

## ANNEX II

of the Commission Implementing Decision on the Annual Action Programme 2013 in favour of Belarus

### 1. IDENTIFICATION

Title/Number	<b>Extension of the programme "Support to regional and local development in Belarus" (RELOAD-2)</b> CRIS number: ENPI/2013/024-680		
Total cost	Total estimated cost: EUR 3.600.000 Total amount of EU budget contribution: EUR 3.500.000 This action is co-financed in joint co-financing by UNDP for an amount of EUR 100.000 (to be confirmed).		
Aid method / Method of implementation	Project Approach Direct centralised management – procurement of services, supplies for Component 1 Joint management with UNDP for Component 2		
DAC-code	15112	Sector	Decentralisation and support to subnational government

### 2. RATIONALE AND CONTEXT

#### 2.1. Summary of the action and its objectives

RELOAD-2 is called to extend the RELOAD programme with its regional and local components to include the two uncovered regions: Grodno oblast and Minsk oblast<sup>1</sup>. The implementation of RELOAD-2 will allow affirming the role of regional and local communities in Belarus and stimulate regional growth. RELOAD-2 will support national regional development efforts with examples, pilot projects and local-level initiatives. The programme is expected to promote dynamic regional development as one of the driving forces of the Belarusian economy and an additional source of country's competitive advantage.

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<sup>1</sup> Minsk oblast (region), representing 20% of the country's area and 15% of the population, is not to be confused with the capital city of Minsk.

## **2.2. Context**

### **2.2.1. Country context**

#### 2.2.1.1. Economic and social situation and poverty analysis

Many of the Belarus' districts have signs of recessive development. In general, compared to the capital Minsk and the six regional centres as opposed to the oblasts, territorial development in Belarus is much misbalanced. While Belarus has developed elaborated programming documents and development strategies, it still lacks a comprehensive strategic document on regional development policies.

#### 2.2.1.2. National development policy

Regional and Local Development is one of the key priorities of the socio-economic development policy of Belarus. National programming documents such as "Programme of Social-Economic Development for 2011-2015", "National Strategy for Sustainable Development of Belarus until 2020" clearly indicate sustainable regional development as one of the central country development axes.

### **2.2.2. Sector context: policies and challenges**

Drafting of a unified National Regional Development Concept is expected to be one of the major outcomes of the national component of AAP 2011 programme "Support to regional and local development in Belarus" (ENPI/2011/22824, hereafter referred as RELOAD). The RELOAD programme is also designed to develop competences of Belarusian regional and local counterparts in regional development management in four participating regions (Brest, Gomel, Mogilev and Vitebsk), as well as to enable citizens at local level to take an active part in decision making concerning the socio-economic and cultural development of their communities.

The initial choice of the first four pilot regions was based on a combination of social and economic indicators aiming to assist the least developed regions. Active support and interest from the Belarusian counterparts, as well as the specificity of the centralised management system of the country calls for adopting a holistic approach to the whole territory, all six regions.

The importance of supporting regional and local level in Belarus is intensifying in the challenging economic environment of the country. Indeed, the economic crisis of 2010-2011 strongly affected the plans of the Government which was forced to decrease the financing of many of the regional and national programmes. Therefore, development of local sources of growth on the grass-root level would contribute to the country's sustainability.

In this way, this action is a logical and awaited continuation of the RELOAD programme, and has the same purpose and objectives which have been outlined above. This will reinforce the transformation of regional development in line with the provisions of the EU cohesion policy as well as with the aims of the Eastern partnership, by: improving the attractiveness of regions and cities, encouraging innovation, entrepreneurship, knowledge economy, creating more and better jobs, investing in human capital. Capacity building of the regional and local actors, including communities and NGOs is seen as a prerequisite for the above mentioned policies. The involvement of the private sector in the regional policy can be ensured

in accordance with the government Law on public-private partnership. A systemic approach (including economic, social dimensions) needs to be adopted, as well as coordination mechanisms between major stakeholders at national and regional levels.

### 2.3. Lessons learnt

Due to lengthy national endorsement processes, lessons learnt from the RELOAD programme are limited, as the programme has been launched only recently. Nevertheless, it is obvious from past experience that in the absence of local self-governance skills and practices it is important to secure the political commitment on the national level. While central and regional partners are very enthusiastic on supporting the programme's objectives, they clearly lack capacity to design and implement regional development actions. Thus, the continuation of capacity building of all counterparts has to be a precondition for successful project implementation.

The project draws from past experience of an EU-funded project "Area Based Approach to Local Development" (ABD) implemented in Gomel Region in the context of post-Chernobyl recovery of the area which involved local authorities and civil society organisations in developing sustainable development strategies. The project has proved that the community building approach is an effective tool of local development in specific country context.

### 2.4. Complementary actions

- **ENPI Cross-Border Cooperation programmes** Latvia-Lithuania-Belarus and Poland-Belarus-Ukraine. Both Minsk and Grodno regions are active participants of the programmes. Necessary coordination of activities will be ensured by national registration procedures as well as through the National Coordination Unit. The present programme will largely benefit from valuable experience gained by regional and local stakeholders through the participation in CBC projects such as project management skills and efficient local partnerships.
- **EU thematic instruments** – Investing in People, Non State Actors and Local authorities and the European Instrument for Democracy and Human Rights.
- **AAP 2012 "Green Economy in Belarus"** (GREEB) is aimed among other at promoting green economy decision making and production/consumption patterns through support and implementation of small green initiatives, pilot projects and visibility/public awareness projects, including on the regional and local level. Addressing these issues entails both improving legislation and building the capacity of regional and central environmental bodies with the transfer of proper techniques, knowledge and skills. Regional and local components of the programme will be implemented by UNDP and coordinated with relevant activities of RELOAD-2.
- **AAP 2012 Greening Economies in the Eastern Neighbourhood (EaP-GREEN) programme** aims to mainstream sustainable consumption and production into national development plans, legislation and regulatory framework as well as environmentally sustainable economic development by shifting to green economy through the adaptation and adoption of sustainable consumption and production practices.

- **AAP 2013 EaP Territorial Cooperation Support (TCP)** Programme will be indirectly supporting local and regional development. The projects aim to replicate the model of cross-border cooperation programmes without the involvement of EU Member States. Project priorities should include the promotion of economic and social development in regions on both sides of common borders, promotion of local cross border “people-to-people” actions. Main complementarities between TCP and RELOAD will be in capacity building activities on the local level. Coordination with RELOAD-2 programme will be ensured by the Delegation of the European Union to Belarus as well as through programme steering bodies.
- European Parliament pilot project "**Enhancing regional and local cooperation through the promotion of EU regional policy at a global scale**" aims at building up knowledge and experience of regional policy in the framework of the strategic partnership between the Commission and third countries, as well as initiating new regional partnerships. The actions supported will include the organisation of events, information activities, study visits, networking and studies. Necessary measures will be taken to avoid duplication of activities within the two programmes.

## 2.5. Donor coordination

The Delegation of the European Union to Belarus hosts regular donor coordination sessions involving largest local players including UNDP and Member States in line with the principles of the Paris Declaration.

Dedicated numerous working coordination meetings with UNDP and the Beneficiary, represented by the Ministry of Economy, ensure day-to-day coherence of activities.

Necessary government coordination is ensured through routine meetings with the National Coordinating Unit.

## 3. DETAILED DESCRIPTION

### 3.1. Objectives

**Overall Objective:** To promote sustainable regional development in Belarus and particularly in the regions of Grodno and Minsk.

**Specific objectives:**

- 1) To develop competences and capacities of Belarusian regional and local counterparts in regional and local development management, including through realisation of pilot projects.
- 2) To enable citizens at local level to take an active part in decision making concerning the socio-economic and cultural development of their communities, including a micro-grant programme to support local initiatives.

### 3.2. **Expected results and main activities**

Support to regional development is a new cooperation area. It meets apparent demand expressed by Belarus authorities. While the national framework of regional development will be ensured by the RELOAD programme, the present project aims at continuing its regional and local components by targeted interventions in Minsk and Grodno regions. RELOAD-2 will support national regional development efforts with examples, pilot projects and local-level initiatives.

#### **Expected results:**

##### Component 1 - Regional level:

- Enhanced capacity of regional authorities and regional civil society organisations to formulate and update the development strategies.
- A number of pilot projects to support regional development strategies are implemented in Grodno and Minsk regions.

##### Component 2 - Local level:

- Modernised Area Based Development Programme launched and implemented with support of UNDP in continuation of the Component 3 of RELOAD.
- Enhanced capacity of local level stakeholders to plan and implement development strategies.

##### Indicative activities for Component 1

1. Elaboration of the comprehensive plans for regional development, including financing planning for Minsk and Grodno regions;
2. Wide public discussion on the identification of pilot projects involving national and regional authorities, civil society and other regional stakeholders;
3. Support of the pilot projects design and formulation, implementation of pilot projects in each of two regions to support regional development priorities.

Grodno and Minsk regions being the most developed territories due to their geographic position and historical socio-economic architecture, it was agreed with the Belarusian authorities that regional pilot projects activities should target but not be limited to the following key sectors:

- environment;
- support to private business development on the regional level;
- improvement of communal and housing sector.

Identification of pilot projects should result from wide public discussion involving national and regional authorities, civil-society stakeholders, in coordination with the Contracting Authority. Examples of pilot projects are but should not be limited to the following activities:

- feasibility studies for energy-efficiency / environmental friendly communal systems, supply of such systems;
- design and supply of innovative waste treatment facilities;
- promotion of green economy activities;

- promotion of national cultural identity and tourism development.

### Indicative activities for Component 2

Central role in the implementation of this component will be played by local level civil society organisations in close partnership with local authorities.

1. Establishment of partnerships among local/regional stakeholders;
2. Social mobilisation for creation of support structures (community organisations);
3. Training/study visits and other support for institutional capacity building;
4. Participatory planning and mainstreaming of community plans;
5. Micro-project proposal preparation, appraisal, approval and funding of community projects (call for proposals under grant programme);
6. Awareness raising and creation of info-centres to support project activities.

### **3.3. Risks and assumptions**

#### **Risks:**

- 1) Central authorities have no willingness / possibility to adopt the regional development reform. Risk mitigation: high-level advocacy and consultancy on the positive economic and social potential impact of the regional development policy.
- 2) Regional and local authorities may be reluctant to introduce participatory approaches without a clear signal from the centre. Risk mitigation: clear interconnections between the project components will ensure its positive outcome. Regional and local activities will build on national regulatory component of RELOAD programme. Intensive awareness raising measures including TAIEX seminars should also contribute to the risk mitigation.

#### **Assumptions:**

- 1) The Government of Belarus stays committed to the issues of regional and local development and its officials take part in the project activities.
- 2) Local authorities and communities establish fruitful dialogue and show interest in grant programmes.
- 3) Residents of the target regions are interested in the active involvement in development and implementation of community based projects.

### **3.4. Cross-cutting issues**

As local initiatives of the communities often deal with environmental problems of a specific area, the action will have a positive environmental impact. Recent experiences on community based projects show that energy efficiency matters are likely to be taken into consideration when drafting bottom-up proposals coming from the communities. Gender equality, good governance, human rights will be directly targeted cross-cutting issues for this project.

### 3.5. Stakeholders

Key stakeholders will remain the same as for the RELOAD programme – regional and local self-governance bodies, civil society organisations, central authorities in charge of regional development.

The proposed project will impact first and foremost on local communities, NGOs and institutions (local/regional councils, district/regional state administration) involved in local development.

It is expected that the following target groups will directly benefit from the project implementation:

- Regional level: regional NGOs, economic departments of the regional executive committees, regional councils of deputies, regional development agencies.
- Local level: representatives of local communities, SMEs, local councils, NGOs.

## 4. IMPLEMENTATION ISSUES

### 4.1. Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of the Financial Regulation.

### 4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2 and 4.3 will be carried out, is **60 months**, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements.

### 4.3. Implementation components and modules

#### 4.3.1. Procurement (direct centralised management)

Subject	Type	Indicative number of contracts	Indicative trimester of launch of the procedure
Capacity-building of regional stakeholders, elaboration of regional development plans, support of the pilot projects design and formulation.	Services	1	III, 2014
Implementation of pilot projects in each of two regions to support regional development priorities.	Services, Supplies	2	III, 2015
Evaluation and audit.	Services	2	III, 2016 I, 2018

#### **4.3.2. *Joint management with an international organisation***

A part of this action with the objective of enabling citizens at local level to take an active part in decision making concerning the socio-economic and cultural development of their communities will be implemented in joint management with UNDP.

This implementation is justified because the involvement of UNDP is expected to bring additional value to the project. Indeed, as UNDP manages the 1<sup>st</sup> stage of the RELOAD programme, logical continuation of the programme requires the same actors to be responsible for the project to ensure better continuity and sustainability of the results.

Established close connections of UNDP with the local level civil society organisations and local communities who are the main stakeholders of the project as well allow for active and decisive implication of NGOs, local communities and local authorities.

The current project largely draws on past experience of the EU-UNDP project 'Area Based Approach to Local Development' implemented at Gomel Region in the context of post-Chernobyl recovery of the area, which involved local authorities and civil society organisations in developing sustainable development strategies.

In addition, good apolitical contacts of UNDP to central and local authorities should provide for smoother coordination, approval and registration.

UNDP intends to co-finance the action on the level of EUR 100.000.

Joint management with this international organisation in accordance with Article 53d of Financial Regulation 1605/2002 is possible because the organisation is bound by a long-term framework agreement (FAFA). The project is furthermore elaborated jointly between the organisation and the Commission and is a multi-donor action pooling funds of several donors which are not earmarked for specific expenditure.

The international organisation will award and implement all contracts implementing the action in accordance with the procedures and standard documents laid down and published by UNDP.

The change of method of implementation constitutes a substantial change except where the Commission "re-centralises" or reduces the level of budget-implementation tasks previously entrusted to the international organisation.

#### **4.4. *Scope of geographical eligibility for procurement in direct centralised and decentralised management***

Subject to the following, the geographical eligibility in terms of place of establishment for participating in procurement procedures and in terms of origin of supplies and materials purchased as established in the basic act shall apply.

The responsible authorising officer may extend the geographical eligibility in accordance with Article 21 (7) of the basic act on the basis of the unavailability of products and services in the markets of the countries concerned, for reasons of



extreme urgency, or if the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

#### 4.5. Indicative budget

<b>Module</b>	<b>Amount in EUR thousands</b>	<b>Third party contribution (indicative, where known)</b>
4.3.1. – Procurement (direct centralised)	2.400	N.A.
4.3.2. – Joint management with UNDP	1.000	100
4.7. – Evaluation and audit	100	N.A.
4.8. – Communication and visibility	-	N.A.
Contingencies	N.A.	N.A.
<b>Totals</b>	<b>3.500</b>	<b>100</b>

#### 4.6. Performance monitoring

*Component 1:* The Delegation of the European Union to Belarus will carry out routine monitoring of the activities carried out by the Contractors. Objectively verifiable indicators (OVI), both qualitative and quantitative, will have to be part of the methodologies included in the technical proposals. The final OVIs must be further regularly revised in close coordination with the Beneficiary's needs and ambition.

*Component 2:* The monitoring of the day to day implementation will be carried out by UNDP under its standard procedures, based on benchmarks to be agreed with the project beneficiaries and with the Delegation of the European Union to Belarus. It will include periodic assessment of progress and delivery of specified project results towards achievement of project objectives. Key indicators for performance monitoring will include such items as number of partnerships signed, community organisations formed, projects implemented. Along with standard UNDP procedures, the Delegation of the European Union to Belarus will ensure proper implementation monitoring by conducting regular reviews of project progress and analysis of project performance.

#### 4.7. Evaluation and audit

The project will be evaluated / audited according to standard Commission procedures. Mid-term and/or final evaluations of the results achieved are envisaged. An appropriate allocation for each component is set aside for this purpose.

Results-oriented monitoring will complement regular evaluations when needed.

Evaluation/verification of the joint management component will be according to the Financial and Administrative Framework Agreement between the European Commission and the United Nations (FAFA).

#### **4.8. Communication and visibility**

Communication and visibility activities should follow the Communication Visibility Manual for European Union External Actions. They should also be fully in line with the developments in the overall EU-Belarus relations. The project will aim, whenever possible and in line with EU's policy, for widespread dissemination of its achievements and results. On starting activities communication and visibility plans will be prepared and submitted to the EU Delegation for approval as per the Communication and Visibility Manual for European Union External Actions.

Communication and visibility activities of the joint management component will be according to the Financial and Administrative Framework Agreement between the European Commission and the United Nations (FAFA).