЛИКИ БЕЛАРУСЬ
 ОТДЕЛ
 НАЦИОНАЛЬНОГО
 СТАТИСТИЧЕСКОГО КОМИТЕТА

Output 3		Creation of favorable conditions for the development of small business and production cooperation in small and medium-sized towns.					
3.1	Establishment of the National Subcontracting Center (NSC)	40,000	14,926	UNDP	TFD	71300 Local Consultants 72100 Contractual Services-Companies 71800 IT Equipment 74200 Printing and publications 74500 Miscellaneous Expenses	54,926
3.2	Organization of business matchmaking sessions (BMS) for SMEs and large enterprises in the selected regions with the participation of Russian and Kazakh businesses.	20,000	20,000	UNDP	TFD	71300 Local Consultants 71200 International Consultants 72100 Contractual Services-Companies 71600 Travel 74500 Miscellaneous Expenses	40,000
3.3	Participation of Belarusian representatives of small business in inter-regional business matchmaking sessions in the Russian Federation and Kazakhstan to expand cooperation within the EAEU	10,000	10,000	UNDP	TFD	71300 Local Consultants 72100 Contractual Services-Companies 71600 Travel 74500 Miscellaneous Expenses	20,000
3.4	Development and publication of practical guidelines on different forms of production cooperation (subcontracting, franchising, regional clusters)	4,000	5,000	UNDP	TFD	71300 Local Consultants 72100 Contractual Services-Companies 74200 Printing and publications	9,000
3.5	Creation of investment and partnership projects with multilateral participation in pilot small towns	10,000		UNDP	TFD	71300 Local Consultants 74500 Miscellaneous Expenses	10,000

ДІЯСЬ
 НЕЗЛЕЖИВОЮ
 ПРАВИТЕЛЬНОЮ
 ПОЛІТИКОЮ

Evaluation (as relevant)	3.6 Holding the International Conference on Small Towns	3.7 Management & Monitoring	4,000	8,400	8,400	4,200	UNDP	TFD	71300 Local Consultants 71200 International Consultants 72100 Contractual Services-Companies 71600 Travel 71800 Equipment 74200 Printing and publications 74500 Miscellaneous Expenses 64398 DPC Staff 74598 DPC GOE	25,000
			Sub-Total for Output 3							
Project Management (Staff, project office rent and equipment, communication, translation, PR costs)			32,560	65,000	65,000	30,000	UNDP	TFD		192,560
General Management Support			12,347	24,690	24,690	12,347	UNDP	TFD		74,074
TOTAL										2,000,000

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VIII. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Belarus and UNDP, signed on 24 September 1992.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing entity and its personnel and property, and of UNDP's property in the executing entity's custody, rests with the executing entity.

The executing entity shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the executing entity's security, and the full implementation of the security plan.

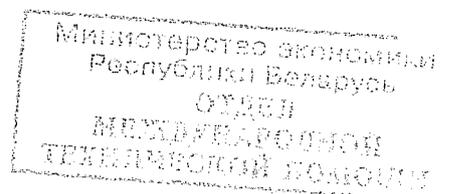
UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing entity agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

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IX. ANNEXES

1. **Social and Environmental Screening Template**, including additional Social and Environmental Assessments or Management Plans as relevant. *(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).*
2. **Risk Analysis.**
3. **Project Board Terms of Reference and TORs of key management positions**
4. **Provision of UNDP Country Office Support Services in the Implementation of the Project**



Annex 1. Social and Environmental Screening Template

Project Information	
1. Project Title	Promotion of employment and self-employment of the population in small and medium-sized towns in the Republic of Belarus
2. Project Number	
3. Location (Global/Region/Country)	Belarus

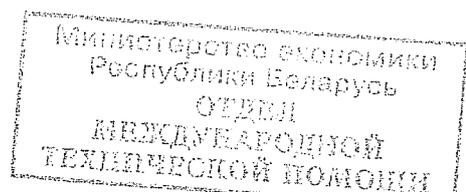
Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?
<i>Briefly describe in the space below how the Project mainstreams the human-rights based approach</i>
The project directly contributes to the right to work ICESCR Art 6.1, the right to an adequate standard of living ICESCR Art 11, as well as the elimination of discrimination against women UN CEDAW Art 14. The overall aim of the project is to support more decent jobs for population in regional areas. Interventions target increasing productivity and better access to global markets.
<i>Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment</i>
The project has an overall target of 50% female participation across its activities
<i>Briefly describe in the space below how the Project mainstreams environmental sustainability</i>
The project will follow the internationally recognized environmental norms.

Part B. Identifying and Managing Social and Environmental Risks

Risk Description	Impact and Probability (1-5)	Significance (Low, Moderate, High)	Comments	Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.
	$I = 2 \quad P = 1$	low		
	Select one (see SESP for guidance)			Comments
	Low Risk			<input checked="" type="checkbox"/>
	Moderate Risk			<input type="checkbox"/>
	High Risk			<input type="checkbox"/>

Check all that apply	Comments
Principle 1: Human Rights	<input type="checkbox"/>
Principle 2: Gender Equality and Women's Empowerment	<input type="checkbox"/>
1. Biodiversity Conservation and Natural Resource Management	<input type="checkbox"/>
2. Climate Change Mitigation and Adaptation	<input type="checkbox"/>
3. Community Health, Safety and Working Conditions	<input type="checkbox"/>
4. Cultural Heritage	<input type="checkbox"/>
5. Displacement and Resettlement	<input type="checkbox"/>
6. Indigenous Peoples	<input type="checkbox"/>
7. Pollution Prevention and Resource Efficiency	<input type="checkbox"/>



Final Sign Off

<i>Signature</i>	<i>Date</i>	<i>Description</i>
QA Assessor		UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

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SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks		Answer (Yes/No)
Principles 1: Human Rights		
1.	<i>Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?</i>	No
2.	<i>Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups?</i>	No
3.	<i>Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?</i>	No
4.	<i>Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?</i>	No
5.	<i>Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?</i>	No
6.	<i>Is there a risk that rights-holders do not have the capacity to claim their rights?</i>	No
7.	<i>Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?</i>	No
8.	<i>Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project- affected communities and individuals?</i>	No
Principle 2: Gender Equality and Women's Empowerment		
1.	<i>Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?</i>	No
2.	<i>Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?</i>	No
3.	<i>Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?</i>	No
4.	<i>Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services?</i> <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	No

Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	No
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	No
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)?	No

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<i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	
Standard 3: Community Health, Safety and Working Conditions	
<i>3.1 Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?</i>	<i>No</i>
<i>3.2 Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?</i>	<i>No</i>
<i>3.3 Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?</i>	<i>No</i>
<i>3.4 Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)</i>	<i>No</i>
<i>3.5 Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?</i>	<i>No</i>
<i>3.6 Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?</i>	<i>No</i>
<i>3.7 Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?</i>	<i>No</i>
<i>3.8 Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?</i>	<i>No</i>
<i>3.9 Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?</i>	<i>No</i>
Standard 4: Cultural Heritage	
<i>4.1 Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)</i>	<i>No</i>
<i>4.2 Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?</i>	<i>No</i>
Standard 5: Displacement and Resettlement	
<i>5.1 Would the Project potentially involve temporary or permanent and full or partial physical displacement?</i>	<i>No</i>
<i>5.2 Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions - even in the absence of physical relocation)?</i>	<i>No</i>
<i>5.3 Is there a risk that the Project would lead to forced evictions?</i>	<i>No</i>
<i>5.4 Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?</i>	<i>No</i>
Standard 6: Indigenous Peoples	
<i>6.1 Are indigenous peoples present in the Project area (including Project area of influence)?</i>	<i>No</i>

6.2 Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3 Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? If the answer to the screening question 6.3 is "yes" the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.	No
6.4 Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5 Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6 Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7 Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8 Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9 Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
7: Standard Pollution Prevention and Resource Efficiency	
7.1 Would the Project potentially result in the release of pollutants to the environment due to routine or nonroutine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2 Would the proposed Project potentially result in the generation of waste (both hazardous and nonhazardous)?	No
7.3 Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol	No
7.4 Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5 Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

Annex 2. Risk Analysis

Project Information		Promotion of employment and self-employment of the population in small and medium-sized towns in the Republic of Belarus	
1. Project Title			
2. Project Number			
3. Location (Global/Region/Country)	Belarus		

3. Risk Analysis

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Management response	Owner	Submitted, updated by	Last Update	Status
1	Changes in Government economic policy related to SME support	Project Initiation phase	Structural	P = 3 I = 3	The project will affect or adapt to the relevant policies	Project Developer	Project Developer		
2	Economic slowdown may impact project results	Project Initiation phase	Structural	P = 2 I = 2	The project will closely monitor the macroeconomic analyses to prevent any negative consequences from potential fluctuations	Project Developer	Project Developer		
3	Limited awareness of beneficiaries of the opportunities of SMF, development and production cooperation	Project Initiation phase	Operational	P = 2 I = 1	The project will extensively publicize and promote the opportunities	Project Developer	Project Developer		
4	Limited capacities of SMFs to comply with lending requirements of the Development Bank	Project Initiation phase	Operational	P = 2 I = 3	The project will scrutinize the lending requirements and ensure the training is available to beneficiaries to meet them	Project Developer	Project Developer		

Annex 3

Project Management Roles

1. Terms of Reference for the Project Board

The Project Board (PB) will be created to monitor the project implementation and provide advice on strategic project issues.

The Project Board is the group responsible for making by consensus management decisions for the project when guidance is required by the Project Manager, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance to the standards under UNDP Financial Rules and Regulations that shall ensure best value to money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached, final decision shall rest with the UNDP Resident Representative in consultation with the national partner. Project reviews by this group are made at designated decision points during the running of a project, or as necessary when raised by the Project Manager. The Project Board is taking decisions when PM tolerances (normally in terms of time and budget) have been exceeded.

Composition and organization:

With the voting power:

- Chairperson - the Ministry of Economy
- UNDP through Deputy Resident Representative (or Programme Officer)
- The Donor

As observers:

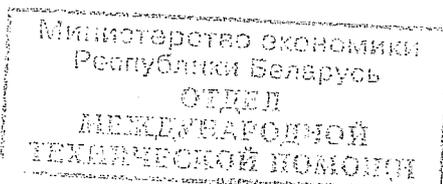
- Beneficiaries - local governments; the Belarusian Fund of Financial Support to Entrepreneurship; management of town-forming SOEs from small and medium towns
- The Provider of additional funding: The Development Bank of the Republic of Belarus

Representative of other stakeholders can be included in the Board as appropriate.

1. FUNCTIONS

Summary of key functions:

- Analysis and elaboration of recommendations on the project implementation strategy and long-term planning.
- Support to the implementation of the project.
- Consideration and approval of project progress and final reports.
- Consideration and approval of annual work plans and other key project documentation if necessary.
- Evaluation of the attained project results.



Project implementation:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the Project Manager;
- Provide guidance and agree on possible countermeasures/management actions to address project risks;
- Coordinate actions with already existing initiatives and projects on related issues, in order to avoid duplication, seek to create complimentary and synergies.
- Agree on Project Manager's tolerances in the Annual Work Plan and quarterly plans when required;
- Conduct regular meetings to review the Project Quarterly Progress Report and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans.
- Review Combined Delivery Reports (CDR) prior to certification by the Implementing Partner;
- Appraise the Project Annual Review Report and make recommendations for the next AWP.
- Review and approve end project report, make recommendations for follow-on actions;
- Provide ad-hoc direction and advice for exceptional situations when project manager's tolerances are exceeded;
- Assess and decide on project changes through revisions;

Project Closure:

- Assure that all Project deliverables have been produced satisfactorily;
- Review and approve the Final Project Review Report, including Lessons-learned;
- Make recommendations for follow-on actions;
- Certify operational completion of the project.

2. PROCEDURES

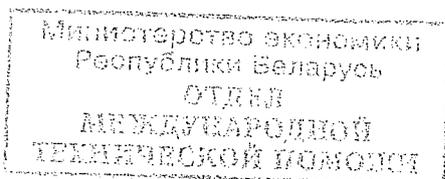
The PB shall be convened as deemed necessary but no less than twice a year. The first meeting of the PB members shall be organized immediately after project registration.

The Project Manager shall act as the PB executive secretary. He/she shall also be responsible for the preparation of the materials required for the PB sittings. The executive secretary does not vote on the PB decisions but has an advisory function.

The time and venue of the sittings shall be coordinated by the executive secretary with its members. Each PB member must be informed on the venue, time and agenda in advance.

The PB sittings shall be legally competent if quorum is in place when at least half of the PB members are present. In exceptional cases, the PB members may be polled by telephone or email.

All organizations involved in the project are entitled to submit proposals to the PB.



The PB sitting minutes shall be signed by the Chairperson.

The PB decisions shall be taken on the basis of the consensus of the participants.

Representatives of appropriate state structures, business associations and NGOs can be invited to the PB sittings as deemed necessary.

The decision on the recipient of equipment procured within the project will be taken by PB members during the PB sitting.

2. Terms of Reference for Project Manager

Job Title	Project Manager
Level	
Location	Minsk, Belarus
Project	<i>Number and title</i>
Duration of position	

Organizational setting and project background:

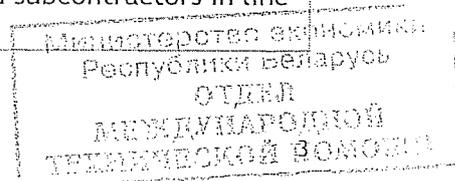
Brief description of the project and relevant organizational arrangements

Responsibilities:

The Project Manager assumes overall responsibility for the successful implementation of all project activities and the achievement of planned project outputs. He/she works under supervision of UNDP and in coordination with the Project National Coordinator assigned by the National Executing Entity. The objective of the assignment is to ensure effective project management and monitoring.

Duties:

- Supervise and coordinate the project to ensure its results are in accordance with the Project Document and the rules and procedures established in the UNDP Programming Manual;
- Supervise and coordinate the work of the Project team;
- Assume primary responsibility for the daily project management - both organizational and substantive matters, budgeting, planning and general monitoring of the project;
- Facilitates transfer of project funds to partners for their respective components, ensures adequate coordination and information sharing with them for the purposes of the project planning, implementation, reporting and visibility;
- Prepare detailed annual work plans, to be approved by the Project Board, ensure adherence thereto, including the monitoring and adjustment theory of change;
- Prepare terms of reference for national consultants and subcontractors in line with relevant UNDP procedures;



- Prepare annual project reports (APR) in line with UNDP requirements and donor reporting rules, as well as any other reports requested by the National Executing Entity or UNDP;
- Monitor the expenditures, commitments and balance of funds under the project budget lines;
- Assume overall responsibility for meeting financial delivery targets set out in the agreed annual work plans, reporting on project funds and related record keeping;
- Guide and coordinate the work of national and international consultants and subcontractors and oversee its compliance with the agreed work plan;
- Organize and supervise workshops and trainings needed during the project;
- Liaise with relevant ministries, national institutes and other relevant institutions in order to involve their staff in project activities as necessary and gather and disseminate information relevant to the project;
- Ensure adequate information flow, discussions and feedback among the various stakeholders of the project;
- Coordinate project activities with other related technical assistance programs in Belarus;
- Maintain regular contact with UNDP Country Office and the Project National Coordinator on project implementation issues of their respective competence;
- Undertake any other actions related to the project as requested by UNDP or the Project National Coordinator.

Expected results - Successful delivery of agreed project outcomes and milestones, as indicated in the Project Document.

Qualifications:

- Higher education in economics, public administration, law, management or related fields; advanced degree or academic training in these areas would be considered an asset;
- Extensive project implementation experience, with skills in facilitation and coordination of development activities, and demonstrated ability to work in an independent manner;
- Working experience in the area covered by the project is highly desirable;
- Working knowledge of UNDP rules and regulations is an asset;
- At least 10 years of relevant professional experience in the field.
- At least 2 years of project management experience.
- International project management experience is an advantage.

Competencies:

- Clear and careful oral and written communication skills.
- Self-starter, with strong sense of ownership, assertive follow-through, and orientation towards results.
- Ability to perform well under pressure, adapt to change, and meet deadlines in a fast-paced environment.
- Ability to communicate with staff and constituencies from multiple organizations, and to provide strategic guidance in a collaborative, consultative, and positive manner.
- Excellent analytical, problem solving skills, and strong attention to detail.
- Ability to build consensus and to work through others in achieving desired results and objectives.
- Consistent ability to set and deliver against a work plan in a fast-paced environment.

- Strong interpersonal skills and the ability to work effectively with a wide range of constituencies in a diverse community.
- Computer literacy;
- Excellent written and spoken English and Russian are required.

3. Terms of Reference for Administrative and Financial Assistant

Job Title	Administrative and Financial Assistant
Level	
Location	Minsk, Belarus
Project	<i>Number and title</i>
Duration of position	

Organizational setting and project background:

Brief description of the project and relevant organizational arrangements

Responsibilities:

Under the guidance and direct supervision of the Project Manager, the Administrative and Financial Assistant provides execution of administrative and financial services for the successful implementation of project activities and the achievement of planned project results. He/she is responsible for all accounting (disbursements, record-keeping, cash management) matters under the project.

He/she promotes a client-oriented approach consistent with UNDP rules and regulations and works in close collaboration with the national partners and other key project partners, including international organizations and NGOs, for resolving complex finance-related issues and information delivery.

Summary of Key Functions :

- Accounting and administrative support;
- Provide financial monitoring and reporting.

Accounting and administrative support focusing on achievement of the following results:

- Provide support in administrative and personnel issues to ensure the effective running of the project management unit;
- Assist Project Manager in drafting project correspondence and documents; prepare correspondence of administrative nature;
- Prepare draft job descriptions, vacancy announcements, compiling matrixes in consultation with Project Manager for UNDP HR approval;
- Assist in collection, preparation and submission of support documents for IC recruitment using UNDP recruitment system;

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- Provide maintenance and monitoring of staff monthly and annual attendance records for CO review;
- Under Project Manager's coordination provide services for performance evaluation review of project personnel;
- Assist Project Manager in responding to telephone inquiries, fax, post and e-mail transmissions, and co-ordinate appointments;
- Provide proper accounting to the project by controlling the supporting documents for payments and reviewing financial reports sub-contractors and sub-recipients;
- Prepare submission of payment requests with proper support documentation to UNDP CO;
- Prepare and submit travel documents to UNDP CO in accordance with UNDP requirements;
- Provide necessary financial and logistical support to visits of foreign experts and delegations (visa support, transportation, hotel accommodation etc.);
- Collect and keep files of project documents, expert reports and ensure general circulation of documents;
- Provide English translation as required;

Provide financial monitoring and reporting focusing on achievement of the following results:

- Provide financial support to ensure an effective running of the project management unit in compliance with UNDP rules, regulations and policies of financial activities, financial recording/reporting system;
- Provide follow-up on audit recommendations;
- Implement effective internal controls and ensure proper functioning of a client-oriented financial resources management system;
- Contribute to preparation of periodic financial reports required by relevant national and/or donor procedures for project, donors, government and other parties involved in implementation and funding of activities;
- Ensure timely submission and verification of correctness of reports;
- Provide advice to the international organizations in proper planning, handling and reporting to UNDP with regard to disbursed resources and in accordance with UNDP rules.
- Interact with UNDP CO to request funds transfer, verify financial reports, budget revisions;
- Provide financial monitoring over project commitments and expenditures, and assist the PM in assuring proper project delivery;
- Control the usage of non-expendable equipment (record keeping, drawing up regular inventories);
- Draft project correspondence and documents and finalize correspondence of financial nature;
- Edit reports and other documents for correctness of form and content in financial issues;

Other:

Perform any other administrative and financial duties as requested by the Project Manager.

Qualifications:

- Advanced university degree in economics, finance, administration or management;
- At least 2 years of relevant finance experience;
- Excellent finance and budgeting skills;
- Working knowledge of UNDP rules and regulations is an asset;
- Previous experience in administering UNDP projects is an asset;

Programme & Project Management Roles

- Experience in the usage of computers and office software packages (MS Word, Excel, etc) and advance knowledge of spreadsheet and database packages, experience in handling of web based management systems;
- Fluency in written and spoken English and Russian is mandatory, including the ability to draft, edit and finalize documents in English and in Russian.

Competencies:

- Demonstrates corporate knowledge and sound judgment;
- Self-development, initiative-taking;
- Outstanding analytical, organizational and administrative skills;
- Remains calm, in control and in good disposition even under pressure;
- Demonstrates strong oral and written communication skills.

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Annex IV. Provision of UNDP Country Office Support Services in the Implementation of the Project

The UNDP country office may provide at the request of the Executing Entity the following support services for the implementation of activities of the project:

- Payments, disbursements and other financial transactions
- Recruitment of project personnel and consultants
- Procurement of goods and services
- Organization of training activities, conferences and workshops

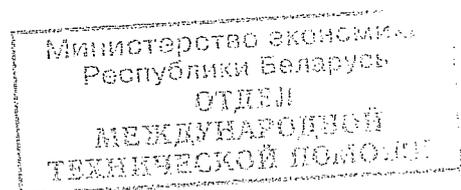
The support services provided by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Direct project costs incurred with regards to UNDP support services are to be recovered to UNDP.

Pursuant to the relevant provisions of the Standard Basic Assistance Agreement (SBAA) between the Government of Belarus and UNDP, signed on 24 September 1992, and provisions of the project document, the provisions on liability and privileges and immunities shall apply. The Government shall retain overall responsibility for the nationally managed project through its Executing Entity. The responsibility of the UNDP country office for the provision of the support to the Executing Entity shall be limited to the services detailed in the table below. Any claim or dispute arising under or in connection with the provision of support by the UNDP country office shall be handled pursuant to the relevant provisions of the SBAA.

In accordance with the provisions of the project document "Supporting the Republic of Belarus in Addressing Irregular Migration and Promoting Human Rights of Vulnerable Migrants", the UNDP country office shall provide support at the request of the Executing Entity as described in the table below. Cost-recovery by UNDP country office for direct project costs shall be funded from the project budget using the following method:

- Inclusion of the cost (or a part thereof) of country office staff involved in provision of support services into the project budget.

Schedule for the provision of ISS, cost and method are described in the table below.



Support Services	Schedule for the provision of the support services	Cost to UNDP of providing such support services (where appropriate)	Amount and method of reimbursement of UNDP (where appropriate)
Processing of payments disbursements and other financial transactions	Based on request for payment	Cost of dedicated staff in accordance with agreed percentage	Periodic billing based on actual staff cost and agreed percentage
Procurement of goods and services	Based on request and project annual work plan	Cost of dedicated staff in accordance with agreed percentage	Periodic billing based on actual staff cost and agreed percentage
Project personnel and consultants selection and recruitment process	Based on request and project annual work plan	Cost of dedicated staff in accordance with agreed percentage	Periodic billing based on actual staff cost and agreed percentage
Travel arrangements	Based on request and project annual work plan	Cost of dedicated staff in accordance with agreed percentage	Periodic billing based on actual staff cost and agreed percentage
General administration (pouch service, visa support, customs clearance, etc)	Based on request and project annual work plan	Cost of dedicated staff in accordance with agreed percentage	Periodic billing based on actual staff cost and agreed percentage
IT services	Based on request and project annual work plan	Cost of dedicated staff in accordance with agreed percentage	Periodic billing based on actual staff cost and agreed percentage
Communications service	Based on communication plan	1% of the UNDP resources contributed to a project	Billing once a year

If the requirements for support services by the country office change during the life of a project, the annex may be revised with the mutual agreement of the UNDP Resident Representative and the Executing Entity.

International Public Sector Accounting Standards are financial reporting standards used in UNDP.

